Retail and Planning Statement

On Behalf of:
Lidl

In Respect of:
Proposed Lidl Store, Lysander Road, Yeovil

Date:
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Reference:
GES/1903CA/R0001
# Retail and Planning Statement

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**Appendix 1** – Extract from GVA Retail Study Showing Survey Area Zones

**Appendix 2** – Economic Tables
1.0 Introduction

1.1 This Statement is submitted in support of a full planning application, on behalf of Lidl, for the erection of a Class A1 foodstore, car parking and associated works at Lysander Road, Yeovil.

1.2 This Statement considers the planning issues associated with the proposal. Section 2 describes the site and its surroundings, whilst Section 3 describes the application proposals. Section 4 sets out the planning policy context against which the application falls to be considered. Section 5 examines the planning merits associated with the proposal, whilst Section 6 considers the relevant findings of the South Somerset Retail Study (2011) prepared by GVA on behalf of the Council. Section 7 reviews the overall scale, nature and location of convenience retailing in Yeovil and comments upon the overall vitality and viability of the town centre. Section 8 assesses the proposal against key retail planning policy requirements. Finally, our summary and conclusions are provided at Section 9.
2.0 Site Description and Planning History

Site Description

2.1 The application site, which has an area of 0.85 hectares, is located on the northern side of Lysander Road (A3088) – approximately 600m south-west of Yeovil’s retail core. The application site, which is tri-angular in shape, is bound by two highways (Lysander Road and West Hendford) and Total Auto Services to the east. To the west of the subject site is a McDonald’s restaurant, beyond which (400m away) is a Morrison’s superstore. The area to the northwest is characterised by commercial uses, whilst the areas to the north east and east are essentially residential in character. Overall, the locality has a mixed use character.

2.2 The site, which has been cleared, is brownfield, having previously been occupied by Ashleys of Yeovil. The site falls within the urban area.

Planning History

2.3 Importantly, this site and that adjoining it have previously been approved by the Council for discount food store developments. In 2008, Lidl submitted an application for a foodstore totalling 1358m² (gross) and 1063m² (net) – Ref No 08/03529/FUL. Whilst this application was recommended for refusal on retail policy grounds, this was overturned by Members who resolved to grant planning permission subject to the completion of a S106 legal agreement. This application, however, was withdrawn in July 2009 as Lidl was unable to secure third party land that was required for access purposes. It is clear from this decision that Members welcomed the choice and competition that the new store would provide, together with the associated new jobs. Moreover, Members were satisfied that there were no sequentially preferable development opportunities elsewhere in Yeovil and that the new store would not harm the centre’s vitality and viability.

2.4 Subsequently, a further application (Ref No 09/03469/FUL) was submitted in August 2009, in respect of the adjoining land - the site of the former Scottish Southern Electricity Depot now known as Fusion Park - for a discount foodstore totalling 1115m² (gross) and 870 (net). Further to the completion of a legal agreement which restricted the permitted store to a “deep
discounter” that could sell no more than 2500 product lines, this application was approved by Members in December 2010, again contrary to the recommendation by officers. For the second time, Members concluded that the proposed store would deliver a number of consumer and economic benefits whilst not causing harm to any interests of acknowledged importance.

2.5 In August 2013, a second discount foodstore proposal was submitted in respect of the subject site (Ref No 13/03564/FUL). This application sought consent for a Class A1 foodstore totalling 1575m2, together with a drive-thru coffee shop (Class A3), restaurant/public house (Class A4), and associated infrastructure, parking and landscaping. Planning permission was granted in November 2014, following completion of a S106 Agreement which, inter alia, revoked Planning Permission 09/03469/FUL, which related to the adjoining site controlled by the same applicant in the event that this earlier consent was implemented. This latter permission has not been implemented and the site is now the subject of this latest proposal by Lidl to develop a discount foodstore on a site which has consistently been found to be acceptable by the Council.
3.0 The Application Proposal

Background

3.1 Lidl is a successful discount food retailer who are presently represented in Yeovil at the Pen Mill Trading Estate on the eastern side of the town, approximately 3kms to the north east of the subject site. This store, which has a net sales area of 1286m2, opened in 2007, following a knock-down and rebuild of a smaller store that had traded at this site since 1996. Whilst Lidl’s existing store is well-located in terms of meeting the needs of local residents in that part of Yeovil, there remains a need for a discount store at the subject site, which would represent a far more convenient location for local residents living in the south and west part of the town. We consider it likely that following the closure of the Aldi store on Sherbourne Road a few years ago, some former Aldi customers who live in the western part of the town, who are pre-disposed towards shopping at a discount foodstore, will have switched to the existing Lidl store, further to the east at the Pen Mill Trading Estate. The current proposal by Lidl will therefore also provide an opportunity for these shoppers to switch to a more conveniently located new store, with associated consumer and sustainability benefits.

3.2 As evidenced by its previous proposal in respect of the subject site, Lidl has been looking for some while for a suitable development opportunity in this part of Yeovil, which would complement its existing store in the town. Importantly, Lidl regard the subject site as ideal in this key respect. The site is of sufficient size to accommodate a size of store that meets Lidl’s current business and operational requirements and, moreover, its location will allow Lidl to more conveniently serve its customers who live in this part of the town but who presently have to drive to the store at the Pen Mill Trading Estate in order to take advantage of Lidl’s exceptional value.

3.3 Establishing a Lidl store at the application site will, therefore, make a positive contribution to improving the range and choice of Yeovil’s retail offer, whilst also reducing vehicle movements and mileage to Lidl’s existing store at located at the Pen Mill Trading Estate. This will assist in delivering a more sustainable pattern of development – a key policy objective.

3.4 As previously stated, the site comprises vacant brownfield land and is therefore contributing nothing to the local economy. In sharp contrast, and given Lidl’s commitment to invest further in Yeovil, this proposed ‘economic development’ will, if consented, be built-out at the earliest
opportunity - enhancing the environmental quality of the area and creating jobs at an accessible and sustainable location. This consideration should, we believe, be afforded particular weight in the determination of this proposed ‘economic development’.

The application proposal

3.5 The application proposes the erection of a new foodstore (2,611m² gross internal; 1583m² net sales), comprising both ground and first floor accommodation, together with associated car parking, servicing and landscaping. For comparative purposes, the extant consent for a discount foodstore at the subject site (detailed in the previous section), provides for a sales area of 1394m² and, as such, the current proposal involves an increase in sales floorspace of just 189m² (+13.5%). The store will be occupied by Lidl, whose standard product range includes the following:

- Everyday core grocery items;
- Selected non branded household products;
- The provision of chilled / frozen foods;
- A range of fresh produce (fruit and vegetables); and
- Wrapped fresh bread and a selection of part-baked items.

3.6 The scheme provides for 109 car parking spaces, including 6 disabled parking spaces and 6 “Parent & Child” spaces. A service area is located on the northern side of the building, whilst car parking is located to the west and south. Vehicular access/egress to the site is proposed from West Hendford.

Lidl’s trading profile

3.7 Lidl was established in the UK in 1994 and now trades from approximately 600 stores nationwide. The fundamental premise of Lidl’s business model is that the company can offer very competitive prices i.e. “everyday low pricing”, whilst keeping the quality of its goods extremely high. It is able to do this through a combination of factors including:

- Its tremendous buying power as a result of the scale of its operations across Europe;
• Its decision to stock a more limited product range than its competitors, concentrating on those goods that form a very high proportion of the weekly food and convenience goods needs of most households;
• A concentration on own brands (which constitute the majority of the product range);
• The consistent application across its stores of standardised servicing and operating systems that minimise operational costs; and
• Simple product display and stock handling procedures.

3.8 With reference to the above, the average basket of staple groceries at Lidl cost £14.12 in 2013. The corresponding cost at - for example - Sainsbury’s was £26.77, clearly demonstrating the substantial “savings” available to customers by shopping at Lidl. In light of the current challenging economic climate, it is considered that the local community would particularly benefit from Lidl’s very competitive pricing and exceptional value. In this regard, increasing consumer demand for discount food operators – including Lidl – is well documented and is reflected in a recent ‘YouGov’ poll’ (July 2014) which saw Aldi and Lidl taking first and second place in a survey of consumers regarding the popularity of foodstore brands. Taking into account the relevant provisions of the National Planning Policy Framework, which encourages local planning authorities to proactively respond to ‘market signals’, it is considered that the increasing popularity of discount foodstores is an important material consideration which should be given weight in this particular case.

