

Assessment Main Town Centre Use Planning Policy

Proposed Redevelopment of Access Park, Eastern Avenue, Gloucester

February 2019

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1. Introduction

- 1.1 This report has been prepared by Avison Young ('AY') for Gloucester City Council ('GCC') in relation to a planning application for the redevelopment of land at Eastern Avenue in Gloucester. In brief, the application proposes redevelopment of the site for a mixture of uses including A1, A3, A5, C1, B1, B2 and B8 uses along with associated development.
- 1.2 GCC has asked AY to provide advice on main town centre planning policy issues associated with the main town centre use elements of the proposed development. These include the proposed Class A retail, Class C1 hotel and Class B1 office uses. Policies in the development plan and national planning policy indicate that proposals for development involving main town centre uses outside of defined 'town centres' and not in accordance with an up to date development plan should be assessed against their compliance with the sequential test and, in the case of retail and leisure uses, the scale of their impact on the health of, and investment within, defined 'town centres'.
- 1.3 The focus of our assessment of the applicant's supporting information and analysis has been on the following documents:
- A Retail Impact Assessment ('RIA'), prepared by JLL and dated November 2018;
 - A Planning Statement ('PS'), prepared by JLL and dated December 2018; and
 - A Retail Sequential Assessment ('RSA'), prepared by JLL and dated November 2018.
- 1.4 In addition to the above documents, this advice report will make reference to the content of the evidence base for development plan for Gloucester, namely the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy Retail Study 2011-2031 2015 Update ('the 2015 retail study') prepared by DPDS for GCC, Tewkesbury Borough Council and Cheltenham Borough Council. The 2015 retail study provides information on convenience and comparison goods shopping patterns across Gloucester and the surrounding area and also an assessment of the turnover of 'town centres' and out of centre stores.
- 1.5 We have also been provided with a letter of objection from Peel Land & Property Investments Plc and Gloucester Quays LLP which has been prepared by WYG and dated 4th February 2019. The contents of this letter have been taken into account when preparing our advice to GCC.
- 1.6 The remainder of this advice report is structured as follows:
- Section 2 provides a summary of the proposed development, including its component parts;
 - In Section 3 we summarise the salient planning policy context for the assessment of the proposed main town centre uses;
 - The compliance of the proposed main town centre uses with the sequential test is discussed in Section 4;
 - Section 5 assess the impact of the proposed retail uses in the proposal on the health of, and investment within, nearby 'town centres'; and

- Finally, in Section 6, we summarise the findings of assessment of the main town centre use policy issues and provide our recommendations to GCC.

2. The Proposed Development

2.1 The planning application subject to this advice report is submitted by Paloma Capital. It is a full planning application with the following description of development:

“Demolition of vacant buildings and comprehensive redevelopment for employment units falling within Use Classes B1, B2 and B8 (totalling 9,574 sqm); a DIY retail warehouse within Use Class A1 and/or a terrace with up to 5 x trade units within Use Class B8 (4,703 sqm); a 44 bedroom hotel within Use Class C1 with associated restaurant/pub within Use Class A3/A4 (2,018 sqm); and a drive-thru restaurant within Use Class A3/A5 (totalling 255 sqm); together with associated car parking, servicing and access; landscaping and all associated works”.

2.2 Section 4 of the PS outlines the various elements of the proposal, which comprise:

- Six B1/B2/B8 warehouse/industrial units;
- A building which could be used for either a Class A1 DIY retail store or, alternatively, five separate trade counter units falling within Class B8;
- A 44 bed hotel with associated pub/restaurant area; and
- A Class A3/5 restaurant/take-away unit.

2.3 Section 4 of the PS goes on to note that the proposed 4,703sq m unit was originally designed to accommodate a Homebase / Bunnings DIY store although occupation by a DIY use is currently by no means certain and therefore the building has been designed in such a way that it could sub-divided into five separate units operating within the B8 use class. Therefore, this element of the proposal could result in either Class A1 or B8 use, with the Class A1 use not being a fixed part of the scheme.

