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Planning Consultancy Services

Comments by JWPlanning on:

Retail Sequential and Impact Assessment, Rapleys, May 2020

for:

Mixed-uses including Proposed Lidl Foodstore at Leadon Way, Ledbury Planning Application P190114

This report is in response to your e-mail of 9 July 2020 confirming our instructions to provide retail planning advice arising from the above planning application made by Tompkins Thomas Planning (TTP) on behalf of Deeley Properties Ltd (the applicant). The application was validated on 26 June 2020 and is in hybrid form for mixed-uses including a Lidl foodstore. We provide advice on the retail element of the proposal only and focus on the findings of the Rapleys' Retail Sequential and Impact Assessment, May 2020 (RA).

Summary Findings

The Application Proposal

1. The application proposal is for a mixed-use development including a retail store of 2,175 sq.m gross internal area (1,347 sq.m net) to be occupied by Lidl. The application site lies on the edge of the town in an 'out-of-centre' location.

Planning Policy Context

2. National planning guidance and local planning policy emphasises the importance of maintaining and enhancing the vitality and viability of town centres and focussing new retail development within them. New retail development in 'out-of-centre' locations is required to demonstrate that there are no sites in sequentially preferable locations that could accommodate the proposed facility, and that the proposed facility would not have a significant adverse impact on a centre in the catchment area.

Sequential Approach

3. There appears to be a misunderstanding by Rapleys in respect of the location of potential sites at Bye Street / Lawnside Road, as result of which we are not satisfied that it has been demonstrated that these sites are not suitable/available. However, in 2016 at the time of consideration of the Aldi application, the Council were of the opinion that these sites could not be made available in a manner that would provide a suitable site for a supermarket. We are not aware of whether there has been any change of circumstances since the Council's previous evaluation of these sites; and whether therefore it is necessary to seek further information from the applicants on this issue, .

Impact

4. We are in disagreement with Rapleys on the scale of trade diversions that would be caused by the proposed Lidl store from Ledbury town centre and edge-of centre convenience shops. We believe that the scale trade diversions on some town centre and edge of centre convenience shops is potentially damaging for their future viability, particularly in the current uncertain circumstances caused by COVID 19.
5. Comparison shops and services play the dominant role in supporting the vitality and viability of the town centre, but convenience goods retailing plays an important role in providing a balanced offer in

the centre both for residents and visitors. This balanced offer is an intrinsic part of the character and attractiveness of Ledbury town centre, which should be maintained. In our opinion the conservation area status of the town centre strengthens the justification for seeking to maintain a mix of uses in the town centre.

Our Assessment

The Application Proposal

1. The application proposal is described on the application form as:
"Hybrid planning application for the erection of a medical centre (D1), children's day nursery (D1), foodstore (A1), including access, car parking, landscaping and associated work on land south of Leadon Way, Ledbury, Herefordshire."
2. Further details of the proposed retail store are provided in paragraphs 3.2-3.9 of the RA. The gross internal floorspace of the store will be 2,175 sq.m, of which 1,347 sq.m will be sales floorspace. 80% of the sales area (1,078 sq.m) is proposed to be devoted to the sale of convenience goods, with the residual 20% (269 sq.m) devoted to the sale of comparison goods. The store will be served by 102 car parking spaces.
3. Rapleys describes the Lidl trading format in Appendix 2 of the RA, the key characteristics of which are summarised in paragraph 3.4 (of the main report).
*"Restricted number of product lines
Not the full retail offer
Compact catchment
Shorter trading hours"*
We are familiar with the Lidl format as their stores are widespread nationally.
4. We critically appraise the convenience goods element of the application proposal only, because the comparison goods offer of the proposed store is limited and unlikely to have significant adverse consequences for Ledbury town centre.

The Application Site

5. The application site is described in paragraphs 2.1-2.7 of the RA. It is a greenfield site on the south-western edge of Ledbury adjacent to a roundabout on Leadon Way. The site is 1.59 hectares in area and the foodstore site 0.76 hectares (Design and Access Statement, Masterplan Zone A 1.87 acres).
6. As noted in paragraph 2.4 of the RA, the surrounding area contains commercial uses immediately to the west along the B4216; a mix of residential and commercial (public house) to the north of the four-arm roundabout; and new residential development to the south east.

