

Our ref: AF/TR/Q230135
Your ref: 68663/APP/2023/1933
Email: tim.rainbird@quod.com
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Mr M Briginshaw
Principal Planning Officer
Planning, Regeneration and Environment
Hillingdon Council
Civic Centre
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By email only

Dear Mr Briginshaw,

**Former B&M Unit, 217 High Street, Yiewsley, West Drayton UB7 7GN
Planning Application Reference 68663/APP/2023/1933**

We write on behalf of our client, TJ Morris Limited ('the Applicant'), in respect of the above pending application to regenerate the former B&M site at 217 High Street, Yiewsley. Specifically, we are providing our response to the comments raised by Hillingdon Council's retail planning advisors, Route One Planning ('ROP'), in its letter dated 28th September 2023.

In reviewing ROP comments, it is understood that further clarification is requested in respect of the following:

- Consideration of the former Wilko store as a potential sequential alternative.
- Further analysis on the potential impact on planned investment in respect of the proposed Morrisons redevelopment.
- Quantitative evidence on trade draw from the local area should be provided.

We deal with each matter in turn below and this response should be read alongside the Planning and Retail Assessment ('PRA'), prepared by Quod, and submitted as part of the planning application.

1 The Suitability of the Wilko store as a potential sequential alternative

A sequential assessment was undertaken as part of the submitted PRA. This assessed the availability and suitability of a number of sites within Yiewsley and West Drayton. In reviewing this assessment, ROP concludes that *"none of the sites identified are of a sufficient size to accommodate the proposed development"* and in respect of the former Morrisons on High Street, it is accepted that this site is *"not available"*.



ROP therefore accepts that, of the sites assessed within the PRA, there is no sequentially preferable site that is available and suitable to accommodate the proposed development.

However, since the submission of the planning application, the Wilko store on Fairfield Road closed at the end of September following the high-profile collapse of the national retailer. In light of this, ROP has requested that this site should be considered as part of the sequential assessment.

The former Wilko store is identified to comprise just 1,350 square metres at ground floor¹. Consequently, having regard to the sequential parameters in the PRA², which notably ROP have not challenged, this unit is not suitable, representing less than half (45%) of the proposed development (2,980 square metres). This size of the former Wilko unit is notably smaller than the minimum requirement of Home Bargains, which requires a unit size of at least 2,276 square metres – as set out within the submitted PRA³.

Furthermore, the irregular configuration of the unit (L-shaped), as shown by the Goad extract contained at Figure 1, further impacts the sales area, which is already constrained, that can be achieved. This further detracts from the requirements of modern discount retailers.

¹ Experian Goad

² Paragraph 4.28

³ *Ibid*



Figure 1: Extract from Goad Plan



Given the limited available ground floor area and its configuration the former Wilko unit is not suitable in terms of accommodating the proposed development.

There are also further operational constraints impacting upon this unit's suitability for the type of occupier, i.e. the requirements of a modern discount retailer. Although the unit is located adjacent to existing car parking, this is a 'Pay and Display' and is used by all visitors to the town centre. Consequently, the occupier will have no control on the use of the car park, and further the requirement to pay and park completely goes against the grain of a discount retailer where margins are very fine, and cost and convenience are central to customer attraction. This arrangement would not be suitable for the operating requirements of many modern discount retailers, including Home Bargains, which requires dedicated at grade customer car parking for its customers given the high number of shoppers that use a trolley.

Linked to this, those using trollies will have to travel between the store and their car via a ramp that is not practical for shoppers and has adverse implications on the operation of the store. Also, the retail unit currently has two entrances, one fronting Fairfield Road and one to the rear; this arrangement simply would not work for a modern discount retailer such as Home Bargains.



The prospective occupier requires a single entrance for security and layout reasons and there is almost no scope to deviate from this established business model that is evidence across its and other discount retailers modern retail store portfolio. Given the need for a commercial frontage, the customer entrance would need to be taken from Fairfield Road. This will mean that those shopping with a trolley would need to exit the store from the Fairfield Road entrance and walk down the vehicle access to the car park to the rear past the adjacent Methodist church. This is a substantial and uninviting route accessed via a narrow pavement. This is simply not feasible and continues to underscore the unsuitable nature of this constrained unit.

For all these reasons the former Wilko site does not provide a suitable alternative for the proposed development. The PRA conclusions continue to remain valid: no sequential alternative exists that could accommodate the proposed development, having regard to flexibility of format and scale for the type of occupier for which permission is being sought.

2 Potential Impact on Planned Investment

The submitted PRA assessed the likely trading effects of the proposal on planned investment (paras. 5.12 to 5.22). In reviewing this assessment, ROP concludes that the application proposal “*would be unlikely to undermine them*”. Notwithstanding, ROP suggests that the impact on the new Morrisons on High Street should also be considered. The impact on the former Morrisons was assessed as part of the PRA⁴ where it was concluded that the proposals will not undermine this investment. Further consideration of the impact on the planned investment at the former Morrisons is now provided.

