

RE: Representations made by Lidl UK GmbH Pursuant to Application Ref. 13/00893/OUT

We write on behalf of our client, Bridgehouse (Bradford IoM) Limited, in respect of the above representations which have been submitted by RPS on behalf of their client, Lidl UK GmbH. Specifically, we herewith set out our response to the various matters raised by RPS in demonstrating that the proposed development is fully acceptable in planning policy terms.

Available Expenditure in the Study Area

As set out in the Retail and Leisure Assessment which was submitted with the application, available expenditure within the Study Area was calculated using the forecast expenditure growth rates set in Experian's Retail Planner Briefing Note 10.1. This was the most up-to-date information available at the time of preparing the application and indeed has only recently been updated through the publication of Retail Planner Briefing Note 11 in late October 2013.

Within their letter, RPS state that we had applied Experian's comparison growth rates to per capita convenience expenditure in Table 2a and vice versa in Table 2b. This is incorrect. This was a referencing error only, with the correct growth rates already being linked within the tables. If RPS had sought to substantiate their statement by verifying the calculations beforehand, they would have indeed arrived at the correct figures we had provided in Tables 2a and 2b.

Notwithstanding the above, RPS go on to state that, as a result of the revised growth rates provided in Experian's 2013 data, the total available convenience expenditure within the Study Area at 2018 has decreased from £98.05m to £95.40m. This is again incorrect. In attempting to calculate available per capita expenditure within each of the Study Area zones for the period 2015 – 2018, RPS have made a fatal error by applying incorrect growth rates.

Experian forecast positive year-on-year growth in convenience expenditure of 0.8% for this period (Retail Planner Briefing Note 11, Figure 1a). However, RPS have

applied -0.8% year-on-year, resulting in available per capita spend being reduced. Had RPS done the calculation correctly, the total available convenience expenditure at 2018 would be £98.03m; this represents a reduction of just £0.02m, as opposed to RPS's calculation of £2.65m. Our revised expenditure tables are set out below.

Per Capita Expenditure (Convenience Goods)							
	2012	2013	2014	2015	2016	2017	2018
Zone 7 (PO7 5)	£2,017	£2,005	£2,021	£2,037	£2,053	£2,070	£2,086
Zone 8 (PO7 8)	£1,892	£1,880	£1,895	£1,910	£1,926	£1,941	£1,957
Zone 9 (PO7 7)	£1,964	£1,952	£1,967	£1,983	£1,999	£2,015	£2,031
Zone 10 (PO8 8)	£1,902	£1,890	£1,906	£1,921	£1,936	£1,952	£1,967
Zone 11 (PO7 6)	£1,934	£1,922	£1,937	£1,953	£1,969	£1,984	£2,000
Growth Rate	-0.60%	-0.60%	0.80%	0.80%	0.80%	0.80%	0.80%

Per Capita Expenditure (Convenience Goods) (Excluding SFT)							
	2012	2013	2014	2015	2016	2017	2018
Zone 7 (PO7 5)	£1,974	£1,954	£1,966	£1,976	£1,987	£1,997	£2,007
Zone 8 (PO7 8)	£1,852	£1,833	£1,844	£1,853	£1,864	£1,873	£1,882
Zone 9 (PO7 7)	£1,922	£1,903	£1,914	£1,924	£1,935	£1,944	£1,954
Zone 10 (PO8 8)	£1,862	£1,843	£1,854	£1,863	£1,874	£1,883	£1,893
Zone 11 (PO7 6)	£1,893	£1,874	£1,885	£1,894	£1,906	£1,915	£1,924
SFT Rate	2.10%	2.50%	2.70%	3.00%	3.20%	3.50%	3.80%

Total Available Expenditure (Convenience Goods)							
	2013	2014	2015	2016	2017	2018	
Zone 7 (PO7 5)	£20.77	£21.11	£21.35	£21.61	£21.70	£21.88	
Zone 8 (PO7 8)	£16.08	£16.17	£16.46	£16.71	£16.86	£17.07	
Zone 9 (PO7 7)	£16.44	£16.73	£16.86	£16.99	£17.11	£17.26	
Zone 10 (PO8 8)	£18.72	£18.97	£19.07	£19.28	£19.42	£19.55	
Zone 11 (PO7 6)	£18.90	£19.00	£19.12	£22.07	£22.18	£22.27	
Total	£90.90	£91.97	£92.84	£96.66	£97.27	£98.03	

Such a small decrease in total expenditure within the Study Area results in correspondingly negligible changes in impact levels. As set out in our **Summary Table** below, there would be no change in the solus impact of the proposed Aldi store on either individual stores or defined centres from the levels previously identified. In terms of cumulative impact, there would a 0.1% increase on the Asda and Waitrose stores in Waterlooville, and the Tesco Extra (Havant) and Morrisons (Horndean) respectively.

