

JRH/19-00220/Let2

24 December 2019

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Dear Bethany,

**Re: Response to Retail Audit of Planning Application 98127/FUL/19: Homebase, Altrincham Retail Park, George Richards Way, Altrincham, WA14 5GR**

We duly provide our further assessment and commentary in relation to the proposal's compliance with the impact test. These take into account the findings of the recently published Trafford Retail and Leisure Study 2019 – as underpinned by a new household telephone survey - which provides an updated picture of current shopping patterns in the Borough. We are providing a separate response in relation to sequential matters, which will follow shortly.

As a consequence of the new household survey results now being available, we have updated our retail impact assessment and associated commentary which is contained within this letter. The revised retail impact tables are shown in Appendix 1 attached to this letter.

**Proposed Catchment Area**

As with the sequential assessment we note and welcome that the broad extent of the proposed catchment area underpinning the impact assessment is considered to be appropriate. We do not therefore need to comment further in this respect. Allied to that, it is also agreed that the principal focus of the assessment of impact, should be on Altrincham Town Centre

**Assessment Period**

We have amended the design year to 2023. This assumes planning permission is granted in Spring 2020, and trading commences in late 2020/ Early 2021. Consequently a mature trading pattern should be achieved by 2023, and thus the design year is in accordance with paragraph 017 of NPPG (Town Centres).

**Store Turnovers**

In light of the household survey data, we have utilised the updated survey derived turnovers (incorporating the inflow allowances specified in Table 8.7) of existing foodstore destinations within the catchment area. The convenience retail turnover of the proposed foodstore is £10.21m at 2023 based on the Mintel company

average benchmark level, which has been ‘grown’ in accordance with Experian expenditure growth rates. We note that Nexus has accepted this approach as being appropriate.

### **Commitments**

Nexus state that we should include the Aldi, Atlantic Street as a commitment in the retail impact assessment, given that it has now received planning permission. However, it is important to note that this application is principally involving the relocation of the existing store on Davenport Lane to an adjacent site on Atlantic Street. This results in a small net uplift in net sales area of 230sq.m (split 80% convenience and 20% comparison goods). However, this additional floorspace is largely required to provide Aldi’s latest store format with associated more spacious accommodation including wider aisles. This is recognised in paragraph 1.2 of the submitted Planning and Retail Statement where it states that the proposal will lead to *‘an enhancement of the Applicant’s existing qualitative offer’*.

The survey derived turnover of the existing Aldi store on Davenport Lane indicates that it is heavily over-trading (£17.4m) relative to its benchmark position (£9.2m) at 2019. Therefore, it is clear that the trading pattern is already firmly established and is unlikely to alter when the new store is completed. Indeed, a significant reason for the relocation is to improve the customer environment for existing shoppers, given the congestion currently being experienced within the store.

On this basis and rather than indicate the relocated Aldi store as a separate commitment, we have instead ‘grown’ the survey derived turnover of the existing store in line with Experian’s convenience retail expenditure growth forecasts. We consider this represents a robust approach because - even taking into account the additional net sales floorspace of the proposed foodstore - it is trading well above the company average benchmark figure.

### **‘Inflow’ Assumptions**

In our initial retail impact assessment, we assumed that 20% of the convenience retail expenditure to the store will comprise inflow from shoppers not normally resident within the catchment area. We still consider that this is an appropriate assumption having regard to the nature and location of the proposed foodstore.

Nevertheless, as a sensitivity test to our original assessment, we have assumed no inflow to the proposed foodstore in our revised tables. Again, we consider that is a very robust approach and is likely to overstate the trade diversion from existing stores.

### **Patterns of Trade Diversion**

Table 6 of our revised assessment in Appendix 1 identifies that the majority of trade diversion (62.%) will occur from out of centre destinations and in particular Aldi (33%) and Asda (27%), having regard to the ‘like trades with like’ principle (as Nexus similarly acknowledges is likely). As these store are in ‘out of centre’ locations, they are not afforded policy protection. Notwithstanding that, the Aldi store will still be trading well above its company average benchmark level.

11% and 9% of the proposed store’s convenience retail turnover, is forecast to be diverted from the Sainsbury’s superstore and Tesco Extra stores in Altrincham Town Centre. However, in comparison to the substantial convenience retail survey derived turnovers, this level of trade diversion is modest. As set out below, this level of trade diversion falls well below what could be considered to be ‘significant’ in the context of the NPPF.

## Revised Impact Assessment

### **The Impact Of The Proposal On Existing, Committed And Planned Public And Private Investment In A Centre Or Centres In The Catchment Area Of The Proposal**

The Nexus retail audit discusses the potential for the proposed development to impact upon the 'Altair' commitment. Notwithstanding the site actually occupies an edge of centre location, we consider this point at length in our separate letter on retail sequential matters. Whilst we don't seek to repeat the points made in that letter, we briefly summarise the current contractual position.

