



Retail Impact and Sequential Test Assessment

Date:

July 2015

Client:

China Town Development Company Limited

Retail Impact and Sequential Test Assessment

Contents

Section	Page
1.0 Executive Summary	2
2.0 Introduction	3
3.0 Proposed Development.....	4
4.0 Planning Policy Overview	6
5.0 Retail Impact and Sequential Assessment Methodology	7
6.0 Retail Assessment.....	12
7.0 Conclusions.....	30

Appendix 1 – Retail Impact Tables

1.0 Executive Summary

- 1.1 This Retail Impact and Sequential Test Assessment has been submitted in support of a hybrid planning application for a mixed use development known as Little Chinatown. The application site is located off Great George Street within Liverpool City Centre, formerly known as Tribeca Fields. This Assessment has been prepared as the site is located outside of the Main Retail Area and among the mix of uses, the proposals include up to 5,000m² of retail floorspace.
- 1.2 The majority of the proposed retail floorspace will be delivered through the creation of a new Chinese-themed retail/bazaar type development which will provide a new retail offer to the city, occupied primarily by independent retailers.
- 1.3 The proposed retail development is intended to primarily serve two distinct customer bases. The first customer base is the local Chinese community and other residents wishing to purchase specialist Chinese themed goods such as those that will be sold within the bazaar. The other primary customer base will be visitors and tourists to the City Centre and Chinatown with the new bazaar and development as a whole becoming a destination within its own right for visitors/tourists.
- 1.4 As the site is in an out-of-centre location, this assessment considers both the sequential test and retail impact tests. A number of sites within and adjacent to the site have been considered in relation to the sequential assessment and no sites could be identified within, or on the edge of, any defined centre which could be considered to be suitable and available to accommodate the proposed development. In terms of retail impact, the turnover of the retail floorspace will be limited and this report highlights that the proposed development will not have a 'significantly adverse impact' on the vitality and viability of any defined centre and therefore accords with the provisions of NPPF Paragraph 27.

2.0 Introduction

- 2.1 This Retail Impact and Sequential Test Assessment has been prepared by DPP on behalf of China Town Development Company Limited, in support of a hybrid planning application, part detailed part full, for the mixed use redevelopment of the site, formerly known as Tribeca Fields within Liverpool City Centre.
- 2.2 In accordance with S.38 of the Planning and Compulsory Purchase Act, this statement considers the conformity of the proposed development against relevant retail policies within the adopted Development Plan for the area, and addresses any other material considerations including the National Planning Policy Framework. This Assessment should be read alongside the other supporting documents including the submitted Planning Statement.

3.0 Proposed Development

3.1 The proposed development proposals are submitted as a hybrid planning application, part full and part outline, for the demolition of all buildings / structures and redevelopment of the site in three phases. The details of the proposed development site, is set out below:

- Phase 1 is subject to a detailed application and promotes the erection of a 6 storey mixed use building comprising 6 townhouses (Class C3), 115 apartments (Class C3), private gardens / terraces, Class D2 public 'event lab', mixed commercial space within any combination of Use Class A1, A2, A3, A4, A5, B1, D1 or D2, 72 car parking spaces at lower ground level accessed via Hardy Street, cycle parking, plant and bin stores, means of enclosure, and hard and soft landscaping.
- Phases 2 and 3 are subject to an outline application, with all matters reserved with the exceptions of landscaping and access. These two phases promote the erection of 9 buildings (siting, massing and height fixed) comprising 675 apartments, and 10,513 sqm of mixed commercial space within any combination of Use Class A1, A2, A3, A4, A5, B1, C1 (132 bedroom hotel with ancillary restaurant and gymnasium), D1 or D2, alterations to railway ventilation shaft (involving reduction in walls and re-capping), private open space / public realm / gardens / terraces, subterranean car parking spaces accessed via both St. James Street and Upper Pitt Street, cycle parking, plant and bin stores, means of enclosure, and hard and soft landscaping.

3.2 The following parameters relating to 'main town centre uses' as defined within the NPPF are proposed:

- Total Commercial floorspace; 10,929m² is proposed, of this space;
 - a) No more than 5,000m² will be Use Class A1 Retail with a maximum unit size of 375m² (gross external area)
 - b) No more than 2,000m² will be Use Class A2 Financial and Professional Services
 - c) No more than 3,000m² will be Use Class A3 Restaurants / Cafés
 - d) No more than 3,000m² will be Use Class A4 Bars / Pubs
 - e) No more than 2,500m² will be Use Class A5 Hot Food Takeaways
 - f) No more than 3,000m² will be Use Class B1 Offices

- g) No more than 5,000 sqm will be Class D1 (Dentists, Doctors, Opticians, Acupuncture, Museum, Gallery, Place of Worship, Nursery, Creche, Library, School)
- h) No more than 4,000 sqm will be Class D2 (Assembly and Leisure, such as Gym, Cinema, Swimming Bath, Concert/Event Centre).

