

FINAL RETAIL AUDIT

Full planning application for the construction of a Class E(a) foodstore (Lidl), associated access, car parking, servicing and landscaping

App. No. 23/01615/F

**Land at 10 Barnard Road
Bowthorpe
Norwich
NR5 9JB**

**Prepared on behalf
of**

Norwich City Council

November 2024

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1.0 INTRODUCTION

- 1.1 MWA has accepted an instruction from Norwich City Council (the 'Council') to provide independent advice in respect of the sequential and impact assessments submitted by Emery Planning on behalf of Honeyview Investments Ltd (the 'Applicant') in respect of the proposed development of a Class E food store at Barnard Road, Bowthorpe (App. No. 23/01615/F).
- 1.2 Following our Initial Retail Audit (May 2024) Emery Planning (EP) on behalf of the Applicant has submitted further information on retail matters as follows:
 - Cover letter dated 9th August 2024.
 - 'Sequential Assessment Addendum/Update (Bowthorpe Overlay Plan'
 - 'Retail Addendum – Update to Retail Impact Assessment'
 - Further cover letter dated 14th October 2024
 - Updated Retail Tables accompanying the cover letter dated 14th October 2024
- 1.3 We note that the Retail Addendum (RA) provides more detailed information in respect of population and expenditure within the primary catchment area and wider study area, now encompassing all 15 zones in the 2020 Retail Study Update together with an assessment of a design year turnover of the proposed Lidl store based on a company average turnover. In addition the second cover letter dated 14th October 2024 includes comment on the proposed Lidl foodstore at Sweet Briar (subject to outline planning permission No. 20/00633/O and a current reserved matters application No. 24/00849/RM) together with the Aldi at William Frost Way which opened in July 2023.
- 1.4 In the agent's cover letter dated 14th October 2024 reference is made to the potential fallback position relating to the conversion of the existing building into a foodstore. We have not provided any comment on this matter within our assessment in respect of a potential fallback position. Nor has the Applicant provided any impact on the potential trading effects of such a conversion on existing centres.

2.0 SEQUENTIAL ASSESSMENT UPDATE

- 2.1 The covering letter (EP) dated 9th August together with the Bowthorpe Overlay Plan provides further information in relation to the potential development of a discount food store at Bowthorpe District Centre. On behalf of the Applicant it is confirmed that the provision of a discount food store would have a significant impact on the level of car parking serving the district centre. It is also acknowledged that the original estimate of the total car parking spaces serving the centre was an error, the centre now estimated to have a total of 272 spaces within the main car park¹. The construction of a food store would lead to a loss of 128 spaces, resulting in 144 spaces in the main car park. However this does not include the 106 spaces in the southern car park which is also available for visitors to the centre. Thus in total 250 car parking spaces would be available.
- 2.2 An Overlay Plan based on the same size of store proposed on the application site, could be physically accommodated within the car park. EP advise however that in addition to giving rise to a significant number of car parking spaces which would give rise to a major impact on the local highway network, it would also require Lidl to share an existing service yard which 'operationally' would be far from ideal.
- 2.3 We are not persuaded that the use of a shred service yard presents an unacceptable constraint in principle to a potential discount food store operator. There are instances of discount food stores being located in premises including retail parks which require service and delivery arrangements to be shared. The Overlay Plan does not provide any evidence to indicate that delivery vehicles could not access the store nor be unable to adequately manoeuvre within the service yard.
- 2.4 However we are aware that Roys benefit from a rear storage compound which reduces the potential delivery area which would be available. While the space is suitable to enable a HGV to enter and leave in a forward gear, the position of the existing 'goods in' delivery dock for Roys would potentially prevent a second HGV from servicing a discount food store. The Council's servicing standards require that in a district centre for developments in excess of 1,000 sq.m. an area capable of accommodating an articulated vehicle should be provided. Thus a new store would be required to have a dedicated delivery space.
- 2.5 An alternative solution would be to re-orientate the proposed food store which would seek to incorporate units 4-5, 6 and 7. Two of these are vacant but Unit 6 is occupied and potentially therefore not available. We have not therefore explored this option further since the loss of car parking spaces without adequate replacement appears to be a key issue.
- 2.6 In relation to the loss of car parking, the centre would retain approximately 250 spaces and EP's letter does not provide any evidence to suggest that this would give rise to car parking being displaced onto surrounding residential streets, thereby giving rise to a 'major impact' on the local highway network. We have therefore examined local parking standards. The Council's parking standards² apply a maximum of 1 space per 20 sq.m. of gross floor area for shops, restaurants and food and drink outlets in a district centre. For health centres and surgeries there is a requirement for 1 space per 2 consulting rooms for staff and 3 spaces per two consulting rooms for visitors.
- 2.7 Bowthorpe District Centre contains approximately 3,600 sq.m. gross of retail floorspace which would generate a requirement for approximately 180 customer car parking spaces. The addition of a Lidl food store of c.1,950 sq.m. would generate a need for a further 98 car parking spaces. This would be reduced if a slightly smaller store were envisaged but the need would remain at around 80-90 spaces. Excluding the requirement for the health centre, the combined car parking requirement would exceed the total that would be available. Therefore while the Council's standards are expressed as maxima, the potential loss of approximately 128 spaces

