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# Assessment of Retail and Leisure Planning Policy, Proposed Class D2 and Class A1 Development

Kingsway Business Park, Gloucester

January 2019

## Contents

1.	Introduction .....	1
2.	The Proposed Development .....	2
3.	Planning Policy Context .....	3
4.	The Sequential Test.....	6
5.	Impact .....	11
6.	Summary and Conclusions.....	16

## Appendices

Appendix I Study area

# 1. Introduction

- 1.1 This report has been prepared by GVA for Gloucester City Council ('GCC') in relation to a planning application by Robert Hitchins Limited for the redevelopment of land at Kingsway Business Park for Class A1 retail and Class D2 leisure land uses and associated development. In brief, this application proposes the provision of 1,312sq m of Class D2 commercial leisure floorspace in the form of a gym and 3,019sq m of Class A1 retail floorspace for a single retail store.
- 1.2 In line with our instructions from GCC, we have assessed whether the proposed development complies with prevailing retail, leisure and main town centre planning policies in the development plan and material considerations such as the latest version of the National Planning Policy Framework ('NPPF') published in July 2018. Given the location and planning policy status of the application site, the focus of our assessment has been the sequential and impact tests.
- 1.3 The focus for our assessment of the applicant's supporting material has been a Retail & Leisure Statement ('RLS') prepared by RPS and dated October 2018. In addition, our assessment will refer to the contents of the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy Retail Study 2015 Update ('the 2015 retail study') which was prepared by DPDS as part of the evidence base for the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy ('JCS').
- 1.4 The remainder of this advice report is structured as follows:
- Section 2 summarises the content of the application proposal;
  - Section 3 summaries the planning policy context for the proposal
  - Section 4 considers whether the information submitted by the applicant has demonstrated that the proposal complies with the sequential test;
  - Section 5 assesses the scale of the impact of the proposal on the health of, and investment within, defined 'town centres' in the local area; and
  - Finally, Section 7 summaries the content of our advice on retail, leisure and main town centre planning policy matters.

## 2. The Proposed Development

- 2.1 The site subject to this planning application lies within the Kingsway mixed use development area in the southern part of the Gloucester urban area. It has, according to the RLS, an extant planning permission for Class B land use development.
- 2.2 As set out in Section 3 of the RLS, the proposal seeks planning permission for one building and associated development, including car parking and servicing areas along with associated works. It is proposed that the building will be split into two separate units: one comprising 3,019sq m Class A1 retail floorspace, and the other comprising 1,312sq m of Class D2 floorspace in the form of a gym. It is proposed that, as part of the 3,019sq m of A1 retail floorspace, 696sq m of floorspace will be provided outside of the building for a 'garden centre'.
- 2.3 Section 3 of the RLS indicates that the retail unit element of the proposed floorspace will be occupied by a B&M Homestore. Paragraph 3.6 of the RLS indicates that B&M Homestore offers the following product ranges: indoor and outdoor furniture, a limited range of non-perishable food goods, household goods and housewares, seasonal items, garden goods, home textiles and home adornment. Paragraph 3.6 describes these comparison goods items as 'generally bulky goods'. From our experience of B&M Homestores, the range of goods offered does indeed include some bulky comparison goods, but many of the items offered for sale are not bulky in nature and do not necessarily require an adjacent car park in order to transfer them to customers' vehicles.
- 2.4 The Class D2 gym use is proposed to be occupied by Pure Gym and the unit will have a mezzanine floor of 383sq m.
- 2.5 Whilst there is no reason to doubt the aspiration of the applicant to secure Pure Gym and B&M as tenants for this development, it should be remembered that a personal planning permission is not being sought and that any permission granted by GCC will run with the land. As a consequence, there is the potential for other retail and leisure operators to occupy the proposed floorspace.
- 2.6 It is notable that the applicant has not offered any controls over the proposed Class A1 retail floorspace and, without these, the retail unit could sell a very wide range of goods, possibly leading to materially different impacts and effects to those described in the RLS. We have, however, proceeded on the basis that controls would be imposed upon the retail unit in order to ensure that it could only operate in a manner similar to a typical B&M store or one of its direct competitors. Similarly, we have assumed that the Class D2 leisure unit would be controlled to a gymnasium use only. If this is not the aspiration of the applicant, then the content of this advice will need to be re-visited.