Site Planning History

7. We are not aware of any previous planning applications on the site.

Pre-application Consultation

8. Pre-application consultation is described in Section 1.4.1 of the Planning Statement. Paragraph 1.4.6 states
"..... Officers reaffirmed the written advice that subject to the Retail Impact Assessment demonstrating no sequentially preferable sites, officers would have no objection in principle to the food store and development as a whole."

9. We have not been party to any pre-application consultation, and are not therefore able to verify matters discussed. However, as described under 'Planning Policy Context' below, we believe the application is required to satisfy sequential approach and impact tests, both of which we address in this report.

Planning Policy Context

10. Rapleys' description and assessment of the retail planning policy context for the planning application is set out in Section 4 of the PRS.
11. The planning policy documents against which the application proposal is required to be considered are:
- The National Planning Policy Framework, June 2019 (NPPF);
 - The Herefordshire Local Plan Core Strategy, October 2015 (Core Strategy); and
 - The Ledbury Neighbourhood Plan, 2018.
12. The application site lies outside the Neighbourhood Plan defined settlement boundary, and is unallocated. It is some 1.5 kms from the town centre and is therefore an 'out-of-centre' location for the purposes of interpreting retail planning policy.
13. In respect of retail issues, local planning policy emphasises the importance of maintaining and enhancing the vitality and viability of Ledbury Town Centre and focussing new retail development within it (Core Strategy Policy E5). The tests in respect of new retail development outside town centres are similar to those in the NPPF.
14. It is also relevant to that the whole of the retail area of Ledbury town centre is a designated Conservation Area. We do not describe national or local Conservation Area policies in this report, but in our assessment of trade impact we do make reference to the significance of the conservation area status of the town centre

National Planning Policy Framework 2019

15. National retail planning policy guidance is set out in the NPPF (last updated in June 2019), the relevant provisions of which we describe below.

Ensuring the Vitality of Town Centres

16. Paragraph 85 of the NPPF states that planning policies and decisions should support the role that town centres play at the heart of local communities and sets criteria for achieving this.
17. Paragraph 86 requires a sequential assessment for main town centre uses that are not in a centre and not in accordance with an up-to-date development plan (which applies to the application proposal). Paragraph 87 requires that 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; and that applicants and local planning authorities should demonstrate flexibility on issues such as format and scale.
18. Paragraph 89 specifies impact assessment requirements:

"When assessing applications for retail and leisure development outside town centres, which are not in accordance with an up-to-date plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sq. m). This should include assessment of:

- (a) *the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and*

- (b) *the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider catchment retail area (as applicable to the scale and nature of the scheme).*"

19. Paragraph 90 requires that:

"Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused."

National Planning Practice Guidance 2019

20. In paragraphs 4.42-48 of the RA, Rapleys refers to National Planning Policy Guidance (NPPG) the purpose of which is to provide more detailed guidance on application of guidance in the NPPF. We make no general comments on this, but do have regard to some guidance in making our comments below on the retail assessment.

Herefordshire Core Strategy 2011-2031

21. The Core Strategy was adopted on 16 October 2015. It covers the plan period 2011-2031. It sets out the 'Vision, Objectives, and Spatial Strategy' for the County, as well as 'Place Shaping' policies for Hereford City, the five market towns, and rural areas.

22. Following adoption of the Core Strategy, a Neighbourhood Development Plan for Ledbury has been adopted, see below.

Retail

23. The vision for the County includes a retail hierarchy, within which Hereford is the 'Principal Centre' and Ledbury (and the other four market towns) a 'Secondary Centre'. It is indicated in paragraph 2.23 that Hereford and the five market towns have a good provision of independent retailers and, whilst being primarily locations for food shopping for residents, their historic environments and niche shopping also make them appealing to visitors. It is noted that revitalising the town centres and making them more attractive destinations for both residents and visitors will benefit the local economy and aid wider regeneration. It is also noted that for some time the County has been losing ground to competing centres such as Gloucester, Cheltenham and Worcester (paragraph 3.80).