2.4 The other main town centre use elements of the proposal are a Class A3/5 restaurant / take-away use extending to 255sq m and a mixed hotel (C1) and restaurant/public house (A3/4) use contained within a single building. The PS indicates that the intended occupiers for these uses are Burger King and Marstons although it should be noted that GCC should approach the assessment of the proposed main town centre uses on the basis of the proposal and not the identity of the intended occupiers.

3. Planning Policy Context

- 3.1 The development plan for the application site comprises the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (2017) ('JCS') and the 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. In addition to the development plan, the 2018 version of the National Planning Policy Framework ('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.
- 3.2 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.
- 3.3 Policy 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.
- 3.4 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.
- 3.5 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".

- 3.6 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 2,500m² 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)".

- 3.7 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".

4. The Sequential Test

4.1 Given the location and planning policy status of the application site, there is a requirement to assess whether the main town centre land use elements of the proposal comply with the sequential test. The applicant's RSA document acknowledges that the applicant site lies in an out-of-centre location and paragraph 4.19(1) confirms that the search for suitable and available alternatives should concentrate on the following locations:

- In-centre sites;
- Edge-of-centre sites; and
- Out-of-centre sites which are more accessible and better connected to defined town centres.

4.2 We agree that this is the correct approach in light of paragraph 87 of the NPPF.

4.3 Section 4 of the RSA document outlines the applicant's approach to the assessment of alternative sites and the flexibility which has been employed in relation to scale and format. Reference is made to the Tesco v Dundee Supreme Court judgement from 2012 along with an appeal decision in relation to a Next Home store in Sheffield and the recent Mansfield High Court judgement. There are other Secretary of State appeal and call-in decisions which are also relevant to the application of the sequential test, such as the 2016 Honiton Road, Exeter and the recent Cribbs Causeway Mall extension decisions, although the acknowledgement at paragraph 4.13 of the RSA that the sequential test has been approached on the basis of the proposal rather than the requirements of a particular occupier is to be welcomed.

4.4 Paragraph 4.17 of the RSA outlines the specific operational requirements which will, in the applicant's view, determine whether alternatives are suitable:

"• A site which can accommodate a DIY retail unit within use class A1 within a single storey building, with open and unrestricted sale floor area and an overall floor area of circa 4,500sqm and a 1,500sqm nursery/garden centre, and/or a site of over 1.5ha in area.

• A site that can provide a dedicated service with adequate provision to accommodate heavy goods vehicles. Given the nature of the operation (i.e. the sale of bulky goods items) a regular programme of deliveries are required.

• A site that would be able to offer similar benefits to its customers, such as direct access to dedicated car parking so that customers can easily transfer goods to their vehicles.

• A site which can accommodate a mix of complementary uses, within Use Classes A3, A5 and C1, with an overall area of 0.7-1.0ha in area.

• A site that is easily accessible by a range of means of transport".

4.5 Paragraph 4.27 goes on to detail the requirements of the three main town centre use elements of the proposal: the DIY store, the hotel/restaurant/public house and the restaurant/take-away. It notes that:

- There is a minimum gross external floor area required for the proposed DIY Class A1 retail unit, along with the need to provide an external garden centre along with adequate servicing and parking. In order to accommodate this element of the scheme, a site area of 1.5 hectares would be required.
- The hotel and restaurant/public house cannot be decoupled and must be provided within one building. The RSA considers that flexibility has been demonstrated by considering buildings which are either taller or lower in height although alternative sites must be able to provide a minimum of 110 parking spaces, must be in a prominent location and be between 0.7 hectares and 1 hectare in size.
- It is suggested that the requirements of a drive through restaurant/take-away are 'fundamentally different' to a standard restaurant. It is suggested that this element is not a destination in its own right and relies on "linked trips from passing trade". The final bullet point of paragraph 4.27 goes on to note that *"As such and in light of the Treloggan Road decision, city centre sites are discounted for the proposed drive-thru and only sites adjacent to established retail and/or employment parks or strategic road networks, in a more sustainable location than that proposed, will be assessed"*.