3.9 Crucially, taking into account the foregoing, there are clear material differences in terms of size and retail offer between a discount food retailer and a traditional larger format supermarket. For example, Lidl does not stock convenience goods such as tobacco or individual confectionary items. Moreover, in contrast to many other large format foodstores, Lidl does not contain a post office, pharmacy, delicatessen, photo-shop or other specialist concessional facility. Finally, Lidl offers only a limited range of non-food (comparison goods) items which typically occupy about 20% of the sales area of its foodstores. These items tend to be one off specials that will be constantly changing and sold on a ‘when it’s gone it’s gone’ basis. As such, there is no standard or constant comparison goods range offered in store from week to week – mitigating any direct competition with comparison goods retailers in existing centres.

3.10 In light of the above, and unlike many large format retailers which have diversified in recent years to include a wide range of complementary products and services, Lidl does not act as a ‘one stop’
destination for their customers and overlap with town centre stores is, therefore, limited. Instead, Lidl operate as a complementary retailer, with a significant proportion of customers also choosing to visit other retailers to fulfil their shopping needs. On this basis, Lidl complements, rather than competes with, existing local traders and generates considerable propensity for linked trips and associated spin-off trade with other retailers. The complementary nature of Lidl’s retail offer is an important distinction that needs to be considered when determining a planning application, with particular regard to any perceived impact on the vitality or viability of existing centres. Moreover, to the extent that there will be some competition between the proposed Lidl store and traditional large format food retailers in Yeovil, this needs to be considered in the context that the in-centre Tesco store is very popular, whilst the Morrisons and Asda stores are located out of centre and hence not afforded policy protection. These stores trade at healthy levels and, importantly, increased choice and competition is healthy and in the best interest of local consumers.
4.0 Planning Policy Context

4.1 This section of the report identifies the national and local planning polices relevant to the application.

National Planning Policy Framework (NPPF)

4.2 The underlying premise or ‘golden thread’ running throughout the NPPF is an overall presumption in favour of sustainable development. In order that sustainable development proposals may go ahead without delay and positive growth, which contributes to economic, environmental and social progress for this and future generations is achieved, this premise should form the basis of every planning decision. Put simply, planning should operate to encourage rather than impede sustainable growth, and specifically Paragraph 197 of the NPPF states:

“In assessing and determining development proposals, local planning authorities should apply the presumption in favour of sustainable development”.

4.3 Furthermore, Paragraph 17 states that the planning system should proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth.

4.4 Paragraphs 18-22, which focus on “Building a strong, Competitive Economy” are prefaced by the advice that the “Government is committed to strong economic growth in order to create jobs and prosperity”. Paragraph 19 states that the “Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system”.

4.5 With regard to retail proposals that are not located in-centre, the NPPF contains two key tests – namely the sequential approach and impact test.

4.6 Paragraph 24 states that a sequential test should be applied to the consideration of planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. They should require applications for main town centre uses to be
located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre.

4.7 With regard to impact, Paragraph 26 states that when assessing applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date local plan, local planning authorities should require an impact assessment for developments that are over a proportionate, locally set floorspace threshold. In instances where no local threshold has been set, the default is 2,500 sq m and such assessments should consider the impact of the proposal on in-centre investment and in-centre vitality and viability up to five years from the time the application is made.

4.8 In terms of decision-making and individual planning applications, Paragraph 27 advises that “where an application fails to satisfy the sequential test and is likely to have a significant adverse impact on one or more of the above factors, it should be refused”.

4.9 Paragraph 30 states that encouragement should be given to solutions which support reductions in greenhouse gas emissions and reduce congestion. Local planning authorities should therefore support a pattern of development which, where reasonable to do so, facilitates the use of sustainable modes of transport.

Local Planning Policy

4.10 The South Somerset Local Plan was adopted in March 2015 and, as such, represents an up-to-date development plan. Assessed in the context of the current Lidl proposal, the key provisions of the Local Plan are as follows.

4.11 Policy SD1 states that the Council will take a pro-active approach towards development proposals, to reflect the “Presumption in Favour of Economic Development” embodied in the NPPF. In terms of the Plan’s strategy, it is also clear that Yeovil, which is the principal settlement in the District where most new development is proposed, will be the economic driver and, as a consequence, the primary focus for growth during the plan-period up to 2028. It is also clear that Yeovil has the largest and most successful town centre in South Somerset and, with regard to housing growth, two major Sustainable Urban Extensions are proposed, with the potential to deliver some 1600
new dwellings capable of accommodating up to 3400 people.

4.12 In terms of retailing specifically, Policy EP9 identifies a retail hierarchy for the District, with Yeovil at the apex, followed by a series of market towns and lower order district/local centres. With regard to the potential for new retail development in Yeovil, Policy EP10 sets out prescribed floorspace limits derived from the South Somerset Retail Study Update (2012). For convenience goods, the policy identifies the following thresholds – 2400m² (£29.9 million) by 2017; 3050m² (£37.8 million) by 2022; and 3800m² (£47.7 million) by 2028. Turning to comparison goods, the Policy proposes 12600m² (£90.9 million) by 2028. The relevance of these figures in the context of the current Lidl proposal are addressed later in this report.

4.13 Policy EP11 relates to the sequential approach towards site selection, and is essentially a reflection of the advice contained in the NPPF and the NPPG.

4.14 Policy EP12 identifies Floorspace Thresholds for Impact Assessments, which vary depending on which level of the retail hierarchy the proposal relates to. For retail proposals in Yeovil, the threshold is set at 2500m² (gross), the same figure specified in the NPPF. As noted previously, there is an extant consent for a foodstore on the subject site, totalling 1575m² (gross). The net increase in gross floorspace arising from Lidl’s current proposal for a store of 2611m² is therefore 1036m². On this basis, it could reasonably be concluded that the uplift in proposed floorspace relative to that already consented, does not dictate the need for a retail impact assessment. Notwithstanding, this impact assessment has been prepared in order to assist the Council in its determination of Lidl’s current proposal. We would add that the proposed store is, in any event, only marginally bigger (4%) than the 2500m² threshold. It is also noteworthy that Policy EP12 acknowledges that “proposals for development up to and including the above floorspace thresholds will generally be regarded as being of a scale that would not result in significant adverse impacts”.

4.15 Lastly, we note that Policy YV3 Yeovil Summerhouse Village, is also potentially relevant in the context of the sequential test. This largely Council-owned town centre site comprises land at Stars Lane, Park Street/South Street and Dodham Brook, and is allocated for a residential-led mixed use development, incorporating retail and leisure uses. The Plan, however, appropriately acknowledges that this site, which is used for much-needed town centre car parking, is subject to a number of major viability considerations and other constraints. Any redevelopment, for example, would need to provide replacement public car parking, affordable housing and flood mitigation. For these reasons, the Plan states “given the scale of work still to be undertaken, it is
unlikely that the Summerhouse Village Masterplan will be deliverable until the later stages of the Local Plan”. Not only, therefore, is it uncertain what the scale and nature of any subordinate retail development might be, it is unlikely to represent an available development opportunity for several years, at least.

Conclusions on planning Policy

4.16 Assessed in terms of the relevant objectives and general principles of the NPPF and the relevant provisions of the Development Plan, we conclude that:

- The application site lies within the urban area of Yeovil and is not allocated for any particular use;
- In replacing a vacant and comparatively large brownfield site, the proposed development will deliver a net environmental improvement to the benefit of the local townscape;
- The proposal satisfies a sensible interpretation and application of the sequential approach towards site selection. To the extent that there may be future regeneration opportunities within the town centre, these are not available now and, in our view, should rightly be targeted at securing new comparison businesses;
- The proposal will provide essentially a “replacement” store for that already consented on the subject site, and will deliver new and improved discount shopping facilities that will increase choice and competition – to the benefit of consumers – whilst not causing a significant adverse effect in terms of the vitality and viability of surrounding retail centres;
- The proposal will also reduce shopping trips to Lidl’s existing store located in the eastern part of the town, with associated sustainability benefits; and
- The proposal will create new employment opportunities, to the benefit of the local economy.
5.0 Benefits of the Proposal

5.1 The following section assesses the benefits of the proposal against the key planning policy requirements.

Regeneration of vacant brownfield site

5.2 The application site comprises vacant brownfield land which is demonstrably contributing nothing to the local economy. Moreover, the existence of a cleared site pending its regeneration, also detracts from the visual amenity and overall character of the local townscape.