The former Morrisons has extensive planning history with planning permission granted in October 2020⁵ for a replacement supermarket together with residential apartments. This scheme was not advanced due to challenges to redevelop the site and the prevailing economic climate.

A revised scheme is pending determination⁶ for the phased demolition of the existing buildings and the redevelopment of the site for a replacement foodstore (1,848 square metres) and 158no. residential units. WM Morrison Supermarkets Plc is one of the named applicants which underlines their continued commitment to deliver a new store in West Drayton.

The proposed development will not undermine this planned investment. Morrisons is a foodstore that sell a full range of products, many of which are not sold by Home Bargains. This compares to the application proposal seeking to allow up to 30% of the total floorspace being used for the sale of food and drink products. The bulk of goods sold by Home Bargains can already be sold from the existing unit, including an element of food and drink sales. Whilst an increase in the floorspace that can be

⁴ Paragraph 5.21

⁵ Ref. 2370/APP/2019/2880

⁶ Ref. 2370/APP/2023/1727



used for the sale and display of food and drink products is sought, this will largely be for long lasting non-perishable goods. This includes confectionary; tea bags / coffee; and dry pasta⁷.

Significantly, as outlined in the PRA⁸, it is proposed that no more than 90 square metres of the floorspace to be used for the sale of food and drink will be dedicated to perishable retail goods.

Given the relatively limited food and drink offer of Home Bargains, particularly in respect of perishable goods, shoppers will continue to need to visit foodstores in the local area (such as the new Morrisons) to purchase a full range of food and drink products, and other products typically sold in a supermarket. To this end, the overlap in product offering when comparing Morrisons and Home Bargains is relatively limited. There are numerous examples where supermarkets trade successfully alongside Home Bargains and other similar retailers. Indeed, B&M, a comparable retailer to Home Bargains traded from the Application Site adjacent to the existing neighbouring Tesco.

Importantly, there is no suggestion by ROP that by allowing Home Bargains to trade from existing retail floorspace will undermine this planned investment.

In addition, considering this matter, the response by ROP notes that the proposed development could enable the sub-division of the unit to enable a foodstore to occupy part of the existing floorspace. As outlined in the submitted PRA⁹, we can re-confirm that the Applicant is agreeable to a condition being imposed to prevent the potential sub-letting or sub-division of the floorspace proposed for the sale of food and drink so that this could be occupied by a foodstore operator. Furthermore, the Applicant is also agreeable to a condition restricting the floorspace that can be used for the sale of perishable food and drink products to no more than 90 square metres.

For all these reasons, there is no evidence to suggest that allowing an increase in the proportion of existing retail floorspace that can be used for the sale of food and drink goods will lead to a significant adverse impact on the proposals at the former Morrisons store.

3 Quantitative Evidence on Trade Draw

In considering the likely impact on town centre vitality and viability, further clarification is requested by ROP on the range of goods proposed to be sold.

The bulk of the goods to be sold by Home Bargains can already be lawfully sold from the existing floorspace. There is no restriction on non-food goods that can be sold, which represents 70% of Home Bargains' retail offer. In addition, food and drink can also be sold from up to 240 square metres. The application proposals seek to increase the floorspace that can be used for the sale of food and drink

⁷ Further details of the food and drink products typically sold by Home Bargains can be viewed at <https://home.bargains/category/971/groceries>

⁸ Paragraph 2.33

⁹ Paragraph 4.35



goods by 654 square metres, of which approximately 10% will be for the sale of perishable goods. It is within this context that the likely trading effects of the proposal must be considered.

In understanding the likely trading effects of the proposal, ROP's response suggests that the impact assessment relies on unsupported assumptions and raises doubts regarding its reliability. In considering the specific matters raised, we would make the following comments.

- The Planning Practice Guidance ('PPG')¹⁰ that supports national policy outlines that the impact test will need to be undertaken in a 'proportionate and locally appropriate way'.
- Retail impact assessments are not an exact science but rely on professional assumptions. The PPG¹¹ states that *"it may be sufficient to give a broad indication of the proportion of the proposal's trade draw likely to be derived from different centres and facilities in the catchment area and the likely consequences for the vitality and viability of existing town centres"* (our emphasis). Reflecting the fact that the proposal relates to existing retail floorspace with no overall increase proposed, a proportionate approach (as advocated by the PPG) has been undertaken.
- The trade diversion assumptions have been based on local geography, the strength and proximity of competing provision and existing shopping patterns. Within this context, given the overlap in Tesco's offer, its proximity and the fact that it is by far the largest supermarket in Yiewsley – West Drayton, it is reasonable to assume that a significant proportion of the proposal's turnover will be derived from the neighbouring foodstore. Indeed, the findings of the Council's retail evidence¹² identifies that of the convenience retail expenditure retained by retail facilities in Yiewsley – West Drayton, more than half (55%) is directed to the Tesco store. Given this, and the proximity to the proposed development, it is reasonable to assume that the proposal will draw 50% of its turnover from this store. However, even then this could be considered a cautious estimate. Since the completion of the Council's retail evidence the Morrisons on High Street has closed. As such, it is likely that the Tesco now achieves a greater market share and therefore it would be reasonable to assume that an even higher proportion of the proposal's turnover is likely to be derived from this store. Nevertheless, as an edge-of-centre location this store is, in any event, afforded no planning policy protection.
- In terms of trade derived from elsewhere, it is assumed that 15% of the proposal's turnover will be derived from Yiewsley – West Drayton town centre. Such an assumption is realistic given existing shopping patterns (as identified by the Council's retail evidence) and the relatively limited overlap in offer. However, following the very recent closure of Wilko it is likely that the level of diversion from the Town Centre is now overstated due to the reduction in comparable