24. Policy E5 of the Core Strategy sets out a policy for town centres, stating:

"Town centres

Town centres will be the focus for retail, commercial, leisure, cultural and tourism uses. Proposals for such uses which contribute to the vitality and viability of the town centres of Hereford and the market towns will be supported provided that they:

- 1. do not adversely affect the primary function of the town centres as shopping destinations; and*
- 2. are of a scale and design appropriate to the size, role, character and heritage of the centre*

Proposals for development outside the town centres will only be permitted if it can be demonstrated that the requirements of the sequential test, as set out in paragraph 24 of the NPPF (NPPF 2019 paragraphs 86-88), have been met and that the proposal would not have a significant adverse impact on the vitality and viability of the centres. An application will be refused if it fails the sequential test or an impact assessment.

The sequential test approach requires the above-mentioned uses to be located within town centres. Where it is proven there are no available and suitable town centre sites, preference will be given to edge of centre sites before any out of centre site is considered. Where a sequential test adequately demonstrates that the only suitable and available site is an edge of centre or an out of centre location, preference will be given to sites that are well connected to the town centre and are easily accessible by sustainable transport modes.

An impact assessment for retail, leisure and commercial proposals outside of the town centres to assess their impact on investment in the area and on the vitality and viability of the town centre may

be required depending on the scale and location of the proposal as specified in the policies in the Place Shaping section."

25. Paragraph 5.2.27 specifies floorspace threshold limits above which an impact assessment is required. The limit for Ledbury is 400 sq.m (gross).

Place Shaping - Ledbury

26. Specific 'Place Shaping' policies for Ledbury are contained within paragraphs 4.5.1 of the Core Strategy. Policy LB1 notes that the principal focus for new housing development will be to the north of the town; and in respect of new retail development states:

"Within Ledbury, new development proposals will be encouraged where they:

- *maintain and enhance the vitality and viability of the existing town centre. Proposals for new retail, leisure or office development of over 400m² in gross floor space and located outside the town centre will need to be supported by an impact assessment to determine whether there could be any adverse impacts on the town centre;*
- *improve accessibility improve accessibility within Ledbury by walking, cycling and public transport, particularly where they enhance connectivity with, for example, local facilities, new employment areas and the town centre"*

27. Paragraphs 4.5.15-16 cover retail issues stating that "the policy for shopping in Ledbury is to maintain the existing, thriving centre which is based on a mixture of popular high street and independent stores".
28. Referring to the 'Town Centres Study Update 2012' (see below), it is noted that there is an opportunity to increase the specialist nature of some of the independent shops which attracts a large amount of people from the wider surrounding area. There is also reference to a potential opportunity site on the edge of the town centre at Bye Street/Lawnside Road, which is identified as a possible location for additional convenience retail floor space, but not included as a site-specific proposal of the Core Strategy.
29. It also indicated that any specific proposals to meet identified needs will be considered through a Neighbourhood Development Plan.

Ledbury Neighbourhood Plan 2018

30. The Ledbury Neighbourhood Plan was adopted in 2018. Objective EE3 of the Plan is:
"Promote the Town Centre as the destination of choice for retail, leisure and community activities, in order to enhance the appearance and historic character of the town."
31. The Plan notes (page 32) that Ledbury has a thriving centre made up predominantly of independent shops, food outlets, services and pubs; and that a residents' survey undertaken for the Town Plan showed that over 70% do their main food shopping in Ledbury; and a visitor survey showed that over 90% value the variety of shops. It is also noted (page34) that there are a number of specialist shops in and near Ledbury that attract visitors from farther afield and which have also created thriving online businesses.
32. Policy EE3.1 'Retail Areas & Provision' focusses on policy requirements in the town centre and designation of primary and secondary shopping frontages (shown in Map 13).
33. Although Objective EE3 clearly requires the town centre to be the focus of new retail development, the Plan is silent in respect of any policy tests to be applied to new retail development proposed in out-of-centre locations.

