

Pioneer Mill Retail Audit

Proposals: The erection of a new (A1) retail foodstore with associated access, parking and landscaping.'

Ref: 10/17/1435

At: NEW WELLINGTON STREET, MILL HILL, BLACKBURN, BB2 4DV

Introduction and General Overview

GL Hearn has been instructed to provide an independent assessment of the above planning application. It is understood that Heron Foods Limited are the likely intended occupants for the unit, although the applicant on the form is IGP Investments Ltd.

The site will be occupied by a 369 sqm A1 retail unit within which the store will be split between 280 sqm sales area and 89 sqm back of house. The store will be served by a car park containing 17 spaces which includes 2 disabled spaces, with access taken off New Wellington St.

We have been provided with an objection prepared on behalf of Bridge Stores Ltd, who is identified as the proprietor of the Spar convenience store at 1a New Chapel Street, Mill Hill. The objection covers:

- Heron Foods store format and target market
- Suggested primary catchment area of the proposed store
- Trade diversion to the proposed store
- Impact on the vitality and viability of Mill Hill District Centre

These are considered further below

Planning Policy

Section 38(6) of the Planning and Compulsory Purchase Act states that *"the determination must be made in accordance with the plan unless material considerations indicate otherwise"*.

In this respect, policy CS12 of the Blackburn Core Strategy (2011) defines the Borough's retail hierarchy, including district centres such as Mill Hill. It expects that the town centres will be the focus of all major and significant minor retail development, but does go on to identify that *"if towards the end of the Strategy period, sites to meet identified needs are not available within the Town Centres, development will be located according to the following sequential test: first: edge of centre sites"*

The Part 2 Local Plan (2015) includes details of the district centre at Mill Hill (27/12), to which the application site is immediately to the south of.

In terms of retail policies, Policy 27 identifies that *"within and adjacent to the district centres....development will be supported where it encourages mixed uses, and where it responds to the scale and function of the centre in question"*. Proposals which fulfil these requirements will be permitted in the following circumstances:

- *New build proposals should be proportionate to the scale and function of the centre. New retail, leisure, office and service use developments should demonstrate that they cater for local needs, and should be accompanied by an impact assessment if they involve the creation of new floorspace above the thresholds set out in Policy 29. The assessment should consider the impact*

- of the proposal on existing, committed and planned public and private investment in the centre and other nearby centres.*
- *Proposals involving conversion and adaptation of premises or involving changes of use should take place within existing buildings and frontages in order to consolidate and strengthen the vitality of the centre. They should retain or provide shop fronts in order to maintain active frontages and retain the character and vitality of the centre.*

Policy 29 refers to potentially acceptable scale of proposals within centres, which identifies 500 sqm for district centres; the sequential approach to development but also identifies a series of floorspace thresholds, above which impact needs to be considered. Within 500m of a district centre boundary the threshold is 250m and this expects that all centres within 500m need to be considered.

Accordingly the above policies are broadly consistent with the Framework.

Sequential Approach to Development

The applicant's sequential assessment is focused on Mill Hill district center, which is a reasonable approach based on the proposal and relevant case law. No suitable and available sites are identified.

The objection does not seem to raise any issues with respect the sequential approach to development, save for noting that it has been undertaken exclusively on the basis of Heron Foods as the occupier. No alternative sites have been put forward by the objector.

As such the proposal complies with the sequential approach to development.

Retail Impact

The detailed impact assessment is covered within the Retail Impact Assessment, starting at para 5.20, although some introduction in terms of the potential catchment for the store is detailed in paragraphs 5.4-5.8

It is noted that there are some observations provided within the objection on the proposed catchment used by the applicants. This seems to turn on the patronage of the store, which the objector considers to be likely to be mainly local trade. It is noted that a catchment of broadly 500m is proposed by the objector, with the applicant identifying a much larger catchment of up to 2.46km (according to the objector).

In GL Hearn's experience on advising local Authorities and retailers on similar sized stores, the typical catchment is usually around 1km, which equates to broadly a 10minute walk. Nevertheless the actual catchment area is dependent on the final operator and surrounding provision.