4.0 Planning Policy Overview

- 4.1 As per Section 38 of the Town and Country Planning Act, development control decisions must be taken in accordance with the adopted Development Plan unless material considerations indicate otherwise. For the purpose of this application, the Development Plan is comprised of the Liverpool Unitary Development Plan Saved Policies (2002).
- 4.2 As this Statement solely focuses upon the Retail elements of the proposed scheme the following sets out the relevant policies contained within the Development Plan. As the retail planning policies pre-date the NPPF, regard must be had the relevant parts of the NPPF; namely paragraphs 23 to 27.

Liverpool Unitary Development Plan (2002)

- 4.3 The following saved Unitary Development Plan (UDP) policies are considered relevant to the determination of this application:
- S1 – City Centre Retail Development in the Main Retail Area
 - S2 – Paradise Street Development Area
 - S12 – Out of Centre Retailing

5.0 Retail Impact and Sequential Assessment Methodology

- 5.1 Before moving on to consider the Retail Impact and Sequential Test Assessment, this Section of the report provides details on the methodology adopted in the preparation of the retail impact assessment.
- 5.2 Before specifically considering the methodology and approach taken it is first important to note the form of retail (Use Class A1) floorspace proposed within the development. The majority of the retail floorspace will be created in a new bazaar type development providing small spaces/stalls to be occupied primarily by independent retailers selling products aimed at the Chinese community or Chinese products (e.g. souvenirs, kitchen products etc.) as well as foodstalls and other complementing uses.
- 5.3 The proposed bazaar is intended to primarily serve two distinct customer bases and will provide a niche independent retail offer within the city. The first customer base is the local Chinese community and other residents wishing to purchase specialist Chinese themed goods such as those that will be sold within the bazaar. The other primary customer base will be visitors and tourists to the City Centre and in particular Chinatown with the new bazaar and development as a whole being a destination within its own right for visitors/tourists.

Primary Catchment Area and Study Area

- 5.4 The purpose of a catchment in NPPF terms is to identify a physical area from which the substantial majority of a scheme's trade will be drawn. Given the niche retail offer of the proposals it is expected that a significant proportion of the retail uses trade will come from outside of the Liverpool area, including from visitors and tourists to visit the city. Nevertheless, it is accepted that some of the trade will still come from the Liverpool area and as such the catchment area and study area has been defined as all zones within the 2011 Liverpool Retail and Commercial Leisure Study ('Liverpool Retail Study') taking into account the current trade draw of Liverpool City Centre. This

definition of the Primary Catchment and Study Areas also allows direct and easy comparison between the findings of this report and the Liverpool Retail Study.

Base Year and Design Year

- 5.5 The base year used for our assessment is 2015. In terms of assessing retail impact we have assumed a single design year of 2020. This has been chosen as the proposals are for a phased development with the main proportion of retail floorspace, including the new bazaar forming a later phase with units not expected to start opening until mid-2018. As such, a design year of 2020 i.e. 18 months after the first stalls/units begin to open allows the occupation of all the floorspace and the retail offer to become established and shopping patterns to change. This accords with the guidance contained within the NPPF and Planning Practice Guidance which requires impact assessments (for non-major retail schemes) to consider the impact up to five years from the date of application.

Price Base

- 5.6 We have used a 2009 price base to ensure consistency with the data provided within the 2011 Liverpool Retail and Commercial Leisure Study.

Population

- 5.7 The base and forecast population data has been taken directly from the 2011 Liverpool Retail Study. Where figures have not been provided for certain years, the aggregate population figures in those years has been calculated (e.g. 2015 population calculated by subtracting 2016 data by 2011 data and splitting the difference cumulatively by year (i.e. 2012-2015).

Expenditure

- 5.8 Base expenditure data (spend per head) at 2009 has been taken from the 2011

Liverpool Retail Study. This has been projected forward to the base year (2015) and design year (2020) using the actual and projected year on year expenditure growth figures taken from Experian Retail Planner Briefing Note 12.1 (October 2014) - Appendix 3 Growth in sales volumes (retail spend) per head 2010-35 (% per annum) adjusted for SFT.

- 5.9 The base expenditure data taken from the 2011 Retail Study already has Special Forms of Trading (SFT) removed and as such no further deductions have been made, albeit the growth rates sourced from the Experian Retail Planner Briefing Note 12.1 take account of SFT growth.
- 5.10 Total expenditure has then been calculated by multiplying the spend per head by the population data for each identified zone.

Floorspace Efficiency

- 5.11 To account for improvements in the efficiency of existing retail floorspace and committed retail floorspace we have factored in efficiency growth of 2.6% per annum for comparison goods in line with the 2017-2021 guidance set out in the Experian Retail Planner Briefing Note 12.1 figure 4b. Convenience floorspace efficiency growth has also been applied using the guidance within the Experian Retail Planner Briefing Note. The year by year figures have not been used taking account of the base year and the fact that these relate to periods where a number of the commitments will potentially not be open or will have only just opened and as such are unlikely to see such significant increase in floorspace densities.

Turnover of Existing Stores

- 5.12 Turnover data has been derived by applying the market shares derived from the household survey undertaken for the 2011 Liverpool Retail Study to the total available expenditure, by zone. The turnover of these stores has then been project forward to the design year by applying floorspace efficiencies as previously described.