¹ There is a smaller southern car park which also serves the health centre and which contains 106 spaces.

² Development Management Policies Local Plan – Appendix 3

as a consequence of scheme, could give rise to significantly adverse highway impacts contrary to Policy DM31 'Car parking and servicing' and paragraphs 114 and 115 of the NPPF (2023). In addition reducing the level of customer car parking which is accessible and provides convenient access to the shops and businesses in the centre, may adversely impact on the centre's health and attractiveness thereby undermining the benefits associated developing a food store within the centre. On this basis and on balance, we accept that the district centre would not provide a site which was suitable for the development of a discount food store with flexibility applied.

- 2.8 With regard to whether there are other out of centre sites which are better connected with either Bowthorpe or The Larkman district centres, we have reviewed the position and agree that there do not appear to be any sites which are suitable and available for the development as proposed.

3.0 UPDATED RETAIL IMPACT ASSESSMENT

- 3.1 On behalf of the Applicant a RA has been provided which provides in our opinion, a significantly enhanced and more robust assessment, of convenience goods shopping patterns and in turn provides greater clarity on the predicted impact of a new store opening in 2027. The RA addresses the majority of the points raised in our Initial Audit and we summarise our final views on the submitted information. The step by step approach adopted in the RA is recommended in the PPG 'Town centres and retail development' (2014) and is agreed. In this context we have also had regard to the most recent Updated Retail Tables included with the agent's cover letter dated 14th October 2024, in providing our comments. In this context we accept that the impact of the proposed Lidl store at Barnard Way would not give rise to any material diversions from Bowthorpe and The Larkman District Centres. The primary catchment area of that store will limit any trade draw and is in any event located at the outer, north-east extent of the 10-minute catchment as now applied to the proposed Lidl store at Barnard Road.

Price base and design years

- 3.2 The RA uses a constant 2022 price base with 2024 as the base year and a design year of 2027. These are considered to be realistic and acceptable for assessing impact, given the anticipated construction and settled trading year for the proposed food store.

Catchment area

- 3.3 We accept that a 10-minute drive time provides a suitable basis for assessing existing and future convenience goods shopping patterns based on forecast resident population and expenditure levels.

Population and expenditure data

- 3.4 The RA uses per capita expenditure estimates (July 2024) sourced from Experian Location Analyst. This is a widely accepted and reliable source for such data.
- 3.5 The resident population in the 15 zones included within the 2020 Retail Study Update are projected forward from the base date to 2027 using Experian Location Analyst projections. Again we confirm that this is a reliable and appropriate basis for estimating future levels of population within each zone including Zone 1 from which the proposed food store would draw the majority of its turnover. Indeed by applying this to all 15 zones, the Applicant is in effect updating convenience goods shopping patterns across the study area thereby providing a more detailed analysis.
- 3.6 Experian Retail Planner Briefing Note 21 (February 2024)(RPBN) provides the most up to date information on Non Store Retail Trade (NSRT)/special forms of trading together with the predicted change in convenience goods expenditure per capita, in future years. While it is a matter of professional judgement as to the rate of per capita goods expenditure growth which is to be applied, the RA applies the suggested rates as set out in RPBN 21. Table 2(b) in the RA confirms that the per capita spending on convenience goods is predicted to fall by -0.5% in 2024, -0.2% in 2025, -0.1% in 2026 and be static in 2027.
- 3.7 Table 2(c) applies a discount for NSRT again confirming that this is predicted to increase from 5.2% in 2024 to 6.0% in 2027. In combination with the predicated change in population levels the total convenience goods expenditure within the 15 zones is predicted to increase from approximately £2,221.6m in 2024 to £2,238.7m in 2027 (Table 2(d)). Thus there is a very modest increase of £17.1m across the total study area over the 3 year period to 2027. For Zone 1 there is a predicted increase of £2.1m. in convenience goods expenditure due to the forecast increase in the resident population..