5.3 In sharp contrast, we can confirm that given Lidl’s commitment, this proposed ‘economic development’ will, if consented, be built-out at the earliest opportunity. The redevelopment of the site will make a positive contribution towards the townscape, enhancing the area’s environmental quality, whilst also creating jobs at an accessible and sustainable location. The worthwhile regeneration of this under-utilised brownfield site will also assist in the realisation of important national and local sustainability objectives.

Employment

5.4 As noted above, the application site is currently vacant. Consequently, the site contributes nothing to the economy of Yeovil and the wider District. In contrast, the site’s redevelopment will create 40 new employment opportunities in the operation of the Lidl Food Store. Further employment opportunities will also be created during the construction of the development. In contrast, a refusal of planning permission would deny these certain major economic and social benefits to the local community. Moreover, given the absence of any material harm to the town centre that we have identified in our assessment of impact, we do not anticipate any job losses elsewhere in the town. As such, the new jobs can reasonably be regarded as representing a net increase in employment opportunities.

5.5 The jobs created will span a range of skill levels, including managers, deputy managers, sales assistants and security guards. It is also envisaged that the majority of these jobs will be recruited locally providing a boost to the area’s economy. This is, we believe, an important material consideration which should be afforded weight accordingly in the determination of the proposal’s
overall degree of acceptability.

**Improved retail provision**

5.6 As noted previously, Lidl are not currently represented in this part of the town and for many local residents who wish to shop at a discount foodstore, they have no choice since the closure of the Aldi store, but to travel to the existing Lidl store at the Pen Mill Trading Estate. This represents a weakness in the retail offer of the local area, and coincides with a period of unprecedented popularity for such stores, as evidenced by their increasing market share at the expense of the larger foodstore operators.

5.7 Establishing a Lidl store at the application site will, therefore, provide what is effectively a “replacement” store for that which has previously been consented on the subject site but which has not come forward. The new store will improve shopping facilities available to local residents, with clear consumer choice benefits. Crucially, Lidl stores offer high quality products at a substantial discount to many main food retailers and, in the current challenging economic climate, it is considered that the local community would benefit from Lidl’s very competitive pricing and exceptional value.

5.8 Moreover, Lidl offers a smaller product range than traditional large format foodstores and does not stock certain convenience goods, such as tobacco or individual confectionary items. As such, Lidl complements, rather than competes with many existing local traders and generates a propensity for linked trips and associated spin-off trade with other retailers. This too is an important material consideration which should be afforded weight.

5.9 The proposed foodstore will, therefore, deliver a major qualitative improvement in the overall range and choice of convenience facilities available locally, remedying a loss to the local area when the Aldi store closed in this part of the town. The provision of a new discount foodstore will complement the comparatively wide range of other foodstores represented in Yeovil and the wider area.

**Sustainable development**

5.10 As noted above, Lidl is a successful discount food retailer which is not currently represented in this part of the town. Establishing a Lidl store at the application site will, therefore, assist in reducing shopping trips, primarily by car, to the nearest Lidl store at the Pen Mill Trading Estate.
This will enhance customer choice, whilst promoting a more sustainable pattern of development – two key objectives of national planning policy.

**Contemporary design**

5.11 The application site, which comprises vacant brownfield land, is currently under-utilised. As such, it adversely affects the area’s environmental quality. Lidl’s proposal, which incorporates a modern, well-designed building with appropriate landscaping, will significantly enhance the overall character and appearance of this prominent brownfield site – a consideration which should also be afforded due weight in the planning balance. A detailed description of the proposed development is included within the Design and Access Statement which accompanies this application.

5.12 In summary, we conclude that the proposal will deliver a number of benefits to the local area and, in doing so, will assist in the realisation of a number of key objectives of national and local planning policy. Noteworthy in this regard are the previous decisions of the Council to grant planning permission on three separate occasions for discount foodstores either at or adjacent to the subject site – decisions that clearly took into account both the discount nature of the retail offer proposed and the employment benefits. Importantly, these considerations are no less material now than they were previously when the Council granted the relevant consents. For completeness, however, the likely economic impact of the proposal and compliance with retail planning policy more generally is considered in further detail in Section 8 of this report.
6.0 Shopping Patterns in Yeovil

6.1 In this section we review the key findings of the independent household survey of 1,000 respondents undertaken by Research & Marketing in September 2009. This survey, commissioned by GVA on behalf of South Somerset Council, sheds light on shopping patterns in the defined study area and formed part of the evidence base informing the then emerging Local Plan, in the form of the South Somerset Retail Study Update (July 2010). We understand that this survey represents the most up-to-date evidence base for retail planning purposes. On the basis that there has been comparatively little material change “on the ground” since the GVA Study was undertaken, even allowing for the Aldi closure of its former store on Sherborne Road, we consider the survey findings as being sufficient for the purposes of informing a proposal of the scale and nature currently proposed by Lidl. Whilst the survey area overall comprises some eight zones, Yeovil itself falls within a comparatively extensive Zone 4. The key findings are:

- In terms of main food shopping overall, almost 90% of respondents within Zone 4 undertook their shopping at stores located in Yeovil, representing a high retention rate of main food expenditure within the zone. The Tesco store situated in Yeovil town centre ranked number one, accounting for almost one-third of all respondents. Asda came a close second, accounting for 29% of respondents. Morrisons is ranked third, accounting for 18% of respondents. Both Lidl and Marks & Spencer each accounted for approximately 3% of respondents. Also noteworthy is that 40% of respondents within Zone 2 (Crewkerne), undertook their main food shopping at stores in Yeovil, whilst in the case of Zone 6 (Sherborne), the corresponding figure is 16%. Considerably smaller proportions are attracted from each of the other zones – a reflection of the scale and range of provision within those constituent zones;

- With regard to top-up shopping, some 83% of expenditure generated within Zone 4 is spent at stores in Yeovil. Of the expenditure spent further afield, it is likely that an element of this is associated with respondents’ place of work. Ranked number one are “other” shops located in the town centre, with Morrisons and Asda each accounting for broadly 12% of respondents. In this case, Tesco is ranked fourth, accounting for 11% of respondents. Marks & Spencer account for 7.5%, followed by Lidl with 5%. In terms of the town centre overall, some 37% of respondents undertook their top-up shopping at a centrally located store; and
• Turning to comparison goods shopping, assessed in the context of the District, Yeovil is pre-eminent and, as a consequence, appears to attract approximately £290 million of local residents’ expenditure from throughout South Somerset.

6.2 We have taken into account the Research & Marketing survey results in determining our turnover estimates for relevant stores in Yeovil in 2015 and 2019. We have also taken the survey findings into account in our estimation of the trade draw of the proposed Lidl store.
7.0 Qualitative Assessment

7.1 In order to assist in determining the likely economic and other impacts of the application proposal, this section outlines the key characteristics of Yeovil town centre in terms of convenience retailing, whilst also outlining the key features of other relevant food retailing provision in the town.

Yeovil town centre

7.2 Yeovil town centre is first and foremost a focus for comparison businesses, services and other commercial/employment uses. Furthermore, as demonstrated in the South Somerset Retail Study and the Retail assessment submitted by RPS in support of the previous foodstore proposal at the subject site, Yeovil town centre is a comparatively vital and viable centre that is continuing to serve the local community well. It is also evident from observed pedestrian linkage that the centre’s overall role and attraction has been improved by the edge of centre Yeo Leisure Park, which includes a Cineworld multiplex cinema, bowling centre, gym, and two restaurants occupied by Franky & Benny’s and Pizza Hut. In terms of convenience retailing specifically, the sector is dominated by the Tesco Extra store (5910m2 net), with other stores such as Marks & Spencer and Iceland performing sub-ordinate roles alongside the smaller independent and specialist convenience businesses. One key finding in relation to this sector is the co-existence of such stores “alongside” the substantially larger Tesco superstore and other large superstores elsewhere in the town – a reflection of their essentially different complementary/top-up shopping roles. As demonstrated by the household survey, the Tesco store is trading strongly at a level substantially in excess (+50%) of its company benchmark level.

