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Subject: External Mail: Planning Application - 23/02782/FUL WILSON ROAD, HUYTON - Response to LSH's draft Retail Planning Appraisal
Attachments: Huyton Phase 2 Retail Impact Tables (UPDATED).pdf

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Dear Richard,

Thank you for sending through your draft retail appraisal in respect of the pending planning application at Sovereign Industrial Park, Wilson Road, Huyton (ref. 23/02782/FUL). In reviewing this we note that some issues are raised regarding the proposal's conformity with the retail policy 'tests' – namely the sequential approach to site selection and retail impact – and that additional information is required. We deal with each of these matters in turn below.

a. The Sequential Test

In reviewing the sequential approach undertaken in support of the planning application we note that the extent of the area of search is agreed and that the only sequential alternative that requires further consideration is Unit 20, Cavendish Walk Shopping Centre (former Wilko).

As suggested, the applicant has had further discussions with the agents marketing the unit. This has confirmed that the unit is under offer to a leisure user. It is therefore not available.

Regardless of the unit's availability, it remains our strong view that it is not suitable for the proposed development. Although the unit extends to 2,601 square metres, this is provided over 2 floors, with approximately 1,895 square metres provided at ground floor. This is below the minimum floorspace threshold required, which already represents a flexible position being substantially lower the minimum floorspace requirement for Home Bargains (2,323 square metres).

Furthermore, Unit 20 lacks the requisite at-grade customer car parking. Although reference is made to the potential to use undercroft parking, the configuration of this parking, which will not be at-grade, does not provide an appropriate arrangement for the high number of shoppers that use trollies. Indeed, there is no example of any large-format Home Bargains store that are served by undercroft car parking.

Undercroft parking also raises wider issues on safety and anti-social matters. Indeed, there is a pending application (ref. 24/00479/FUL) to amend the existing condition that requires the car park below Cavendish Walk to be made available whilst the development is in use. The reason for the amendment is to allow the car park to be permanently closed, with the Applicant citing significant issues with anti-social behaviour and health and safety in maintaining the underground car park. These issues would continue for any prospective occupier of Unit 20 as it is unlikely that customers will use the car park given the safety fears which further compound the unsuitability for shoppers using trollies due to the lack of direct and safe access from the car park to the store. The unsuitability of using the car park in connection with the retail unit above is reflected by the fact that the car park has in fact been closed for the last 18 months, as confirmed in the pending application (ref. 24/00479/FUL). Overall, even if parking could be provided it is entirely unsuitable for the nature of operator proposed and its customers.

Unit 20 is also located at the very periphery of the agreed catchment area that the proposal is intending to serve. Consequently, locating the application proposal within Huyton town centre, where there is already a strong representation from the discount retail sector, would fail to meet the specific need that the proposal is intended to both serve and improve the distribution of such retail facilities, and reduce expenditure leakage.

For all of these reasons we maintain that no sequentially preferable site exists that is available and suitable to accommodate the proposed development having regard to flexibility of format and scale; the sequential test has been satisfied.

b. Retail Impact

In considering retail impact, it is significant to note that the appraisal (at paragraph 1.3) identifies that the purpose of this advice is to:

“...consider the application proposal’s compliance with retail and town centre planning policy as set out by the statutory development plan and by the revised National Planning Policy Framework...”

In this respect, when considered against both the Development Plan and national policy, it is important to reiterate that the scale of retail development proposed means that there is no policy requirement to assess impact. It is therefore disappointing that this is not acknowledged in the advice to the local planning authority. Instead, the advice simply assesses the proposals against the impact tests set out by the NPPF. This is despite there being no policy requirement to do so. It is therefore within this context that any impact associated with the proposed development and the comments raised to the assessment that has been undertaken must be based. The Planning Practice Guidance (‘PPG’) is clear in stating that where an impact assessment is proportionate to the application proposed. Here, as a retail impact assessment is not technically required in light of the prevailing retail policy, any conclusions should be couched accordingly.

In terms of the comments raised on the impact assessment that has been undertaken, and the outstanding matters identified, we provide a response to each point below.