Retail Commitments

- 5.13 The impact assessment has considered the diversion of trade from existing retail units to identified retail commitments as set out within Table 6 at Appendix 1 to ensure that the cumulative impact of the development is assessed. This assessment has sought to utilise the data (floorspace, turnover, etc.) for each retail commitment as provided within the Retail Assessment for that application. Whilst some of the stores are already open and trading these have still been included as 'commitments' as they were not open and trading at the date of the 2011 Liverpool Retail Study household survey.
- 5.14 Small scale retail commitments, or commitments which are not expected to have an impact on any retail destinations which the application proposal will draw trade from have not been included within the assessment.

Turnover of Application Proposal

- 5.15 The proposed retail floorspace will primarily be delivered through a new bazaar type development. At present the occupiers and split (i.e. convenience/comparison) of the floorspace are not confirmed and as such for the purposes of this assessment we have assumed that 100% of the floorspace would be occupied by convenience or comparison goods retailers/occupiers – whilst this means that the cumulative impact figures will be overstated, (i.e. effectively doubled) this has been undertaken to provide a robust impact assessment and to allow significant flexibility for the future retail floorspace.
- 5.16 The expected turnover has been calculated based on the expected net floorspace (sales floorspace) multiplied by the expected sale density (£ per m²).
- 5.17 The net floorspace of the gross retail floorspace has been calculated at 70% although given that the significant majority of retail floorspace will be provided within the bazaar development, the actual net floorspace is likely to be significantly lower. An average sales density of £2,500 per m²) has been used which has been calculated based on professional knowledge and taking account of the niche and independent retail offer of the proposals.

Pattern of Trade Diversion

- 5.18 The pattern of trade diversion takes account of the identified primary catchment area for the retail floorspace, the existing shopping patterns in the area and the recognition that retail units tend to compete primarily with 'like for like' provision.

6.0 Retail Assessment

6.1 This section of the report sets out the overall case for the proposed retail development in light of relevant Development Plan policy and the tests set within the NPPF. In particular it considers the issues relating to the Sequential Test Assessment and Retail Impact are considered below;

6.2 Before moving on to consider the sequential and impact test it is first important to determine which elements of the scheme require assessments relating to impact and sequential. According to the NPPF; para. 24; such assessments are required for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. As such, the first consideration is which proposed uses are considered 'main town centre uses' in accordance with the following definition contained within NPPF Annex 2:

'Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).'

6.3 Given the above definition, the following use classes which form part of the mix of uses fall within the definition of main town centre uses:

- Use Class A1 Retail
- Use Class A1 Retail with a maximum unit size of 375m² (gross external area)
- Use Class A2 Financial and Professional Services
- Use Class A3 Restaurants / Cafés
- Use Class A4 Bars / Pubs
- Use Class A5 Hot Food Takeaways
- Use Class B1 Offices
- Use Class C1 Hotel
- Use Class D1 Museum, Gallery, etc.

- Use Class D2 Assembly and Leisure

6.4 The next consideration is whether the 'main town centre uses' proposed are within an 'existing centre' in accordance with the NPPF. Whilst the NPPF does not provide definitions for 'in-centre' it does provide definitions at Annex 2 for edge of centre and out of centre which by proxy creates a definition of 'in centre'. These definitions are as follows:

'Edge of centre: For retail purposes, a location that is well connected and up to 300 metres of the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge of centre, account should be taken of local circumstances.

'Out of centre: A location which is not in or on the edge of a centre but not necessarily outside the urban area.'

6.5 The application site is located within the Liverpool City Centre boundary as identified within the UDP (Figure 10.2) and as such is within a defined 'town centre' as per the NPPF definition. However, whether or not a specific use can be defined as being in centre or not depends on the use proposed.

6.6 Turning first to retail (Use Class A1) uses; in order for such a use to be considered 'in-centre' it must be located within the defined Primary Shopping Area. The Liverpool UDP defines the Main Retail Area (UDP Policy S1) which is the Primary Shopping Area for the city centre. This is located approximately 350m to the north of the application site and therefore, for retail uses the site is considered out-of-centre. As such there is a requirement to demonstrate compliance with the Sequential Test Assessment. In addition, as the proposals include provision for up to 5,000m² of retail (Use Class A1) development; which is over and above the threshold set out within the NPPF, there is a requirement to assess retail impact.

6.7 In relation to the other 'A' use classes uses proposed; including Use Classes A2, A4 and A5, as the site is located within the defined city centre these uses are considered to be in an in-centre location. The NPPF definition of edge of centre states that for other main town centre uses edge of centre is defined as being within 300 metres of a town

centre boundary; whilst this is different for retail uses (as described above) it is clear that the definition of retail relates to Use Class A1 only and no other 'A' Use Classes order. This is supported by the NPPF definition of 'main town centre uses' which quite clearly differentiates between retail development and entertainment / recreation uses which includes in brackets restaurants, bars, etc.