7.3 With regard to the “other” convenience businesses within the town centre, these are demonstrably continuing to benefit from shoppers, visitors and employees who shop at such stores whilst in the town centre for reasons essentially other than food shopping.

7.4 Turning to vacancies, it is clear that the position has improved since preparation of the RPS Retail Assessment which identified 51 vacant units which equated to a vacancy rate of 14.6%. The 35 vacancies we are aware of equate to a current vacancy rate of 10%, which is materially less than the GOAD national average of 13.5% and significantly less than the level previously identified by RPS. Furthermore, where there are vacancies within the centre, a number of these are situated
in the more secondary frontages, including the Glovers Walk Shopping Centre. This particular performance indicator does not point to a weak or fragile town centre.

7.5 With regard to pedestrian flows and environmental quality, the former were observed to be relatively strong, particularly along the more primary retail frontages, whilst the centre’s overall character and appearance can reasonably be regarded as attractive. It is also evident that the centre is accessible by a variety of transport modes and also benefits from a substantial walk-in catchment associated with nearby residential areas.

7.6 Overall, we consider Yeovil town centre to be comparatively vital and viable when assessed in relation to a range of performance indicators – a finding similar to that reached by both GVA and RPS in their respective assessments.

Other Relevant Retail Provision within Yeovil

7.7 In terms of size (3325m2 net) and popularity, the out of centre Asda store at Preston Road, approximately 2 miles to the north west of the subject site, ranks second in the town, as evidenced by the NEMS Household Survey. Furthermore, as demonstrated by the Survey, this store, like the other large stores in Yeovil, serves both a main and top-up shopping role, albeit with the former predominating. Also located to the west of the subject site (approximately 300m away), is the out of centre Morrisons store (2787m2 net), which is ranked third amongst the three superstores in Yeovil. As demonstrated by the household survey, both these stores are trading above their respective company average turnovers, particularly Asda.

7.8 Turning to Lidl’s existing store in Yeovil, this also occupies an out of centre location on the Pen Mill Trading estate. This store, which opened in 2007, totals 1286m2 (net) and is reflective of an earlier generation store that is smaller than Lidl’s current business requirement, as demonstrated by the current proposal at Lysander Road. This store trades well and has benefitted to a limited extent, given the former Aldi store’s comparatively poor trading performance, from this store’s closure.

7.9 Other convenience stores distributed throughout the town include a few Tesco Express “local convenience” stores at Cavalier Way and Abbey Manor Park. Both these stores serve essentially localised catchments. There are also two Coop stores situated in Yeovil; one at Stibly Street and the other at Sherborne Road, where it occupies the former Somerfield store.
8.0 Retail Policy Considerations

8.1 In this section we assess the proposal against the key retail planning policy requirements.

**Sequential test**

8.2 As the proposed development is located out of centre in retail policy terms, it is necessary to demonstrate that there are no suitable, available and viable sequentially preferable sites that could accommodate the proposed development.

8.3 It is, however, important at the outset to correctly interpret and apply the sequential test, taking into account case law and relevant appeal decisions. For example, as highlighted in the Dundee (March 2012) case, the Supreme Court ruled that “suitable” means “suitable for the development proposed by the applicant” and, more recently, the Secretary of State in the Rushden appeal decision (June 2014), has confirmed that the sequential test needs to be considered in the context of the specific development proposed by the applicant, and not simply a “class of goods” approach or some attempt at disaggregation that might otherwise seek to accommodate elements of the proposed development on a smaller, sequentially preferable site. Whether, therefore, a site is considered suitable for the commercial requirements of a developer/retailer, clearly needs to be considered in light of the specific application proposal. The two decisions referred to above, both assist in demonstrating how the sequential test should be lawfully and properly applied.

8.4 Whilst we acknowledge the requirement for some flexibility in applying the sequential test, as referred to in the National Planning Guidance, this needs to be applied sensibly in the context of scale and format, as it is clearly not the purpose of national or local planning policy to require a developer to seriously compromise their proposal by requiring them to disaggregate it into its constituent parts. Indeed, the Secretary of State in the Rushden decision expressly acknowledges that the NPPF does not require an applicant to disaggregate in any way a specific development proposal. In reality, therefore, whilst there may be some limited scope to reduce the scale of the proposed development, it would be wholly unreasonable to expect the applicant/retailer to amend a proposal to the extent that it no longer meets their business requirement and becomes unviable.

8.5 In order that the sequential test is properly applied, it is therefore necessary to consider the form
of development for which planning permission is sought. Essentially, the application proposal is for a Lidl foodstore together with 109 customer car parking spaces and associated servicing on a site of approximately 0.8 hectare. The sensible application of the sequential test is to consider potential sequentially preferable sites within Yeovil that could accommodate the proposed development, allowing for a reasonable degree of flexibility, as required by national policy. Our evaluation has therefore sought to identify whether any sequentially preferable sites of broadly the size of the subject site are currently available and suitable.

**Availability**

8.6 The NPPF (Paragraph 24) helpfully sheds light on the correct interpretation of this aspect of the test, and simply asks whether town centre or edge of centre sites are "available". Importantly, it does not, therefore, ask whether such sites are likely to become available during the remainder of the plan-period or over a period of some years. Put simply, the correct approach is to ascertain whether a site is currently available rather than speculate if a site may become available at some indeterminate future date. Importantly, this approach is fully endorsed by the Secretary of State in the Rushden decision.

**Suitability**

8.7 Suitability relates to whether the proposed development can be reasonably and successfully located at a particular site. There are a number of key considerations in this respect.

8.8 Firstly, as previously indicated, the test is only relevant in the context of the "requirement" the proposed development will meet – in this case a Lidl store to predominantly meet some of the main food shopping needs of local residents within essentially this part of the urban area of Yeovil. Examining potential sites further afield, for example, within the easternmost parts of the town would therefore be irrelevant, taking into account the location of Lidl’s existing store in Yeovil.

8.9 Secondly, the basic business requirement of the operator, Lidl, is of fundamental importance. Significant in this respect is Lidl’s current requirement for stores similar in size to that proposed at Lysander Road i.e. approximately 1500m2 (net sales). First and foremost, for Lidl to be able to provide the retail offer needed to meet customer expectations and compete effectively with stores such as Asda, Tesco and Morrisons in Yeovil, a development of broadly the size and format proposed is essential. Put simply, a store materially smaller than that proposed would be seriously
compromised and would not represent a viable development from Lidl’s perspective. Furthermore, as previously indicated, it is not the purpose of planning policy to require a proposal to be split between separate sites. The NPPF does not require “disaggregation”, as evidenced by the Rushden decision.

Viability

8.10 Sites should not present any obvious economic obstacles to the proposed development.

Assessment

8.11 For the purposes of our sequential examination, we start with an assessment of vacant units within or adjacent to Yeovil’s designated Principal Shopping Area (PSA). Unsurprisingly, the overwhelming majority of vacant units are comparatively very small when compared to Lidl’s floorspace requirement and, as such, none of these units remotely meet Lidl’s floorspace requirement. Taking into account our findings in relation to vacant in-centre/edge of centre units, we conclude that there are no suitable and sequentially superior units capable of accommodating the proposed development.

8.12 As stated above, the sequential test is only relevant in the context of the need that the proposed development will meet. Consequently, whilst we are not aware of any vacant units within the town’s district centres, were there to be such a vacancy of sufficient size/configuration and with sufficient associated parking, it would not represent a suitable alternative to the application site because it would cater for an essentially different “localised catchment” served by that particular district centre.

8.13 With regard to vacant units, we conclude that there are no available and suitable sequentially preferable opportunities capable of accommodating the proposed development.

8.14 Turning to potential town centre/edge of centre development opportunities, our starting point has been the RPS sequential assessment that was undertaken in August 2013 in connection with the previously proposed discount foodstore at the subject site. The RPS assessment examined several such opportunities within and adjacent to the retail core and helpfully provides conclusions which are equally valid today and which were accepted by the Council in its decision to support the then discount foodstore proposal. The sites we have considered are:
**Stars Lane North**

8.15 The site previously examined was 1.2 ha in size and was occupied by a Wilkinson’s store together with a YMCA charity shop and a car park. Our understanding is that a Premier Inn has been built on part of this site, with the balance remaining in retail use as previously identified. This site is largely in commercial use and there is no evidence whatsoever that it is currently available for redevelopment purposes. Taking into account these considerations, we conclude that this site does not represent an available and sequentially superior alternative to the current application site. This conclusion is identical to that previously reached by the Council in its decision to approve the former foodstore proposal at the subject site.