- **Turnover of Application Proposal:** It suggested that in estimating the likely turnover of the proposed Home Bargains no allowance has been made for increased sales efficiencies, and that the potential turnover of the proposal by 2029 is underestimated. This is not correct.

Our assessment has allowed for increased sales efficiencies in line with the latest estimates identified by Experian. This is illustrated by the supporting retail tables (Document 2) provided as part of the submitted Retail Impact Assessment (‘RIA’). Table 2 identifies an anticipated turnover of the proposal to be £12.08 million and in identifying impact in 2029 (Table 3a-c) identifies an increase in turnover for the proposal of £12.95 million by 2029. The footnote to the relevant tables also notes that an allowance has been made for increased sales efficiencies. Consequently, our assessment is very robust, and no revision / update is required. The turnover figure for the proposal applied in assessing retail impact is greater than the alternative figure you have identified in your advice (£11.90 million albeit in 2028).

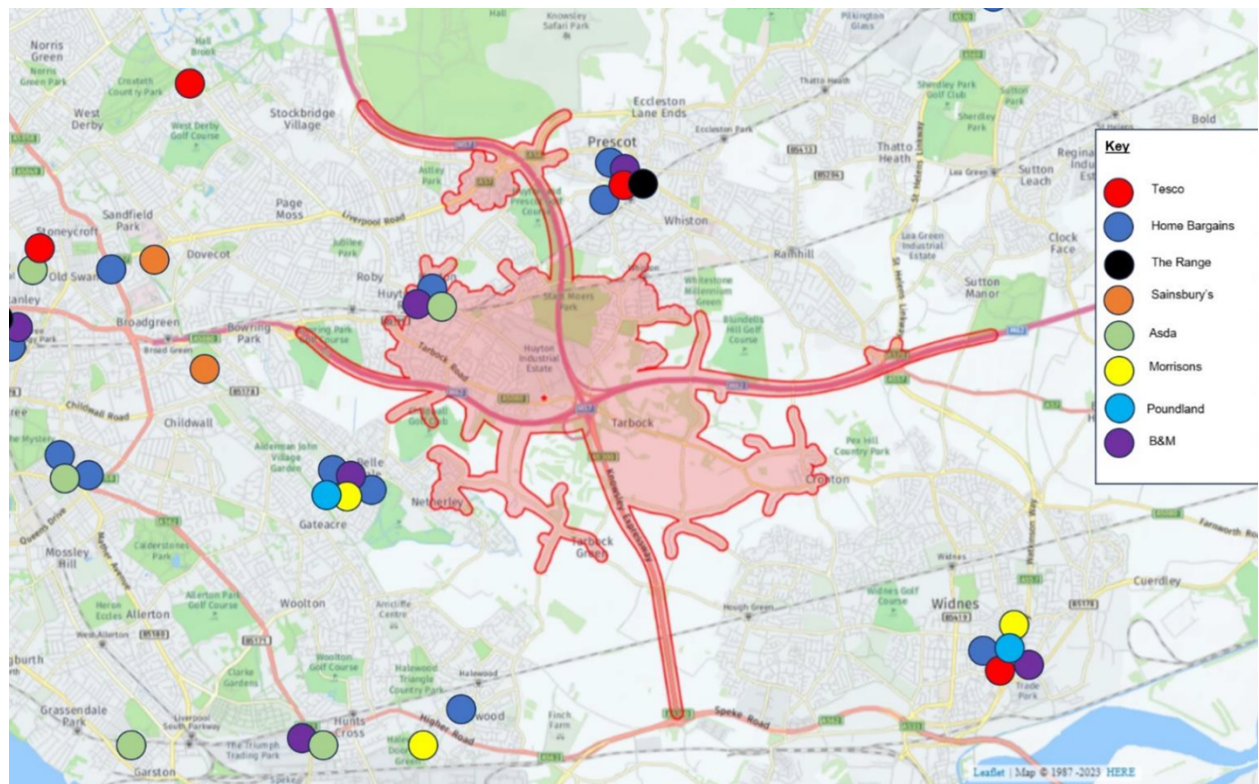
It is also suggested that the external garden centre should be included when assessing the turnover of the proposal. In considering this specific matter it is important to note that the PPG (that supports the NPPF) outlines (Paragraph: 015 Reference ID: 2b-015-20190722) that the impact test only applies to the gross retail floorspace proposed. Gross floorspace is defined in the PPG as *“the total built floor area measured externally which is occupied exclusively by a retailer or retailers, excluding open areas used for the storage, display or sale of goods”*. (my emphasis)