Lidl is very close to entering into a legally binding contract with Nikal Developments for the provision of a 'metropolitan format' Lidl store within the Altair development. Specifically we confirm that contracts are shortly to be formally exchanged and certainly prior to the determination of the Broadheath application. We consider this provides the Council with sufficient comfort in this respect, Lidl is willing to share details of the contract (once available) on a confidential basis and thus confirm this position.

On this basis, it is clear that the delivery of 'metropolitan format' discount foodstore on the Altair scheme, will not be adversely affected by the application proposal. Indeed, Lidl's commitment to the investment will assist in its delivery, by providing an enhanced mix of uses.

Furthermore, Lidl's commitment to both sites demonstrates that they will have different catchment areas, and therefore in any event, a discount foodstore opening at the Altrincham Retail Park is likely to have a negligible impact on the commercial deliverability of the Altair site.

### **The Impact of the Proposal on Town Centre Vitality and Viability, Including Local Consumer Choice And Trade In The Town Centre And The Wider Retail Catchment**

As Table 6 highlights, the order of impact on Altrincham and Sale Town Centres is 2.17% and 1.01% respectively. These levels are very similar to our previous assessment (2.19% and 1.00% respectively) and reflect that the majority of trade diversion will occur from closer out of centre locations such as Aldi and Asda at Broadheath.

Nexus recognise that Altrincham is the closest centre to the proposal (albeit still at the edge of the drive-time catchment) and that Sale Town Centre largely has its own separate catchment for convenience retail provision.

As we set out in the Planning and Retail Statement accompanying the planning application, we consider that Altrincham Town Centre is performing extremely well is performing well with low vacancies, a strong and growing independent offer and a burgeoning food and drink offer bolstered by the renovated Altrincham Food Market. The centre is already anchored by two substantial convenience foodstores whose dominant presence will not be affected by the provision of the Lidl foodstore.

This is similarly recognised by Nexus in Section 5 of the 2019 Trafford Leisure and Retail Study which states that Altrincham *'is considered to be a highly vital and viable centre'*. Furthermore the current vacancy rate of 9.9% *'reflects the resurgence in the town's fortunes in the past three or four years....[with] vacant floorspace is substantially lower than the average for the four town centres in Trafford, which is 15.1%'*

Based on its strong current health, we therefore conclude that the forecast impact of the proposal on Altrincham Town Centre, will be modest and certainly well below the threshold of being considered

‘significantly adverse’. As such, we consider that the proposal is fully compliant with paragraphs 89 and 90 of the National Planning Policy Framework.

We trust the above fully addresses the points raised in relation to the impact assessment. We would be grateful if you can confirm that the impact test has now been passed.

Yours sincerely,

A large black rectangular redaction box covering the signature and name of the sender.

## Appendix 1: Revised Retail Impact Assessment Tables

**Table 1: Population Forecast for Catchment**

Study Area Zone	2017	2018	2019	2020	2021	2022	2023
Primary - 5 Minute Drive-time Catchment Area	12,417	12,607	12,768	12,923	13,075	13,224	13,372
Secondary - 7 Minute Drive-time Catchment Area	14,145	14,290	14,419	14,559	14,694	14,846	14,998
Total	26,562	26,897	27,187	27,482	27,769	28,070	28,370

**Notes**

Population Figures - ONS Based Population Projections (2017 Base Year)

Figures Provided by Experian

Secondary area excludes Primary area

**Table 2: Convenience Expenditure Per Capita**

Primary - 5 Minute Drive-time Catchment Area	£2,332.89	£2,326	£2,342	£2,346	£2,346	£2,343	£2,341
Secondary - 7 Minute Drive-time Catchment Area	£2,367	£2,359	£2,376	£2,380	£2,380	£2,377	£2,375

**Notes**

2017 Base Year Convenience Expenditure - Experian Micromarketer

Growth Rates - Experian Retail Planner Briefing Note 16 (December 2018) - Figure 1a

SFT - Experian Retail Planner Briefing Note 16 (December 2018) - Appendix 3

**Assumptions Regarding Available Expenditure on Convenience Goods**

	2017	2018	2019	2020	2021	2022	2023
Growth in Expenditure	0	1	0.5	0.1	0.1	0.1	0.1
Non store spend	3.4	3.7	4	4.3	4.4	4.6	4.8

**Table 3: Total Available Convenience Goods Expenditure**

Study Area Zone	2017	2018	2019	2020	2021	2022	2023
Primary - 5 Minute Drive-time Catchment Area	£28,967,495	£29,319,407	£29,897,345	£30,316,555	£30,671,728	£30,987,315	£31,299,696
Secondary - 7 Minute Drive-time Catchment Area	£33,476,972	£33,715,112	£34,252,623	£34,649,503	£34,969,186	£35,292,263	£35,614,434
Total	£62,444,467	£63,034,518	£64,149,967	£64,966,058	£65,640,914	£66,279,577	£66,914,130

