

## **Assessment of Retail Planning Policy**

Proposed Class A1 Foodstore, Plot J, Kingsway,  
Gloucester

August 2019

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# 1. Introduction

- 1.1 This report has been prepared by Avison Young ('AY') for Gloucester City Council ('GCC') in relation to a planning application for the development of a Class A1 foodstore and associated development on land at Kingsway in the southern part of the Gloucester urban area. The application is submitted by Robert Hitchins Ltd and proposes the development of a 2,125sq m gross foodstore along with the provision of 140 car parking spaces, landscaping, servicing and vehicular access arrangements. The foodstore is proposed to be occupied by Lidl.
- 1.2 The store will have a net sales area of 1,325sq m, with 80% (1,060sq m) being devoted to the sale of convenience goods and the remaining 265sq m used for the sale of comparison goods.
- 1.3 This advice report considers the relationship of the proposed foodstore against salient retail and town centre policies in the development plan for Gloucester and other material considerations such as the National Planning Policy Framework ('NPPF'). As will be set out in Section 2 of this advice report, the application site lies outside of any defined 'town centre' in Gloucester and therefore is required to be assessed against the sequential test. The scale of the proposed foodstore falls below the national threshold for requiring impact assessments although the applicant has provided such an assessment and our instructions from GCC are to undertake a review of this assessment to consider the likely effects on nearby 'town centres'.
- 1.4 The focus for our review of the applicant's case has been two documents. First, a Retail Assessment ('RA') prepared by DPP and dated January 2019. Second, a Supplementary Statement ('SS') also prepared by DPP and dated June 2019 which followed discussions between DPP and AY regarding the content of DPP's initial financial impact assessment.
- 1.5 In addition, our advice will refer to the contents of the Joint Core Strategy Retail Study 2011-2031 Update published in February 2016 ('the 2016 JCS Retail Study') and also the JCS Retail and City / Town Centre Review which is currently being prepared by AY for the three JCS Councils (Gloucester, Cheltenham and Tewkesbury).
- 1.6 The remainder of this report is structured as follows:
- Section 2 outlines the salient planning policy context for the proposal insofar as retail land uses are concerned;
  - Section 3 provides our assessment of the proposal's relationship with the sequential test;
  - In Section 4 we assess the proposed foodstore's likely effect on the health of, and investment within, defined 'town centres' across Gloucester; and
  - Finally, in Section 5 we provide a summary of our advice and our conclusions in relation to the relationship of the proposal to salient retail and town centre policies in the development plan and the NPPF.
- 1.7 All plans, statistical information and other documents referred to in the main text of this report are contained

## 2. Planning Policy Context

- 2.1 The development plan for the application site comprises the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (2017) ('JCS') and the 1983 Gloucester Local Plan. The latter plan has only two policies of relevance and these are not related to retail land use proposals. Therefore, the 1983 plan is not considered in detail in this section of our advice. In addition to the development plan, the February 2019 version of the National Planning Policy Framework ('NPPF') will be an important material consideration for this application, providing national planning policy on retail, leisure and main town centre uses. In addition, the draft Gloucester City Plan, which is currently in preparation and consulted upon in 2017, will also be a material consideration albeit one with limited weight at the present time.
- 2.2 Policy SD2 of the JCS is the most relevant policy insofar as retail and main town centre use proposals are concerned. The policy sets out the hierarchy of centres with Gloucester city centre at the top of the hierarchy along with Cheltenham town centre. The JCS requires an immediate review of the evidence base for retailing and town centres although pending that review the various boundaries and frontages for Gloucester city centre are set out on the policies map.
- 2.3 Policy SD2 notes that proposals for A1 retail development located outside of the primary shopping area, and for other main town centre uses where they are proposed in locations outside of the City Centre boundary, will be assessed in accordance with the sequential test and impact test as set out in the National Planning Policy Framework and Planning Practice Guidance. It goes on to note that proposals for retail and other main town centre uses that are not located in a designated centre, and are not in accordance with a policy in either the JCS or District plans, will be robustly assessed against the requirements of the sequential test and impact test, as set out in the NPPF and national Planning Practice Guidance, or locally defined impact assessment thresholds as appropriate.
- 2.4 The new version of the NPPF, published in February 2019, includes national planning policy on retail and main town centre uses in Section 7. It closely follows the approach of Section 2 of the 2012 version of the NPPF, remaining with two retail policy tests for retail land use proposals located outside of 'town centres' and not in accordance with an up to date development plan: the sequential test and the impact test.
- 2.5 Paragraphs 86 and 87 deal with the sequential test and note:

*"86. Local planning authorities should apply a sequential test to planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan. Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered.*

*87. When considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored".*

- 2.6 Paragraph 89 deals with the assessment of impact for retail and leisure proposals and notes:

*"When assessing applications for retail and leisure development outside town centres, which are not in accordance with an up-to-date plan, local planning authorities should require an impact assessment if*

*the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500m<sup>2</sup> of gross floorspace). This should include assessment of:*

*a) 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; and*

*b) 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 applicable to the scale and nature of the scheme)".*

- 2.7 Paragraph 90 provides clear guidance for local authorities where they conclude that either the sequential or impact tests have been failed:

*"Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the considerations in paragraph 89, it should be refused".*

### 3. The Sequential Test

- 3.1 Given the location of the application site and the lack of a development plan allocation for the proposed use, there is a requirement for GCC to consider whether the proposal complies with the sequential test. In particular, there is a need to consider whether there are any sites or premises in sequentially preferable locations which can provide suitable and available alternatives to the application site. When considering alternatives there is a national planning policy requirement to demonstrate flexibility in relation to scale and format of proposals.
- 3.2 The applicant's assessment of the sequential test is contained in the introductory parts of Section 8 of the RA. The introductory part of the Section 8 outlines the applicant's approach to the sequential test and notes that:
- the Honiton Road Exeter Secretary of State decision and also the Tesco Dundee and Mansfield Court judgements are relevant to the application of the sequential test in this instance.
  - the catchment of the proposed store is 2km from the application site and therefore this should represent the area of search for alternative sites and premises.
  - The flexibility employed by the applicant is focused upon the same broad type of development whilst also being able to perform a similar role and function as the application proposal.
- 3.3 In relation the assessment of alternatives, we accept the approach adopted by DPP which focuses upon the application proposal but also considers alternative scales and formats within reasonable boundaries. It is not referenced by the RA or SS but the recent decision by the Secretary of State in relation to The Mall extension proposals at Cribbs Causeway are also relevant here. Both the Inspector and the Secretary of State noted that in order to be suitable, alternatives should be able to accommodate "a broadly similar development proposal".
- 3.4 In relation to the area of search for alternatives, paragraph 8.4 of the RA notes that the catchment of the proposed store is a 2km radius of the application site. No justification has been provided for this catchment and we consider that, in order to verify this assumption, reference should be made to data on the catchment of similar stores in the local area. We have therefore considered the market share data provided by the household survey commissioned to inform the JCS Retail Study Update and have focused in particular on the catchment of the ALDI store in Quedgeley which is considered to be a reasonable proxy for the application proposal. The market share data for this store shows that its primary catchment area for both main and top-up food shopping is focused upon Zone 5b of the study area (a plan of which is contained in Appendix 1 to the RA). As a consequence we consider that the selection of Quedgeley district centre, Kingsway local centre and Hunts Grove local centre to be reasonable for the purposes of this assessment.
- 3.5 In Quedgeley district centre there are, at the present time, two vacant units in the eastern part of Quedgeley district centre. These were formally occupied by Brantano and Next. The Next unit has ground and mezzanine floor areas whilst the former Brantano unit has just ground floor space. The ground floor of the Next store is 748sq m with a 703sq m mezzanine. The ground floor area of the former Brantano unit is 929sq m. This provides a total existing floor area of circa 2,400sq m with the potential for an additional