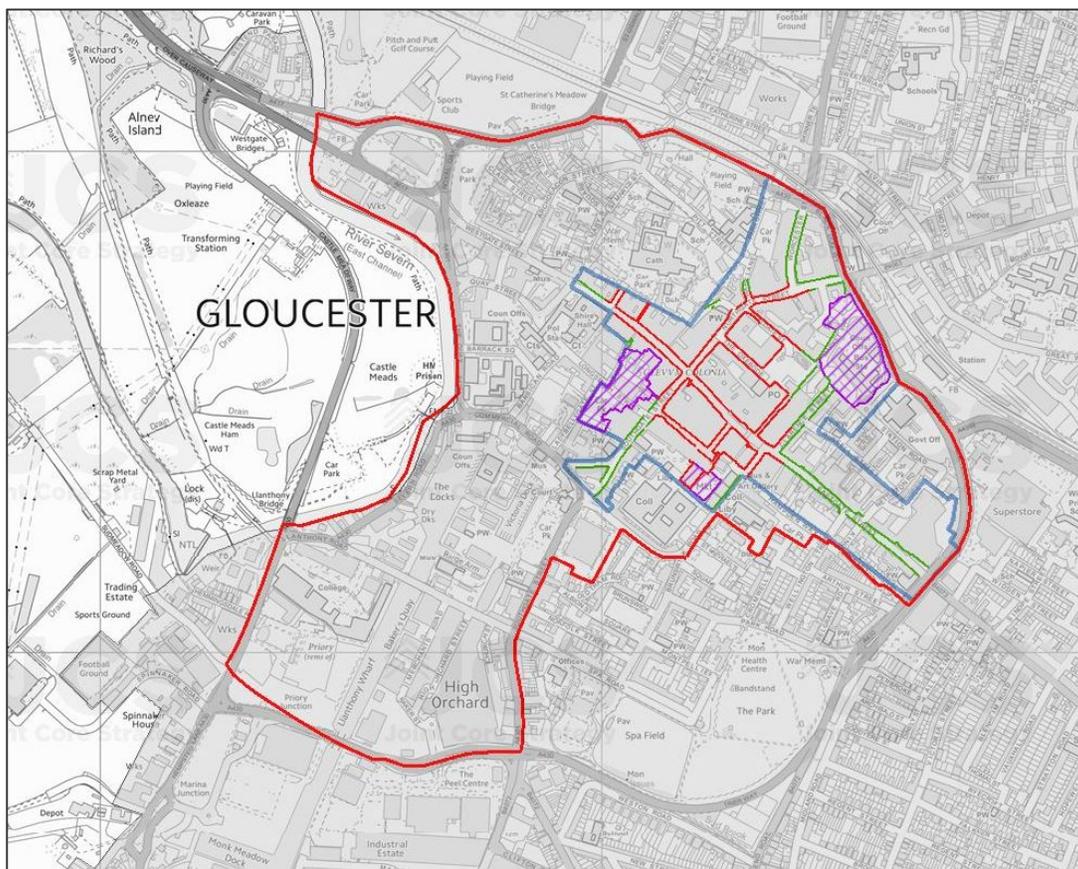
### 3. Planning Policy Context

- 3.1 The development plan for the application site comprises the JCS and 1983 Gloucester Local Plan. The latter plan has only two policies of relevance and these are not related to retail or leisure land use proposals. Therefore, the 1983 plan is not considered in detail in this section of our advice.
- 3.2 In addition to the development plan, the 2018 version of the NPPF will be an important material consideration for this application, providing national planning policy on retail, leisure and main town centre uses. In addition, the draft Gloucester City Plan, which is currently in preparation and consulted upon in 2017, will also be a material consideration albeit one with limited weight at the present time.

#### The development plan

- 3.3 Policy SD2 of the JCS is the most relevant policy insofar as retail and main town centre use proposals are concerned. The policy sets out the hierarchy of centres with Gloucester city centre at the top of the hierarchy along with Cheltenham town centre. The JCS requires an immediate review of the evidence base for retailing and town centres although pending that review the various boundaries and frontages for Gloucester city centre are set out on the policies map. Figure 3.1 below shows an extract from the policies map for the city centre. The red line indicates the city centre boundary whilst the blue line indicates the defined primary shopping area.

Figure 3.1: extract from JCS policies map for Gloucester city centre



- 3.4 SD2 notes that proposals for A1 retail development located outside of the primary shopping area, and for other main town centre uses where they are proposed in locations outside of the City Centre boundary, will be assessed in accordance with the sequential test and impact test as set out in the National Planning Policy Framework and Planning Practice Guidance. It goes on to note that proposals for retail and other main town centre uses that are not located in a designated centre, and are not in accordance with a policy in either the JCS or District plans, will be robustly assessed against the requirements of the sequential test and impact test, as set out in National Planning Policy Framework and national Planning Practice Guidance, or locally defined impact assessment thresholds as appropriate.

### Material considerations

#### *NPPF*

- 3.5 The new version of the NPPF, published in July 2018, includes national planning policy on retail and main town centre uses in Section 7. It closely follows the approach of Section 2 of the 2012 version of the NPPF, remaining with two retail policy tests for retail land use proposals located outside of 'town centres' and not in accordance with an up to date development plan: the sequential test and the impact test.

- 3.6 Paragraphs 86 and 87 deal with the sequential test and note:

*"86. Local planning authorities should apply a sequential test to planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan. Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered.*

*87. When considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored".*

- 3.7 Paragraph 89 deals with the assessment of impact for retail and leisure proposals and notes:

*"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 2,500m<sup>2</sup> of gross floorspace). 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 the wider retail catchment (as applicable to the scale and nature of the scheme)".*

- 3.8 Paragraph 90 provides clear guidance for local authorities where they conclude that either the sequential or impact tests have been failed:

*"Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the considerations in paragraph 89, it should be refused".*

*Draft Gloucester City Plan*

- 3.9 The latest version of the draft Gloucester City Plan was consulted upon in 2017. Policy C1 outlines the hierarchy of centres in the city, with the city centre at the top, along with two district centres (Abbeymead and Quedgeley, and several local centres (including the new centre at Kingsway).
- 3.10 The draft City Plan proposes to allocate several sites in and around the city centre for retail, leisure and other main town centre uses (plus new residential accommodation) including Kings Quarter, the Greater Blackfriars area, Southgate Moorings, Northgate Street, land adjacent to the Eastgate Shopping Centre and land at St Oswald's.