- 6.8 Such a viewpoint is also supported by the definition of Primary Shopping Area which is exactly as the name suggests; the prime area for shopping. In addition to this; Liverpool UDP Policies S13 and S14 clearly seek to restrict and prevent the non-retail use classes A2 and A3 from the Main Retail Area or primary shopping area.
- 6.9 This is also the case with the other main-town centre uses proposed which all fall within the City Centre boundary and therefore can be considered to be 'in-centre'. Whilst UDP Policy E2 highlights the Main Office Area within the City Centre, as identified on the UDP Proposals Map, it does not prevent or seek to restrict the creation of new office development elsewhere within the City.
- 6.10 As such, there is no requirement to assess the non-A1 Use Classes/main town centre uses proposed against the sequential test assessment or provide an impact assessment as they are located within an in-centre location and are in accordance with the Development Plan.

Sequential Test

- 6.11 As already highlighted; in retail terms the application site is located outside of a defined town centre (i.e. the primary shopping area/main retail area) and is not allocated for a retail use within the adopted UDP. As such, the starting point for the consideration of this application is the NPPF and the guidance contained within Paragraphs 24 and 27.
- 6.12 In accordance with Paragraph 24, of the NPPF the sequential test assessment considers in-centre sites as well as edge-of-centre and out-of-centre sites that are well connected to a defined centre.

Flexibility and Suitability

- 6.13 Prior to undertaking the Sequential Test it is first important to consider recent appeal and legal decisions relating to how the sequential test should be applied in the determination of planning applications. As such the following text considers this point before moving on to set out the flexibility and suitability thresholds set for this sequential test.

Relevant Appeal Decisions and Case Law

- 6.14 In terms of the deemed requirement to demonstrate flexibility in relation to the proposal, regard must be had to the Dundee Case¹ and the implications of this on the need, justification and extent as to demonstrating flexibility and potential disaggregation. Paragraph 38 of this decision states that *‘the whole exercise [Sequential Assessment] is directed to what the developer is proposing, not some other proposals which the planning authority might seek to substitute for it which for something less than that sought by the developer’*. The imposition of a highly artificial disaggregation, for example the disaggregation of single stalls/units from the bazaar, and significant flexibility, for example a floorspace significantly larger or smaller than is proposed, therefore would fail to meet the business model associated with the proposed development, including the proposed bazaar.
- 6.15 The requirement to demonstrate flexibility through the sequential assessment was further considered in the Scunthorpe decision². The judgement highlighted that in considering an appropriate degree of flexibility, it is important to note that developers and planning authorities work in the real world and that the disaggregation of a single retailer’s food and non-food offer would not be reasonable or viable. Taking this into consideration for the proposed retail floorspace, it is clear that there should be no requirement to consider the disaggregation of the proposed retail floorspace into

¹ Tesco Stores Ltd v Dundee City Council [2012 UKSC 13]

² Zurich Assurance Ltd v North Lincolnshire [2012 EWHC 3708 (Admin)]

individual units/sites.

- 6.16 The position regarding disaggregation and whether there is a requirement to consider the disaggregation was further considered in a recent recovered appeal by LXB RP (Rushden) Limited at Northampton Road, Rushden³. This appeal concluded that the NPPF and PPG (Planning Practice Guidance) no longer require a consideration of the potential to consider the disaggregation of proposed units/uses from a proposed development with the inspectors report stating that;

'A related submission concerns the differences between national policy as now stated in the NPPF and as previously stated in PPS4. The last sentence of NPPF [24] states that: "Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale." This contrasts strikingly with what was said previously in PPS4 in policy EC15.1 at (d) (iv) and 15.2 which contained an explicit requirement for disaggregation. There is no longer any such requirement stated in the NPPF. It is no answer to this to refer to the words "such as" in the last sentence of NPPF. These words cannot be read so as to imply that a major, and extremely controversial, part of previously stated national policy lives on by implication in the NPPF. Had the Government intended to retain disaggregation as a requirement it would and should have explicitly stated this in the NPPF. If it had been intended to carry on with the requirement then all that would have been required is the addition of the word "disaggregation" at the end of NPPF.'

- 6.17 As the above has highlighted, it is clear that there is no requirement to seek to disaggregate proposals and that whilst there is a requirement to demonstrate flexibility this should focus on the development proposed, rather than something significantly different than is being sought by the developer.

Flexibility – format and scale

- 6.18 Given the above, the sequential assessment has sought to identify sites that are capable of accommodating the whole development including those non-retail uses. As the proposed development aims to revitalise Chinatown with the retail element of the proposals forming a key part of the overall mix of uses, it would be inappropriate to seek to disaggregate the proposed retail uses from the development with a view to locating these within the Main Retail Area. In addition, such an approach would not fit

³ Appeal Ref: APP/G2815/V/12/2190175 (June 2014)

with the proposed business model of the applicant which seeks to create a Chinese-themed retail offer linked to the expansion and regeneration of Chinatown

6.19 Therefore, the sequential site search has sought to identify sites capable of accommodating the following;

- A total of 10,929m² commercial space is proposed (split across Use Classes A1, A2, A3, A4, A5, B1, D1 and D2);
- 140 bedroom hotel;
- 6 Townhouses;
- 790 apartments; and
- 952 car parking spaces.