Evidence Base

Herefordshire Town Centres Study Update 2012

34. In paragraphs 4.18-24 of the RA, Rapleys refers to the Ledbury findings of the Drivers Jonas Deloitte Herefordshire Town Centres Study Update 2012 (HTCS). They note the findings from the 2007 and 2012 surveys of retailer /services representation in the town centre, and from the town centre audit 2012.
35. With the elapse of time, little weight can now be placed on the 2012 Study forecasts of quantitative floorspace needs. Retail expenditure growth forecasts have changed and new foodstores have been implemented in the town.

NEMS Household Interview Survey 2018

36. Rapleys commissioned NEMS to undertake fresh household interview surveys for the County, undertaken in October in 2018, which mirrored the NEMS 2012 surveys in terms of geographic coverage, sample size, and questions. Rapleys' retail assessment and our comments are based on the new Household Survey findings, as well as the most recent Experian national retail expenditure per head forecasts used by Rapleys, both of which assist in understanding current circumstances, and to which we have had regard.

Retail Assessment

Sequential Approach

37. Rapleys' sequential site assessment is set out in Section 5 of the RA.
38. In paragraph 5.4 of the RA, Rapleys refers to guidance in the NPPG 'Ensuring the Viability of Centres', noting the following requirements:
- *Has the suitability of more central sites to accommodate the proposal been considered, having regard to flexibility?*
 - *Is there scope for flexibility in the format and/or scale of the proposal?*
 - *If there are no suitable sequentially preferable locations, the sequential test is passed.*
39. In paragraph 5.7, Rapleys indicates that they have taken a sequential site search of:
- *Ledbury Town Centre – Suitable sites or vacant units within the town centre; and*
 - *Sites and vacant buildings/units in edge of centre locations (within 300m of the Ledbury's Primary Shopping Frontage).*
- We accept that having regard to the catchment area and likely trade draw of the proposed store, Ledbury is the only town centre to which the sequential approach should be applied.
40. Rapleys explain that because of the COVID 19 lockdown their assessment had to be undertaken on a desk-top basis underpinned by Experian GOAD information. The site search parameters are set out in paragraph 5.15 of the RA. They are:
- "1. A minimum total site area of 0.9ha, reflecting the need to provide the store, warehousing area and associated servicing, parking and landscaping requirements, as well as the additional road network;*
 - 2. A site or vacant unit that can accommodate a minimum store size of 2,175 sq. m (GIA);*
 - 3. A site that can allow for the safe manoeuvring of customer vehicles;*
 - 4. A prominent site with the ability to attract passing trade;*
 - 5. A site that is easily accessible by a choice of means of transport;*

6. A site that is able to offer adjacent surface level car parking, so that customers can easily transfer goods to their vehicles;

7. A site that can accommodate a dedicated service area to the rear of the store and associated HGV's deliveries and manoeuvres; and

8. A single storey, open and unrestricted sales floor area which benefits from a generally level/flat topography, or which has the ability to be developed as such."

41. We are concerned about parameters 1 and 2, which do not offer any spatial flexibility. The store GIA floorspace requirement is the same as for the application proposal (2,175 sq.m GIA); and the site area requirement of 0.9 hectares is actually larger than the foodstore area proposed in the planning application (0.76 hectares)! Furthermore, there is an inconsistency with the sequential site area requirements put forward by Rapleys for the Lidl application in Ross-on-Wye (currently subject of appeal). The proposed store in Ross-on-wye is of similar broadly similar size (2,300 GIA), but in that case Rapleys applied a much smaller sequential site search area requirement of 0.6 hectares.
42. We are also concerned that some flexibility needs to be applied to parameter 4. Many 'town centre' sites will not have the same 'main road' prominence as out-of-centre sites on the 'by-pass'. It cannot be the intention of national planning policy and guidance to rule out most town centre sites on this basis. Due recognition must be given to the off-setting benefit in the town centre of close proximity to other retail and commercial uses generating footfall.
43. We are not aware of any discussions having taken place between officers and the applicants regarding potential alternative sites in sequentially preferable locations. In paragraph 5.18 of the RA, Rapleys identifies three sequentially alternative sites that they have examined. These are:
- Bye Street Car Park (0.15Ha);
 - Ledbury Park (large open land 10Ha+); and
 - Public Park, Orchard Lane, Ledbury (0.9Ha).