**Stars Lane South**

8.16 This 1.5 ha site, which is largely used for much-needed town centre car parking purposes, falls within the Summerhouse Urban Village mixed use allocation in the recently adopted Local Plan which, as previously stated, is subject to a number of major development constraints which require resolution prior to any viable residential-led development proposal proceeding – which it is acknowledged in the Plan is likely to be towards the latter stages of the Plan. This being the case, this site does not represent an available development opportunity and, moreover, a Lidl development would not represent a suitable land use proposal given the predominant residential allocation of the site. We conclude, therefore, that this particular site does not represent an available and suitable alternative to the subject site – a view accepted by the Council in its approval of the previous discount foodstore proposal at the Lysander Road site.

**Glovers Walk**

8.17 This site, which is situated between Central Road and Middle Street, totals just 0.5ha and, moreover, is currently occupied by several retail businesses and part of the bus station. Both in terms of its size and present use, this site can reasonably be discounted as a sequentially preferable alternative to the Lysander Road site – again, a view also previously held by the Council.
Market Street/Former Cattle Market

8.18 This site, which is located on the north western edge of the town centre, is proposed for a mixed use development comprising residential accommodation and car parking. This site does not therefore represent either a suitable or an available development opportunity for a non-conforming foodstore proposal.

The Quedam Centre

8.19 The Council has previously resolved to grant planning permission, subject to completion of a S106 Agreement, for a major extension to the Quedam Shopping Centre. For the purposes of the South Somerset Retail Study, this extension is assumed to relate to comparison goods floorspace and is treated as a commitment by GVA in their Study. This approach is entirely consistent with the retail strategy’s aim of seeking to enhance the role and attraction of the town centre as major comparison goods centre/destination. In terms of the relevance of this potential development opportunity in the context of the sequential test, it benefits from a resolution to approve rather than a consent and, moreover, is clearly targeted at comparison rather than convenience retailing. It most certainly does not represent an available development opportunity and nor does it represent a foodstore opportunity given the priority afforded to securing a comparison goods-led development. This site can therefore also reasonably be discounted as a sequentially preferable alternative to the Lysander Road site.

The Ambulance and Fire Station Site

8.20 This 0.6ha site, which fronts the A30, currently accommodates both the local Ambulance and Fire Station emergency services. We are not aware that this site has been declared surplus to requirements and/or that these services which to re-locate. Taking into account both the site’s size and this latter consideration, we do not regard this particular site as either suitable or available in order to accommodate Lidl’s current development proposal. Consequently, we conclude that it can reasonably be dismissed as sequentially preferable to the Lysander Road site.
Summary

8.21 Taking into account the foregoing, it is clear that there are no premises or sites identified in our sequential search that are suitable, available and viable to accommodate the application proposal, even when demonstrating a reasonable degree of flexibility in the format and size of the proposed development. We consider the above represents a sensible interpretation and application of the sequential approach towards site selection. There are demonstrably no sequentially preferable alternatives that are available or suitable and, in such circumstances, local and national planning policy permits the consideration of sites such as that at Lysander Road, which the Council has previously determined to be an acceptable site in locational terms for a discount foodstore development. Consequently, the vacant, brownfield application site, which is accessible by a variety of transport modes, is still, in our view, an appropriate location for the proposed “economic development”.

8.22 Finally, it is relevant to note that a rejection of the application proposal on sequential grounds would not have the effect of re-directing the proposed Lidl investment and development to a sequentially superior site. Such a refusal would simply mean that the wide-ranging benefits and employment opportunities associated with the subject site’s regeneration would be denied to the local community.
9.0 Town Centre Impacts

9.1 The two impact tests set out in the NPPF, require relevant retail proposals to assess their likely effects on firstly, planned in-centre investment and, secondly, town centre vitality and viability, including local consumer choice and in-centre trade. At the outset it is important to note that the relevant test in the NPPF is not whether a proposal would affect a planned investment or result in trade diversion from a particular centre but, rather, whether such a proposal would have a "significant adverse impact" on either planned investment or a centre’s overall vitality and viability. We consider each of these tests below.

(1) Effect on planned in-centre development

9.2 The NPG that accompanies the NPPF identifies several considerations of relevance when considering the likely effect of a proposal on planned investment in nearby centres. These include:

- The policy status of the investment (i.e. whether it is outlined in the Development Plan);
- The progress made towards securing the investment (e.g. if contracts are exchanged); and
- The extent to which an application is likely to undermine planned developments or investments based on the effects on current/forecast turnovers, operator demand and investor confidence.

9.3 Whilst we are aware of a number of proposals/community aspirations, together with the Quedam Centre “commitment”, as outlined in our sequential assessment, we do not know of any public or private sector planned investments within or at the edge of the centre of Yeovil, the viability of which are dependent upon convenience goods floorspace and which might otherwise be relevant in the context of Lidl’s proposed further investment and development in the town.

9.4 In conclusion, the proposed Lidl development satisfies this aspect of the NPPF impact test.

(2) Impact on town centre vitality and viability.

9.5 As previously stated, the relevant impact test is whether there is any compelling evidence that the estimated trade diversion would have a “significant adverse effect” on the overall vitality and
In undertaking our quantitative assessment, we have taken into account the relevant findings of the GVA South Somerset Retail Study and, in particular, the Research & Marketing household survey findings. We have also taken into account the findings of our visit to the centre of Yeovil and other relevant retail provision within the town. In terms of the methodology adopted, we have taken into account the relevant NPG advice and adopted a traditional step-by-step approach comprising:

- Definition of base and design years, price base and study area;
- Assessment of available expenditure generated within the defined study area;
- Assessment of the existing and forecast turnover of existing retail floorspace and the proposed new foodstore;
- Assessment of the likely trade draw of the proposed Lidl store and the associated trading impact on relevant centres/stores.

Economic tables are presented at Appendix 2.

**Base and Design Year**

A base year of 2015 is adopted together with a design year of 2019 – some 4 years from the date of the application, in line with the advice in Paragraph 26 of the NPPF.

**Price Base**

All monetary values are expressed in constant 2010 prices in order to be consistent with the price base adopted by GVA in their Retail Study.

**GVA Retail Study Area**

As previously indicated, the GVA study identified an overall study area for South Somerset (Zones 1-8), with Yeovil itself falling within Zone 4 (Appendix 1). By identifying the expenditure flows from the various zones to stores in Yeovil, GVA were able to identify the 2012 turnover of each store in Yeovil derived from the study area. In order to estimate the total turnover of each store, GVA also identified an allowance for expenditure inflow to the area, from residents living further afield and
visitors.

**Population**

9.11 Table 1 shows the 2015 population forecast for the study area interpolated from the GVA Study. This shows a forecast population of 259,739, rising to 264,156 by 2019 – an increase of 4417.

**Expenditure: convenience goods**

9.12 Rather than simply adopt the expenditure forecasts provided by GVA, which are based upon the Experian expenditure forecasts available in 2011, we have examined the implications of adopting the latest Experian expenditure forecasts contained in Retail Planner Briefing Note 12.1 (October 2014). On the basis that recent actual expenditure growth has been less than was previously forecast by Experian, coupled with the fact that future growth is now forecast to be less than previously estimated in 2011, the practical effect is that the 2015 and future spending power in the area is less than previously forecast by GVA. Consequently, whereas the 2015 and 2019 expenditure estimates for the study area provided by GVA were £511 million and £531 million respectively, the corresponding DPP estimates based on the latest Experian Briefing Note are £496 million and £518 million (Table 3). The revised expenditure forecasts are therefore approximately 3% lower than previously estimated, whilst the level of growth is broadly £2 million less. This expenditure update has been taken into account in our estimation of store turnovers in Yeovil.

9.13 As evidenced by the previously referred to household survey, the vast majority of the locally generated expenditure within Zone 4, which is focused on Yeovil, is retained within Yeovil itself. As such, no allowance has been made for any clawback of expenditure to the proposed store.

**Expenditure: comparison goods**

9.14 Taking into account our comparison goods turnover estimate for the proposed store, as set out below, of just £0.58 million in 2019, we have taken a broad brush approach and simply adopted a common sense approach towards the consideration of retail impact. Furthermore, whilst we have not sought to update the expenditure estimates based on the latest Experian Briefing Note, it is evident that the net effect of Experian’s latest forecasts is that there is likely to be more
expenditure available than previously forecast by Experian and GVA.

