

# Former Rayware site, Speke Boulevard, Speke

**Application Ref: 16O/1043**

## Overview of retail advice

1. This retail advice in relation to the above site, covers a number of areas, namely planning policy, sequential approach to development, impact along with an overview of the objections received from B&M Retail Limited.

## Proposal

2. The planning application description states “(i) *Outline application comprising units for 9000sqm of B1(c), B2 & B8 uses with new vehicular access from Evans Road and widened service access road to south* (ii) *Full application to erect 1 no. A1 retail unit (2413sqm), 1 no. A1 retail unit (2560sqm) and 1 no. restaurant/leisure A3/D2 unit (172sqm) following demolition of Booth House, reconfigure access from western side of Evans Road, create service access from northern side of Evans Road, and layout associated car parking and landscaping*”.

## Planning Policy

3. As advised on other retail schemes submitted to Liverpool, the retail policies in the UDP reflected the guidance contained with PPG 6 such that the NPPF is the appropriate starting point when considering retail applications. This includes the sequential approach to development in para 24 and paragraph 26 which identifies that an assessment of the impact on investment in centres and on town centre vitality and viability should be required over a proportionate, local set threshold, noting that if there is no locally set threshold then the default threshold is 2,500 sqm.
4. Currently Liverpool does not have a locally set threshold in an adopted Policy document.
5. It should also be noted that the UDP identifies a retail hierarchy which includes:
  - District Centres at Speke and Garston
  - Local Centres at Hunts Cross
  - Retail Warehouse Parks at Hunts Cross and New Mersey (identified as Ravenside)
6. The Annex to the NPPF is relevant to town centres which states that they are an:

*Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.*
7. GL Hearn's emphasis is underlined.

## Overview of B&M Retail Limited's Objection

8. B&M Retail Limited (B&M) has submitted two letters of objection to the proposals dated 3 June 2016 and 12 September 2016.
9. The June submission identifies that B&M currently trades from a store at Hunts Cross Shopping Centre. For the avoidance of doubt this is the Retail Warehouse Park identified at Hunts Cross, not the formally identified Local Centre.
10. Both objections seek to critique the retail assessment submitted by the applicant. At times they combine the trade drawn from the retail warehouse park and the local centre to identify a trade diversion much higher than that presented. B&M also seek to present their own assessment of trade draws, principally based on the proximity of retail locations, their views on the proposed store's likely catchment area and the potential overlap of goods to be sold.
11. The June letter identifies the low trading performance within the assessment of the proposal as initially presented, along with some details as to what B&M consider as existing and planned investments in centres, including the reconfiguration of New Mersey Shopping Park and a potential extension proposal at Speke.
12. Thereafter the objection identifies potentially sequential locations at Hunts Cross Shopping Centre and New Mersey Shopping Park, with the second objection letter also questioning why Liverpool City Centre is not considered for potentially sequentially preferable sites.

## Sequential Approach to development

13. The NPPF identifies that the sequential approach to development should consider in centre sites and then edge of centre sites ahead of out of centre sites for main town centre uses. Sites should be considered for their suitability and availability, going on to identify *that "applicants and local planning authorities should demonstrate flexibility on issues such as format and scale"*.
14. The applicant states that the proposal is location specific, given the retail element will "pump prime" the delivery of the employment uses; however for robustness the applicant has considered alternative sites.
15. It is agreed that there is no requirement to disaggregate and the applicant refers to the Rushden Lakes decision about the removal of disaggregation from Government Guidance. The applicant has considered 6 sites either within or on the edge of district centres within a 10 minute drivetime catchment area, which is considered to be appropriate.
16. All have been discounted on the grounds of suitability, availability or viability.
17. Sites within other out of centre locations such as Hunts Cross Shopping Centre and New Mersey Shopping Park do not need to be considered as these are not centres for the purpose of the NPPF and cannot be sequentially preferable as neither are significantly more accessible or well connected to town centres.
18. In respect to Liverpool City Centre raised by B&M, this is around a 30 minute drivetime from the site. Accordingly a site within the City Centre would serve a different catchment to that to be served by the application site. Therefore no site in the City Centre would be suitable to provide for the needs which the application site is seeking to serve and as such Liverpool does not need to be considered for sequentially preferable sites.
19. Overall there are no sequential preferable sites for the proposal.

## Impact Assessment

### Turnover

20. The applicant considers that applying an average sales density provided by Home Bargains of £2,500 per sqm, is appropriate. The applicant has however undertaken a sensitivity analysis using a figure of

£7,326 as requested. The use of this figure is welcomed and ensures a robust assessment of the impact of the Home Bargains Store.