- mezzanine floor area in the former Brantano unit. The RA acknowledges these floor areas and contemplates what could be achieved if these units were to be amalgamated. DPP indicate that Lidl or other foodstore operators trade from mezzanine floors in stores of broadly the size proposed, a statement which we would agree with. On this basis, DPP note that a small amount of the existing mezzanine floor in the former Next unit could be utilised for some limited 'back of house' activities although the sales area and the majority of storage areas will need to be on the ground floor. This would lead to a store with a sales area which is 14% smaller than the proposed store which DPP acknowledge could be regarded as meeting the national planning policy requirement for flexibility.
- 3.6 DPP do, however, go on to dismiss the vacant units as being unsuitable on the basis that it would provide a non-standard store which would lead to operational difficulties along with the lack of car parking provision in the retail park for a foodstore alongside existing operators. The SS goes on to highlight the existing planning application proposing the change of use of the former Next unit into a gym which, if approved, would lead to the unit becoming unavailable.
- 3.7 We will leave the issue of the car parking accumulation to GCC and the County Council's highways department although we would agree with DPP that the scale of compromise which would be needed at the ground floor level is to an extent that would make it an unsuitable alternative. Moreover, approval of the gym application would make the site unavailable.
- 3.8 Kingsway local centre accommodates a small selection of shops and services and is surrounded by a number of vacant plots of land awaiting development. These have been considered as part of our assessment of the sequential test in relation to the nearby B&M/gym proposals at Kingsway and we consider that the same conclusion should apply – i.e. that they do not provide a suitable alternative to the application site.
- 3.9 The final centre is the new local centre at Hunts Grove. The centre will be provided as part of a large urban extension on the southern edge of the Gloucester urban area and is referred to in both the outline planning permission for this development and Policy SA4 of the adopted Stroud Local Plan. The policy notes that the centre should meet the day-to-day needs of the local Hunts Grove community as a whole. It is not 100% clear that Stroud District Council intend the new local centre to be a formal part of the 'town centre' hierarchy in the District but we, like DPP, have assumed this to be the case for the purposes of our assessment. We would agree with DPP that the local centre cannot be considered to provide a suitable alternative for the proposed store as the centre can only accommodate a foodstore of 1,115sq m gross. This is around half the size of the proposed store and therefore is not a broadly similar development proposal.
- 3.10 On the basis of the above analysis, we have reached the conclusion that the proposed foodstore cannot be accommodated on any sequentially preferable sites in the catchment of the proposal and therefore the provisions of the development plan and national planning policy insofar as the sequential test are concerned have been met.

## 4. Impact

4.1 Proposals for retail development outside of defined 'town centres' and not in accordance with a development plan are required to provide an impact assessment where they are over 2,500sq m gross or a locally set threshold. In this instance, the proposed foodstore extends to 2,125sq m gross and there is not a locally set threshold in the development plan for Gloucester. As a consequence, we agree with DPP's comment at paragraph 1.3 of the RA that there is no formal policy requirement for the applicant to provide an impact assessment. However, their assessment in Section 8 is to be welcomed as it allows an examination of the likely effects of the new foodstore on surrounding defined 'town centres'.

4.2 Our assessment of the two national impact assessment tests is outlined below.

### **Impact on town centre vitality and viability**

4.3 The focus of DPP's impact assessment for town centre vitality and viability is an assessment of the financial effects of providing the new store. In order to fully understand the DPP assessment reference needs to be made to both the RA and SS documents. The structure and content of the assessment is as follows:

- The assessment follows a standard step-by-step approach with the assessment of available retail expenditure within a defined study area and then applying market shares of existing stores and centres across the different zones of the study area to this available expenditure in order to estimate current store turnover levels. The assessment then turns to the trading effects of the proposed store by, firstly, calculating its likely turnover of the proposed store and then assessing from where this turnover will be diverted.
- The study area used for the impact assessment is the same as the study area used in the 2016 JCS Retail Study.
- Population and per capita retail expenditure in the DPP assessment has been taken from the JCS Retail Study with the SS updating the retail expenditure forecasts using the latest version of Experian's Retail Planner Briefing Note (No.15, published in December 2018).
- Market share data for existing stores and centres has been taken from the household survey commissioned to inform the JCS Retail Study.
- Given that there have been a number of new store openings and recent planning permissions granted since the completion of the JCS Retail Study household survey, DPP have provided a cumulative impact assessment which has been updated in the SS to take into account the recent approval of planning permission for a B&M store a short distance to the north of the application site at Kingsway.
- The impact assessment has been based on two scenarios, taking into account two different sales densities for the proposed foodstore.

4.4 In relation to the market share data from the 2016 JCS Retail Study, Section 6 of the RA provides a commentary on certain aspects of the household survey data. Specifically, DPP question whether the survey is under-estimating the market share of the ASDA supermarket at Kingsway given that it predicts a turnover of circa £5m. They also highlight a concern that the singular reference to the ALDI store on Bristol Road leads

to a study area derived turnover estimate of £35m and the possibility that the data is in fact referring to two ALDI stores: the one on Bristol Road in Quedgeley and the one close to Bristol Road near the Peel Centre and Gloucester Quays (and actually access via Clifton Road).