Existing and future convenience goods shopping patterns

- 3.8 The 2020 Retail Study Update is used as a basis for estimating convenience goods shopping patterns across the 15 zones. Since the 2020 study remains part of the Council's evidence base it is considered a proportionate means of assessing shopping patterns and thereby an understanding of the anticipated impact of a new food store. Tables 4 and 5 within the RA provide the convenience goods expenditure patterns in 2024 and 2027 based on the total expenditure available within each zone.
- 3.9 The RA confirms at paragraph 2.9 that the 2020 Retail Study Update does not provide any data in respect of five local centres: Norwich Road, Costessey; Earlham West; University of East Anglia; Colman Road, The Parade; and Colman Road, The Avenues. As a consequence the RA provides an estimate based on the nature of the main convenience goods outlets, their company average turnovers and the trading areas. The sales density applied range from £3,000 sq.m. - £10,913 sq.m. in respect of the Co-op at Costessey. These are considered to represent reasonable estimates based on professional judgment and assumed floorspace efficiency levels. And it is relevant to note that the predicted trade drawn from these sources is anticipated to be low.

Pre-impact turnover levels

- 3.9 For the key centres and stores which will be most affected by the proposal, Table 6 provides an estimate of their benchmark i.e. company average, turnover compared to the turnover generated as a consequence of the 2020 Retail Study Update and updated population and expenditure estimates. This indicates that Roys of Bowthorpe is predicted to under-trade by approximately £4.1m in 2027 with a survey derived turnover of £8.5m. In this context we note the comment's from Emery Planning in their letter dated 14th October 2024 that this is based on the Council's Retail Study Update and it is asserted that the latter provides no evidence of or justification for, the derived sales density. While we accept this is factually correct in the absence of any alternative evidence in the form of an updated survey, it is not unreasonable to base the assessment on the Retail Study Update, recognising that any survey is a snapshot and is by definition, subject to a margin of error given the sample size and zones used.
- 3.10 The Aldi store in The Larkman District Centre is estimated to be considerably overtrading and the closure of the Lidl store at Drayton Road will have boosted its turnover as confirmed in the Updated Retail Tables.

Design year turnover of the Lidl store

- 3.11 The RA provides an updated turnover estimate for the Lidl food store based on publicly available data. Using information published by Global Data the convenience goods turnover is estimated to be £11.17m in 2027 with a comparison goods turnover of £0.68m. We believe that the use of these turnover levels provides a sufficient degree of sensitivity in the analysis and is to be preferred to the turnover provided by Lidl which cannot be independently verified.

Trade draw and retail impact

- 3.12 The RA adopts two alternative approaches to assessing trade draw to the proposed store. The first maintains discounting the design year turnover by allocating a proportion of the turnover generated by the Lidl store at Drayton Road³ prior to its closure. The second approach is to assess the impact post closure of the Lidl store at Drayton Road. The RA notes that on the basis of the revised assessment the Lidl store at Drayton Road was predicted to achieve a

³ This store has been re-occupied by the Co-op as a Funeral Care outlet.
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turnover of £9.6m in 2027 approximately double the level based on company average sales densities.