4.6 We have a number of concerns with regards to the applicant's approach to the assessment of alternative sites and premises and the approach to demonstrating flexibility. These are:

- Whilst it would appear that the RSA goes on to consider alternative sites on the basis of their ability to accommodate each individual element of the proposed main town centre uses, it should be noted that the Class A1 retail store is not a fixed part of the proposal. As outlined elsewhere in the RSA and PS, the proposed A1 use could be replaced by Class B8 uses and therefore, based upon appropriate flexibility, one scenario for the sequential test to concentrate upon is the hotel/restaurant and restaurant/take-away units only.
- With regards to the hotel/restaurant use, there are many examples of similar developments where the hotel and restaurant/public house uses are in separate buildings. There are even examples of these arrangements in hotel/restaurants operated by Marstons (see 'The Two Rivers' in Chepstow). Therefore, whilst it would be unreasonable to remove one of these elements when considering alternative sites and premises, we are of the view that alternatives should be considered in terms of their ability to accommodate two buildings as a potential scenario.
- We are also of the view that it is inflexible to require a minimum of 110 car parking spaces in all alternative sites and premises. There may be alternative sites or premises which have easy access to adjacent/near-by parking provision for use by hotel / restaurant customers, thus removing the need for on-site provision.
- Finally, in relation to the proposed restaurant/take-away use, we cannot agree that only out-of-centre sites on retail or employment parks are suitable. Restaurants and take-aways are classified as main town centre uses and we consider that too much reliance has been placed on the drive through given that the actual proposed use is one which customers can purchase and consumer food and/or drink either on or off the premises. GCC should be aware of the approach taken by the Inspector in the Honiton Road, Exeter which concluded that city centre sites would not need a physical drive through lane as there would be plenty of opportunities for customers to park on existing streets.

- 4.7 In light of the above, we do not consider that the applicant has been flexible enough in terms of the main town centre land use elements of the proposal and this may have led to some sites and premises being discounted from the assessment when they instead may have been suitable alternatives.
- 4.8 In relation to the assessment of alternatives, the applicant has initially identified 48 sites and premises within a 'long list' and has reduced this down to a 'short list' by excluding sites/premises which are below the minimum site size requirements for each of the proposed uses. Whilst this could be re-examined in light of the observations made above, it will be noted that the applicant has pursued an assessment which disaggregates the three main town centre land use elements. The specific requirement for disaggregation of main town centre use proposals was removed in the 2012 and 2018 versions of the NPPF and it is currently a 'grey area' as to whether such an approach should be pursued in appropriate circumstances. Some recent Inspector appeal decisions have suggested that disaggregation should be pursued in appropriate circumstances although the Inspector's report to the Secretary of State in relation to The Mall extension indicated that:

"an approach that involves disaggregation does not seem to me to fit well with the Aldergate Properties or Warners Retail judgements referred to above. The town centre uses in the application proposals would comprise the retail and leisure uses and to divide them up would change the broad nature of the development in this case".

- 4.9 Therefore, we consider that alternative sites and premises should be assessed on the basis of their ability to accommodate the proposed hotel/restaurant and restaurant/take-away elements of the proposal. Alternatives could also be assessed in terms of their ability to also accommodate the Class A1 DIY store although there is definitive requirement to do so as this element may not be delivered as part of the proposed development.
- 4.10 Section 5 of the RSA indicates that a 'short list' of 30 alternative sites and premises have been subject to detailed consideration. We consider that, of these 30 sites, the following should be the focus for the Council's assessment of the sequential test: Kings Quarter, Blackfriars, Monk Meadow Dock, The Peel Centre, Quedgeley.