In this respect, the objector seeks to demonstrate that the Heron Foods offer is different to that initially presented by the applicant as a frozen foods frozen and chilled foods, with some dry / packaged foods and other non-food products, to more of an every day convenience store. In this respect the objector claims that:

The degree of competition is therefore direct and substantial, and the only differential is that Heron Foods does not (currently) sell alcohol, cigarettes and newspapers and magazines. B&M Bargains sells alcohol in its non-food stores however and cigarettes, newspapers and magazine sales are only a small percentage of our client's turnover. Heron stores also offer the National Lottery, PayPoint and other complementary facilities

In terms of shopping patterns in this area, the applicant uses the results of the 2011 Retail Study. Whilst it is acknowledged that this pre-dates some of the changes in the convenience store retail market such as the emergence of the 'discounters' and the movement away from the 'big 4', this is the most up to date evidence. It is accepted that there have been little change in this area in terms of convenience stores and it is also

accepted that the RIA's should be proportionate, as advocated by the PPG. Therefore the suggestion that a fresh shopper survey be undertaken for this proposal is an excessive request given the background to this proposal.

The applicant's key statistics are:

- The localised retention rate in Zone 6 is very low at 20.1%
- Zone 6 residents primarily travel to Asda at Grimshaw Park (34.13%) and Morrisons in Blackburn Town Centre (10.14%) as well as Aldi at Ewood (11.38%)
- Only 2.3% of Zone 6 residents shop at 'Other Stores' in Zone 6
- The localised retention rate in Zone 5 is higher at 42.1%, although again residents primarily travel to the town centre stores in Blackburn

The objector does not provide any evidence to dispute these results,; however they do consider that caution is placed against the results, going onto the note a series of the overall general findings of the Retail Study such that:

- Paragraph 4.45 of the Study confirms that the level of convenience spending per capita is below the national average in all ten catchment zones apart from Zone 1;
- Paragraphs 4.58 and 6.57 confirm it is evident from the household survey and analysis of shopping patterns, that there are no zones with an acute localised deficiency in convenience retail provision;
- Paragraph 5.58 confirms that due to the high overall retention rate, there is no quantitative capacity for additional convenience floorspace in Blackburn with Darwen before 2021, and;
- Paragraphs 6.40 to 6.45 confirm there is no qualitative requirement for additional convenience floorspace as gap area analysis, taking account of local catchments and levels of accessibility to existing provision, revealed the only localised need is (was) in Zone 2. It is also confirmed that multiple deprivation is highest in the central, south and east wards of Blackburn, where it is most important to remedy any gaps in local provision due to low car ownership and limited accessibility, however most of these areas are comparatively well served by existing stores.

It is noted that the applicant's response to these points identify that they mainly relate to need, which is no longer a national policy test.

Below are the trade diversions provided by both the applicant and the objector:

Store	Applicant diversion	Objector (best)	Objector (worst)
Tesco Express, Livesey Branch Road	12%	3%	0%
Other Sores Zone 4	0%	0%	0%
Sainsburys Local, Preston Old Road	10%	3%	0%
Other Stores Zone 5	3%	3%	3%
Aldi, Bolton Road	17%	17%	10%
Iceland, Bolton Road	14%	14%	8%
Other Zone 6	6%	10%	10%
Heron Foods, Rothsay Road	5%	5%	5%
Other stores outside the catchment	30%	10%	5%
Spar, Mill Hill	3%	35%	59%

Clearly there are differences in opinion in terms of where trade is to be drawn; however the assessment below focuses on the trade drawn from 'other stores outside the catchment area' and the Spar, Mill Hill, where the largest differences occur.

Trade drawn from elsewhere

The results of the shopper survey identify that large amounts of trade is lost from both Zones 5 and 6 which form the immediate catchment of the proposed store. The largest losses are to Asda at Grimshaw Park (£15.7m – Table 15a) and the Morrisons in Blackburn Town Centre (£9.28m). It would be expected that this would be in the form of both main food shopping and more regular top up shopping trips.

It is appropriate therefore that a reasonable portion of the proposed stores trade will be drawn from these stores given the shopping patterns identified. On this basis the approach of the applicant appears reasonable and the level of clawback proposed, albeit it will be small at only £0.38m. This equates to a clawback of around 1.5% of the trade being lost to these two stores.

Trade drawn from the Spar, Mill Hill

The difference between the applicant and the objector are most obvious with regards the Spar. It is noted that the shopper survey did not acknowledge the Spar, or Mill Hill as a location to which trade was drawn. Furthermore the results of the shopper survey only identify a very small percentage of trade being drawn to 'other stores' in Zone 6 (£0.5m).

Nevertheless in GL Hearn's experience, the results of shopper surveys can underestimate the level of trade being drawn to smaller local stores given the type of questions asked. It is noted that a single convenience figure is provided for the convenience shopping patterns in Table 14a. As such it is not clear how the results are weighted between first choice and second choice and between main and top up shopping to arrive at the combined results.

