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MCD/MCD/2962le/L001

6th February 2018

Dear Sirs,

**Objection from Bridge Stores Ltd to Application Ref No 10/17/1435**

Thank you for providing us with a copy of the above letter of objection to the application for a Heron foodstore, for which we prepared the submitted Retail Impact Assessment, and the Planning Officer's subsequent Email.

In response to the specific points highlighted in the Planning Officer's Email we would respond as follows:

- i) The applicants' name is irrelevant; anyone can apply for planning permission on any land. Heron Foods Ltd are the intended operator for this site and will be entering into a leasehold deal with IGP Investments Ltd
- ii) The RIA and sequential assessment are Heron specific with the intention of being transparent and providing more certainty on impact. The Planning Statement could be re-submitted without any reference to Heron and a number of generic assumptions made about the sequential and retail impact tests, but we would not suggest that this would be to anyone's benefit. The aim of the Heron specific assessment is to aid the LPA's consideration of the application.
- iii) Q18 of the standard national planning application form is contradictory in that it requires net tradeable area to be entered but then also asks for gross internal area. The latter figure is what has been entered in that box and this correct. However, we can confirm that 90 sq.m. of that space is used for storage leaving 280 sq.m. net sales
- iv) In the Planning Statement we have stated that the Primary Catchment Area of the proposed store may extend beyond 500m. However, in terms of the Policy 29 requirement, Mill Hill is the only defined shopping centre within 500m. Ewood sits outside this radius. However, potential trade diversion from the main stores within that centre has been assessed in the impact exercise.

None of the above issues warrant a revision to the Planning Statement. Turning to other issues raised in the letter, and using the same sub-headings:

## Retail and Socio-Economic Context

The Spar foodstore is acknowledged to be an important feature of the Mill Hill Centre but it is not the only one. The national policy test is that refusal of an application can only be justified where there is significant adverse impact on a centre as a whole. The purpose of the Planning system is not to stifle competition or to protect individual operator interests. Mill Hill has a variety of other important local functions (paragraph 5.45 of Planning Statement refers) and in our view, would continue to be both vital and viable and perform an important local function.

Bridge Stores Ltd's comments on socio-economic factors only serve to highlight how beneficial a deep discounter such as Heron will be in this location. Comments about growth in expenditure are misleading as there will be some natural growth in per capita expenditure. In addition, the Council's Retail Study shows very low localised retention rates of convenience expenditure in this area – 20.1% (see paragraph 5,25 of Planning Statement).

### Objection 1 Heron Foods Store format.

The case put forward does not rely entirely on the assertion that the Heron will serve a substantially different retail offer. This is a completely misleading statement. Table 3 of the RIA actually shows a level of trade diverted from the Spar store, resulting in a 3% impact. In terms of the accusation that we have provided no compelling evidence, Retail Impact Assessments are ultimately based on judgements (see NPPG Paragraph: 017 Reference ID: 2b-017-20140306). Our judgement in this case, backed up by information from Heron and many years of experience in undertaking RIA's for all sorts of retailers, is that the Primary Catchment Area for this store will be slightly larger than the 500m radius defined by Policy. In other words, people living within this area, who currently shop in a variety of stores not just the Spar, will be diverted to this store. By its own admission Bridge Stores Ltd only draws people from within a 500m radius. This in itself demonstrates a difference in customer base.

The letter of objection is fixated on whether or not Heron is a frozen food led operator and points to discrepancies in the submission. However, the frozen food offer is not what our trade diversion exercise is predicated on. The fact that Heron stores do not sell tobacco, alcohol, magazines or newspaper is more relevant in our assessment of impact, coupled with the likely location of customers.

### Objection 2 - The suggested PCA

Although Bridge Stores Ltd have gone into a huge level of detail in an effort to discredit the PCA of the store, this is largely irrelevant. Even if we were to agree, for the sake of argument, that both stores would have exactly the same catchment area of 500m, the point is that the vast majority of those people are shopping at other locations according to the Council's own retail study. This is the compelling evidence that the objector is asking for and unless they can provide any more definitive information on the shopping patterns of the population within 500m of their store, then this is the evidence that has to be considered by the LPA in its consideration of this application. In summary:

- 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

### Objection 3: Trade Diversion to the Proposed Heron

As set out in paragraph 5.5 of the Planning Statement we consider the 2011 Retail Study to still be a robust basis for the assessment of this application; we commented: *“Although the growth of discounters since 2011 may have reduced these market shares to an extent, we consider that these shopping patterns will remain fundamentally unchanged”*. All that this means in reality is that the ‘Big 4’ have had their turnover reduced by the likes of Lidl and Aldi. The reference by the objector to more refined evidence at a neighbourhood level is not consistent with national policy advice that RIA’s should be proportionate (NPPG Paragraph: 015 Reference ID: 2b-015-20140306). The suggestion that this level of detail would be required for an application of 280 sq.m. net is, quite frankly, ridiculous. Recent conversations with the Case Officer have indicated that the Council now apparently doubts that there is even a requirement for an RIA in support of this application, despite the pre-application advice received.

