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L 150730 SAV BBC Final Policy Response



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Dear Gary

**THE TOWN & COUNTRY PLANNING ACT 1990 (AS AMENDED)
APPLICATION FOR THE DEMOLITION OF EXISTING COMMERCIAL FLOORSPACE AND ERECTION
OF A NEW RETAIL UNIT (CLASS A1) AND ASSOCIATED PHYSICAL WORKS TO THE LAYOUT OF THE
SITE AND ACCESS
LAND ADJACENT TO BLACKPOOL RETAIL PARK, SQUIRES GATE LANE, BLACKPOOL, FY4 2RP
LS RETAIL WAREHOUSING LIMITED
APPLICATION REFERENCE: 14/0608**

Introduction

We write further to recent correspondence and discussions in respect of the above application which seeks planning permission for a new foodstore to be occupied by Aldi.

Further to our last conversation, the Report to the Planning Committee has now been published which recommends that the decision be delegated to the Head of Development Management.

The Report finds that the development is acceptable and accords with the relevant policies of the development plan subject to two, final points of clarification. These require the applicant to demonstrate that:

1. The cumulative impact of the extant planning permission for a foodstore at Westgate House (Ref: 14/0358) and the proposed development on Blackpool and other defined centres would not be 'significantly adverse'; and
2. The Booth's store on Highfield Road is not available, suitable and viable to accommodate the proposed development.

This correspondence provides a response to outstanding points listed above and demonstrates that it is appropriate for officers to recommend that the application be 'approved' by Members.

We would request that a summary of the additional evidence and the change to the formal recommendation is provided to Members via a formal written addendum in advance of the Committee meeting so it can be properly assessed.

Outstanding Issues

1. Cumulative Impact

There is no locally set threshold for an assessment of impact and the threshold established in the NPPF is 2,500 sq. m. The proposed development measures just 1,740 sq. m (GEA) which equates to less than 70% of the minimum threshold.

The Committee Report therefore acknowledges that there is no requirement to undertake a formal assessment of impact.

In addition to the above, and as the Report to Committee sets out there is a quantitative need for 2,825 sq. m of net convenience goods retail floorspace¹. The net sales area of the proposed store is 1,125 sq. m². It follows that even taking into account the proposed development there remains a quantitative need for 1,700 sq. m of net convenience goods retail floorspace. This is sufficient to support the proposed store at Westgate House and additional floorspace should appropriate sites come forward.

As sufficient surplus expenditure capacity exists to support the committed floorspace and the proposed development, there is no requirement for unsustainable patterns of trade diversion.

Irrespective of the above, the applicant has completed an assessment to provide the Local Planning Authority ('LPA') with clear evidence that the proposal will not have an unacceptable impact. The assessment has now been updated to include the speculative development of a foodstore at Westgate House on Squires Gate Lane approved by Fylde Council and all other commitments.

The updated Statistical Tables setting out the economic assessment of the proposal are included at **Annex 1** of this letter. They are summarised below:

- **Table 1 – The turnover of the proposed Aldi store:** This is forecast to be £9.14m per annum in 2019³.
- **Table 2 – The performance of the existing stores:** Demonstrates that the out of centre convenience floorspace within Blackpool is overtrading by approximately £38.54m at 2014, and £36.36m at 2019. Within the town centre, the stores are overtrading by £2.75m at 2014 and £2.94m at 2019.
- **Table 3 – The forecast turnover of the commitments:** The principal commitments within the Catchment Area of the proposed store are the Sainsbury's⁴ at Talbot Gateway, Aldi at Oxford Square and the proposed discount foodstore at the Baxter site on Squires Gate Lane in Fylde. The cumulative turnover of the three stores is estimated to be £60.56m by 2019.
- **Table 4 – The impact of commitments:** The impacts of all commitments are assessed to provide a cumulative figure and then a summary of the effect of the diversion on the performance of the store is included in the final columns. The analysis demonstrates that all of the stores continue to trade well above or commensurate with their company average.

It is important to note that the proposed Sainsbury's store will contribute towards the overall turnover and vitality and viability of Blackpool town centre and enhances its vitality and viability.

¹ The figure is net (i.e. sales area), as set out at Table 4.2 of the Fylde Coast Retail Study 2013 Update.

² See Table 1 included at **Annex 1**.

³ Five years from the date the application was made as required by the second bullet at Paragraph 26 of NPPF.