Kings Quarter

- 4.11 Paragraphs 5.3 to 5.9 of the RSA summarise some of the recent history of proposals and the planning policy position in the King's Quarter area of Gloucester city centre. Within the most recent draft Gloucester City Plan, the Kings Quarter area is proposed to be allocated under Policy SA15 for "mixed town centre uses". Residential, student accommodation and retail uses fall within the allocation. Within the RSA reference is made to the recent redevelopment of the bus station and the departure of Stanhope from a previous large scale retail-led redevelopment scheme. Reference is also made to the approval of a development brief in September 2017 which includes a reduced amount of retail floorspace and also a forthcoming hybrid planning application.
- 4.12 The RSA dismisses the Kings Quarter area on the basis that (A) it cannot accommodate the proposed large DIY store and (B) the site could accommodate a much larger hotel use than is envisaged for the application site. However, based upon the content of the current hybrid planning application for the Kings Quarter site, we do not consider that the reasons given by the applicant for dismissing this site are sufficient. In particular:

- The Class A1 DIY store is not an integral part of the scheme and therefore the inability to accommodate such a use cannot be used for dismissing Kings Quarter on the grounds of 'suitability'.
- The current planning application allows for hotel floorspace within the outline element. The amount of proposed floorspace is indeed larger than the proposed hotel on the application site although the figure in the Kings Quarter application is an 'up to' amount.
- There is also sufficient retail floorspace within the proposal to accommodate the restaurant/take-away unit.
- Whilst it is not necessarily required, given the city centre location, car parking provision is also included in the current planning application.

4.13 We therefore consider the Kings Quarter area to be a suitable alternative for the fixed main town centre land use elements of the Eastern Avenue proposal. Moreover, it should be noted that the applicant's assessment does not claim that the Kings Quarter site is not an available alternative to the application site.

Greater Blackfriars

4.14 The heading in the RSA before paragraphs 5.10-5.15 suggests that the applicant has assessed the Greater Blackfriars area of the city centre. The Greater Blackfriars area is proposed to be allocated for residential-led mixed use development under Policy SA16 of the draft Gloucester City Plan. However, the applicant has instead assessed the area of land subject to proposed Policy SA19 (land adjacent to Eastgate Shopping Centre) which is not a suitable alternative for the relevant main town centre land use elements of the proposal on Eastern Avenue.

4.15 The Greater Blackfriars area allocation in the draft City Plan proposes residential-led mixed use redevelopment to also include student accommodation, retail and ancillary town centre uses. The main part of the allocation covers the former HM Prison site and an area to the north which is subject to an approved Local Development Order ('LDO'). The LDO allows for Class A retail uses but does not allow for hotel uses and therefore this area of the Greater Blackfriars site will not be suitable.

4.16 Planning permission has also been granted for the redevelopment and refurbishment the former prison and, again, this does not allow for a hotel use and therefore is not a suitable alternative to the application site.

The Peel Centre

4.17 Whether or not the Peel Centre should be classified as an edge or out of centre location, it is clearly better connected and more accessible in relation to Gloucester city centre than the application site. There is a current large vacant unit within the retail park (the former Toys R Us store) which we consider is large enough to accommodate the proposed Class A1 DIY store, although we acknowledge that it is not a fixed part of the scheme. We also agree with the representation submitted by WYG (on behalf of Peel) that an external garden centre could be relatively easily added to the former Toys R Us unit in order to accommodate the remainder of this part of the application proposal.

4.18 However, the WYG letter does not suggest that the other main town centre land use elements could be accommodated and we note that the planning permissions obtained by Peel in recent years do not make provision for any restaurant, take-away or hotel uses. In order to accommodate such uses, a change from

the approved and unimplemented proposals would be required and there is no indication from the WYG letter that this would be contemplated. Therefore, we do not consider the Peel Centre to be a suitable alternative for the main town centre land use elements of the proposed development.

Monk Meadow Dock

- 4.19 Monk Meadow Dock lies adjacent to a large Sainsburys supermarket and to the west of the Peel Centre. This site forms part of the wider Gloucester Quays masterplan area and has been subject to permission for a mixed use development. However, in recent years amendments have been made to the masterplan and a reserved matters submission has been made in relation to largely residential development across this site. Therefore, whilst this site is large enough to accommodate the hotel/restaurant and restaurant/take-away uses, plus some car parking, it is now unlikely to be available for the development of such uses.