4.5 DPP also question whether it is correct for the survey to provide separate market share data for Quedgeley district centre in addition to the ALDI and Tesco Extra stores given that they are the only two stores in the centre. Finally, DPP note the absence of reference to the Tesco Express store in Kingsway local centre despite it being open prior to the household survey being conducted.

4.6 Based upon the above observations, DPP make some amendments to the turnover levels of some stores in Table 8 of their RA financial impact assessment (with the same process being undertaken in Table 9 of the SS); these being:

- Splitting the single ALDI Bristol Road turnover into two parts (Clifton Road and Quedgeley);
- Increasing the ASDA Kingsway store turnover to company benchmark turnover levels;
- Increasing the turnover of the Lidl stores on Bristol Road and Eastern Avenue due to their enlargement in recent years; and
- Inclusion of the Tesco Express store in Kingsway local centre.

4.7 Clearly these are judgements made by DPP and therefore we have referred to the content of the quantitative need assessment in the emerging JCS Retail Study Review which provides the following estimates for these stores:

- ALDI, Clifton Road - £12.1m
- ALDI, Bristol Road - £12.5m
- ASDA, Kingsway - £7.7m
- Lidl, Bristol Road - £11.1m
- Lidl, Eastern Avenue - £9.6m
- Tesco Express, Kingsway - £1.0m

4.8 These turnover levels are not the same as those used by DPP in the RA and SS financial impact assessments although they generally correct the errors perceived by DPP in the previous household survey. The one store which does appear to be trading at the low level is the ASDA at Kingsway, at £7.7m, which is higher than the previous survey/assessment although still well below the company benchmark used by DPP in the assessments.

4.9 The SS updates the RA by re-calculating the turnover of comparison goods shopping destinations using updated economic forecasts provided by Experian and also includes the recently permitted B&M store at Kingsway into the cumulative impact assessment. Finally, a second impact scenario is introduced which bases the likely trading effects of the proposed foodstore on the sales density which AY have been using

when assessing other proposed Lidl stores across the south of England. All of these updates appear to us to be reasonable and provide the following forecast levels of trade diversion to the proposed store:

*Table 4.1: DPP's forecast pattern of trade diversion to the proposed foodstore*

Store	Scenario A (lower Lidl sales density of £8,571/sq m)	Scenario B (higher Lidl sales density)
ALDI, Bristol Road	£1.84m	£2.18m
Lidl, Bristol Road	£1.15m	£1.36m
Lidl, Eastern Avenue	£0.69m	£0.82m
Morrisons, Abbeydale	£0.28m	£0.33m
Tesco Extra, Quedgeley	£2.63m	£3.10m
ASDA, Quedgeley	£2.31m	£2.72m
Farmfoods, Quedgeley	£0.05m	£0.05m
Tesco Express, Quedgeley	£0.05m	£0.05m
Other stores, Gloucester and elsewhere	£0.23m	£0.27m

4.10 In our opinion, DPP's scenario B is the more appropriate of the two scenarios insofar as the turnover of the proposed store is concerned as it is based upon the latest available national average sales density for Lidl.

4.11 However, we would perhaps question the prediction by DPP that the proposed Lidl store will divert more expenditure from the ASDA in Kingsway than the ALDI in Quedgeley. Whilst the ASDA is clearly the largest nearest supermarket, it has a low market share and the ALDI store is more of a direct competitor for the new Lidl. In addition, it is not that much further away from the proposed Lidl store at Kingsway.

4.12 In light of this factor, coupled with the availability of more up-to-date survey and turnover information for the stores listed above, we have undertaken our own assessment using that data and our own views regarding the pattern of trade draw to the proposed store. Normally, this assessment would also include predictions regarding the pattern of trade draw to the proposal (which is specifically mentioned in the PPG). However, given that there is no formal requirement for an impact assessment in this instance, we have followed DPP's lead and provided a proportionate assessment.