Their analysis of these sites is provided in Appendix 4 of the RA. We accept that none of these sites would be a suitable alternative for the proposed Lidl store.

44. We have noted one significant site omission in Rapleys' assessment. They do not consider the sites on the edge of the town centre (within their defined search area, see plan RA page 34) that are noted in the Core Strategy Place Shaping guidance for Ledbury (see above). Paragraph 4.5.16 states:
- "..... an area near to the edge of the town centre area at Bye Street/Lawnside Road is identified as a possible location for additional convenience retail floor space in any sequential search, but is not included as a site-specific proposal of the Core Strategy. Should any proposals be advanced for this area it will be subject to the retention or the replacement of the existing community facilities, including the swimming pool, either on the site or in an appropriate and accessible location elsewhere within the town. Any replacement facilities must be completed prior to the loss of existing facilities."*
45. Plainly omission of the Bye Street / Lawnside Road sites is a major deficiency of Rapleys' sequential assessment. However, Council officers will be aware that these sites were examined in detail at the time of the Aldi Ledbury application in 2016. We attach as Appendix 1 to this report an extract relating to the Bye Street / Lawnside Road sites from the Officer's Report to the Planning Committee on the Aldi application, 14 September 2016.
46. The Aldi application was for a foodstore of 1,227 sq.m GIA, i.e. similar to the currently proposed Lidl store. The Case Officer for that application (Roland Close) undertook detailed investigations of the circumstances affecting the Bye Street / Lawnside Road sites, particularly in relation to prospective site availability / land assembly. He concluded:
- "it is considered that the amount of and size/shape of site that could potentially be assembled (if there were other willing landowners) would not be suitable for a supermarket of the nature proposed (even with flexibility in format). Indeed, there is no reason to believe that any part of the site, other than the former Ambulance Station may be available."*

47. We are not aware of whether there have been any material changes of circumstance since 2016 that would justify the Council reaching any different conclusions in respect of this site. However, if the Council remains of the opinion that these sites could not be made available in a manner that would provide a suitable site for a supermarket, you may consider that there would be little purpose in asking the applicants to examine the sites (even though the onus is on them to demonstrate that sequential approach requirements have been met).
48. At a meeting with Ward Members (whilst you were away) other possible locations in the Bye Street, Bridge Street, Market Street area were mentioned. If you are proposing to seek further information from Rapleys, I will be happy to brief you on the sites and premises mentioned.

Retail Impact Assessment

49. Rapleys' assessment of retail impact is set out in Section 6 of the RA, and is based upon Core Strategy Policy E5 and NPPF requirements. In accordance with NPPF requirements, Rapleys addresses separately impact on investment, and impact on town centre viability.
50. In paragraph 6.5, Rapleys quotes the NPPF retail impact tests. We requote them below (NPPF February 2019, paragraph 89), as Rapleys appear to have quoted an early version in which there is a slight difference of wording of test b).
"a) the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
b) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment (as applicable to the scale and nature of the scheme)."

Impact on Existing, Committed, and Planned Public and Private Investment in Ledbury

51. Having regard to the likely catchment of the proposed foodstore, we are satisfied that investment in Ledbury town centre only needs to be tested, and we rely on officers to advise us if there is any existing, committed, or planned investment that should be considered. Otherwise we will assume that this test is satisfied.