Expenditure Capacity: Convenience Goods

9.15 Whilst a demonstration of “need” is no longer a policy requirement, we have, nevertheless, undertaken a simple capacity assessment in order to provide a contrast with GVA’s findings and to place the assessment of impact within an appropriate context. For the purposes of our update, we have relied upon the stores and floorspace information provided by GVA, updated to reflect the closure of the former Aldi store at Sherborne Road. With regard to company benchmark turnovers, we have adopted more up-to-date figures published by Mintel for the relevant stores in Yeovil, whilst for the smaller stores we have adopted GVA’s figures. Our assessment can therefore reasonably be regarded as robust. Table 4 demonstrates that the total benchmark turnover amounts to approximately £118 million, which contrasts with the expenditure available in 2015 of £161 million. As such, the surplus expenditure amounts to about £44 million. For comparative purposes, GVA identified a surplus of about £28 million at 2015. In reality, over recent years, the benchmark turnover of several of the leading grocery retailers has fallen, which effectively reduces the benchmark turnover requirement. This simple assessment demonstrates that the Lidl benchmark turnover requirement of £4.3 million can easily be accommodated in light of the £50 million surplus identified in 2019. The Lidl turnover requirement accounts for less than 9% of the surplus expenditure. The finding of such a substantial surplus is highly relevant in the context of retail impact because it demonstrates the extent to which a number of existing major foodstores in Yeovil are currently over-trading relative to benchmark turnover levels.

The proposed Lidl store: turnover estimate

9.16 In common with the practice generally adopted for the purposes of examining a proposal’s likely trading effect, we have assumed that the proposed Lidl store would achieve a turnover reflective of the latest company “benchmark” turnover published by Verdict. As previously indicated, the proposed sales area totals 1,583m², of which 1,266m² (80%) would be used for the sale of convenience goods. By applying the latest Lidl “benchmark” sales density of £3,390/sq m to this sales area, the total convenience goods turnover would be £4.3 million. In sharp contrast, the previously approved “speculative” discount foodstore at the subject site was assumed to have a turnover that equated to the average of both Aldi and Lidl, namely, £4.5 million i.e. £0.2 million
higher than the current proposal by Lidl. This point is of particular significance given that South Somerset Council considered the previous proposal to be acceptable in retail impact terms.

9.17 On the basis that the relevant sales density growth forecasts by Experian indicate negative annual growth between 2012-16, followed by growth of just 0.1% per annum between 2017-21, we have not sought to “inflate” to 2019 the latest Lidl “benchmark” turnover.

9.18 With regard to comparison goods floorspace, the sales area proposed totals just 317m² which, if combined with the relevant Lidl “benchmark” sales density of £1,310/m², produces a comparatively very small comparison goods turnover of only £0.41 million. “Inflated” to 2019 in line with the relevant Experian sales density growth forecasts, produces a 2019 “benchmark turnover” of £0.54 million.

Economic impact: convenience goods

9.19 In undertaking our assessment of trading impact, we have taken into account the widely accepted principle that “like affects like”. Consequently, if a proposal’s retail offer is principally directed towards meeting customer’s main food shopping requirements, one can reasonably expect the proposal to compete largely with those stores that cater for the same grocery “market”. Conversely, where there is evidence that smaller convenience businesses, including independent shops, are fulfilling an essentially top-up shopping role and providing more “specialist” services, one would not expect such functionally different businesses to be susceptible to any significant trade diversion.

9.20 In undertaking our assessment, we have therefore distinguished between the four main categories of convenience shopping, namely:

(i) Bulk Main Food Shopping: this trip is normally undertaken on a weekly basis and is most often car-based. It is normally orientated towards the larger food stores which offer sufficient choice and quality of convenience shopping together with convenient car parking;

(ii) Daily Main Food Shopping: this type of trip generally occurs when customers do not have access to a car or, through choice, undertake their main food shopping two or more times a week, reflecting the need or desire to carry out smaller purchases more frequently;

(iii) Top-up shopping: this relates to the purchase of convenience goods as a top-up to the main food purchase. Trips are orientated towards smaller shops where the need for
extensive choice and keen price is subordinated to convenient access and ability to walk from home or work, although larger foodstores also fulfil important top-up shopping roles for car-borne and shoppers on foot; and

(iv) Speciality Convenience Shopping: this type of shopping principally takes place in existing centres where small specialists such as butchers, bakers, greengrocers, health-food shops and “ethnic” shops provide the type of service not available in stores such as, for example, Lidl. This is an important point given that it is widely acknowledged that for the purposes of assessing impact, “like affects like”. A foodstore such as Lidl will disproportionately impact on other larger foodstores, and the likelihood of impact affecting small and independent retailers will be far less. Whilst the number of traditional specialists has been declining over a long period, experience shows that even in areas of saturation of superstore/supermarket shopping, these specialists maintain their niche market.

9.21 The first column in Table 5 details our 2015 turnover estimates for stores in Yeovil derived from the GVA Study, which included adjustments to account for the closure of the Aldi store at Sherborne Road and its replacement by Farm Foods and Majestic Wine. Our store turnover estimates reflect these adjustments, but are lower than those provided by GVA in light of the more recent lower expenditure growth rates that we have used. The second column in the Table identifies our respective 2019 turnover estimates, derived by adopting a constant market share approach. In other words, the 2015 market shares are applied to the expenditure available in 2019 in order to apportion the expenditure growth between 2015 and 2019 to each of the stores.

9.22 In determining our trade draw estimation, we have taken into account the scale, location and nature of existing foodstore provision. It is also evident that for some shoppers, main food shopping is split across a number of stores, with customers visiting different shops for different goods depending on price and quality. This trend whereby certain elements of a main food shop is undertaken at a number of stores is one of the factors which account for the increased popularity and growing market share of discount foodstores such as Lidl.

9.23 The proposed store will perform this latter role as well as catering for (i)-(iii) above. The proposed store’s trade pattern will therefore be orientated towards a range of food stores operating in the grocery sector, particularly those which are pre-eminent in terms of popularity/market share. In other words, the impact will be focused on the Morrisons, Tesco, and Asda stores as customers look increasingly for “value for money”, as well as the existing Lidl store – the latter being relevant
because some shoppers who switched to this store when the Aldi store at Sherborne Road closed, will switch back to the new Lidl store where shorter shopping trips will arise.

9.24 With regard to the town centre specifically, we have also taken into account the following considerations:

- On the basis that there are fewer convenience stores now than at the time of the GVA Study (accounted for by store closures), the importance of the retail core and adjacent areas in terms of fulfilling a convenience shopping role has been reduced;

- Observations confirm that several of the small “convenience” shops within and adjacent to the centre, provide an offer which is dominated by the sale of soft/alcoholic drinks, snacks, confectionery and tobacco products. Their respective offers in terms of fresh food and general food products is very limited. Furthermore, it is also evident that a few of the convenience stores specialise in the sale of Eastern European food products. Clearly, given the “like affects like” principle, there is very limited scope for the proposed Lidl store to compete with these particular businesses;

- Several of the convenience businesses located within and adjacent to the centre offer “specialist” services e.g. bakery, health food shop, green grocer. The retail offer provided by these businesses can readily be distinguished from that provided by Lidl. Furthermore, these stores benefit from the pass-by trade associated with shoppers who are visiting the centre for some other primary purpose, whilst they also benefit from trade associated with shoppers who work and/or live within and adjacent to the centre. These shoppers will continue to use these shops regardless of there being a new Lidl store on Lysander Road.

- The most popular convenience offer in the centre, other than the Tesco Extra, is the M&S “foodhall”, as evidenced by the NEMS Household Survey. This store is distinguishable in both qualitative and price terms from the proposed store and, as such, is not considered to be susceptible to any material trade diversion to the new Lidl store; and

- Other convenience stores within the centre fulfil “specialist” roles such as Iceland with its focus on frozen and chilled products and Greggs, whose offer includes sit-down hot snacks/drinks. Again, one cannot reasonably expect the Lidl store to derive any meaningful amount of trade from such businesses.