21. In terms of the other retail unit the applicant has assessed it on the basis it could be all convenience or all comparison. The trading density figures used are £4,000 per sqm for comparison and £5,500 per sqm for convenience. The applicant has also undertaken sensitivity analysis using a sales density of £5,061 for comparison goods and £10,500 for convenience goods. The figure of £5,061 per sqm is broadly acceptable and consistent with proposals elsewhere in the City such as Chinatown, although it should be noted that the average sales densities within the 2011 Retail and Leisure Study, to which the applicant refers, for the City Centre and New Mersey are now dated. In relation to the potential for the other unit to be occupied by a foodstore, it is welcomed that a sensitivity test has been prepared based on the higher turnover figure of £10,500 per sqm. As part of the updated assessment it is noted that the gross to net ratio has changed from 70% to 65% which is broadly reflective of the ratio used by foodstores.
22. The sensitivity scenario for convenience also addresses the comments received from B&M and indeed considers a higher turnover figure than the £9,000 suggested in their June objection

#### **Trade Draw**

23. The applicant considers the amount of trade drawn from other retail locations. The trade draw figures broadly reflect the results of the Shopper Survey which supports the Liverpool Retail Study. In respect to comparison goods the dominant retailing locations in this area are New Mersey Shopping Park and Liverpool City Centre.
24. The applicants revised retail submission includes some adjustments to the trade draw for comparison goods specifically with regard to Speke, and it is considered that the trade draw is now more reasonable and will enable a more robust assessment of potential impact.
25. Overall it is considered that the trade draw provides a reasonable balance, which reflects the general shopping patterns in this area.

#### **Impact on trade and turnover**

26. The applicant has assessed the impact of the proposal on centres including Speke, Garston, Hunts Cross and the City Centre and has also considered the cumulative impact of the proposal with existing committed schemes. Whilst it is accepted that there is nothing specific in NPPF or the Guidance relating to the consideration of cumulative impact, it is considered that in order to understand whether the application is likely to result in a significant adverse impact, it is important for the impact of approved schemes to be understood before the overall impact of the scheme can be fully considered.
27. It should be noted at this stage that the NPPF only requires a consideration of the impact on trade and turnover of centres. In this respect Hunts Cross Shopping Centre (i.e where the B&M is located) and New Mersey Shopping Park do not need to be considered.
28. Using the sensitivity analysis figures, the solus impact on Speke District Centre is 2% compared to a cumulative impact of 3.9% and for Hunts Cross Local Centre is 1.8% solus and 8.8% cumulatively. Elsewhere the figures for Belle Vale are 2.3% and 6%, whilst the City Centre is 0.8% and 4.9%.
29. The solus impact on Garston is calculated as 0.6% whilst the cumulative impact is 14.6%. In terms of the overall impact, it would have been expected that the applicant would provide some justification in terms of the overall health of the centre and what a 14.6% impact means for Garston from a trading perspective and on investment as required by paragraph 26 of the NPPF.

#### **Impact on Investment**

30. The objection from B&M identifies two potential investments which may be frustrated, one at New Mersey Shopping Park and another at Speke District Centre. The proposed investment at New Mersey

Shopping Park is at a retail warehouse park, which is not a formally identified centre for the purposes of the NPPF. Therefore this scheme is afforded no planning policy protection from the NPPF.

31. The proposal at Speke District Centre is located within the defined centre. It appears to show an extension to the side of the existing Iceland unit. There are no further details in terms of size and who the unit may be intended for. It is however noted in passing that that Speke District Centre lacks any form of food or beverage offer (A3, A4 or A5 uses).
32. In terms of the NPPF test the proposed particulars do not constitute existing or committed investment. Liverpool City Council has not been contacted about progressing plans for the extension as shown. The particulars appear to be good asset management of the site, identifying potential opportunities on surplus land which could be delivered if there was market demand to do so. Therefore this cannot be considered a planned investment and I further note that New River Retail have not objected to the current proposal on the basis that it may prejudice the delivery of the proposed extension.

## Overall Conclusions

33. Overall there are no sequentially preferable sites available and suitable to accommodate the development as proposed.
34. In terms of impact, the revised turnover figures presented in the sensitivity assessment more closely reflect the likely turnover of the proposed floorspace. The revised retail figures also appear reasonable in terms of the trade diversion proposed.
35. The solus and cumulative impacts are relatively modest and do not raise any concerns for the centres identified above, except perhaps Garston. The solus impact on Garston is calculated as 0.6% whilst the cumulative impact is 14.6%. In terms of the overall impact, it would be expected that the applicant would provide some justification in terms of the overall health of the centre and what a 14.6% impact means for Garston from a trading perspective and on investment as required by paragraph 26 of the NPPF.
36. The final advice on the Cressington House scheme for Aldi identified assists with considering the impact and this identified that *"although the Aldi scheme will inevitably reduce the attractiveness of Garston as a location for convenience store investment, there will still be a core of other key community anchors which have continued to trade in the centre, despite the lack of a convenience store after the closure of the Co-op store. The Netto site would still appear to have good potential to be attractive for other town centre uses to help support the vitality and viability of Garston District Centre, facilitated by a planning permission on the site for retail uses"*.
37. The current proposal will further reduce the attractiveness of Garston as a location to invest, this time for both comparison goods and convenience goods. This needs to be carefully considered and weighed against other potential wider planning benefits of the proposal.
38. Therefore, overall in terms of the retail policy requirements, it is considered that the proposal has complied with the requirements of the sequential approach and impact. However, although there is no direct reference to cumulative impact in NPPF or the guidance, the cumulative figures are higher, and this proposal could contribute to Garston Centre in particular becoming less attractive to potential investors. Nevertheless, it is noted that the impact on Garston is largely due to other proposals which have already been approved.

GL Hearn October 2016