¹⁰ Paragraph: 017 Reference ID: 2b-017-20190722

¹¹ Paragraph: 018 Reference ID: 2b-018-20190722

¹² Convenience Goods Retail Study Update 2012



retailers within the town centre. Should this be the case, the limited impact identified by the PRA to fall on the town centre will be overstated.

- In terms of the assumption that the proposal will derive 20% from elsewhere, this is again considered to be realistic. This includes all retail destinations not explicitly listed within Table 3a at Document 5 of the PRA. This will include comparable destinations to the proposal located further afield such as the existing Home Bargains and B&M (a direct competitor to Home Bargains) in Hayes. The Council's retail evidence identified that, within the Southern Catchment Area, where the Application Site is located, existing convenience facilities within Yiewsley – West Drayton retain just 18% of the convenience expenditure generated. This means that the vast majority (c. 82%) of locally generated convenience retail expenditure is directed elsewhere. This is likely to have increased following the closure of Morrisons and Wilko. Consequently, an assumption that the proposal will derive just 20% of its turnover from destinations elsewhere is entirely realistic.
- ROP refers to no sensitivity testing having been provided in the submitted PRA based on looking at different levels of trade diversion. We do not believe that such additional analysis is necessary in understanding whether any impact is likely to be significant adverse (the policy test). The approach undertaken is robust and provides a realistic assessment of where the proposal is identified to derive its trade drawing upon all the available evidence. Indeed, the anticipated trade diversion broadly reflects that deemed acceptable by the Council in previously allowing an increase in food and drink floorspace at the retail unit¹³. Furthermore, for the reasons outlined above, it is likely that the impact on Yiewsley – West Drayton town centre, which is the key policy consideration in the determination of this planning application, is overstated. If any additional sensitivity testing is to be undertaken this would be based on reducing the likely trade diversion (and subsequent impact) from Yiewsley – West Drayton town centre.
- It is also suggested that there are some inconsistencies in the gross to net split for existing foodstores. It is common that different operators have different gross to net splits, due to the varying extents of back of house area and business models. This is evidenced by published data (such as by Verdict) and reflected by planning applications. For example, the pending Morrisons application¹⁴ identifies a net floorspace of 60% the gross, whereas a recent consent for Lidl in Hayes¹⁵ was based on net floorspace of 67% the gross. This underlines that different operator achieve different gross to net splits. As outlined in the footnote to the relevant table contained within the PRA¹⁶, the figures that have applied have been derived from a combination relevant planning applications, LB Hillingdon retail evidence, site visits and Quod's assumptions (drawing upon published data). For these reasons, the estimates are robust.

¹³ Ref. 68663/APP/2012/1706

¹⁴ Paragraph 4.6 of the submitted Planning Statement

¹⁵ Ref. 1942/APP/2013/3565

¹⁶ Table 1a at Document 5 of the PRA



Overall, we maintain that the findings of the submitted retail impact assessment undertaken are robust. The assessment is proportionate and appropriate (as advocated by the PPG) for an application that simply seeks to substitute existing retail floorspace that can be used for unrestricted non-food goods to instead be used for the sale of food and drink goods which are already in part permitted to be sold from the existing unit. Overall, the anticipated impacts that can already occur could be greater than that which occurs by Home Bargains occupying the unit. This needs to be recognised when considering whether the proposal is likely to lead to a significant adverse impact.

Furthermore, as outlined in the submitted PRA, to minimise any impact, we can confirm that the Applicant would be agreeable to Planning Conditions being imposed to control the future use of the unit. This will include a condition preventing the potential sub-letting/sub-division of the floorspace, and a condition limiting the food and drink floorspace to no more than 894 square metres, of which no more than 90 square metres will be dedicated to perishable food and drink products. These controls would unequivocally prevent the retail unit being occupied by a supermarket operator without first seeking further approval from LB Hillingdon.

4 Conclusions

For all these reasons, the proposals satisfy both the sequential approach to site selection, and the impact test. As such, there are no retail policy reasons for the application not to be supported. We maintain that the proposals are relatively modest in nature, resulting in an overall reduction in retail floorspace at the Application Site, with Planning Conditions being used to appropriate control the development.

We trust that this additional information and clarification provided is of assistance in the local authority's determination of the application. However, should you wish to discuss any matter further please do not hesitate to contact us. Otherwise, we look forward to discussing draft Planning Conditions in due course.

Yours sincerely,

Tim Rainbird
Senior Director

cc. TJ Morris Limited