6.20 This would require a site of approximately 1.9ha.

6.21 For robustness, and in order to demonstrate flexibility in the applicant's business model, this sequential site search has considered sites and existing units that are capable of accommodating a retail unit 15% larger and 15% smaller than is proposed. This level of flexibility is considered appropriate and accords with the NPPF, PPG and with recent appeal decisions and case law.

6.22 Taking into account this flexibility, the sequential site search has sought to identify sites with between 1.6ha and 2.2ha of developable area to accommodate the proposed development. Given this, any sites that are unable to the proposed development within the 15% margin are considered to be unsuitable and cannot therefore be considered sequentially preferable.

Area of Search

6.23 The area of search for the sequential assessment has focused on sites within and on the edge of the Main Retail Area within Liverpool City Centre nearby London. Whilst the retail uses proposed will draw trade from the rest of the city, as well as outside of the city, the majority of its trade will come from new and existing visitors to the city centre as well as residents within the new development and the rest of Chinatown. As such,

locating the proposed development outside of the city centre, for example say within an existing District or Local Centre would not fit with the applicant's business model and would not provide the same levels of accessibility and potential footfall than a site within the city centre would. In any case, the proposal form part of an extension and regeneration of the existing Chinatown and as such there is a need to be located close or adjacent to Chinatown.

- 6.24 As such the sequential assessment has not considered any other centres within the study area as these would clearly not be suitable with district and local centres primarily serving a small scale, localised retail role. In any case it is highly unlikely that a site large enough of accommodating the proposed development would be available within or adjacent to an existing district or local centre due to the small scale nature of the centres.
- 6.25 The following considers potential sequentially preferable sites within and on the edge of the City Centre Main Retail Area and London Road Main Retail Area. The sites identified and that are considered in this assessment are;
- Kings Dock, Waterfront, Liverpool;
 - Central Village, City Centre;
 - Mount Pleasant Car Park; and
 - Cains Brewery.

Kings Dock, Waterfront, Liverpool

- 6.26 The site refers to the as yet undeveloped area of Kings Dock extending to around 3.3ha and currently occupied by car parks. The first phases of the Kings Dock development have been completed which incorporates the Liverpool Arena and Convention Centre and the recently completed Exhibition Centre. The site is located approximately 650m from Chinatown.
- 6.27 In January 2013, the Homes and Communities Agency, in partnership with Liverpool City Council and the Arena Convention Centre, published a new masterplan for the remaining area of the Kings Dock which includes a mixed-use development

incorporating leisure, food/retail and hotel uses along with office and residential floorspace with the intention of extending the cultural and leisure offer of the adjacent Arena & Convention Centre, Albert Dock and Liverpool ONE shopping and leisure complex.

- 6.28 As with the application site, whilst the site is located within Liverpool City Centre, for retail uses the site is situated in an out-of-centre location as it is located approximately 1,000 metres from the Main Retail Area. As such, given that is further away from the MRA than the application site, and further away from key public transport connections including Queens Square Bus Station and Lime Street Rail Station, the site cannot be considered sequentially preferable and therefore, for this reason alone, can be discounted as part of the Sequential Assessment.
- 6.29 In any case, the site is located approximately 650m away from Chinatown which would not fit with the applicant's business model and would not represent an extension and enhancement of Chinatown due to the distances between the sites.

Central Village, City Centre

- 6.30 The Central Village site measures approximately 1.9ha. Part of the site was previously the former Lewis's department Store, which is Grade II Listed. The site also contains vacant buildings and the upper concourse of the Liverpool Central Merseyside station and associated surface car parks.
- 6.31 The site is located within the City Centre Main Retail Area and as such is considered to be 'in-centre' for this sequential assessment. The site is located approximately 550m away from Chinatown.
- 6.32 Given the size of the site it is considered to be of a sufficient size to accommodate the proposed development however as the majority of the site is occupied by the Grade II listed former Lewis's Department Store, which would not be suitable for conversion to accommodate the proposed development. As such the site is not considered suitable for the purposes of this sequential test assessment.
- 6.33 In any case, planning permission exists for the redevelopment/reuse of the site and it is

understood that works to the Lewis's building and central station scheme are currently progressing and part of the scheme has been developed with the hotel development now operating on the site. Furthermore a number of intended occupiers for the site have already signed up for some of the other units, such as Costa Coffee, Sainsbury's Local, Odeon Cinema and others. As such the site is considered unavailable and therefore can be discounted.

- 6.34 Whilst the site may be in a sequentially preferable location, within the MRA, it cannot be considered suitable or available to accommodate the proposed development. In any case, the site is located approximately 500m away from Chinatown with no direct pedestrian route between the two areas. As such, this would not fit with the applicant's business model and would fail to deliver an extension and enhancement of Chinatown due to the distance and lack of permeability between the sites.