## 4. The Sequential Test

- 4.1 Given the location and planning policy status of the application site, there is a need for GCC to consider whether the proposal complies with the sequential test as set out in the development plan and national planning policy.
- 4.2 Paragraph 1.5 of the RLS notes that the application site lies in an out of centre location, a classification that we agree with given that the closest 'town centre' is Kingsway local centre some 500 metres to the north-east. As a consequence, there is need to consider whether there are any suitable and available sites and premises in sequentially preferable locations which can accommodate the proposal, taking into account the national policy requirement for flexibility in scale and format. In this particular instance, sequentially preferable locations will be in-centre and edge-of-centre locations, plus out-of-centre locations which are more accessible and better connected to 'town centres'. For the avoidance of doubt, it should be noted that edge-of-centre classifications differ between retail and leisure land uses, such as the ones proposed here, with edge-of-centre classifications for retail uses measured from the primary shopping area whilst leisure uses are measured from the town centre boundary (in Gloucester City's case, the city centre boundary).
- 4.3 The applicant's search for alternative sites and premises has initially concentrated upon the city centre, Quedgeley district centre and Kingsway local centre. However, GCC officers have requested that the retail parks at Westgate, the Peel Centre and St Oswald's should also be considered as 'out of centre' retail parks that are in a more accessible location to the primary shopping area than the application site. We consider that these locations are appropriate for the sequential site assessment for this particular proposal and that the search for alternatives should cover the whole of the city given the scale and likely catchment of the proposal.
- 4.4 Paragraphs 7.11 to 7.21 of the RLS outline the applicant's approach to the assessment of alternative sites and premises. Paragraph 7.15 notes that the applicant has undertaken the assessment of alternatives *"in a flexible and operator blind manner having regard to the types and size of retail and leisure floorspace proposed"*. Avoiding the business requirements of a particular operator or the applicant is certainly the correct approach to assessing the suitability and availability of alternatives having regard to the content of the recent *Aldergate Properties Ltd v Mansfield District Council* high court judgement, although we do note that, on a few occasions, the RLS does appear to rely upon the particular identity of the intended occupiers to dismiss alternative locations.
- 4.5 In relation to demonstrating flexibility, paragraph 7.16 outlines the various scenarios which have been considered for alternative sites. These include: the same scale of site/floorspace as the proposal, accommodating individual units on a disaggregated basis and also accommodating both the retail and leisure uses together but with a 20% reduction in site area and floorspace.
- 4.6 The need to consider disaggregation of proposals for separate retail / leisure units remains a grey area in retail and leisure planning at the present time. Appeal and call-in decisions since the publication of the original NPPF in 2012 have potentially suggested differing approaches (based upon the circumstances of each case) and there is no longer any specific guidance at a national level to guide the assessment of

proposals involving separate multiple units/uses. We consider that the approach of the applicant to consider disaggregation of the retail and leisure uses is certainly flexible and should be encouraged bearing in mind they are separate uses with no formal link, although a certain amount of caution needs to be applied until such time as national planning practice guidance is updated to confirm the government's intended approach on this issue.

- 4.7 The reduction in site area / floorspace of 20% could also be seen as a sign of flexibility. The decision to adopt a figure of 20% is not explained and it can be quite difficult in some instances to alight on a particular percentage reduction. Instead, in some instances an alternative approach which examines whether a reduction in scale would still allow an alternative location to provide the same broad type of development proposed, and be able to perform a similar role and function, may be a useful alternative.
- 4.8 Paragraph 7.23 of the RLS lists the sites and premises which have been examined by the applicant and Appendix 5 provides a specific assessment of each location. The locations examined in the city centre include proposed site allocations in the draft Gloucester City Plan and current or recently vacant retail units. Having examined each alternative location, we consider that many can be dismissed due to their size and/or intended future land use, although there are three alternatives which are the focus for our assessment: Quedgeley district centre, Kingsway local centre and the Peel Centre.