Trade Impact on Town Centre Vitality and Viability

52. Rapleys' assessment of trade impact is set out in paragraphs 6.10-6.40 of the RA and in tabular form in Appendix 5. The principal information sources are:
 - Local population and expenditure estimates - Experian Micromarketeer Report, February 2020;
 - National expenditure and internet usage growth rates – Experian Retail Planner Briefing Note 17, February 2020;
 - Store turnovers – Mintel Retail Rankings, 2019;
 - Shopping Patterns – NEMS Household Interview Survey 2018.
53. A price base of 2018 is used with a forecast test date of 2025.

Proposed Store Catchment Area

54. The store catchment is described in paragraph 5.6 and shown in Appendix 1 of the RA. It is based upon an Experian calculated 10-minute drive time (stated to have been agreed with the Council during pre-application negotiations). It has similarities with Zone 5 of the HTCS, and although there are differences between the respective catchments in the rural fringes, we do not believe them to be significant.
55. We have used the NEMS 2018 Household Interview Survey to check how Ledbury shopping patterns relate to the catchment area. The figures in Table JW1 of Appendix 2 attached to this report show from where the principal foodstores in Ledbury draw their trade. However, it should be

noted that the figures relate to the NEMS Household Interview Survey Area (broadly the County) and do not include some trade that will be drawn from beyond the County (to which we refer later in this report). It can be seen that Aldi and Tesco attract approximately 83% and 90% of their main food trade from residents of the catchment area, and trade inflow from other Study Area Zones is limited. The Co-Op attracts all of its turnover from catchment area residents. This indicates that the defined catchment area will account for most of the proposed Lidl store's trade.

Catchment Area Population Forecasts

56. Population forecasts for the catchment area are set out in Appendix 5 Table 1 of the RA. These are derived from Experian (based on ONS estimates). The catchment population is forecast to rise from 14,672 in 2018 to 14,980 in 2025, a very modest increase of 308 only. We are not aware of how these estimates compare with any forecasts held by the Council.

Catchment Area Convenience Expenditure Forecasts

57. Convenience and comparison goods expenditure per head forecasts for the catchment area and total expenditure are set out in Tables 2A/2B and 3A/3B. These are derived from Experian 2018 figures, which show a convenience catchment expenditure minus SFT (see below) of £2,284 per head, to which is applied an annual growth/decline figure up to 2025. The growth/decline figures are national forecasts derived from Experian Briefing Note 17 (February 2020), Figure 1A.
58. Allowance for the growth of Special Forms of Trading (SFT) (internet, etc) has been made and deducted from available expenditure. It should be noted that the figures used by Rapleys might appear low, but this is because (reasonably) they do not include SFT that is dependent upon store floorspace; for example, where the order is made by internet, but the goods are taken from shop floorspace rather than a warehouse.
59. Table 3A shows that available convenience goods expenditure minus SFT is forecast to be virtually static over the forecast period, rising from £33.51m in 2018 to £33.67m by 2025, an increase of only £0.16m. The Experian forecasts are pre-COVID 19. It seems highly likely that post-lockdown, when shopping patterns have resettled, the effect of the pandemic will be to increase SFT further, so eroding any convenience expenditure growth minus SFT over the forecast period.

Proposed Store Turnover

60. Rapleys' store turnover (convenience and comparison goods) estimate at 2017/18 is provided in Table 4. It is based upon the company average sales densities published in Mintel Retail Rankings (2019). The 2016 total turnover estimate is £12.99m, of which £10.4m is convenience goods.

Catchment Convenience Expenditure / Proposed Store Convenience Turnover

61. Tables 6.2-6.4 and Appendix 5 Tables 5a-5c compare the proposed store turnovers with available catchment convenience expenditure from 2020 to 2025. The store convenience and comparison turnovers have been grown over the forecast period from national forecasts of sales density increases in Experian Retail Planner Briefing Note 17 (February 2020), Table 3A. The tables show that the store convenience turnover would represent approximately 31% of available convenience expenditure at 2025. The comparable figure for comparison goods is smaller, approximately 5%.
62. It is also instructive to note that because of the minimal growth of available convenience expenditure over the forecast period, £0.16m (see above), virtually all of the store convenience turnover (£10.46m) will be drawn from existing shops in Ledbury and elsewhere.