4.13 Our re-assessment of the pattern of convenience goods expenditure trade diversion to the proposed foodstore is contained at Appendix II to this report. The table is structured to contain the following information:

- The convenience goods study area derived turnovers of those foodstores which DPP consider will suffer some sort of trade loss.
- The forecast pattern of trade diversion to commitments, taken from the DPP SS document.
- Our own forecast pattern of trade diversion to the proposed new foodstore at the application site. This pattern of diversion provides a reaction to the DPP analysis by taking into account the market share and retail offer of competing facilities along with their location.

- Having considered the pattern of diversion to commitments and the proposed foodstore, Table A at Appendix II then provides an estimate of the solus and cumulative impacts associated with the proposed foodstore.
- 4.14 In relation to our forecast pattern of trade diversion to the proposed foodstore, we agree with DPP that the three existing stores which will contribute the majority of turnover of the proposed store are the ALDI and Tesco Extra stores in Quedgeley district centre and the ASDA supermarket at Kingsway. However, what differs in our analysis is the balance of diversion from each of these three stores. Based upon their location and retail offer, we agree with DPP that the Tesco Extra store in the district centre will contribute the highest amount of expenditure diversion and this is higher at 37% of the convenience goods turnover of the proposed store. However, in contrast to the DPP analysis, we consider that a much higher proportion of expenditure will be diverted from the ALDI store in Quedgeley. We consider that 32% (or £3.48m) of the proposed store's convenience goods turnover will be diverted from ALDI, a forecast which is based upon the direct competition between the stores and their proximity. As a consequence, the amount of diversion in our assessment from the ASDA store is lower at 19% of Lidl store turnover. This remains a substantial amount of diversion primarily based upon the proximity of the two stores although the low market share of the ASDA (along with the factors above) have led us to conclude that the amount of diversion from ASDA will be lower than predicted by DPP.
- 4.15 As a consequence of the above levels of diversion, Table A indicates that some stores, both individually and cumulatively, will lose a large amount of trade as a consequence of the proposed foodstore at the application site. The largest individual impact of the proposal will be on the ALDI foodstore in Quedgeley district centre. We predict that the ALDI will lose around one third (-31%) of its turnover as a consequence of the proposed store at Kingsway. When considered cumulatively, the impact rises to -37% which is clearly a substantial loss of trade. According to the 2016 JCS Retail Study, the ALDI store has a convenience goods sales area of 746sq m and when combined with the latest national average sales density for ALDI this provides a company average turnover for this store of £8.1m. Based upon the latest survey evidence, the cumulative effects of proposed and committed retail developments will turn a store which is trading well above its company average to a store which trades very close to its company average. Based upon this data, whilst this is a large loss of trade, there is no evidence to suggest that the future viability of the ALDI store will be threatened.
- 4.16 There is also predicted to be large loss of trade from the ASDA store at Kingsway (-28%) although this store is in an out-of-centre location and therefore is not protected by planning policy.
- 4.17 The other large impact from the proposed store is on the Tesco Extra supermarket in Quedgeley district centre. We predict that the Tesco store will lose around 12% of its convenience goods turnover as a consequence of the proposal, which will increase to 13% when the impact of commitments is taken into account. The company average turnover of this store is forecast to be £25.3m based upon the latest data provided by GlobalData and therefore the residual turnover of this store (as indicated by Table A at Appendix II) will remain above this benchmark level. On the basis of this data, we do not consider that there are obvious grounds for concern for the future viability of the Tesco store.