### **Quedgeley District Centre**

- 4.9 Of the two locations in Quedgeley assessed by RPS, Quedgeley Retail Park requires the most attention. Paragraph 7.39 of the RLS focuses upon the former Brantano unit which has a gross ground floor area of 929sq m. The unit is dismissed on the basis of its size, lack of mezzanine floor area, permission for a Class D2 use, insufficient car parking provision and the number of gyms already in the local area.
- 4.10 In response to the points made, we raise several issues in response.
- 4.11 First, whilst the current state of the former Brantano unit is too small an alternative for the proposal, there is the potential for a mezzanine floor, as demonstrated by the adjacent Next unit. This could add an extra circa 1,000sq m of floorspace.
- 4.12 Second, the former Brantano unit is adjacent to a Next store which is widely reported to close when the new Next Home and Fashion store opens in 2019. This will provide a further substantial amount of available and suitable floorspace. The combined existing floorspace of the Brantano and Next units is circa 2,450sq m.
- 4.13 Third, whether or not there is space to provide a 'garden centre' as part of the proposed Class A1 retail unit, it should be noted that similar Class A1 retail units in Gloucester, such as the B&M at Gloucester Retail Park does not have a 'garden centre'. It is also to be noted that many of the 'comparable stores' listed on page 15 of the RLS also do not have a 'garden centre' area and also the applicant is not clear as to what is to be sold from this particular area.
- 4.14 Fourth, the lack of permission for a Class D2 use should not be a significant obstacle in this location as this is an 'in centre' location in planning policy terms.
- 4.15 Fifth, there is no substantive information to substantiate the claim in relation to the lack of / insufficient car parking provision.

4.16 Sixth, we consider that the reference to other existing gyms in the local area not to be a material consideration for dismissing this district centre site.

4.17 Overall, in light of the above, we consider that the applicant has not yet been able to dismiss Quedgeley district centre as an unsuitable and unavailable alternative to the application site.

### **Kingsway Local Centre**

4.18 Kingsway local centre is a new centre to be defined in the draft City Plan and which is being developed and expanded as part of the wider Kingsway mixed use area. The existing local centre has a number of existing shop units and the one current vacancy can be dismissed as being too small an alternative.

4.19 There are, as the RLS recognises, other vacant plots around the existing local centre. Three have been assessed<sup>1</sup> and have been dismissed on the basis of:

- Site 13 – being too small, having an alleged alternative mixed use development proposal, along with concerns over impacts on nearby residential amenity.
- Site 14 – being too small and being too close to nearby residential accommodation.
- Site 15 – being too small and is intended to be developed for a church building<sup>2</sup>.

4.20 There is also a further vacant plot of land at the centre which has not been assessed by the RLS and this is larger than the other three plots and is currently subject to an undetermined planning application for a care home.

4.21 In our view, in totality, all of these vacant plots have the potential to be a suitable alternative for the proposed development although 'actual' suitability will depend upon three factors to be determined by GCC:

- Whether the current care home planning application will get permission and then be implemented;
- Whether the permission for a church on site15 will be implemented; and
- Whether GCC officers share the concerns of the RLS that leisure uses on any of these sites could have a detrimental impact upon residential amenity of surrounding occupiers.

### **The Peel Centre**

4.22 The final location which warrants a detailed examination is the Peel Centre, which is located to the south of the city centre and the docks area. The analysis in the RLS concentrates upon the former Toys R Us unit which currently lies vacant. The RLS dismisses the suitability and availability of this unit for several reasons, including: the alleged lack of current marketing of the unit, the lack of an outside 'garden centre', the inability to sub-divide the unit without placing the proposed gym use at mezzanine floor level, the need for a significantly amended catchment area and also the duplication of retail and leisure facilities in this location.

4.23 In response to these matters, we raise the following points:

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<sup>1</sup> Sites 13, 14 and 15 in Section 7 and Appendix 5 of the RLS

<sup>2</sup> Planning permission 17/00032/FUL

- First, simply because there are other similar uses in the local area, this is not a valid reason to dismiss the Peel Centre.
- Second, no evidence has been provided to demonstrate that the applicant has sought to identify whether the vacant unit is actually available. We understand that many former Toys R Us units are available via CBRE and the unit is showing as 'To Let' in Curson Sowerby's current brochure for the retail park.
- Third, there have been proposals to sub-divide this unit and it would appear that the total amount of floorspace proposed at the application site would be able to be accommodated in the unit with the majority of the gym use at ground floor.
- Fourth, simply because there is not a current area able to be used for an external 'garden centre' this does not mean to say that one could not be provided via either use of part of the parking area adjacent to the existing unit, or refurbishment and reconfiguration of the unit to accommodate such an element.
- Fifth, with reference to the analysis provided below, it is entirely reasonable to consider whether the two separate land uses can be provided separately across the Peel Centre.

4.24 In light of the above, we consider that the applicant has not yet demonstrated that the former Toys R Us unit at the Peel Centre is not a suitable and available alternative to the application site.

4.25 In relation to whether the vacant unit is in a sequentially preferable location to the application site, paragraph 7.51 of the RLS notes that the former Toys R Us unit is in an out of centre location and therefore is no better located in terms of linkages with centres than the application site. No further analysis is provided although based upon national planning policy in the latest NPPF, and also under the principles of the *Newport* judgement<sup>3</sup>, preference can be given between out of centre sites where it can be demonstrated that one site is more accessible and better connected to a 'town centre'.

4.26 In this instance, there is no doubt that the Peel Centre site is much closer to Gloucester city centre than the application site and there is a greater likelihood of some linked trips between the Peel Centre and the city centre. Linkages between the application site and the city centre are much less likely. There is no specific reference to Kingsway local centre in paragraph 7.51 of the RLS but it may also necessary to undertake an alternative assessment whereby the relative accessibility characteristics of Kingsway local centre (for the application site) and the city centre (for the Peel Centre) are assessed.