Proposed Store Trade Diversion and Trade Impact

63. Table 6 of Appendix 5 is a composite table showing Rapleys' estimates of the proposed store trade draw and impact. The trade impact findings are summarised in Table 6.5 of the RA.
64. In Table JW2 of Appendix 2 attached to this report we have reproduced Rapleys Table 6 findings in summary form. The Table is based entirely on Rapleys figures to which no changes have been

made: the table is reproduced in the interests of clarity only. Because we believe that it is material to consideration of this application, we have introduced a row showing trade impact on the 'town centre / edge-of-centre' combined (using Rapleys' figures). The Rapleys' assessed trade impact figures are:

- Town centre – 4.3%;
- Town Centre / Edge-of-centre – 13.4%;
- Out-of-centre (Aldi) – 39.7%

Existing Store Turnovers

65. The first part of Rapleys' Table 6 provides 'benchmark' turnovers for existing convenience stores within Ledbury, and outside the Catchment area in Hereford City and Ross-on-Wye (HTCS Zones 1A and 6). The Ledbury estimates are based on the sales floorspace of the stores multiplied by company average national sales densities. The sales floorspace figures are taken from the HTCS. The company average national sales densities are from Mintel Retail Rankings 2019.
66. The turnover figures of stores within Hereford City and Ross-on-Wye appear to represent the turnover of those stores that is currently attracted from Zone 5 Ledbury residents, derived from the NEMS Household Interview Survey 2018 (referred to in paragraph 6.37 of the RA). Our initial review of the NEMS survey findings indicates that these figures are of the right order.
67. The benchmark turnover figures are forecast to increase to 2025 based on national forecasts of convenience retailer sales density growth from Experian Retail Planner Briefing Note 17 (Feb 2020). These figures indicate a minimal growth of convenience goods expenditure in existing Ledbury stores turnovers from £35.05m in 2018 to £35.33 in 2025.
68. We are content to adopt Rapleys existing store turnover estimates (Table JW/2 column 2) for the purposes of this assessment.

Rapleys Proposed Store Trade Diversion Estimates

69. Our concerns relate to Rapleys' estimates of the proportions of the Lidl store turnover drawn from existing facilities - the trade diversion to Lidl figures shown in columns 3 and 4 of Table JW2. Assessments of trade diversions from existing facilities caused by introduction of a new facility can only be estimates, based upon a knowledge of existing facilities, existing trading patterns, and judgements on how the new facility will compete with existing facilities. We accept that a further discount foodstore in Ledbury would compete most strongly with the existing Aldi foodstore and the two principal edge-of-centre foodstores, Tesco and the Co-Op. Rapleys estimates of the proportions of the Lidl store's convenience turnover drawn from existing facilities (Table JW/2 column 4) are:
 - Aldi Leaden Way 45% approx.
 - Edge-of-centre stores (principally Tesco Station Road) 28% approx.
 - Stores outside the catchment area 25%
 - Town centre foodstores 2.3%

Our principal concern is that the estimates of 25% of the store turnover being diverted from stores outside the catchment area, and 45% from Aldi Leaden Way are excessive.

70. Of the £2.32m of turnover of currently attracted from Ledbury residents to Hereford City and Ross-on-Wye stores, Rapleys estimate that £1.05m (45%) will be clawed back, representing 10% of Lidl's turnover (RA paragraph 6.37). Given that Ledbury already has an Aldi discount foodstore in the town, we believe that this is an optimistic assumption. However, for the purposes of this assessment we have adopted this assumption.
71. Rapleys then state in paragraph 6.38 of the RA that:
"it is anticipated that 15% of the store's turnover will be derived from 'inflow' trade. Accordingly, it is anticipated that £1.54m (2025) of the proposed store's turnover will be derived from customers not normally resident in the catchment area."* (*the 2025 figure in Rapleys Table 6 is actually £1.57m)
72. The introduction of trade inflow in this way into this table misrepresents the situation. Rapleys' assessment shows (Table JW2 columns 3 and 4) the existing stores from which the proposed Lidl