Given this, in line with the PPG it is not necessary to include the external display area when assessing retail impact. The approach undertaken in not including external display area is entirely consistent with that undertaken (and accepted) by numerous local planning authorities.

Overall, the estimated turnover of the proposal in the accepted design year (2029) is robust and can be relied upon in understanding the likely trading effects of the proposal.

- **Patterns of Trade Diversion:** It is agreed for the purposes of assessing the likely trading performance that the benchmark approach undertaken is appropriate. However, some queries have been raised regarding the assumptions applied.

One of the specific queries raised refers to the proposal development drawing the bulk of its trade from a five-minute catchment. As a result it asserted that a high proportion of the proposal's turnover will be derived from local facilities, namely Huyton town centre. However, it does not necessarily follow that a high proportion of trade will be derived from facilities in Huyton. Instead, it is anticipated that a significant proportion of the proposal's turnover will be from locally generated expenditure that is currently being directed to facilities outside the five-minute catchment. As illustrated on the plan showing the extent of competing provision (included in our Additional Retail Analysis submitted in September 2024 and replicated below), there is significant competing provision located just beyond the five-minute drivetime. This includes a number of large-format Home Bargains stores. It is anticipated that a substantial proportion of shopping trips of residents within the five-minute catchment will be derived from these destinations.



Existing retail facilities in Huyton town centre are identified to achieve an expected turnover by 2029 of £92.5 million (Table 3c of Document 2 to the submitted RIA). However, given the location of this existing offer at the very periphery of the five-minute catchment it would be reasonable to assume that a substantial proportion of the town centre's turnover will be derived from residents beyond the five-minute drivetime from the Application Site. There is significant resident population to the north and west of the town centre that is beyond the catchment area of the proposal. Indeed, within a 10-

minute drivetime of Huyton town centre - which represents a reasonable basis to understand the catchment of Huyton town centre given that it sits at the top of the retail hierarchy in the Borough alongside Kirkby and Prescot – the population is more than 147,000 in 2024. This compares to a population within the agreed catchment for the proposal of approximately 20,200 in 2024. This equates to less than 14% of the resident population within 10 minutes of Huyton town centre being located within the catchment area of the proposed development. This illustrates that a large population and associated retail expenditure that will be directed to Huyton town centre is located outside the five-minute catchment of the proposal. On this basis, it is reasonable to assume that a high proportion of Huyton town centre's turnover is derived from beyond the five-minute catchment from the Application Site.

Based on an estimate that 20% of the expected turnover of facilities in Huyton town centre is derived from residents within the five-minute catchment (which is considered cautious given the limited extent of the five-minute catchment and the overlap with the wider catchment of Huyton town centre), and 60% for other facilities in the catchment (namely Aldi and Tesco Express located at its southern periphery of the five-minute catchment) the expected turnover of existing facilities derived from the catchment area is identified to be £30.3 million in 2029. This compares to the resident population within the five-minute catchment generating £105.0 million of retail expenditure in 2029. Consequently, the majority of locally generated expenditure (£74.7 million) is identified to be directed to facilities elsewhere. The high level of leakage within Knowsley has long been acknowledged by the Council – as set out in the Technical Report prepared for the Core Strategy (https://www.knowsley.gov.uk/sites/default/files/2023-11/TR04_Planning-for-Retail-in-Knowsley-TechnicalReport-Submission13.pdf).