- 3.13 Table 7 in the RA sets out the trade draw by zone. The assumption that 85% of the design year turnover equating to £9.49m is drawn from Zone 1 is reasonable with the balance from Zones 3, 5, 6 and 7.
- 3.14 Table 8 in the RA provides the predicted impact based on allowing a proportion of the turnover to be in effect re-allocated from the Lidl store at Drayton Road which accounts in part for the majority of the turnover (£7.1m) being drawn from 'Other destinations'. This is the same table as the equivalent cumulative impact tables accompanying the letter dated 14th October 2024.
- 3.15 The RA includes as Table 9 (and Table 8 in the Updated Retail Tables, October 2024) a more transparent approach which allows for the convenience goods turnover of the closed Lidl store to be re-allocated to existing centres and stores, which logically must have benefited to varying degrees from its closure. A comparison of Tables 8 and 9 in the Retail Addendum suggests that the main beneficiary is Aldi at The Larkman District Centre, the convenience goods turnover of this store increasing from £20.2m to £22.1m. More modest increases are experienced by Roys with no change to Sainsbury's at New Costessey. While it is not altogether clear how the predicted design year turnover of £9.6m attributed to the former Lidl store at Drayton Road has been re-allocated we accept that Table 9 of the RA (and Table 8 of the Updated Retail Tables) provides a sufficiently robust and proportionate solus assessment of the likely trade draw and impact in 2027. This also involves increasing the trade draw from 2% to 5% on Roys in addition to increasing the draw from Aldi at The Larkman District Centre from 20% to 35% (Table 10 of the Updated Retail Tables).
- 3.16 Table 9 of the Updated Retail Tables includes as part of the second step in assessing the cumulative impact, the convenience goods impact of Aldi at William Frost Way. This indicates a £0.3m diversion from Bowthorpe District Centre (-3.6%) and £3.8m from The Larkman District Centre (-17.2%). Sainsbury's at New Costessey is predicted to experience a diversion of £6.3m equating to an impact of -10.1%. Both stores would trade in excess of company averages.
- 3.17 Table 10 of the Updated Retail Tables indicates that the cumulative impact on Bowthorpe District Centre based on a trade diversion of £0.6m would equate to 6.7% (cumulatively -- 10.7%), resulting in a post-impact convenience goods turnover of £7.8m approximately 62% below company average for this centre the majority of which is attributable to Roys. The survey derived turnover indicates that this store is under-performing and while some stores will under-perform relative to company averages, a cumulative post-impact trading level of 62%, is not insignificant in terms of assessing longer term impact.
- 3.18 However Roys also sells a wide range of non-convenience goods which would generate additional turnover and support to its viability. This sector of the company's business would be largely unaffected. Since Roys is the only large mixed-retail store within the centre and is also well established, providing an attractive and welcoming atmosphere to shoppers, we would not anticipate any long term adverse effects to arise such as possible closure. Such an outcome should it occur, would in our view give rise to a significantly adverse impact on the overall vitality and viability of the centre, which is largely underpinned by the size and attractiveness of this store. And it is axiomatic that additional out of centre retail space as proposed will not assist in maintaining let alone enhancing the centre's vitality and viability.
- 3.19 Having regard to the fact that Roys sells a wide range of both convenience and comparison goods and noting that the cumulative, post-impact convenience goods turnover is predicted to be £7.8m, which somewhat below the pre-impact turnover of £8.7m., we would not expect this store to close. While there would be some reduction in footfall within the centre as a consequence of the trade diversion, future expenditure growth beyond 2027 would assist in

enabling the store to enhance its convenience and comparison goods market shares and thereby continue to provide an important shopping facility within the centre. Clearly the impact of Aldi at William Frost Way and the proposed Lidl at Bowthorpe will further deplete the store's convenience goods trading level. On balance we believe having regard to the commitment Roys have made to the district centre having been established there for more than 26 years, coupled to the diversity of goods sold and the seemingly strong support within the local community, we do not believe this store would close. Its convenience goods turnover would diminish further but its food and drink offer would remain attractive reflecting the independent nature of the retail offer and its close proximity to and accessibility from the adjoining residential areas.

3.20 With regard to the cumulative impact on Aldi at The Larkman District Centre, the post impact turnover of £14.4m suggests that this store would continue to trade well and comfortably in excess of company average levels. There would as a consequence be no materially adverse impact on the health and vitality of this centre.

3.21 In terms of the local centres the RA provides estimates of the trade diversion following the closure of Lidl at Drayton Road. These are summarised below:

Centre	Pre-impact turnover	Trade diversion ⁴	Impact
Norwich Road, Costessey	£2.7m	£0.1	3.7%
Earlham West	£0.9m	£0.1	11.1%
University of East Anglia	£2.5m	£0.1	4.0%
Colman Road, The Parade	£1.35m	£0.1	7.4%
Colman Road, The Avenues	£0.45m	£0.1	22.2%