Mount Pleasant Car Park

- 6.35 Mount Pleasant is a multi-storey car park providing approximately 1,339 spaces occupying a site of approximately 1.24 ha. The site is bounded by Mount Pleasant, Brownlow Hill and May Street and is accessed via Mount Pleasant. The site is located outside of the MRA but is considered 'edge-of-centre' in retail terms with it being located approximately 160m away from the MRA. As such, the site is considered to be in a sequentially preferable location.
- 6.36 The site is located approximately 500m from Chinatown however, and as with the Central Village site there are no direct routes between Chinatown and the site and permeability/connectivity between the two is poor.
- 6.37 It is understood that Liverpool City Council own the site and has aspirations for its redevelopment to include an iconic building on the site although no planning application has been submitted to date. Currently the site remains in use as a pay and display car park. Nevertheless the site is considered to be available.
- 6.38 At just 1.2ha the site is considered too small to accommodate the proposed development and as such can be discounted for the purposes of this sequential assessment. In addition to this, given the distance from the site to Chinatown the site is

not considered to be suitable to accommodate the proposed development. As such the site has been discounted on this basis.

Cains Brewery

- 6.39 The Cains Brewery site measures approximately 2.5 ha. The site is bounded by Parliament Street to the north, Beaufort Street to the east, Hill Street to the south and Grafton Street to the west. The site comprises a Grade II listed brewery building, a public house, and a number of modern storage and production buildings along with a surface car park. The site is now vacant with the brewery closing in 2013. The site is located approximately 325m away from Chinatown.
- 6.40 As with the application site, this site is located outside of the MRA of the city centre which is approximately 1,300 metres away – further away than the application site. As such this site is considered an out-of-centre location and cannot be considered sequentially preferable. Therefore, for this reason alone, can be discounted as part of the Sequential Assessment. Notwithstanding this, the following considers the availability and suitability of the site to accommodate the proposed development.
- 6.41 The site has an extant planning consent (13F/2178) for hybrid planning scheme including full planning application to change the use of the existing brewery building to a regional craft brewery and visitor centre, retail accommodation, hotel, bistro bar/restaurant, event centre, designer retail market and cinema. This consent also includes outline planning permission for a range of uses including a foodstore, health and beauty and fitness centre, Use Classes A1 to A5 and residential accommodation along with associated car parking.
- 6.42 It is understood that the first phase of the development is expected to commence later this year and as such the site is not considered available to accommodate proposed development.
- 6.43 As such the site is considered both unavailable and not sequentially preferable and therefore can be discounted.

Summary

6.44 In summary, this assessment has demonstrated that there remain no sequentially preferable sites in or on the edge of any defined centre within the City Centre capable of accommodating the proposed development.

Retail Impact

6.45 In accordance with paragraph 26 of the NPPF, a retail impact assessment has been prepared as the development is located in an out-of-centre location in and provides over 2,500m² of additional retail floorspace. This impact assessment has been prepared taking account of the cumulative impact of the proposed retail floorspace and identified retail commitments within the study area.

Methodology

6.46 The main data inputs and assumptions that have informed the retail impact assessment are set out in the detail in Section 5 of this report; covering the following points:

- Study Area and Primary Catchment Area
- Base Year and Design Year
- Price Base
- Population Data
- Expenditure Data
- Floorspace Efficiency
- Existing Store Turnover
- Retail Commitments
- Turnover of Application Proposals
- Trade Diversion

Trade Diversion

6.47 The expected convenience goods and comparison goods trade draw of the proposed development is presented in Table 8 at Appendix 1. In considering the impact of the proposed retail floorspace, it is worth noting that the majority of the proposed

floorspace will provide a very different retail offer to other existing retail provision within Liverpool aimed at increasing the attractiveness of Chinatown to both Liverpool residents and visitors to the city. As such, a significant proportion of the trade diversion will come from centres and other retail destinations outside of the Liverpool area.

Nature of Proposed Retail Floorspace and Turnover

- 6.48 The proposed retail floorspace will primarily be delivered through the new bazaar whilst a small proportion of retail floorspace will be provided at ground floor level to the other blocks of development aimed at serving the proposed development and areas immediately surrounding the site. At present the occupiers of the floorspace are not confirmed and as such for the purposes of this assessment we have assumed that 100% of the floorspace would be occupied by convenience or comparison goods retailers/occupiers – whilst this means that the cumulative impact figures will be overstated, this has been undertaken to provide a robust impact assessment and to allow significant flexibility for the future retail floorspace. Taking this into account the proposed retail floorspace will trade at benchmark turnover levels as highlighted within the methodology, and will have a maximum comparison goods turnover of up to £9.21m and maximum convenience goods turnover of up to £9.21m at 2020.
- 6.49 Given the nature of the proposed retail uses to be created within the new bazaar, which will primarily sell products aimed at the Chinese community or Chinese products (e.g. souvenirs, kitchen products etc.), the proposed development will draw its trade from other similar type stores/retailers from within Liverpool and the wider area. Liverpool only has a limited retail offer for such products, and no retail provision that actually reflects/matches what is being proposed. In addition to this, the proposed retail floorspace will become in effect a tourist destination for visitors to Liverpool the majority of the trade diversion will come from outside of the city; including locations such as Manchester Chinatown as well as drawing or clawing back trade that is currently spent on special forms of trading (SFT) such as internet shopping.
- 6.50 Taking the above into account; the following considers the proposed trade diversion of the defined centres.