9.25 With regard to the Tesco Extra store, we estimate that this store will experience a trade diversion
of £1.1 million. Assessed in the context of this store’s forecast turnover in 2019 of broadly £56 million, this level of trade loss equates to a percentage impact of less than 2% which, in the context of this store’s substantial over-trading relative to company benchmark, does not remotely represent a “significant adverse effect” – the relevant NPPF test. Put simply, the sustained viability of this national multiple will not be threatened in any way by the predicted trade diversion to the new Lidl store. Furthermore, to the extent that there may be a concern over the potential loss of linked trips to the town centre as a consequence of a limited number of shoppers switching to Lidl, recent experience demonstrates that shoppers are increasingly shopping at a number of food stores, and may therefore continue to visit Tesco and link trip, whilst others will continue to visit the centre because of its overall attraction for both shopping and other purposes.

9.26 Taking into account the above considerations regarding the type of convenience businesses located in the town centre, we estimate that the proposed store will have a trading impact on the centre’s convenience goods sector of just 1% - clearly no grounds for concern whatsoever in terms of material harm or a “significant adverse effect” – the relevant NPPF test. On the contrary, such a level of trading impact will have an imperceptible effect. Furthermore, if the analysis is extended to include the Tesco Extra store, the estimated trade diversion totals £1.31 million, which equates to a percentage impact of only 1.7%. This analysis, however, makes no allowance for the centre’s considerable comparison goods turnover or the contribution that its service sector makes towards its overall vitality and viability. If these factors are also taken into account, the impact of the proposal on the centre as a whole would be substantially less than the comparatively very small 1.7% impact identified. The conclusion in relation to retail impact is very clear – the proposal will have a de minimus effect that does not remotely meet the NPPF test of “significant adverse effect” that would otherwise justify a refusal on impact grounds.

9.27 With regard to the out of centre Morrisons and Asda superstores, neither of which are afforded any policy protection, these stores are predicted to experience trading impacts of just 4.3% and 1.5% respectively. These are comparatively small trading impacts in relation to two major grocery operators, both of whom will continue to trade at levels above their respective company benchmark levels. As such, these estimates do not give rise to any legitimate concern in terms of material harm and the sustained viability of these stores which, in any event, is immaterial in the determination of Lidl’s planning application.

9.28 Turning to Lidl’s out of centre store in Yeovil, this is predicted to experience a trading impact of 13.5%. This store, however, will also continue to trade at a level above the company benchmark
figure. It too, however, occupies an out of centre store and, as such, its performance is also immaterial in the context of the application proposal’s determination.

9.29 With regard to other convenience shops distributed throughout Yeovil, including individual shops scattered throughout the town, such as Farm Foods and the Coop, these overall are estimated to account for just 1.5% of the proposed store’s turnover - £0.06 million. The impact, however, will be diffuse and widely distributed, with no single policy-protected store subject to any material trade diversion.

9.30 The balance of the proposed store’s turnover (3.5%) will be derived from store’s further afield, including Lidl’s existing store at Crewkerne.

9.31 As previously highlighted, the Council’s relatively recent decision to grant planning permission for a discount foodstore at the subject site is an important material consideration in the context of Lidl’s current proposal. In this previous case, the assumed turnover of the store was marginally higher than that associated with the current proposal and, moreover, the levels of impact identified by RPS in support of the previous proposal, were not materially different to those which we have identified. In these circumstances, it is very difficult to see how any decision-maker could reasonably reach a different conclusion and seek to withhold planning permission on the basis of a “significant adverse effect”.

**Economic impact: comparison goods**

9.32 As previously indicated, the 2019 turnover of the proposal is estimated to be £0.54 million, the vast majority of which will be derived from other larger foodstores as a consequence of shoppers switching their main food shopping (which includes complementary and often “impulse” non-food shopping) to the new Lidl foodstore. We believe that the new store will also benefit from some shoppers purchasing non-food items which otherwise they would have bought in non-food stores throughout Yeovil and further afield, either as part of a main food shop or other shopping trip.

9.33 First and foremost, the store’s comparison turnover is comparatively very small and the vast majority of it will be derived for a range of competitor foodstores. However, because the levels are so small, the likely effect will be entirely insignificant. With regard to the likely effect of this element of the proposed store’s turnover on existing comparison goods businesses represented in Yeovil, it is useful to compare the store’s forecast turnover with the comparison goods
expenditure attracted to Yeovil’s comparison businesses (other than out of centre provision) as identified by GVA. We estimate the total expenditure attracted to such stores in 2019 to be approximately £380 million, which contrasts sharply with Lidl’s forecast turnover of just £0.54 million, which equates to just 0.1% of the spending power attracted to comparison businesses in Yeovil. Given that most of the £0.54 million will be attracted from other foodstores, for the reasons stated above, only a small proportion of the £0.54 million will be diverted from the £308 million attracted to this sector. Put simply, the impact of the Lidl store would have an imperceptible effect on comparison businesses in Yeovil – clearly no grounds whatsoever for any concern in terms of adverse impact.

9.34 We would add that conventional impact analysis makes no allowance for the positive contribution that a centre’s service sector can make towards its role and attraction. In Yeovil town centre this sector performs an important role and, as such, this sector also makes a very important positive contribution towards the centre’s sustained vitality and viability. It therefore follows that Yeovil’s role and attraction is greater than that associated solely with its convenience/comparison sectors i.e. those businesses examined for the purposes of retail impact.
10.0 Summary and Conclusions

10.1 The Development Plan appropriately acknowledges that retail development may be permitted outside existing shopping centres in certain circumstances. In addition, the NPPF embodies a presumption in favour of permitting ‘sustainable economic development’ unless there is clear evidence of failure to comply with the sequential test or a ‘significant adverse impact’.

10.2 On the basis of our assessment, we conclude that Lidl’s regeneration proposal will deliver a number of important benefits to the local community, including:

- The provision of what is effectively a replacement discount foodstore store for that which was previously approved by the Council at the subject site and which has not been provided. The new and improved shopping offer will also be more conveniently located for local residents who live in the western part of the town and who currently have to travel to Lidl’s existing store some 3kms to the north east. As such the proposal will make a worthwhile contribution towards reducing car journeys and delivering sustainable development;

- The much-needed regeneration of a vacant, brownfield site for ‘sustainable economic development’ at an accessible location which, if permitted, will deliver a major employment boost to the local economy. It is clearly relevant that the site is presently contributing nothing towards the local economy – a position which may not change in the event that Lidl’s proposal is not supported. Given these circumstances and the NPPF’s ‘presumption in favour’, the proposal is, in our view, full-square with delivering ‘sustainable economic development’;

- The provision of a Lidl store with its emphasis on quality and ‘every day value’ will provide welcome choice and competition from which consumers will benefit. Increased choice and competition is also full-square with Government policy and, moreover, the new store will provide such benefits without producing any adverse trading impact. Noteworthy in this regard is the substantial level of public support for the proposed Lidl store, as evidenced by the 3254 local residents who have registered their support by means of the on-line “Go Petition”;

- The provision of a modern and sustainable, purpose-built store to meet the business needs of a committed operator; and
• Overall, major employment / economic benefits in terms of construction, retail jobs and service providers – important material considerations in the context of the thrust of the NPPF and the priority afforded to economic recovery.

10.3 With regard to compliance with the sequential approach towards site selection, there are no sequentially preferable vacant units and/or sites that are available and suitable that could accommodate the application proposal, even allowing for a realistic degree of flexibility. In these circumstances, planning policy allows for the consideration of less centrally located sites. On the basis of the subject site’s brownfield credentials and, importantly, its potential to deliver a ‘sustainable economic development’ as favoured in the NPPF, we conclude that Lidl’s regeneration proposal satisfies a sensible interpretation of the sequential test – a view similarly reached by the Council in its determination of the previous discount foodstore at the subject site.

10.4 With regards to compliance with the impact test, the key impact test embodied in the Development Plan and the NPPF is not whether an ‘economic development’ such as a Lidl store would be likely to divert trade from an existing centre but, rather, whether such trade diversion would have a significant adverse effect by seriously undermining any planned in-centre development and a centre’s overall vitality and viability. Our assessment demonstrates that no such harm to Yeovil town centre as a whole, or indeed, any other existing or proposed centre, will arise in this case. The investment and development proposed by Lidl therefore satisfies the relevant retail impact policy tests – again, a conclusion reached by the Council in its approval of the previous discount foodstore proposal at the subject site.