3.22 The RA concludes that the impact on these centre is *de minimis*⁵ and hence are not included in Tables 8 and 9 nor within the Updated Retail Tables although any impact associated with the Aldi trading at William Frost Way does not appear to be included. We acknowledge that predicting the impact on smaller centres involves a degree of judgement and while we do not accept that these impacts are *de minimis* in planning terms, we agree that these centres and the stores within them are largely focused on meeting local needs encompassing discrete, typically walk-in shopping catchments. The University of East Anglia in particular meets the needs of students and workers at the university, for example and would not be materially impacted by the proposed Lidl store. The Co-op at Norwich Road and the two smaller convenience stores at Earlham West are also focused on serving the immediate residential areas within which they lie, with an emphasis on meeting top-up and non-bulky food shopping trips. As a consequence they are therefore less likely to compete with a Lidl food store which will primarily cater for main food shopping needs. Overall we do not believe that the predicted impact on these local centres would be materially harmful and they would continue to serve the local communities within which they are located. Nor is there any indication that the cumulative impact associated with the Aldi at William Frost Way would have materially impacted on these centres such that it would give rise to a planning objection on retail impact grounds. These smaller centres contain a range of outlets and there is no evidence to suggest that the cumulative impact would give rise to any store closures.

3.23 The remainder of the convenience goods impact falls in the main on out of centre stores, with 10% diverted from Asda at Drayton High Road and 20% from Sainsbury's at New Costessey. These impacts proportionate are reasonable. While the impact on the Waitrose store at Norwich Road, Eaton is not separately identified in the assessment we agree that the distance of this

⁴ The RA assumes the trade diversion is the same across all centres and for each its identified as <£0.1m.

⁵ Of no material consequence in assessing impact.

store from the application site and the distinct trading formats of both Waitrose and Lidl, means that the trade diversion and impact on this store is likely to be limited and not give rise to a significant adverse impact on the centre as a whole.

- 3.24 The RA does not provide any information on the comparison goods impact of the proposed Lidl store. We note based on Global Data, that the comparison goods turnover within the Lidl store is predicted to be only £0.68m in 2027 (Table 1 of the RA), which is lower than that originally predicted, we would not expect this to give rise to any materially harmful impacts on existing centres.
- 3.25 Overall we are therefore satisfied that the proposal complies with Policies DM18 and DM21 of the Local Plan and paragraph 94 of the NPPF.

4.0 OVERALL CONCLUSIONS

- 4.1 We have assessed the additional information provided on behalf of the Applicant in respect of retail matters associated with App. No. 23/01615/F. We are satisfied that the further information in relation to sequential and impact tests largely address matters we raised in our Initial audit. This includes information on the impact of the Aldi food store at William Frost Way.
- 4.2 In respect of the sequential test we have examined the potential for a food store to be accommodated within Bowthorpe District Centre. The main issue based on the updated levels of car parking available is the potential reduction which would occur in order to accommodate a store of the size required by the Applicant with flexibility applied. Unless alternative car parking provision could be made we agree that there is a risk that customers would be deterred from travelling to the centre which would undermine its attractiveness and/or it would potentially give rise to materially adverse impacts on the road network due to on-street parking including within nearby residential areas. Such outcomes would not be in accordance with the requirements of Policy DM18 which seeks to ensure that development within district centres does not impact on residential amenity, traffic or the wider environment nor undermine the role and function of the centre in the retail hierarchy.
- 4.3 Overall we therefore conclude that the sequential test is passed in accordance with Policy DM18 'Promoting and supporting centres' and paragraph 92 of the NPPF.
- 4.4 A more detailed assessment has been provided of the potential trading effects and the steps adopted more closely accord with the advice in the PPG. A step by step approach using updated population and expenditure estimates have been provided from reliable sources. In our opinion this provides a proportionate and robust basis for assessing the anticipated impacts particularly on the two district centres.
- 4.5 While the analysis indicates that Roys at Bowthorpe District Centre would achieve a lower convenience goods market share relative to an assumed company average, it would not be materially lower than the market share this store would achieve without the proposed Lidl food store and the Aldi at William Frost Way. In addition Roys sells a range of comparison goods which would not be materially affected and consequently on balance we do not believe that the impact on this centre would conflict with the requirements of Policy DM18 and paragraphs 94 of the NPPF.
- 4.6 The Aldi store at The Larkman District Centre is trading well and while this would experience the greater diversion to the proposed Lidl store (in combination with the Aldi at William Forst Way), it would continue to trade at almost double company average levels at £14.4m and no significant adverse impact on the centre's overall vitality and viability would arise.
- 4.7 Similarly the impact on local shopping centres is predicted to be very modest and having regard to the trading characteristics of the convenience stores and small supermarkets in these centres, which meet largely top-up and local needs, we do not believe that their longer term vitality and viability would be materially affected.
- 4.8 Consequently we conclude the retail impact requirements of policy DM18 and paragraph 94 of the NPPF are satisfied.