Given that approximately £65 million of retail expenditure generated in the catchment area is identified be directed 'elsewhere' it is considered reasonable to assume that a substantial proportion of the proposal's retail turnover will be derived from such facilities. For the purposes of our assessment, it is estimated that the retail diversion to the proposal from elsewhere equates to c. £9 million (or 12% of the identified leakage). We maintain that the level of trade diversion from elsewhere is based on reasonable assumptions.

It is also highlighted that the assessment does not identify which destinations elsewhere the proposal will derive its trade from and that this level of detail should be provided. In considering this specific issue, it is important to understand that the reason an impact assessment has been requested by the local planning authority given that there is no strict policy reason for assessing impact. Instead, correspondence from the Council (email dated 31st May 2024) confirmed that:

"The application in reference to the retail element (Home Bargain store) places significant emphasis on the employment/regeneration/amenity benefits of the retail element of the proposal. The local planning authority would need to weigh these benefits against the impact the retail proposal would have on Huyton Town Centre and the nearby local centres of Tarbock Road and Manor Farm Road".

In this context, we do not believe a more detailed breakdown of where the proposal will derive its trade from is needed for the local planning authority to consider the impact of the proposal on these centres.

Finally, it is noted that the monetary diversion of the existing B&M and Home Bargains Huyton town centre has not been explicitly identified and it is suggested that this should be provided. As outlined in the submitted RIA, Secretary of State decisions have established that the assessment of impact should be made against the town centre as a whole. Indeed, the Secretary of State decision at Scotch Corner, North Yorkshire (ref. APP/V2723/V/15/313873), the Inspector concluded that:

"Superficially, DBC's [Darlington Borough Council] "sub-sectoral" approach appears attractive. However, I agree with the applicant and RDC [Richmond District Council] that such an approach

conflicts with national policy where the impact test requires any adverse impact to be assessed in light of the vitality and viability of a town centre as a whole."

The Inspector's position was supported by the Secretary of State in stating that:

"For the reasons given at IR11.11-11.15, he agrees with the Inspector's conclusions on the numerical assessments of the impact on town centre turnover put forward by various parties, and further agrees with the Inspector's conclusions in giving little weight to the 'sub-sectoral' approach put forward by Darlington Borough Council."

For these reasons, it is not necessary to assess the impact on individual stores. Instead, the overall levels of impact provide the appropriate basis for assessing impact. In this respect, our assessment identifies a retail impact of just -3.9% on the overall retail turnover of Huyton town centre. In our view this is not considered significant adverse.

Nevertheless, for completeness we have provided a more detailed breakdown of the likely trading effects of the proposal. This additional analysis (attached) shows that the impact on a particular store will continue to not be significant adverse and not at a level that would undermine their long-term viability. The highest impact on any individual (albeit only -6.7%) is identified to fall on the existing Home Bargains. The Applicant (the parent company of Home Bargains) is comfortable with these levels of impact and that this level of trade diversion will not undermine the long-term viability of this store. There is no suggestion that this level of impact will lead to its closure. As outlined in the retail evidence previously submitted in support of the application, the proposed development and the existing Home Bargains store will largely serve different roles and catchments. The dual trading of Home Bargains stores is common across Merseyside. For example, at Belle Vale and Prescot. This will also be the case in Huyton.

c. Concluding Remarks

For the reasons outlined above, we maintain that robust evidence has been provided to support the planning application. The evidence is sufficient for local planning authority to understand the likely trading effects of the proposal on Huyton town centre and the nearby local centres of Tarbock Road and Manor Farm Road. These statements are made in light of the fact that there is no retail policy requirement to undertake a full retail impact assessment.

It is agreed that the proposals will not lead to a significant adverse impact on planned investment. The evidence provided also demonstrates that the proposal will not lead to a significant adverse impact on the long-term vitality and viability of Huyton town centre. Sufficient evidence is before the local planning authority to weigh the wider benefits of the scheme against the potential impact on neighbouring centres. This is the purpose of the impact evidence that has been provided, rather than there being any policy requirement to assess retail impact in full.

We hope that the additional evidence clarifies the position and that you are now in a position to finalise your advice and conclude that the proposals are acceptable.

Kind regards,
Adam



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