10.5 In summary, therefore, the proposal will deliver a range of benefits which appropriately need to be balanced against the likely impacts. In this context and given the absence of any identified material harm, the planning balance is, in our view, very firmly in favour of the proposal. In these circumstances, the proposed regeneration of the subject site for ‘economic development’ purposes should be welcomed and planning permission granted accordingly.
Appendices
Appendix 1 - Extract from GVA Retail Study Showing Survey Area Zones

Source - South Somerset Retail Study Update 2009
### Appendix 2 Economic Tables

#### Table 1: Population Forecasts

<table>
<thead>
<tr>
<th>Zone</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20,470</td>
<td>20,874</td>
</tr>
<tr>
<td>2</td>
<td>12,182</td>
<td>12,374</td>
</tr>
<tr>
<td>3</td>
<td>11,897</td>
<td>12,053</td>
</tr>
<tr>
<td>4</td>
<td>78,562</td>
<td>80,218</td>
</tr>
<tr>
<td>5</td>
<td>22,699</td>
<td>23,049</td>
</tr>
<tr>
<td>6</td>
<td>49,302</td>
<td>49,798</td>
</tr>
<tr>
<td>7</td>
<td>19,464</td>
<td>19,577</td>
</tr>
<tr>
<td>8</td>
<td>45,163</td>
<td>46,213</td>
</tr>
<tr>
<td>Total</td>
<td>259,739</td>
<td>264,156</td>
</tr>
</tbody>
</table>

*Source / Notes: Forecasts sourced from GVA Retail Study, June 2012*
### Table 2: Convenience Goods Expenditure Per Capita

<table>
<thead>
<tr>
<th>Zone</th>
<th>2015 (£)</th>
<th>2019 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1,879</td>
<td>1,923</td>
</tr>
<tr>
<td>2</td>
<td>1,989</td>
<td>2,037</td>
</tr>
<tr>
<td>3</td>
<td>2,069</td>
<td>2,119</td>
</tr>
<tr>
<td>4</td>
<td>1,838</td>
<td>1,881</td>
</tr>
<tr>
<td>5</td>
<td>2,051</td>
<td>2,100</td>
</tr>
<tr>
<td>6</td>
<td>1,938</td>
<td>1,986</td>
</tr>
<tr>
<td>7</td>
<td>1,893</td>
<td>1,937</td>
</tr>
<tr>
<td>8</td>
<td>1,907</td>
<td>1,951</td>
</tr>
</tbody>
</table>

*Source / Notes: GVA Retail Study 2012 – baseline expenditure figures increased in line with Experian Retail Planner Briefing Note, October 2014.*
Table 3: Forecast Convenience Goods Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2015 (£M)</th>
<th>2019 (£M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>38.5</td>
<td>40.1</td>
</tr>
<tr>
<td>2</td>
<td>24.2</td>
<td>25.2</td>
</tr>
<tr>
<td>3</td>
<td>24.6</td>
<td>25.5</td>
</tr>
<tr>
<td>4</td>
<td>144.4</td>
<td>150.9</td>
</tr>
<tr>
<td>5</td>
<td>46.6</td>
<td>48.4</td>
</tr>
<tr>
<td>6</td>
<td>95.5</td>
<td>98.9</td>
</tr>
<tr>
<td>7</td>
<td>36.8</td>
<td>37.9</td>
</tr>
<tr>
<td>8</td>
<td>86.1</td>
<td>90.2</td>
</tr>
<tr>
<td>Total</td>
<td>496.7</td>
<td>517.1</td>
</tr>
</tbody>
</table>

*Source / Notes: Tables 1 and 2*
### Table 4: Yeovil – Convenience Floorspace and Benchmark Turnovers

<table>
<thead>
<tr>
<th>Store Name</th>
<th>Total Net Sales (sq m)</th>
<th>Convenience Floorspace (net) (sq m)</th>
<th>Convenience Goods Sales Density (£ / sq m)</th>
<th>Convenience Goods Benchmark Turnover (£M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tesco Extra, Queensway, Huish</td>
<td>5,910</td>
<td>3,546</td>
<td>10,054</td>
<td>35.65</td>
</tr>
<tr>
<td>Morrison’s, Lysander Road</td>
<td>2,787</td>
<td>2,230</td>
<td>10,763</td>
<td>24.00</td>
</tr>
<tr>
<td>Asda, Preston Road,</td>
<td>3,325</td>
<td>2,327</td>
<td>11,637</td>
<td>27.1</td>
</tr>
<tr>
<td>Lidl, Lyde Road</td>
<td>1,286</td>
<td>1,029</td>
<td>3,390</td>
<td>3.5</td>
</tr>
<tr>
<td>Marks and Spencer, 5-9 Middle Street</td>
<td>858</td>
<td>858</td>
<td>10,256</td>
<td>8.8</td>
</tr>
<tr>
<td>Iceland, The Quedam Shopping Centre</td>
<td>393</td>
<td>393</td>
<td>6,763</td>
<td>2.7</td>
</tr>
<tr>
<td>Tesco Express, Cadaver Way</td>
<td>153</td>
<td>145</td>
<td>7,000</td>
<td>1.01</td>
</tr>
<tr>
<td>Co-op, Stilby Road</td>
<td>216</td>
<td>205</td>
<td>7,394</td>
<td>1.52</td>
</tr>
<tr>
<td>Tesco Express, 1a The Forum</td>
<td>186</td>
<td>177</td>
<td>7,000</td>
<td>1.24</td>
</tr>
<tr>
<td>Farm Foods</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.2</td>
</tr>
<tr>
<td>Majestic Wine</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.6</td>
</tr>
<tr>
<td>Other stores–Town Centre</td>
<td>186</td>
<td>177</td>
<td>4,500</td>
<td>5.4</td>
</tr>
<tr>
<td>Other Stores</td>
<td>1,000</td>
<td>3,750</td>
<td></td>
<td>3.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>117.5</strong></td>
</tr>
</tbody>
</table>

*Source / Notes: Floorspace figures for named stores sourced from GVA 2012 Retail Study; Sales densities derived from Verdict 2013;*
### Table 5: Yeovil – Capacity Assessment

<table>
<thead>
<tr>
<th></th>
<th>2015 (£M)</th>
<th>2019 (£M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Expenditure</td>
<td>496.7</td>
<td>517.1</td>
</tr>
<tr>
<td>Turnover from Study Area (30.9%)</td>
<td>153.5</td>
<td>159.8</td>
</tr>
<tr>
<td>Expenditure Inflow</td>
<td>7.67</td>
<td>8.0</td>
</tr>
<tr>
<td>Total Turnover Potential</td>
<td>161.2</td>
<td>167.8</td>
</tr>
<tr>
<td>Benchmark Turnover</td>
<td>117.5</td>
<td>117.5</td>
</tr>
<tr>
<td>Surplus</td>
<td>43.7</td>
<td>50.3</td>
</tr>
</tbody>
</table>

*Source / Notes: Tables 3 and 4
Turnover from Study Area and Inflow Sourced from GVA Retail Study 2012
### Table 5: Estimated Convenience Goods Trade Diversion

<table>
<thead>
<tr>
<th></th>
<th>2015 (£M)</th>
<th>2019 (£M)</th>
<th>Trade Diversion (£M)</th>
<th>% Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tesco</td>
<td>53.84</td>
<td>55.83</td>
<td>1.10</td>
<td>2</td>
</tr>
<tr>
<td>Other Town Centre stores</td>
<td>19.58</td>
<td>20.34</td>
<td>0.21</td>
<td>1</td>
</tr>
<tr>
<td>Morrison’s</td>
<td>28.72</td>
<td>29.9</td>
<td>1.29</td>
<td>4.3</td>
</tr>
<tr>
<td>Asda</td>
<td>42.1</td>
<td>43.7</td>
<td>0.65</td>
<td>1.5</td>
</tr>
<tr>
<td>Lidl</td>
<td>6.13</td>
<td>6.36</td>
<td>0.86</td>
<td>13.5</td>
</tr>
<tr>
<td>Other Yeovil Stores</td>
<td>10.00</td>
<td>10.42</td>
<td>0.06</td>
<td>0.6</td>
</tr>
<tr>
<td>Other stores elsewhere</td>
<td>-</td>
<td>-</td>
<td>0.15</td>
<td>-</td>
</tr>
</tbody>
</table>