⁴ Although Sainsbury's is now trading it is assumed to be a commitment as no survey data exists which establishes its trading patterns.

Furthermore, a benchmark turnover is not the same as a 'break even point' and stores continue to be profitable when trading below their company average.

- **Table 5 – The impact of the proposal:** The starting point for the assessment of the proposed development is the performance of existing stores after the impacts of the commitments has been assimilated. Table 5 represents a cumulative assessment of commitments and the proposed development.

The analysis demonstrates that the principal impact of the proposed development will be on other discount facilities and larger stores, the majority of which will be located outside Blackpool town centre. This accords with the established principle that 'like affects like'⁵.

Critically Table 5 demonstrates that the floorspace and stores within Blackpool town centre will continue to trade commensurate with company average level (90% of benchmark or above). The assessment therefore confirms that no in-centre store is anticipated to close as a result of the cumulative impacts and therefore there will be no material impact on turnover or choice. Accordingly, there is no evidence that the proposal will result in any significant adverse impacts on defined retail centres.

Although not a formal requirement of planning policy as acknowledged in the Report to Committee, the applicant has provided clear evidence to demonstrate:

- a. There is sufficient expenditure capacity to support the commitments and the proposed development so there is no requirement for unsustainable trade diversion from existing facilities; and
- b. Neither the solus impact of the proposed development or its cumulative impact when considered with commitments would trigger an unacceptable impact on Blackpool or any other defined centre.

2. Sequential Assessment of Booths, Highfield Road

Our letter, dated 15 May 2015 (a copy enclosed at **Annex 2**), provides a detailed assessment of the premises currently occupied by Booths on Highfield Road. It sets out a number of reasons as to why that site is not suitable or viable to accommodate the proposed operation by Aldi.

To assist the assessment of the proposed development, below we provide further evidence to in respect of the following principal matters:

- a. Is the Booths site sequentially preferable to the application site?
- b. Is the site suitable and viable to accommodate the specific development proposed as part of the application?

These two matters are assessed below.

a. Is the Booths site a sequentially preferable location?

Annex 2: Glossary of the NPPF confirms that 'for retail purposes', edge of centre is: 'a location that is well connected and up to 300 metres of the primary shopping area'.

As acknowledged in the Report to Committee, both sites are well within the maximum 300m distance.

The application site is well connected to St Annes Road Local Centre. There are dedicated footpaths and signalised pedestrian crossings that link the two destinations. It follows that there are no barriers that impede the ability for shoppers to easily walk between both locations and there is clear evidence of these linked trips on site.

⁵ See Paragraph 010 of the NPPG (Reference ID: 2b-016-20140306).

The detailed assessment of both sites that has been carried out by the applicant demonstrates that:

- i. Both sites are well connected to their surrounding residential areas. There are dedicated footways and pedestrian crossings between both sites and surrounding residential areas;
- ii. Both sites are well connected to public transport links. The application site and Booths store are located within 150m of existing bus stops on Squires Gate Lane and Highfield Road respectively. The bus stops provide services that connect each destination with surrounding residential areas;
- iii. Both sites fall within the desirable walking distance of residential areas and public transport facilities. This is 400m as set out at Table 3.2 of the Institution of Highways & Transportation: Guidelines for Providing for Journeys on Foot.

Both sites are correctly defined as being 'edge of centre' pursuant to the NPPF.

The reference in the Report to Committee that the application site is 'out of centre' or 'on the edge of an out of centre' site are inaccurate. It follows that the Booths site is not sequentially preferable to the application site.

Although both sites are accessible by non-car modes of transport, it is important to have due regard to the specific role, function and characteristics of the proposed development. In this instance significant weight must be afforded to the following:

1. The established modes of transport used for 'main food' shopping in Blackpool; and
2. The objective to reduce overtrading of the existing Morrisons store.

These are addressed below.

The majority of main food shopping trips are undertaken as dedicated trips and using private vehicles.

The data from the household survey used to inform the Council's Retail Study demonstrates that **80%** of all shoppers undertake their main food shop by private modes of transport. 12% of shoppers walk to their preferred store and only 6% travel there by bus.

The application site is accessible by public and sustainable modes but commercial realism must be applied to decision making. The evidence is clear that the majority of users will visit the store by private modes.

As set out above, the application site will enable the proposed development to benefit from established shopping and travel patterns, enabling customers to link a trip with the adjacent Morrisons store and the wider Retail Park. Being located adjacent to the Morrisons store is particularly relevant as the majority of customers will use both stores to meet their shopping requirements. This reflects the emerging shopping patterns in the UK which show an increasing consumer preference to shop at both main grocers and discount stores to meet their requirements.