The objectors quote a number of findings from the Retail Study; however, all of these points relate to whether or not there is a need for the development. Need has not been a retail planning policy test for well over 10 years. We are not required to demonstrate the need for this proposal; only to assess its potential impact. None of these points relate to trade diversion (which is a different point) and we would suggest that the authors do not properly understand how a RIA is undertaken.

In terms of trade diversion from stores outside the PCA, these assumptions are based on the existing shopping patterns in the area and the fact that we know that the majority of people are shopping at the large stores referred to above. Heron’s frozen food offer forms part of the assumptions made in terms of trade diversion but it is one of a number of assumptions made. The future trading profile of Heron, whatever that may be, is not a matter that can be assessed in this planning application as it is not yet fact. However, if it does transpire, it would not fundamentally alter the patterns of diversion we have assumed.

The comments about the very localized Mill Hill shopping patterns from the objector are noted but without any firm evidence these cannot be substantiated. Evidence to counter the findings of the 2011 study would need to be provided for this to be given any real weight.

In terms of trade diversion from stores within the PCA, the objector has offered an alternative pattern of trade diversion and impact table without any evidence to back this up, unlike the applicant’s RIA which is based on, amongst other things, documented shopping patterns from a Council Retail Study which forms part of the Evidence Base for the Local Plan. There has been no material change in circumstances since this survey was undertaken which would affect its findings other than growth in the overall market share of discounters such as Lidl and Aldi and an improvement in the economy in terms of consumer convenience spending (evidence for the latter point can be found in Retail Planner Briefing Note 15 – December 17, published by Experian). Ultimately it is up to the LPA to afford appropriate weight to each of these approaches. The objectors’ assertions appear to be based on the fixation that our RIA is based on the extent of Herons frozen food offer (only one of a number of factors taken into account) and the fact that the proposed store would be in a ‘hard-to-access location’ This is disputed; the store would be immediately adjacent to an existing centre and is easily accessible from the A6062 to the south. In terms of the ‘dense neighborhood of terraced streets’ that the objector refers to, it should be remembered that 80% of people are currently navigating through these streets to leave the area and shop elsewhere.

In short, the objectors’ alternative trade diversion exercise is rebutted as it ignores established shopping patterns and is not evidence based.

In terms of the impact on the Spar store, much of this part of the letter is repetition of points already made. The availability of surplus of expenditure is not part of our case, as it is not required by policy. We have not asserted that the Spar overtrades and have assessed impact on the basis of a published national company average for Spar stores. Nor have we claimed that linked trips to the Spar will occur, although we do consider that linked trips with the centre as a whole are likely (considered below). We consider that the closure of the Spar store is unlikely for all the reasons already referred to in this letter.

In any event, and as referred to by the objector, the policy test is not impact on the Spar but impact on the viability and vitality of the centre as a whole. It is relevant at this point to reiterate the actual test of 'significant adverse impact'. This 'sets the bar' very high in terms of the circumstances where an LPA has to refuse an application. The objector has reproduced our 4 bullet points and refuted them. As at least 3 of these 4 bullet points are actual facts it is difficult to see how these can be refuted; i.e. the regeneration of a vacant site and introducing a new national operator to the area. However, in response to each point:

- 1) We are not claiming the regeneration benefits are unique to a retail scheme. It is not disputed that other uses would regenerate the site. However, the LPA has to consider what is before it, not the prospect of alternative uses. The site is not allocated for any particular development in the Development Plan and this proposal does not prejudice any other planned use. The regeneration benefits of this scheme cannot be disputed; they are fact.
- 2) No evidence has been put forward of the Spar's closure; it is merely conjecture as is the claim that the premises would not be re-let. We would maintain that the introduction of Heron in this location, immediately adjacent to the centre, with a free car park is more likely to have a positive, than negative impact on the vitality of the centre.
- 3) Insufficient capacity to support more than one store has not been proven and is not backed up by the existing shopping patterns which suggest that people are leaving the area in large numbers in order to undertake convenience shopping trips. As already stated, capacity is no longer a retail policy consideration.
- 4) We would repeat our points at 2) above.
- 5) FTE figures would need to be provided by the objector for this point to be given any weight. Again, however, no evidence has been provided that the Spar would close.

## Summary

National policy guidance requires RIA's for development in excess of 2500 sq.m. unless there is a locally adopted threshold as there is in this case. Nevertheless, the fact that this proposal is for a small-scale convenience store in a policy compliant location means that the RIA that has already been undertaken is a more than robust approach. Any more detailed analysis would, in our view be excessive and not in accordance with national policy.

The objector is a commercial competitor which is trying to protect its business and the objection has to be viewed in that context. The flaws and inconsistencies that they have highlighted are for the most part not relevant and we have in any event clarified these in this submission. There is no requirement here for any revision to the submitted RIA.

The proposal is policy compliant in that there are no sequentially preferable locations and it would not have a significant adverse impact on Mill Hill Centre. There is no evidence that the Spar would close and even if it did, the proximity of the

proposed Heron, and the range of facilities found in the centre means that its vitality and viability would not be impacted on to a significant and adverse level.

I trust that these clarifications are of assistance.

Yours faithfully

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Michelle C Davies

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