Liverpool City Centre

- 6.51 The retail offer within the City Centre is primarily, but not solely, focused within the Main Retail Area. As the Liverpool Retail and Commercial Leisure Study does not differentiate between the Main Retail Area and rest of the City Centre in terms of existing turnover it is not possible to solely determine impact upon the Main Retail Area and instead impact is presented as total figure on the City Centre as a whole. Given the current retail offer of the Main Retail Area, which is primarily focused on national multiple retailers with limited specialist retail provision, the proposed development is expected to draw the majority of its City Centre trade from stores/areas outside of the Main Retail Area meaning that the actual impact on the Main Retail Area would be negligible.
- 6.52 Taking into account the existing shopping provision within Chinatown, which is limited, and other provision across the rest of the city centre the proposed development would draw approximately £2.86m of its convenience and comparison goods trade from the City Centre as a whole resulting in a solus impact of just 0.6% and a cumulative impact of 4.1%, albeit the majority of this is as a result of other existing commitments such as Edge Lane Retail Park and Great Homer Street. Given that the site is located within the City Centre this would actually result in a positive impact on the retail turnover of the City Centre.

London Road

- 6.53 This is an established centre located within the City Centre Boundary. The Centre has a fairly limited retail offer and primarily serves a local function albeit it does have reasonable convenience goods provision (Tesco Express and Lidl) and a local market at Monument Place which trades Wednesday to Saturday along with a Chinese Supermarket (SIDA). Given the proximity of the centre to the application site and the presence of the market and specialist supermarket a small amount of trade is expected to be drawn from the centre although this equates to around 2% of the convenience goods and comparison turnover of the development respectively which equates to a

negligible impact of around 1.4% on the centre as a whole.

Other Centres

- 6.54 The proposed development is not expected to draw trade from any other defined centres within Liverpool.

Out of Centre Facilities

- 6.55 A small proportion of the retail uses trade will be drawn from out-of-centre retail destinations within Liverpool including existing specialist supermarkets and shops, including cash and carry type warehouses located across the city.
- 6.56 Whilst such facilities are not afforded policy protection, the level of impact expected will not prejudice any single stores ongoing trading viability.

Other Retail Destinations outside of Liverpool

- 6.57 As already highlighted, the proposed bazaar space is intended to primarily deliver a Chinese-themed retail offer; providing a new niche independent retail offer within the city. The first customer base is the local Chinese community and other residents wishing to purchase specialist Chinese goods. The other primary customer base will be visitors and tourists to the City Centre and in particular Chinatown with the new bazaar being a destination within its own right for visitors/tourists. Given this, the majority of trade drawn to the proposals will come from outside of the Liverpool area.
- 6.58 Dealing first with the trade generated by the Chinese community; there is limited retail offer within Chinatown and none of a scale and size that can be considered to compare with the application proposals. As such, whilst it is expected that some trade will be drawn from existing specialist supermarkets within Liverpool a greater level of trade will be drawn from outside the area, including from other areas with a high proportion of Chinese population (e.g. Manchester's Chinatown). In addition trade will also be diverted away from Special Forms of Trading (SFT) such as internet shopping as the proposed bazaar will provide a retail offer and goods that previously were only available through alternative retail channels such as internet shopping.

- 6.59 The second primary customer base is expected to be come from the visitor/tourist economy with the bazaar acting as a new tourist destination within the city. This will help to generate increased tourist spend within the city which wouldn't result in trade diversion locally.
- 6.60 Given the nature of the proposed retail uses it is therefore estimated that around 60% of the proposed retail turnover will be drawn from outside of the Liverpool area.

Impact on Planned/Committed Investment

- 6.61 The proposed retail floorspace will draw a negligible amount of its convenience/comparison goods turnover from Cains Brewery Commitment scheme due to its proximity to the application site. This equates to a total trade draw of just £0.18m, an impact of just 0.4%. This level of trade diversion is minimal and would not prevent the committed scheme coming forward for development which in any case, is located in an out-of-centre location and therefore afforded no policy protection.

Impact on Town Centre vitality and viability

- 6.62 As highlighted in the previous subsections, given the limited level of trade that will be diverted from any defined centre, including the City Centre Main Retail Area, the level of impact on any defined centre will be negligible due to the lack of similar, competing provision within the centres. As the proposed retail floorspace will not either on a solus or cumulative basis, result in a material adverse harm on the ongoing vitality or viability of any defined centre.

Liverpool Unitary Development Plan (UDP)

- 6.63 As the preceding section of this report has focused solely upon how the proposed retail uses accord with the provisions of the NPPF, the following considers how the proposals accord with relevant saved Liverpool UDP Policies relating to retail uses as set out in Chapter 8.