4.27 In terms of the walking distance between these two sets of locations, the walk from the application site to Kingsway local centre is, according to the RLS, 500 metres whilst the walk from the Peel Centre car park to the edge of the primary shopping area ('PSA')<sup>4</sup> is circa 750 metres. However, whilst the latter is longer, the nature of the routes is very different with the routes between the Peel Centre and the city centre's PSA giving the clear impression of being within a city centre environment (including shops, food and beverage outlets, service uses and other commercial uses) which would encourage some linkages. There is also the argument that whilst the proposed land uses should not be ruled out from local centre locations, the city centre is a first choice location for such uses. As a consequence, we consider that the Peel Centre lies in a sequentially preferable location to the application site in this particular instance.

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<sup>3</sup> [2013] EWHC 1638 (Admin)

<sup>4</sup> As proposed by the draft Gloucester City Plan

- 4.28 In addition, it should be noted that the definition of edge and out of centre locations for other main town centre uses differs from retail uses, with edge of centre locations being within 300 metres of a town centre boundary (rather than the primary shopping area). This reinforces the sequential preference of the Peel Centre area, in this circumstance.
- 4.29 Moreover, other parts of the Peel Centre also require examination. In recent years there have been a series of proposals to alter the format and scale of existing retail floorspace at the retail park along with the construction of new floorspace. A new Next Home and Fashion store is currently under construction and there is also permission for three additional large units adjacent to the new Next store. Whilst the permission only allows for the provision of convenience and comparison goods retail floorspace, and which could thus accommodate the proposed retail use, there is also the potential to a revised scheme to accommodate the proposed leisure floorspace. In addition, there is also another vacant unit at the Peel Centre, extending to circa 860sq m.
- 4.30 In light of the foregoing analysis, we conclude that the applicant's RLS has not demonstrated compliance with the sequential test, as set out in the development plan and the NPPF. In particular, there are opportunities to accommodate the proposal at the Peel Centre and Quedgeley district centre whilst Kingsway local centre may also require further examination subject to the views of GCC officers in relation to the impact of retail and leisure uses on residential amenity in this location.

## 5. Impact

5.1 Given the location and planning policy status of the application site, along with the scale of floorspace proposed, there is a requirement to consider whether the proposed development is likely to have a significant adverse impact upon the health of, and investment within, defined 'town centres'. The RLS recognises the need for such an assessment and Section 8, supported by a statistical analysis at Appendix 7, provides an analysis of both issues. We consider each in turn below.

### **Impact on town centre vitality and viability**

5.2 The primary focus for the applicant's assessment of the impact of the proposal on town centre vitality and viability is a statistical assessment of the pattern of trade diversion to the proposed Class A1 retail stores from existing stores and centres and the calculation of the consequence scale of trade loss. The assessment of impact of the proposed Class D2 gym floorspace adopts more of a qualitative and broad brush approach on the basis of the lack of a recognised financial impact methodology for gym/health & fitness uses. In general terms, this is a reasonable approach although there is a need to bring the impacts associated with these two elements together in order to form a conclusion as to the overall impact of the proposal.

5.3 The financial impact assessment has been conducted on the basis that the proposed retail store will sell both convenience and comparison goods. This is based upon the retail offer of a typical B&M Homestore, including 80% of net sales area devoted to comparison goods sales and the remaining 20% selling convenience goods.

5.4 As we have noted in Section 2 of this advice report, whilst we do not doubt the aspiration of the applicant to secure B&M as the tenant for the proposed retail unit, the permission sought is not a personal one and the applicant has not offered any controls over the sale of goods from the proposed floorspace. We have, however, proceeded on the basis that should GCC be minded to grant planning permission for this development, suitable controls would be imposed to ensure that the unit was only able to trade in a form which matched B&M or one of its direct competitors (i.e. Home Bargains). If this is not the applicant's aspiration for the unit, and an alternative form of retail trading was envisaged then this assessment will need to be re-visited.

5.5 The financial impact assessment adopts a large body of data from the 2015 Gloucester, Cheltenham and Tewkesbury Joint Core Strategy Retail Study update ('the 2015 retail study') which is understandable given that it provides the most recent assessment of shopping patterns in the Gloucester, Cheltenham and Tewkesbury area. We have the following comments to make in relation to the methodology and data sources for the applicant's assessment:

- Study area. The applicant's assessment adopts the same study area as the 2015 retail study. This area is shown on the plan attached at Appendix I to this report. The RLS acknowledges that this area is well beyond the catchment of the proposal but we agree that it is correct to adopt the wider area in order to properly understand the wider shopping catchment of Gloucester. Paragraph 8.30 of the RLS indicates that zones 5a, 5b, 5c, 5d, 9, 11 and 13 closely match the catchment of the proposed retail store and we consider this to be a reasonable prediction.