**Notes**

Source - Rapleys LLP Tables 1 & 2



**Table 4: Turnover of Proposed Lidl Store**

	Gross Floorspace (sq.m)	Total Net Sales Floorspace (sq.m)	Benchmark Turnover (£/sq.m)	Total Store Turnover
Convenience	-	1,060	£9,632	£10,209,920
Comparison	-	265	£9,632	£2,552,480
<b>Total</b>	<b>1,858</b>	<b>1,325</b>	<b>-</b>	<b>£12,762,400</b>

**Notes**

Benchmark Turnover - Sourced from Mintel Retail Rankings (2019) 2017/18 Figure

**Table 5: Anticipated Trade Draw**

Study Area Zone	% Trade Draw	Convenience Turnover of Proposed Lidl Store (2019)	Amount of Available Convenience Expenditure (2019)	% of Available Convenience Expenditure Taken by Proposed Lidl Store	Residual Available Convenience Expenditure (2019)
Primary - 5 Minute Drive-time Catchment Area	62.4%	£6,373,608	£29,897,345	-	£23,523,737
Secondary - 7 Minute Drive-time Catchment Area	37.6%	£3,836,312	£34,252,623	-	£30,416,311
Total	100%	£10,209,920	£64,149,967	15.9%	£53,940,047

**Notes**

Source: Rapleys Tables 3 & 4

**Table 6: Anticipated Trade Diversion and Retail Impact of the Proposed Development (Convenience Retail)**

Store / Centre	Survey Derived Turnover in 2019	Survey Derived Turnover in 2023	Trade Diversion to Lidl, Aldi and Aldi Living Retail Park	%	Post Impact Turnover £m	Impact %
Altrincham Town Centre	£106,000,000	£106,015,901	£2,305,169	21.0	£103,710,732	2.17
Tesco Extra	£33,200,000	£33,204,980	£998,357	9.1	£32,206,623	3.01
Sainsbury's Superstore	£70,600,000	£70,610,591	£1,250,355	11.4	£69,360,236	1.77
Iceland Foods	£200,000	£200,030	£15,457	0.1	£184,573	7.73
Other Altrincham Town Centre	£2,000,000	£2,000,300	£41,000	0.4	£1,959,300	2.05
<b>Sa e Town Centre</b>	<b>£103,000,000</b>	<b>£103,015,451</b>	<b>£1,044,785</b>	<b>9.5</b>	<b>£101,970,666</b>	<b>1.01</b>
Tesco Superstore	£34,100,000	£34,105,115	£257,615	2.3	£33,847,500	0.76
Sainsbury's	£40,600,000	£40,606,090	£191,158	1.7	£40,414,932	0.47
Aldi	£22,500,000	£22,503,375	£411,292	3.7	£22,092,083	1.83
M&S Foodhall	£2,600,000	£2,600,390	£125,000	1.1	£2,475,390	4.81
Co-op	£2,400,000	£2,400,360	£42,015	0.4	£2,358,345	1.75
Farm Foods <sup>^</sup>	£0	£0	£0	0.0	£0	0.00
Other Sale Town Centre	£800,000	£800,120	£17,705	0.2	£782,415	2.21
<b>Out of centre stores</b>	<b>£65,100,000</b>	<b>£65,109,765</b>	<b>£6,859,966</b>	<b>62.4</b>	<b>£58,249,799</b>	<b>10.54</b>
Aldi, Altrincham <sup>*</sup>	£17,400,000	£17,402,610	£3,609,968	32.9	£13,792,642	20.74
Asda, Altrincham	£30,400,000	£30,404,560	£2,989,860	27.2	£27,414,700	9.83
Waitrose, Altrincham	£16,800,000	£16,802,520	£247,633	2.3	£16,554,887	1.47
Spar, Timperley	£200,000	£200,030	£4,652	0.0	£195,378	2.33
Nisa Local, Seamons Road <sup>^</sup>	£0	£0	£0	0.0	£0	0.00
Nisa Local, Sinderland Road	£300,000	£300,045	£7,853	0.1	£292,192	2.62
<b>Total</b>	<b>£274,141,117</b>	<b>£274,141,117</b>	<b>£10,209,920</b>			

**Notes**

Survey Derived Turnovers sourced from Trafford Retail and Leisure Study 2019

Figures take into account sales density growth rates set out in Figure 4a of Experian Retail Planner Briefing Note 16 (December 2018)

<sup>\*</sup>Aldi's current survey derived turnover (SDT) has been utilised for the new Atlantic Street store. This is because the new Aldi store will be trading in very close proximity to the existing Davenport Lane store (and thus already has a mature trading pattern), combined with the fact that there is only a modest uplift of 230 sq.m in net sales floorspace. As the SDT exceeds Aldi's benchmark turnover by some margin, the existing SDT is a robust proxy for the new Atlantic Street store.

<sup>^</sup>These stores, whilst existing destinations within the catchment, did not achieve any market share in the household survey and are thus ascribed a £0 turnover. 2018 prices