Quedgeley district centre

- 4.20 Quedgeley district centre is split into two parts on either side of Bristol Road, with the Tesco supermarket and a collection of small retail units to the west and a collection of large retail units to the east. At the present time, as acknowledged by the RSA, there is currently one vacant unit to the east of Bristol Road. This was previously occupied by Brantano. The RSA also acknowledges that the Next store in the adjacent unit will soon close thus creating an additional area of vacancy.
- 4.21 We consider that it is entirely possible to accommodate the proposed Class A1 DIY store within these two units (if combined). The amount of floorspace is large enough when reasonable flexibility is taken into account and it should be noted that some DIY stores do accommodate sales and storage areas within mezzanine floors. However, as previously acknowledged, the Class A1 DIY store is not a fixed part of the scheme and may be replaced by Class B8 uses. Moreover, the focus of the sequential assessment is instead on the other two main town centre use elements. In this regard, we are not aware of any other sites or premises within or on the edge of the district centre which could be made available for the proposed main town centre uses in this planning application. It may be possible for the two vacant units to be replaced by the hotel, restaurant and take-away uses although there is no indication that these two retail units would become available for redevelopment.
- 4.22 As a consequence, we do not consider that Quedgeley district centre presents a suitable and available alternative for the proposed main town centre uses.

Summary and conclusions

- 4.23 In light of the foregoing analysis, we highlight two areas where the applicant's sequential test analysis is not robust:
- First, we do not consider that the applicant has demonstrated sufficient flexibility in relation to scale and format when examining alternative sequentially preferable sites and premises. In particular, the applicant has been inflexible on car parking requirements and the physical infrastructure associated with the restaurant/take-away unit.

- Second, as a consequence of the above, it is possible that some sites and premises identified in the applicant's 'long list' may have been incorrectly excluded from the 'short list' due to the lack of flexibility in the applicant's analysis.
- Third, in relation to the assessment of alternative sites in the applicant's current 'short list' of alternatives, we consider that the Kings Quarter site has the potential to accommodate the hotel/restaurant and restaurant/take-away main town centre use elements of the proposal.

4.24 As a consequence of the above, we consider that the applicant has not yet demonstrated that the fixed main town centre land use elements of the proposed development comply with the sequential test. On this basis, we consider the proposal to be contrary to Policy SD2 of the JCS and paragraphs 86 and 87 of the NPPF.

5. Impact

- 5.1 Policy SD2 of the JCS notes that proposals for retail 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. As set out in Section 3 of this advice report, there is not a locally set impact assessment threshold and therefore GCC currently relies upon the national default impact threshold of 2,500sq m gross.
- 5.2 Within the NPPF impact assessments retail to just retail and leisure uses and therefore the relevant content of this application is the food and beverage floorspace in the restaurant/take-away unit, the restaurant element of the hotel/restaurant use and, if it is provided, the Class A1 DIY retail store. For the avoidance of doubt, and based upon the definition in the annex to the 2018 NPPF, the DIY store should be classed as a retail use and the food and beverage floorspace would be a leisure use.
- 5.3 Of these uses, the food and beverage floorspace is a fixed element of the proposal and in totality has an amount of floorspace within falls under the national default threshold. It is therefore the DIY store, which is not a fixed element of the scheme, which on its own and combined with the food and beverage floorspace which take the proposed development over the NPPF threshold. However, we consider that it is correct for the applicant to submit a RIA given the possibility that a large DIY store could be provided.
- 5.4 Section 4 of the submitted RIA provides an assessment of the impact of the proposed Class A1 DIY store on the health of, and investment within, 'town centres' across Gloucester focusing upon the city centre, focusing primarily on the city centre and Quedgeley district centre. The assessment is based upon the proposed Class A1 retail store being a DIY store although the proposed control over the unit is given as:
- "The retail units hereby permitted shall be used only for the sale of carpets, furniture, furnishings, electrical goods, pets and pet supplies, office equipment, DIY products for the maintenance and improvement of the home, garden and motor vehicle and any goods ancillary to these permitted uses and for no other purpose without the prior permission of the City Council".*
- 5.5 Section 4 of the RIA does not appear to deal specifically with the leisure floorspace elements of the scheme, which of course will divert trade from a range of existing food and beverage facilities across Gloucester and possibly beyond.
- 5.6 Dealing with the DIY store first, the applicant's assessment is based upon the contents of the latest JCS retail study which is considered to be reasonable at the present time, pending the completion of the new JCS retail and town centres study¹ (including a new survey of household shopping patterns current being undertaken at the time of preparing this advice report).
- 5.7 The applicant's analysis provides expenditure and turnover data for all types of comparison goods shopping from the JCS retail study, plus all comparison goods commitments, although the assessment of the Class A1 DIY store appears to concentrate upon just DIY goods spending at existing stores and centres. This is useful as it focuses upon the potential impacts of a DIY store on the applicant site although two further points should be noted:

¹ Being undertaken by Avison Young

- Town centre impacts should also be considered in terms of the town centre as a whole and also the whole of the comparison goods sector. This should take into account the scale of trading overlap between the proposal and relevant 'town centres' and also the contribution that DIY retail uses make to the overall health, financial performance and attractiveness of a 'town centre'.
 - The proposed condition at paragraph 4.41 of the RIA does not, however, just allow for a DIY store to be provided on the application site. The condition would allow the store to sell just furniture, furnishings and coverings, or instead to be an electrical goods store. It could also be a pet store or a unit selling motor vehicle parts and accessories. Such eventualities have not been taken into account in the applicant's assessment and we would therefore recommend (A) that the proposed condition is narrowed down to allow for just DIY and related goods sales, or (B) a revised impact assessment be submitted by the applicant should it wish to sell the goods listed in the proposed condition.
- 5.8 Table 12 of the RIA outlines the potential turnover of a DIY store on the application site. Two alternatives are provided: one based upon the Homebase national average turnover and the other based upon an average density for typical DIY retailer taken from, presumably, the 2018 edition of Retail Rankings². The latter is higher, no doubt reflecting the higher trading densities of some of Homebase's direct competitors.
- 5.9 It would appear from the contents of Tables 12 and 13 that the turnover based upon Homebase occupying the unit has been adopted for the purposes of the trade diversion assessment. At one level, this would appear logical as Homebase were, allegedly, the original tenant for the unit. However, the RIA acknowledges that occupation by Homebase is by no means a certainty. Therefore, it would more appropriate for a higher density to be adopted for the financial impact assessment.
- 5.10 Table 13 of the RIA outlines the applicant's forecast pattern of trade diversion. 95% of the (lower) turnover of the proposal is included in the assessment, suggesting that the remaining 5% of turnover is expected to be diverted from stores outside of Cheltenham, Gloucester, Chepstow, Stroud and the Forest of Dean. Whilst this is a reasonably small allowance, it seems unlikely that a medium sized DIY store on the application site would divert trade from outside of this area.
- 5.11 Care should be taken when interpreting the contents of Table 13. It is based upon the sales density performance of Homebase but the RIA acknowledges that other DIY retailers could be the tenant. It therefore interesting to note that no trade is forecast to be diverted from the existing Homebase under either occupational scenario. Homebase are very unlikely to operate two stores in such close proximity and therefore under the Homebase occupation scenario we would have expected to see the whole of the existing Homebase's turnover transferred to the new store. It would therefore have been appropriate for the RIA to provide an alternative scenario which assumed an alternative DIY retailer. It would have been helpful for the RIA to have explained which scenario is the basis for Table 13.
- 5.12 In addition, the RIA would need to have provided a further assessment of the consequences of Homebase transferring from its existing store and it being re-occupied by an alternative retail business under the terms of the extant permission for that unit.