- 6.64 Policy S2 covers the Paradise Street Development Area (PSDA); now known as Liverpool One, with part 4 of this policy stating that any proposals elsewhere in the City will not be permitted where they are likely to prejudice the PSDA or harm the vitality or viability of the Main Retail Area (MRA). As already highlighted within this section of the report; there will be very limited trade diversion from the Main Retail Area due to the lack of similarities in the retail offer and as such there will be no harm to the vitality or viability of the MRA. In addition to this, as the Paradise Street Development Area (PSDA) has largely been completed; the delivery of an existing development cannot be prejudiced. As such the proposals accord with UDP Policy S2.
- 6.65 The following points consider how the proposals accord with each relevant test for out-of-centre retail provision as set out in UDP Policy S12. For ease these are considered in the order they appear within the Policy:
- 1 i. As already highlighted within this Section the report, the proposals, either by themselves or cumulatively, in conjunction with committed retail developments, will not harm the vitality and viability of any identified centre within the city.
 - 1 ii. Given the changes to national planning policy and guidance there is no longer a requirement to demonstrate retail need. Nevertheless, it is considered that there is sufficient capacity within the city to accommodate the proposed floorspace particularly given the delays to other retail commitments within the city and the niche retail offer of the proposals.
 - 1 iii. The sequential test assessment has already been considered and concludes that there are no sequentially preferable sites within or adjacent to the Main Retail Area capable of accommodating the proposed development. The sequential assessment has not considered any District or Local Centres within the study as these would clearly not be suitable with district and local centres primarily serving a small scale, localised retail role. In any case locating the development in such a centre would fail to deliver the planned extension and regeneration of Chinatown.
 - 1 iv. Given that the retail unit will provide a niche and new retail offer to the city centre the impact on the centre and the Main Retail Area is negligible and as such it would not prejudice the delivery of any city centre retail schemes. In any case, the Paradise Street

Development Area (PSDA), now known as Liverpool One, has largely been completed and the delivery of an existing development cannot be prejudiced.

- 1 v. As the site is located within the city centre it is well located and easily accessible to a range of means of public transport and is well connected to local cycle routes and footpaths.
 - 1 vi. Given the city centre location of the proposals the retail element of the scheme will not create a significant increase in traffic generation and could be accommodated safely on the local highway network.
 - 1 vii. There will be no harm on the environment or residential amenity created by a retail use forming part of the mixed use development and the detailed design of the retail uses will be considered in respect of impact on amenity through future reserved matters submissions.
 - 2 The Impact Assessment considered as part of this application has assumed a significant degree of flexibility and for robustness has assumed that all of the floorspace could come forward for convenience or comparison goods floorspace to allow this flexibility whilst providing the City Council with the assurance that in either eventuality there will be no material harm to any defined centre. It is understood that the applicant is willing to accept planning conditions restricting the gross floorspace to be delivered by the proposals and the maximum unit size in order to ensure that the character of the proposed retail element is not changed in future.
 - 3 As requested during pre-application discussions with the Local Planning Authority; this statement provides a justification for the proposed out-of-centre retail uses dealing with each of the points i. to vii.
- 6.66 Given the above, the proposals accord with UDP Policy S12.

Conclusions on Retail Case

- 6.67 The tests set out within the NPPF regarding the sequential test (paragraph 24) and the impact test (paragraph 26) have been addressed in detail in this section of the report.

- 6.68 In light of the niche retail offer of the majority of the proposed retail floorspace, our search for sequential sites has focused solely on sites within and on the edge of the City Centre Main Retail Area. A number of sites within and on the edge of the MRA have been examined and none of these are capable of satisfying the tests regarding suitability, viability or availability. Whilst some of the sites will be suitable for alternative uses/developments, none would be capable of accommodating the proposed development and delivering the niche independent retail offer that the application proposes.
- 6.69 The impact assessment concludes that the proposed development will not have a significant adverse impact on any defined centres and that the redevelopment would not affect the ongoing vitality and viability of these centres. The proposed retail floorspace will primarily look to serve a specialised market which is not currently well catered for within the city through the creation of speciality Chinese shops/retailers as well as creating a tourist/visitor destination. Therefore there will only be limited competition and trade draw from existing centres and retail destinations within the city with trade being drawn from outside of the Liverpool area and from special forms of trading (e.g. internet).

7.0 Conclusions

- 7.1 This planning application is for a mixed use development incorporating a number of main town centre uses, including retail (Use Class A1). Whilst the site is located within Liverpool City Centre, it is located outside of the Main Retail Area as defined within the Liverpool UDP and as such, in retail terms, is in an out-of-centre location.
- 7.2 In accordance with the provisions of the NPPF, this statement has assessed the proposals in terms of accordance with the sequential assessment and retail impact tests. A number of sites were considered in relation to the sequential assessment located around the Main Retail Area (MRA) and, no sites could be identified within, or on the edge of, the MRA which could be considered to be suitable and available to accommodate the proposed development.
- 7.3 The proposed retail floorspace will primarily look to serve a specialised market which is not currently well catered for within the city through the creation of speciality Chinese shops/retailers as well as serving as a tourist/visitor destination. Therefore there will only be limited competition and trade draw from existing centres and retail destinations within the city with trade being drawn from outside of the Liverpool area and from special forms of trading (e.g. internet).
- 7.4 Taking the above into account in terms of retail impact, this report concludes that the proposed development will not have a 'significantly adverse impact' on the vitality and viability of any defined centre and therefore accords with the provisions of NPPF Paragraph 27 and UDP Policy S12.