- 4.18 The other sources of trade diversion to the proposed foodstore, based upon the DPP analysis and our own analysis, are from out of centre stores and therefore the only remaining focus for our assessment is on Quedgeley district centre.
- 4.19 The SS provided by DPP introduces an updated assessment of the comparison goods turnover of Quedgeley district centre, which assesses the turnover to be £63.66m at 2018 and rising to £73.35m at 2022. These estimates are based upon the market share data informing the 2016 JCS Retail Study and updated comparison goods per capita retail expenditure forecasts provided by DPP. However, the work currently being undertaken by AY for the JCS Retail Study Update indicates that the comparison goods turnover of the district centre is £26.6m (at 2019). This is a significant difference and, in our opinion, it is difficult to see how the centre when fully occupied could achieve a turnover of circa £73m when the retailers at that time were Tesco, Next, Brantano, Matalan and Boots from a modest amount of floorspace (7,000sq m) which would suggest a sales density of circa £10,000/sq m. This would appear a very high performance level for a district centre of this size and the small number of retailers present. Moreover, whilst DPP acknowledge in their sequential test analysis that the Brantano retail has closed and the Next store has closed more recently in 2019, this has not been translated into DPP's impact assessment. As a consequence, DPP impact analysis does not appear credible in light of the available evidence and recent changes in occupation in the district centre. That said, the proposed foodstore will, if conditioned appropriately, have only a modest amount of comparison goods floorspace and is unlikely to have a material effect upon this sector in the district centre notwithstanding the recent negative changes.
- 4.20 Moreover, the loss of Brantano and Next will have had a material effect on the health and attractiveness of Quedgeley district centre over the past year. The Tesco and ALDI stores would appear, based upon the latest survey data, to still be performing well (the Tesco store in particular) but the retail offer of the centre has, for the present time, been reduced with the loss of two significant retailers. We acknowledge that the landlord of the retail park has applied to accommodate a gym in one of the vacant retail units but the contribution of such a use will depend upon GCC's analysis of the application.
- 4.21 As a consequence of the above, the applicant's analysis does not take account of the latest information regarding shopping patterns across Gloucester and does not take into account the recent changes in the land use occupation of Quedgeley district centre. As a consequence, we do not consider that the applicant has demonstrated that the proposed foodstore is unlikely to have a significant adverse impact upon nearby 'town centres' particularly Quedgeley district centre. This conclusion has to be balanced however with the planning policy situation where GCC cannot formally ask the applicant for an impact assessment for this proposal along with the PPG advice that: *"The impact test only applies to proposals exceeding 2,500 square metres gross of floorspace unless a different locally appropriate threshold is set by the local planning authority"*. In addition, the main effect of the proposal on the centre is on the convenience goods sector which is unlikely to experience a significant adverse effect.

### **Impact on town centre investment**

- 4.22 The other 'impact' test is in relation to the impact of a proposal on existing, planned and committed town centre investment projects. The DPP assessment makes three particular points:
- There are no planned investment projects in Quedgeley which could be materially impacted upon by the proposal;

- In relation to existing investment, the DPP assessment focuses upon Quedgeley district centre ; and
- There is no adverse impact in relation to the delivery of the new local/neighbourhood centre at Hunts Grove<sup>1</sup>.

4.23 In relation to planned investment, we agree with DPP that there are no planned or committed investment projects in Quedgeley district centre or other 'town centres' in the southern part of Gloucester which could be significantly impacted upon by the proposed development. There is a current planning application for a gym in the vacant floorspace in Quedgeley shopping park but we do not consider the proposed foodstore will have any material effect on whether the landlord of the shopping park will be able to secure a tenant for this use.

4.24 In relation to existing investment in Quedgeley district centre, DPP's assessment focuses upon the potential closure of existing businesses and concludes that such an outcome is unlikely. The closure of major businesses in the centre such as Tesco and ALDI are unlikely and as a consequence their continued presence will not, in our opinion, have a material effect on existing investment by other businesses in the centre. Equally, due to their differentiated retail or service offer, there are unlikely to be any direct impacts on business sentiment from the proposed foodstore.

4.25 Finally, the DPP assessment discusses the potential impact of the proposed foodstore on the delivery of a new local centre in the Hunts Grove urban extension which is located on the southern edge of the Gloucester urban area. DPP note that the centre has not been delivered and, if/when delivered will provide a small foodstore which will concentrate upon a top-up food shopping role for a localised catchment. We consider that there are a number of factors to consider here. First, the delivery of the centre will be linked to the delivery of homes at Hunts Grove given that it's primary purpose is to serve these homes. Until such a time as there are enough homes at Hunts Grove to make a small foodstore / local centre viable then it is unlikely to be delivered. The proposed foodstore at Kingsway will not have a direct influence on this factor. However, secondly, the amount, attractiveness and proximity of competing stores may influence the ability to provide a foodstore at Hunts Grove. At the present time the stores which are likely to be attractive to Hunts Grove residents are the ASDA at Kingsway and the Tesco and ALDI stores at Quedgeley. The proposed Lidl store will add to this competition and be the closest store for Hunts Grove residents. We hold the view that the proposed Lidl store will have an influence on the timing of delivery of a foodstore at Hunts Grove however it should not be reason to resist planning permission for two reasons. First, we consider that the investment will still take place, just perhaps over the longer time period, and, secondly, the scale of the proposed Lidl store is under the national default impact assessment threshold.