Store / Centre	Solus Impact	Cumulative Impact
Asda, Maurepas Way, Waterlooville	-7.10%	-26.20%
Waitrose, Dukes Walk, Waterlooville	-1.70%	-23.0%
Iceland, Wellington Way Precinct, Waterlooville	-2%	-8.30%
Other Local Stores, Waterlooville Town Centre	-0.40%	-3.60%
Waterlooville Town Centre	-3.50%	35.50%
Lidl, London Road, Cowplain	-20.50%	-20.80%
Co-op, London Road, Cowplain	0.20%	-0.60%
Other Local Stores, Cowplain District Centre	0.00%	0.00%
Cowplain District Centre	-8.40%	-11.30%
Co-op, Hambledon Road, Denmead	-5.90%	-5.90%
Co-op (Post Office), Hambledon Road, Denmead	-5.50%	-5.50%
Other Local Stores, Denmead Local Centre	-1.10%	-1.10%
Denmead Local Centre	-4.60%	-4.60%
Asda, Larchwood Avenue, Bedhampton (Leigh Park)	-0.90%	-14.20%
Tesco, Solent Road, Havant	-0.30%	-4.70%
Morrisons, Lakesmere Road, Horndean	-3.70%	-36.60%

It can be reasonably concluded that the negligible variance in the impacts identified in the above table will ensure that the respective stores continue to trade viably. In respect of the Lidl store, the effects of a marginal decrease in total convenience expenditure within the Study Area are too small to change the solus and cumulative impacts previously identified. As such, these remain at -20.5% and -20.8% respectively.

Lidl Turnover

Within their letter, RPS opine that we have over-estimated the turnover of the Lidl store at Cowplain. However, as demonstrated above, we have correctly calculated the total convenience expenditure available within the Study Area and apportioned this on known market shares, based on the results of the Council's own household survey. The resultant turnover derived from the market share of the Lidl store within each of the Study Area zones, together with an allowance made for inflow of expenditure, is compared with the company average (benchmark) turnover. This is a tried and tested approach, routinely recognised as a robust method for calculating actual turnover by local planning authorities and planning inspectors alike.

Notably, RPS do not provide the actual turnover figure for the Lidl Cowplain store. Neither do they disagree with our findings that the store is over-trading. In the absence of an actual turnover figure being confirmed, it is wholly appropriate to compare the household survey derived turnover with the company benchmark turnover. As advised in our Retail and Leisure Assessment, we use sales density data provided by Verdict, which is a reputable source widely used by planning consultants throughout the industry.

Following the approach set out above, we have identified that the Lidl Cowplain store will be trading at £4.20m in 2016, which is when we expect the Aldi store to be open and trading. However, when compared with its benchmark turnover of £2.87m, this represents overtrading of some £1.33m (46%). The effect of the store's existing overtrading has indeed been in evidence during our own visits to this store, with crowded aisles and queues at checkouts. We consider that this can be partly attributed to the absence of similar discounter provision in the Study Area.

Even with the level of turnover that we estimate would be diverted from the Lidl with the trading of the Aldi (£0.8m), it is clear that the store would continue to overtrade at more than 18%. If a worst-case scenario was to be assumed, with the level of turnover diverted increasing by 50% (i.e. to £1.2m), the Lidl store would still trade 5% above the company average level. This would not result in a significant adverse impact on the store and it would continue to trade viably.

Impact on Linked Trips

RPS have suggested that impact on the Lidl store will also have indirect impacts on the health of Cowplain district centre. There is no evidence to suggest that there will be any impact whatsoever on other facilities within Cowplain district centre with the trading of the Aldi store.

Whilst the household survey undertaken in respect of the Havant Town Centres Study did not ask respondents whether they combined their visits to supermarkets with other activities (therefore making it difficult to accurately quantify linked trips made within centres), the limited offer of the proposed Aldi store means that it will not compete with other businesses within Cowplain district centre.

Unlike the larger mainstream supermarkets, the Aldi store will not have a sizable comparison goods offer to overlap and compete with goods sold at the other shops which trade at Cowplain district centre. These shops consist of a carpet specialist (Carpet News), wool retailer (Thistle Wool Shop), pharmacy (Tuckers), window blind retailer (Trident), soft furnishings store (Yen), pet retailer (Cowplain Pet Supplies) and a specialist motorcycle outfitters (J and S Motorcycle Clothing and Accessories).

There is very limited convenience retail offer in the district centre which is dominated by the Lidl and the Co-op stores. Alongside these stores trades a family butchers. As the proposed Aldi store will not have an in-store butchers, we do not consider that existing customers of Lidl who also shop at the family butchers will switch to the Aldi.

In addition to the above retailers, Cowplain district centre provides a number of services, including a Post Office, banks and estate agents, and a hairdressing / beauty salon. These are all services that will be neither present within the Aldi store nor in its vicinity. As such, people shopping at the Lidl and combining their trip with a visit to the service facilities in the district centre are highly unlikely to switch to the Aldi.

In essence, the proposed Aldi is expected to appeal to a proportion of Lidl customers who purposely visit that store for the discount goods on offer. It will not draw

customers who currently choose to link their shopping trip with a visit to the other retailers and service facilities located within Cowplain district centre. Moreover, the majority of retailers present within the centre do not depend on the Lidl store for trade. Most sell specialist goods and are, therefore, destination shops in their own right. This is buoyed by the profile of Cowplain district centre, with a strong, visible frontage along a major thoroughfare which attracts passer-by trade, as well as walk-in trade from the surrounding residential area.

It can be reasonably concluded, therefore, that the proposed Aldi will not have an indirect impact on Cowplain district centre which is significantly adverse to harm its vitality and viability.

Sequential Matters

RPS make a misleading and erroneous assertion that we have not considered the disaggregation of the proposed development for the purposes of compliance with the relevant planning policy considerations. We have fully addressed this matter within our Retail and Leisure Assessment (Section 9) and the subsequently submitted Planning Statement Addendum. We see no need to rehearse the points here, save for the fact that all available in and edge of centre sites have been assessed for the proposed foodstore and justifiably discounted owing to a lack of suitability. Accordingly, the proposal satisfies the sequential test for the purposes of complying with the NPPF and local planning policy.