- Time frame for the analysis. The applicant's assessment adopts a start date of 2018 (the year in which the application was submitted) and a design year of 2021. This is considered reasonable for the purposes of the Kingsway proposal.
- Population data. Population data for the study area zones has been taken from the 2015 retail study, which is considered reasonable as it allows the assessment to match GCC's current evidence base library.
- Per capita retail expenditure data. Consistent with our assessment for the Lidl Mercia Road proposal, the RLS adopts the base 2013 per capita expenditure from the 2015 retail study and uses the latest economic forecasts from Experian available at the time of completing the RLS<sup>5</sup>. Experian published new economic forecasts in December 2018. The more recent have a slightly more positive outlook regarding convenience and comparison goods expenditure growth between 2013 and 2021 and therefore we consider the applicant's assessment to be robust.
- Shopping patterns data. The applicant has adopted the market share data provided by the 2014 household survey commissioned to inform the 2015 retail study. This is considered reasonable as the 2014 survey is the most recent comprehensive survey of convenience and comparison goods shopping patterns across this part of Gloucestershire. The RLS correctly acknowledges that a number of recent store openings and retail commitments need to be taken into account in order to ensure that the cumulative impact of the proposal is properly assessed.
- Commitments. In relation to commitments, the applicant's assessment includes most relevant proposals. For convenience goods floorspace, these include: the recently re-opened Lidl stores, the new Lidl and ALDI stores, the Iceland store at the Peel Centre and the potential for another consented foodstore at the Peel Centre. For comparison goods, the commitments included include the permission for Next and non-bulky floorspace at the Peel Centre, bulky goods floorspace at St Oswald's and the new Home Bargains store at the Peel Centre. However, the applicant's cumulative impact assessment does not take into account the planning permission for a significant amount of retail floorspace at Ashchurch near Tewkesbury. The lack of reference to the Ashchurch scheme is surprising given the applicant is also promoting that development. We understand that the permission remains extant and as recently as Summer 2018 pre-commencement conditions were being discharged. Therefore, we consider that the applicant's financial impact assessment is not complete.

5.6 In relation to the pattern of trade diversion to the comparison goods floorspace element of the proposed store, Table 13 of the RLS indicates the following:

- Gloucester city centre – 15% of the proposal's turnover (£1.15m)
- Quedgeley – 8% of the proposal's turnover (£0.61m)
- Gloucester Quays – 2% of the proposal's turnover (£0.15m)
- Other unnamed stores in Gloucester – 70% of the proposal's turnover (£5.37m)
- Other unnamed stores outside of Gloucester, Cheltenham and Tewkesbury inside the study area – 5% of the proposal's turnover (£0.38m).

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<sup>5</sup> Published in December 2017

- 5.7 We consider that further detail is required from the applicant in relation to the 70% of store (comparison goods) turnover which is predicted to come from 'other' unnamed stores in Gloucester. Whilst we accept that there will be a number of out of centre stores which the proposed store will compete with (assuming that it is occupied by a mixed goods retailer such as B&M), it would be helpful for the individual stores / retail parks to be identified, along with the proportion of turnover from each location. Provision of this information will help to confirm whether it is appropriate to assume that only 15% of the proposal's comparison goods turnover will be diverted from the city centre.
- 5.8 The applicant's assessment of trade diversion to the proposed convenience goods floorspace is much more detailed and identifies a number of specific stores which will see a loss of turnover as a consequence of the Kingsway proposal. All of the relevant convenience goods commitments are also included in Table 14a of the RLS. The stores forecast to lose trade as a consequence of the proposal are as follows:
- ALDI, Bristol Road - £0.43m
  - ASDA, Bruton Way - £0.24m
  - Lidl, Bristol Road - £0.05m
  - Lidl, Eastern Avenue - £0.08m
  - Morrisons, Glevum Shopping Centre - £0.15m
  - Sainsburys, St Ann Way - £0.22m
  - Tesco Extra, Brockworth - £0.25m
  - Tesco Extra, Quedgeley - £0.34m
  - ASDA, Kingsway - £0.16m
- 5.9 Whilst we agree that the pattern of trade diversion is likely to be widely spread and the stores listed above are indeed likely to be the main source of diversion, it does not appear reasonable to assume that ASDA at Kingsway will experience a much smaller level of diversion than the ALDI store on Bristol Road, the ASDA at Bruton Way and the Tesco Extra at Brockworth. The ASDA at Kingsway is likely to be the first choice shopping location for many Kingsway residents and we consider that it is likely to see a reduction in convenience goods turnover of a similar order as the Tesco Extra store at Quedgeley. There may also be some diversion from the Home Bargains at the Peel Centre.
- 5.10 However, apart from the Tesco Extra store at Quedgeley and the Morrisons at Abbeydale, the above stores lie in out of centre locations and therefore are not protected by planning policy. The solus impact upon the Tesco at Quedgeley is predicted to be 0.8%, rising to 4.4% when convenience goods commitments are taken into account. Based upon the results of the 2014 household survey, and reinforced by our own experience of the store, the Tesco trades very well and we do not consider that there will be any concern over the future viability of this store. In relation to the Morrisons store at Abbeydale, we do not consider that the small amount of trade loss is likely to affect the viability of this store and also the role that it plays in the overall attractiveness of the district centre.