² Published by Mintel

- 5.13 Such assessments should be required by GCC for completeness although our assessment of current DIY shopping patterns (as provided by the JCS retail study) and the low level of DIY retail provision in defined 'town centres' across Gloucester indicates that under either of the two occupational scenarios for the proposed store its individual impact is very likely, on its own, to lead to a significant adverse impact upon any defined centre. However, the wider impact of the proposal, should Homebase decide to move, should be provided in order for the full scale of potential impact to be taken into account.
- 5.14 In relation to wider cumulative impact issues, the RIA contains, at Table 10, a list of retail commitments across Gloucester and assesses whether they will provide convenience and/or comparison goods floorspace and, in relation to the latter, whether they contained bulky goods sales and/or DIY goods sales. This shows very little DIY goods floorspace for inclusion in the cumulative impact assessment. Table 10 shows that there is a significant amount of committed convenience and comparison goods floorspace across the city and concerns have been raised over the impact that some of this floorspace will have on defined 'town centres' particularly the city centre. However, so long as the proposed store is controlled to a DIY store, we do not envisage this store making a material difference to scale of cumulative impact upon defined town centres. Clearly, however, if the applicant does wish to pursue the range of goods suggested in the RIA then a cumulative impact assessment would be required which takes into account the relevant commitments in Table 10.
- 5.15 Turning to the proposed food and beverage floorspace, the RIA is generally silent on this aspect. It is likely that, due to the location of the application site, the catchment for this floorspace could be city-wide with the restaurant/public house element of the wider hotel use also being used by visitors to the city. It is likely that trade will be diverted from a wide selection of existing public houses and restaurants from across the city and we do not consider the impacts will be concentrated on any one or two particular locations. It is certainly likely, due to the nature of the proposed floorspace, some expenditure on food and beverage goods in public houses, cafes and restaurants will be diverted from Gloucester city centre although any such diversion is unlikely to have a material impact upon the food and beverage sector in the centre.

Conclusions

- 5.16 In light of the foregoing analysis, we have reached the conclusion that there are a number of short-comings in the applicant's financial impact analysis, these being:
- The turnover of the proposed Class A1 store has been based on the national average sales density of Homebase, yet the applicant acknowledges that the store may be occupied by another DIY retailer.
 - The applicant's assessment is based upon the proposed store being occupied by a DIY retailer yet the proposed retail goods control would allow for other possibilities. Therefore, either the proposed control should be amended to focus upon the retail unit remaining as a single DIY store or an updated impact assessment be provided by the applicant to deal with the other eventualities raised by the proposed condition.
 - The basis for the trade diversion assessment is not explained and is likely to require two separate scenarios in order to deal with the issue of whether the tenant will be Homebase or another business.
 - There will also be a need to provide an expanded assessment to deal with the scenario where Homebase occupy the proposed unit and another retailer occupies their existing store.

- No assessment has been provided for the other food and beverage floorspace proposed as part of this application.

5.17 Notwithstanding the above, it appears to us that based upon the Class A1 retail floorspace remaining as a single DIY store (where or not it is occupied by Homebase), and controls placed on the amount of food and beverage floorspace to be provided, there are unlikely to be any materially harmful impacts on defined 'town centres' from this proposal by itself. We are aware that there is a wider selection of retail floorspace commitments across Gloucester, some of which are likely to more harmful to 'town centre' health, although we do not envisage this proposal (assuming that it is suitably controlled) making a material difference to scale of cumulative impact upon defined town centres. It would still be useful, however, for the applicant to deal with the above points in an updated impact assessment and note of clarification.

6. Summary and Conclusions

6.1 This report has been prepared by Avison Young for Gloucester City Council in relation to a planning application for the redevelopment of land at Eastern Avenue in Gloucester. In brief, the application proposed redevelopment of the site for a mixture of uses including A1, A3, A5, C1, B1, B2 and B8 uses along with associated development. The proposal contains the following elements:

- Six B1/B2/B8 warehouse/industrial units;
- A building which could be used for either a Class A1 DIY retail store or, alternatively, five separate trade counter units falling within Class B8;
- A 44 bed hotel with associated pub/restaurant area; and
- A Class A3/5 restaurant/take-away unit.