If the proposed Aldi store was to be accommodated at the Booths site it would trigger a greater number of trips and distance travelled by private vehicles as customers visit the separate sites.

By creating genuine opportunities for customers to link trips with the adjoining retail facilities, the proposed development will reduce the distance travelled in private modes of transport. The proposed development therefore accords with the overarching objective to deliver sustainable forms of development.

b. Is the Booths site available, suitable and viable to accommodate the proposed development?

For the reasons set out above, an assessment of the Booths site is not formally required as it is not sequentially preferable to the application site.

A detailed assessment of the site has however been undertaken in the interests of completeness. This is set out in the correspondence at **Annex 2**. That assessment is supplemented with additional information below. The premises remains operational but we understand from the letting agent that Booths will vacate the premises in September so it is considered 'available'. The agent has confirmed that there has already been expressions of interest for the unit but no formal offers have been made.

The Council will be aware that the sequential test should be proportionate and appropriate for the given proposal⁶, and applied according to the market requirements that a proposal is intended to serve.

As set out in the **Annex 2**, the Booths store is located at the very edge of the Catchment Area of the proposed store. Its location means it would not meet the same consumer demand as the proposed store. The proposed store is intended to serve:

- i. the residential population around St Annes Road and Squires Gate Lane;
- ii. the holiday accommodation to the west of the site;
- iii. the overtrading at the existing Morrisons store adjacent to the application site; and
- iv. other customers visiting the wider Retail Park that reside outside the immediate catchment area of the store.

Critically a store at the Booths site would compete directly with the existing Aldi store at Waterloo Road and to a greater degree the proposed store at Oxford Road Local Centre. The store would result in the cannibalisation of the trade to those two stores and is not a commercially realistic option for the Company.

The cannibalisation of trade is compounded by the anticipated lower turnover of a store trading from the Booths site. The existing operator is closing the store as it does not meet its financial expectations. This is confirmed by the data from the Retail Study demonstrates that the store is trading below its anticipated benchmark level.

Aldi is committed to investing in Blackpool and wants to open another store to complete its coverage in the south of the town. The Booths site does not provide a commercially realistic option given the location of its existing and proposed stores. Planning policy and the binding authorities on its interpretation are explicit that for an alternative site to be sequentially preferable it must be realistic to accommodate the proposal.

The Booths site is not suitable or viable to accommodate the proposed development. Aldi has already considered the site as an option and dismissed it for a series of legitimate commercial reasons. Should planning permission not be granted for the proposed development, Aldi cannot and will not occupy the floorspace at the Booths site and this is a material consideration for the LPA. A refusal to grant planning permission will not result in the reoccupation of the Booths unit by the proposed operator.

Summary and Conclusion

As part of this correspondence the applicant has responded to the two outstanding matters identified in the Report to Committee and demonstrated that:

1. The cumulative impact of the commitments and the proposed development will not trigger a 'significant adverse impact' on Blackpool or any other defined centre;
2. The Booths site is not sequentially preferable to the application site; and
3. Even if the Booths site was deemed to be sequentially preferable, it is not suitable or viable to accommodate the proposed development. Aldi cannot operate its established business model from that premises.

⁶ The first sub-paragraph under Paragraph 010 of the section Ensuring the vitality of town centres in the National Planning Practice Guidance (The Guidance) and titled *How should the sequential test be used in decision-taking?* All paragraph references in the Statement in relation to The Guidance are from the section Ensuring the vitality of town centres, unless stated otherwise.

We trust that the LPA is now in a position to confirm that the proposed development accords with the development plan and all other material considerations.

In light of the additional evidence that has been provided, we would request that officers provide a formal written update to Members in advance of the Committee meeting confirming that:

1. The outstanding matters have now been fully addressed by the applicant and the development accords with the development plan and all other material considerations; and
2. Update the recommendation to from 'Delegate to Head of Development Management' to 'Approve subject to conditions'.

We would be grateful if you could confirm by return that your recommendation has been amended to reflect the evidence provided to the Council.

If you require any additional clarification in respect of any of the matters raised above, please do not hesitate to contact us. .

Yours sincerely

A handwritten signature in dark ink, appearing to read "Savills", written in a cursive style.

Savills
Retail Planning

cc. I Bramley – Land Securities