- 5.11 In addition, we agree with RPS that there is unlikely to be any significant trade diversion from convenience goods stores in the city centre. There may be some limited diversion from the B&M store in the city centre which may, when combined with diversion of comparison goods expenditure, lead to concerns over the future of this store. However, this is a salient issue for the impact on the overall health of the city centre rather than the convenience goods sector.
- 5.12 In light of the above, until such time as the applicant provides further detail on the pattern of trade diversion to the proposed comparison goods floorspace and includes the Ashchurch retail commitment, we cannot reach a conclusion on the overall impact upon Gloucester city centre and Quedgeley district centre. Once that information and analysis is provided we can also consider the combined impact of the retail and gym uses.

### **Impact on town centre investment**

- 5.13 The other test of 'impact' is whether the proposal is likely to have a significant adverse impact upon existing, planned and committed investment in a nearby 'town centre'. In relation to planned and/or committed investment projects, the RLS concentrates upon Kings Quarter and Greater Blackfriars and argues that the Kingsway proposal would not deter investment in these city centre sites as they are qualitatively and quantitatively different.
- 5.14 The two main sites within the Greater Blackfriars area are the former prison site and the adjacent area of land which is subject to a recently approved Local Development Order ('LDO'). Planning permission was granted in December 2018 for a mixed use scheme on the former prison site which includes a small amount of retail and leisure floorspace. However, this is relatively minor part of the scheme and we do not consider that any competition from the Kingsway proposal would affect the decision of the promoter of the former prison site to implement that scheme. Part of the wider site has now been developed as student accommodation, with planning permission now granted for a further phase.
- 5.15 A planning application for the Kings Quarter area has recently been submitted and proposes a mixed use development. The scheme includes over 3,000sq m of commercial floorspace, which may be Class A uses, although 700sq m will comprise a foodhall and it is likely that the commercial floorspace will be provided in small units. The majority of the Kings Quarter scheme comprises residential, office and a hotel, along with a new multi-storey car park and, as a consequence, we do not consider that the Kingsway proposal is likely to materially affect the continued progress and implementation of the Kings Quarter project.
- 5.16 In relation to existing investment, paragraph 8.25 of the RLS acknowledges the need to consider the effect that proposals will have on the confidence of existing occupiers, landlords and other parties with an interest in 'town centres'. This has certainly been an important issue for GCC when considering the recent planning applications at the Peel Centre. RPS argue that the confidence of investors and retailers will not be harmed by the Kingsway proposal given that the proposed retail store will sell a wide variety of goods and thus any trade diversion would be widely drawn and would not focus upon any particular shop or centre.
- 5.17 In our view, rather than being an advantage, the wide variety of goods being sold from the proposed retail unit is actually a threat to 'town centres' such as the city centre and the district centre at Quedgeley. The city centre in particular is in a fragile state of health and more susceptible to harmful impacts than other surrounding centres and the provision of another mixed goods store selling a wide variety of products has

the potential to reinforce poor confidence. This would be further reinforced if B&M occupy the proposed store and decide to leave the city centre as a consequence.

- 5.18 As a consequence, whilst the combined impact of all commitments and proposals is likely to have a significant adverse impact upon existing investment in the city centre, the Kingsway proposals cannot realistically be singled-out to have a significant adverse impact upon its own. Therefore, whilst this does not suggest a reasonable case for refusal under paragraph 90 of the new NPPF, it will be a material consideration for GCC to consider in the overall planning balance.

## 6. Summary and Conclusions

- 6.1 This report has been prepared by GVA for Gloucester City Council ('GCC') in relation to a planning application by Robert Hitchins Limited for the development of land at Kingsway Business Park for Class A1 retail and Class D2 leisure land uses and associated development. In brief, this application proposes the provision of 1,312sq m of Class D2 commercial leisure floorspace in the form of a gym and 3,019sq m of Class A1 retail floorspace for a single retail store.
- 6.2 In line with our instructions from GCC, we have assessed whether the proposed development complies with prevailing retail, leisure and main town centre planning policies in the development plan and material considerations such as the latest version of the National Planning Policy Framework ('NPPF') published in July 2018. Given the location and planning policy status of the application site, the focus of our assessment has been the sequential and impact tests.

### The sequential test

- 6.3 The application site lies in an out-of-centre location and therefore GCC is required to assess whether there are any suitable and available sites or premises in sequentially preferable locations. In this instance, sequentially preferable locations will be in-centre or edge-of-centre sites, or out-of-centre sites which are more accessible and better connected to defined 'town centres'. Having considered the applicant's assessment of several alternative locations we have concluded that the applicant has not demonstrated compliance with the sequential test, as set out in the development plan and the NPPF. In particular, there are sequentially preferable opportunities to accommodate the proposal at the Peel Centre to the south of the city centre and also at Quedgeley district centre. In addition, Kingsway local centre may also require further examination subject to the views of GCC officers in relation to the impact of retail and leisure uses on residential amenity in this location.