The proposed Heron store will compete to some extent for the same customers and local convenience market share, within the catchment area. The store would offer additional choice to residents, using the centre. The applicant's note that Heron Foods does not offer many of the standard convenience goods offered by top-up local shops such as newspapers, magazines, tobacco and alcohol which is identified as a "significant draw" for the Spar, but there would be nothing stopping Heron Foods from providing those goods and services.

As such there will be some trade drawn from the Spar to the proposed Heron Foods, but given the results of the shopper survey and the likely overlap of products, GL Hearn consider this to be slightly higher than the 3% presented by the applicant.

At the same time, given the low levels of patronage identified in the shopper survey and the significant levels of trade being drawn to other units, the evidence does not point to such a significant level of trade diversion presented by the objector.

A reasonable assumption is that the level of trade diversion is likely to be of the order of 10% (£0.13m). If this diversion were to occur then the impact on the Spar would be of the order of 11%, but slightly lower overall if all retailers within the centre (both convenience and comparison) are considered

It should be remembered that the policy test is not the impact on the Spar but impact on the viability and vitality of the centre as a whole. Furthermore Policy 27 provides support for proposals within and adjacent to the district centre, which also needs to be borne in mind

It is noted that the applicant and the objector do not undertake a full vitality and viability assessment addressing all of the topic headings identified within the PPG. The objector raises some questions with regards the benefits of the proposal, which are covered under a vitality and viability heading. These are rebutted by the applicant in their response letter and it is accepted that some points raised are facts.

There are a number of supporting shops and services within the centre which would be unaffected by the proposal in that no trade would be drawn from these stores. There may be the potential for some benefits from additional people shopping in the centre if the level of clawback identified is realised This would be a benefit to the centre overall given the site is immediately adjacent to the centre boundary on the Proposals Map, although actual additional shoppers would be small which tempers the potential for this to be a significant benefit.

It is noted that the objector has put forward that the Spar would be lost, but provide no evidence to support this claim. To reiterate the impact is on the centre overall not the Spar.

The objector does not identify an impact on any existing, committed and planned public and private investment, in a centre. It only identifies that the Spar owner has "*made significant, continual investment in the store premises and retail business*". This is a generic investment, which any shop owner would undertake. In the absence of a specific committed investment in the centre, there can be no significant impact in this respect.

Finally it should be noted that in the summary of the objection it is stated that the proposal will "*undermine our client's Spar store business and the vitality and viability of the Mill Hill District Centre*". The objector does not claim that the proposal will have a 'significant adverse impact' as is the test within the NPPF.

Summary

In summary the proposed development will result in an impact on the Spar which is slightly higher than presented by the applicant, but not as high as presented in the objector's scenario. In light of this, the proposal would be unlikely to have significant adverse impact on the vitality and viability of the defined district centre at Mill Hill. As such, the proposed development is considered compliant with Policy 29 of the Local Plan Part 2 and paragraph 26 of the NPPF

Conclusion

The application is supported by the necessary supporting retail information which covers the sequential approach to development and the impact of the proposal. The application site is immediately to the south of the defined District Centre at Mill Hill. In terms of the sequential approach to development the assessment focuses on the closest centre at Mill Hill; however there are no suitable or available sites to accommodate the application proposals.

In terms of impact, the results of the shopper survey which underpins the Retail Study shows that the majority of convenience trade is being lost from this area, mainly to larger surrounding foodstores. This proposal will claw back some of this lost trade. There will also be some more localised trade drawn from surrounding convenience stores including the Aldi at Ewood, Tesco express at Livesey branch Road and Sainsburys at Preston Old Road. Some trade will also be drawn from within Mill Hill District Centre itself from the existing Spar. This store is not identified within the Retail Study as a location where significant amounts of trade is drawn, but there will be some diversion as there will inevitably be an overlap in terms of convenience goods being sold, although there will be some differences given the different operators.

Overall the trade drawn from the Spar will be located to an edge of centre site, but coupled with the level of trade clawed back to the centre should overall be seen as positive for Mill Hill District Centre. As such it would at least maintain the vitality and viability of the centre, but there may be some improvements to the vitality and viability of the centre overall through additional choice and competition and additional shoppers which can benefit other occupiers.

The overall impact of the proposal could not be considered 'significantly adverse' and as such the proposal would comply with the retail policies of the Local Plan and the NPPF.