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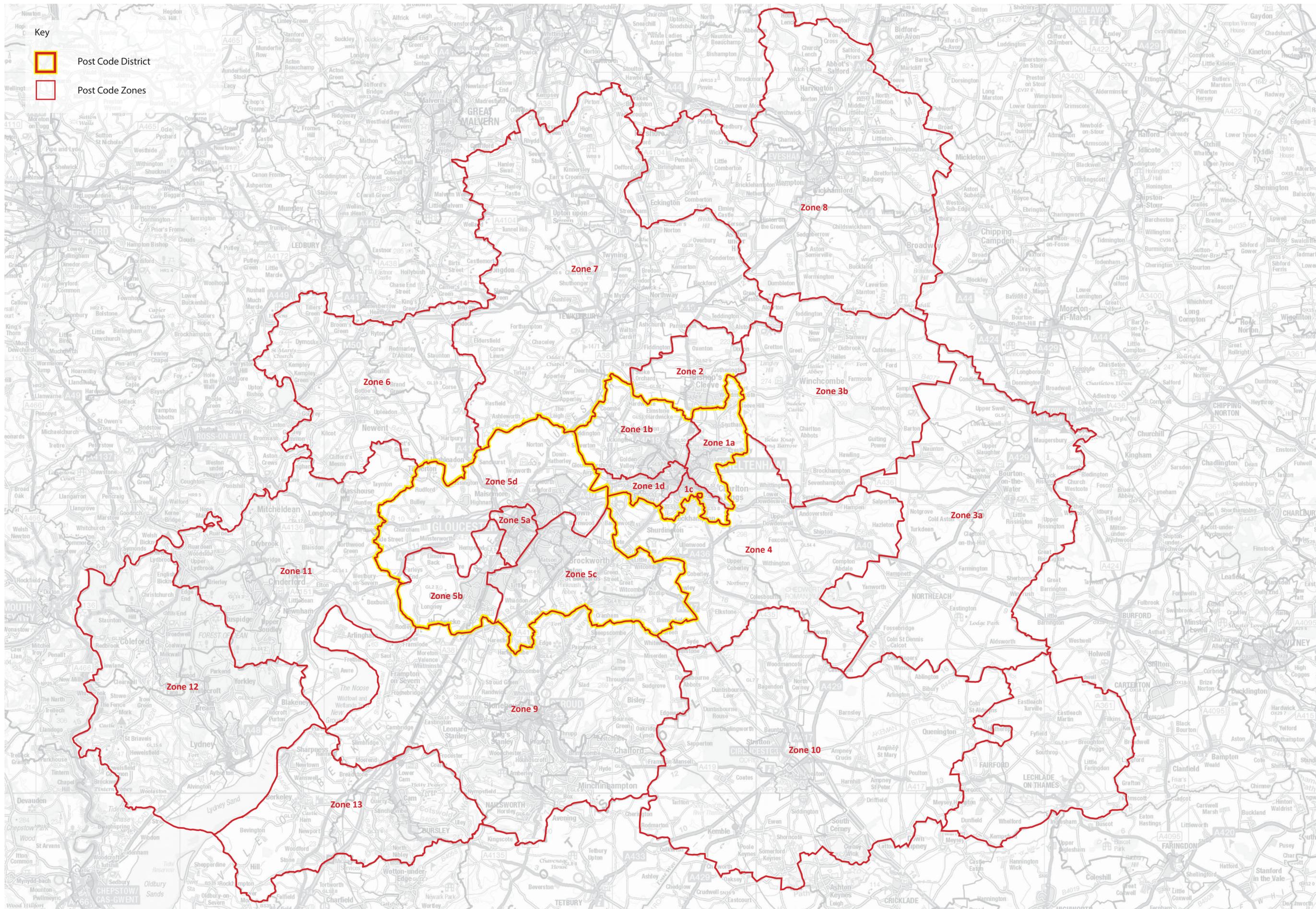
<sup>1</sup> A proposal which lies in the administrative area of Stroud District but which generally has an effect on stores and centres in the urban area of Gloucester