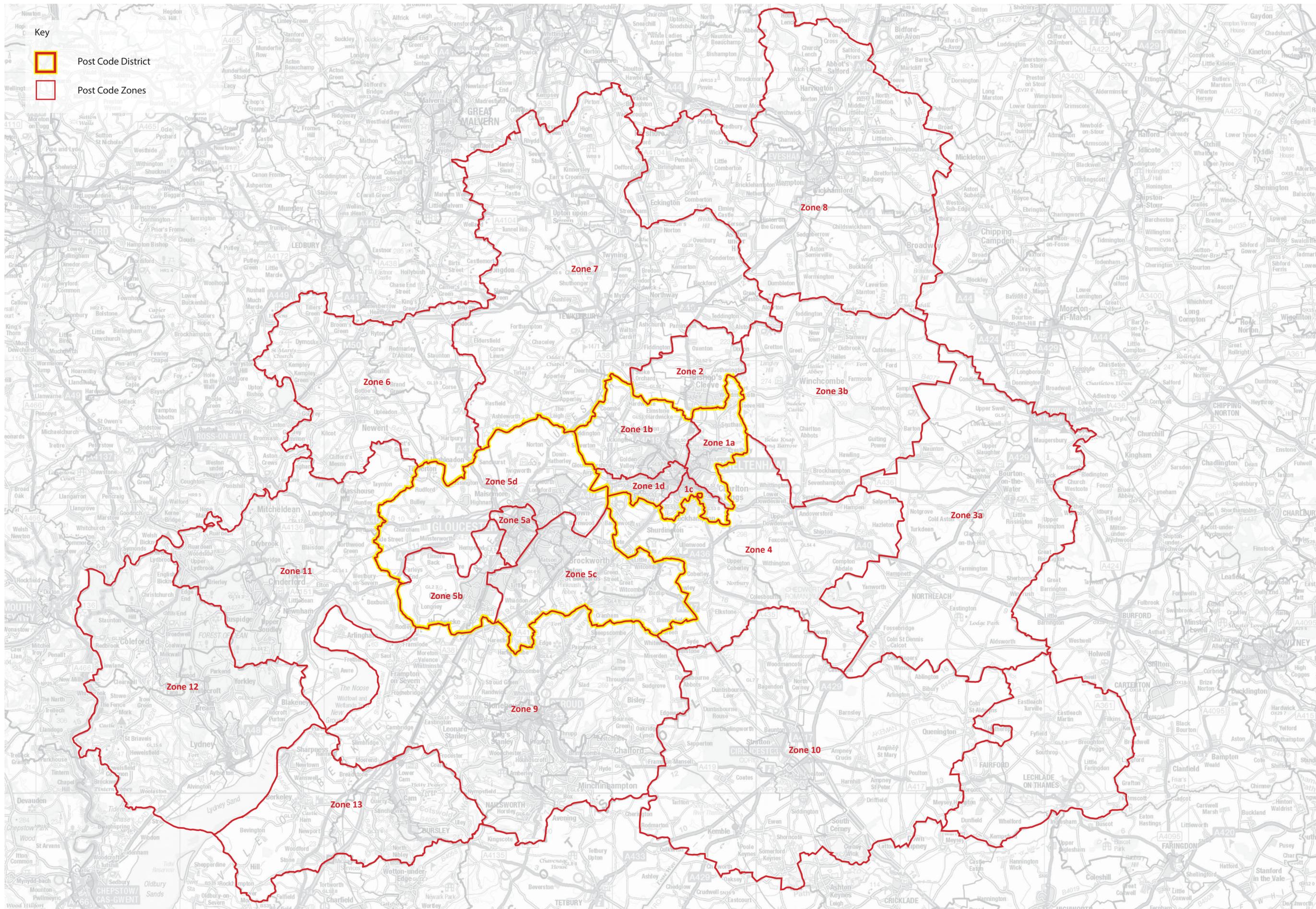
### Impact

- 6.4 When assessing the impact of the proposal, the focus will be on its potential to have a likely significant adverse impact upon the health of, and investment within, defined 'town centres'. Having reviewed the applicant's own impact assessment, we conclude that it has not provided a sufficiently robust assessment of cumulative impact as it has omitted to include the large retail floorspace commitment at Ashchurch which is likely to have a significant impact upon the turnover of Gloucester city centre. In addition, there is a need for more detailed information on the pattern of trade diversion in relation to the proposed comparison goods floorspace. Therefore, until such time as the applicant provides this further information and analysis we cannot reach a conclusion on the overall impact upon Gloucester city centre and Quedgeley district centre.
- 6.5 We have also considered the impact of the proposal on existing, planned and committed town centre investment. We do not consider that any planned or committed investment projects in Gloucester city centre are likely to be affected by this proposal and whilst the combined impact of all commitments and proposals in the local area is likely to have a significant adverse upon existing investment in the city centre, the Kingsway proposals cannot realistically be singled-out to have a significant adverse impact upon its own.

Therefore, whilst this does not suggest a reasonable for refusal under paragraph 90 of the new NPPF, it will be a material consideration for GCC to consider in the overall planning balance.

# Appendix I

## Study area



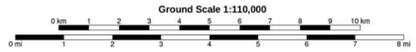
**Key**

Post Code District

Post Code Zones



Not to Scale



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Drawing name: **Study Area and Survey Zones Plan**

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