6.2 The applicant has indicated that the A1/B8 unit (4,703sq m) was originally designed to accommodate a Homebase / Bunnings DIY store although occupation by either that retailer or even another DIY operator is currently by no means certain. Therefore, the applicant has indicated that the building has been designed in such a way that it could sub-divided into five separate units operating within the B8 use class. Therefore, Class A1 use is not a fixed part of the proposal.

6.3 The other main town centre use elements of the proposal are a Class A3/5 restaurant / take-away use extending to 255sq m and a mixed hotel (C1) and restaurant/public house (A3/4) use contained within a single building.

6.4 The planning policy context surrounding the application site and the proposed development indicates that the proposal should be assessed against the sequential test and, if the Class A1 retail unit is included, its impact on the health of, and investment within, defined 'town centres' in the surrounding area.

The sequential test

6.5 Given the location of the application site, there is a local and national planning policy requirement for GCC to consider whether sequentially preferable alternative sites or premises can accommodate the proposed main town centre uses in this proposal.

6.6 Whilst the applicant's assessment has assessed alternative sites on the basis of their ability to accommodate each individual element of the proposed main town centre uses, it should be noted that the Class A1 retail store is not a fixed part of the proposal. As outlined above, the proposed A1 use could be replaced by Class B8 uses and therefore, based upon appropriate flexibility, one scenario for the sequential test to concentrate upon is the hotel/restaurant and restaurant/take-away units only.

6.7 Having considered the applicant's analysis, we highlight two areas where the applicant's approach to the sequential test analysis is not robust:

- First, we do not consider that the applicant has demonstrated sufficient flexibility in relation to scale and format when examining alternative sequentially preferable sites and premises. In particular, the

applicant has been inflexible on car parking requirements and the physical infrastructure associated with the restaurant/take-away unit.

- Second, as a consequence of the above, it is possible that some sites and premises identified in the applicant's 'long list' may have been incorrectly excluded from the 'short list' due to the lack of flexibility in the applicant's analysis.
- Third, in relation to the assessment of alternative sites in the applicant's current 'short list' of alternatives, we consider that the Kings Quarter site has the potential to accommodate the hotel/restaurant and restaurant/take-away main town centre use elements of the proposal.

6.8 As a consequence of the above, we consider that the applicant has not yet demonstrated that the fixed main town centre land use elements of the proposed development comply with the sequential test. On this basis, we consider the proposal to be contrary to Policy SD2 of the JCS and paragraphs 86 and 87 of the NPPF.

Impact

6.9 In light of the foregoing analysis, we have reached the conclusion that there are a number of short-comings in the applicant's financial impact analysis, these being:

- The turnover of the proposed Class A1 store has been based on the national average sales density of Homebase, yet the applicant acknowledges that the store may be occupied by another DIY retailer.
- The applicant's assessment is based upon the proposed store being occupied by a DIY retailer yet the proposed retail goods control would allow for other possibilities. Therefore, either the proposed control should be amended to focus upon the retail unit remaining as a single DIY store or an updated impact assessment be provided by the applicant to deal with the other eventualities raised by the proposed condition.
- The basis for the trade diversion assessment is not explained and is likely to require two separate scenarios in order to deal with the issue of whether the tenant will be Homebase or another business.
- There will also be a need to provide an expanded assessment to deal with the scenario where Homebase occupy the proposed unit and another retailer occupies their existing store.
- No assessment has been provided for the other food and beverage floorspace proposed as part of this application.

6.10 Notwithstanding the above, it appears to us that based upon the Class A1 retail floorspace remaining as a single DIY store (where or not it is occupied by Homebase), and controls placed on the amount of food and beverage floorspace to be provided, there are unlikely to be any materially harmful impacts on defined 'town centres' from this proposal by itself. We are aware that there is a wider selection of retail floorspace commitments across Gloucester, some of which are likely to be more harmful to 'town centre' health, although we do not envisage this proposal (assuming that it is suitably controlled) making a material difference to scale of cumulative impact upon defined town centres. It would still be useful, however, for the applicant to deal with the above points in an updated impact assessment and note of clarification.