## 5. Summary and Conclusions

- 5.1 This report has been prepared by Avison Young for Gloucester City Council in relation to a planning application for the development of a Class A1 foodstore and associated development on land at Kingsway in the southern part of the Gloucester urban area. The application is submitted by Robert Hitchins Ltd and proposes the development of a 2,125sq m gross foodstore along with the provision of 140 car parking spaces, landscaping, servicing and vehicular access arrangements. The foodstore is proposed to be occupied by Lidl. The store will have a net sales area of 1,325sq m, with 80% (1,060sq m) being devoted to the sale of convenience goods and the remaining 265sq m used for the sale of comparison goods.
- 5.2 This advice report considers the relationship of the proposed foodstore against salient retail and town centre policies in the development plan for Gloucester and other material considerations such as the National Planning Policy Framework ('NPPF'). Given the location of the application site there is a need for the proposal to be assessed against the sequential test. The assessment of alternatives has focused upon the primary catchment area of the proposed store and considered whether there are any suitable and available alternative sites or premises in sequentially preferable locations. These locations are Quedgeley district centre, Kingsway local centre and the new local centre at Hunts Grove. Whilst there is available land and premises in each of these centres none can provide an alternative location to accommodate a broadly similar proposal to the application proposal. As a consequence, we consider that the proposed development meets the provisions of Policy SD2 of the JCS and paragraphs 86 and 87 of the NPPF.
- 5.3 Retail development proposals such as this which lie in out of centre locations may also be subject to an assessment of their impact on the health of, and investment within, defined 'town centres' depending upon their scale. In this instance the scale of the proposed foodstore is below the national default impact assessment threshold and therefore there is no formal requirement for the applicant to provide an impact assessment. The applicant has nevertheless provided a proportionate assessment which we have reviewed, with the focus being on Quedgeley district centre. We have found that it has a number of shortcomings but when the data which has been gathered for the JCS Retail Study Update is used, we do not consider that the proposed foodstore is likely to have a significant adverse effect upon the convenience goods sector in Quedgeley district centre (i.e. the ALDI and Tesco stores). It is to be acknowledged that the impact test should relate to town centres as a whole and the comparison goods sector in Quedgeley has experienced the loss of two retailers in recent times and experienced a significant drop in turnover. This will have affected the overall health of the centre although the proposed foodstore is unlikely to materially affect this element of the centre. As a consequence, we do not consider there are grounds to resist this application on the basis of its impact on Quedgeley district centre.

# Appendix I

## Study Area



Key

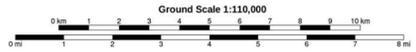


Post Code District

Post Code Zones



Not to Scale



Ground Scale 1:110,000

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# Appendix II

## Financial Impact Assessment

**TABLE A: CONVENIENCE GOODS IMPACT OF THE PROPOSED FOODSTORE**

Store	Pre-Impact Turnover	Diversion to Commitments	Residual	Diversion to Proposed Store (£m)	Residual	Solus Impact	Cumulative Impact
	(£m)	(£m)				(%)	(%)
ALDI, Bristol Road	£12.50	£1.10	£11.40	£3.48	£7.92	-30.5%	-36.7%
Lidl, Bristol Road	£11.10	£0.90	£10.20	£0.76	£9.44	-7.5%	-15.0%
Lidl, Eastern Avenue	£9.60	£1.54	£8.06	£0.22	£7.84	-2.7%	-18.3%
Morrisons, Abbeydale	£31.90	£1.32	£30.58	£0.11	£30.47	-0.4%	-4.5%
Tesco Extra, Quedgeley	£34.70	£0.44	£34.26	£4.03	£30.23	-11.8%	-12.9%
ASDA, Quedgeley	£7.70	£0.25	£7.45	£2.07	£5.38	-27.7%	-30.1%
Farmfoods, Quedgeley	£0.80	£0.00	£0.80	£0.05	£0.75	-6.8%	-6.8%
Tesco Express, Quedgeley	£1.00	£0.00	£1.00	£0.05	£0.95	-5.4%	-5.4%
Other stores, Gloucester and elsewhere				£0.11			
				£10.88			

**Notes:**

Pre-impact turnover levels taken from draft JCS Retail Study Update

Diversion to commitments taken from DPP assessment.

Diversion to proposed store based on Avison Young forecasts taking into account the retail offer and location of competing stores.