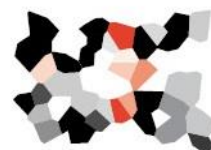
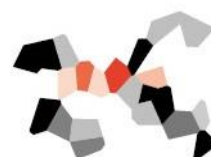


Report on the Retail Statement

**Mixed Use Development Land at Grovefield Way,
Cheltenham**

Application 16/02208/FUL

On behalf of Cheltenham Council



February 2017

C10279



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Client: Cheltenham Council

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1.0 Introduction

- 1.1 This report has been prepared by DPDS on instruction from Cheltenham Council and considers the Planning and Retail Statement (PRS) prepared by DPP dated September 2016. We have also had regard to the planning statement by Hunter Page and other submitted documents.

The Proposal

- 1.2 The description of development on the application form is:

Hybrid application seeking detailed planning permission for a 5,034 sq m of commercial office space (Use Class B1), 502 sq m day nursery (Use Class D1), 1,742 sq m Aldi food retail unit (Class A1), a 204 sq m Costa Coffee retail unit and drive-thru (Use Classes A1 and A3), with associated parking, landscaping and infrastructure works. Outline planning permission sought for the erection of 8,034 sq m of commercial office space (Use Class B1), together with associated car parking, landscaping and infrastructure works, with all matters reserved (except access).

This report is only concerned with the retail/leisure elements of the application.

- 1.3 The site is situated north of North Road West and east of Grovefield Way and immediately south of the A40. To the north, the new BMW dealership is nearing completion and beyond that is the Park and Ride. Immediately to the east is the Reddings residential area, but a little further to the north is a commercial area which includes a retail park with B&Q and Home Bargains, the Nuffield Hospital and an Asda food store. There is no dispute that the application is out-of-centre. The nearest designated centre is Coronation Square some 2km to the north-east and the town centre is some 4km to the east.
- 1.4 Full planning permission is sought for the retail use, the drive-thru, the nursery and phase 1 of the office development. The food store and drive-thru are located at the entrance to the site, with a shared access taken off the new spine road, with the nursery and office development further to the rear of the site. The site area is given on the application form as 4.15 ha.
- 1.5 The site is in the Green Belt but planning permission was granted for employment use in 2007 and according to the applicant's Planning Statement outline permission for B1 offices was granted in December 2014. The applicant claims that this outline permission represents a realistic fall-back position which should be taken into account in determining this application. However, the outline permission does not include retail development so we are not required to assess the fall-back position in retail terms. It appears to us, however, that if there are objections to the retail elements then the fall-back position is likely to be preferable from the Council's point of view.
- 1.6 The proposed operator is named as Aldi and it is stated that that both Aldi and Costa Coffee have contractual agreements with the developer. The Retail and Planning Statement sets out Aldi's business model in some detail. The Council will be aware of the general character of Aldi retail operations and a full description is not necessary. Aldi stores stock fresh and refrigerated items including fresh meat, fish, bread, vegetables and yoghurts/desserts, as well as frozen foods and chilled ready made meals. The range of comparison goods includes clothing, health and beauty products, baby and toddler products, kitchenware, crockery, soft furnishings and gardening goods although not all are available in-store. The range of comparison goods available online is extensive (some 1858 items).

- 1.7 Aldi and Lidl have expanded very greatly in recent years and doubled their combined share of the food retailing market in the last five years to over 10%. It is recognised that Aldi and Lidl now compete with the major food stores on a much wider front. Aldi is now aimed at main food shopping and it boasts that averages of 16.9 items are bought per trip and that this is on a par with Tesco. Its recent expansion has been based on increasing the number of items and it has recently started selling nappies, newspapers and magazines. It is notable that three years ago, its agents gave a figure of 1100 stocked items in a retail statement in Gloucester (Clifton Road).
- 1.8 There is an Aldi store serving the town on Tewkesbury Road. There are two in Gloucester, and Gloucester City Council is considering an application for a third, at Hucclecote. There is a Lidl food store at the eastern end of the High Street. Other food store provision will be described later.
- 1.9 It should however be borne in mind that the permission if granted would not be restricted to Aldi. The Council will be aware of the Mansfield judgment, referred to in more detail later. Although this referred specifically to the operation of the sequential test, it found the operator was not generally a material in the test. The judgment is however a reminder not to give too much weight to a named operator.

2.0 Planning Policy

The National Planning Policy Framework

- 2.1 The applicant's statement covers national planning policy accurately and there is no need to more than summarise it here. The presumption in favour of sustainable development and the emphasis on economic development are identified by the applicant. However, this presumption in favour of development does not apply where the specific policies of the framework indicate that development should be restricted. In relation to retail and other main town centre uses the sequential test (NPPF para 24) and the impact tests (NPPF para 26) are the key issues with regard to our instructions. Where an application fails either test, it should be refused (NPPF para 27). We will consider the advice and the Planning Policy Guidance in more detail in considering the applicant's submissions on these tests as the need arises.

Cheltenham Local Plan 2nd Review 2006

- 2.2 The site is not in an identified town centre in the local plan and the development is therefore out-of-centre. The most relevant policy is RT7 for retail development in out-of-centre locations. This policy states that, subject to policy RT1, retail development outside of defined shopping areas will only be permitted where the need for the development has been demonstrated and the development, individually or in conjunction with other completed and permitted retail development would not harm the vitality and viability of centres. Policy RT1 sets out the sequential test, listing the preference in terms of the retail hierarchy of central shopping area, Montpellier, elsewhere in the Core Commercial Area and district and neighbourhood centres. Out-of-centre sites are the least preferable, and should be accessible by a choice of regular means of transport. Developers are expected to demonstrate flexibility and realism in format, design, scale and car parking. Both policies were "saved".
- 2.3 The Cheltenham Borough Local Plan policies RT1 and RT7 are in accordance with the NPPF advice with the exception of the requirement for applicants for out-of-centre retail development to demonstrate a need for the development, and we would recommend that little weight should now be given to this part of policy RT7.
- 2.4 The emerging Joint Core Strategy reflects the NPPF policies with regard to retail development. It defines the retail hierarchy and sets out the retail requirements for the main towns. Public consultation on amendments will take place this spring. There is no need to consider the policies in detail here or the weight to be accorded to them because they are compliant with the NPPF.
- 2.5 So far as our instructions are concerned, the two key issues for this application are the sequential approach to site selection and the impact tests. If the proposal complies with policy there is no need for us to consider the benefits of the proposal as set out by the applicant in section 5 of its Retail and Planning Statement. If the application fails to comply with the planning policy we will consider them. It is however, primarily, a matter for the Council to assess the weight to be given them.

3.0 The Sequential Test

Preliminary Matters

- 3.1 The sequential test is well known. NPPF para 24 states sets out the order of preference as town centres, then edge of centre sites and only then out-of-centre sites. Edge of centre sites and out-of-centre sites should be accessible and well connected to the town centre. This is modified by the Local Plan policy RT1 which identifies specific preferences within the defined retail hierarchy.
- 3.2 The Dundee judgment of the Supreme Court established that when assessing potential sites for their suitability, it is their suitability for the application proposal which has to be considered, although this is subject to a requirement for all parties to be flexible in the development. A more recent judgment (Aldergate Properties Ltd v Mansfield DC and Regal Sherwood Oaks Ltd ([2016] EWHC 1670 (Admin)) found (para 35) that:
- “Suitable” and “available” generally mean “suitable” and “available” for the broad type of development which is proposed in the application by approximate size, type, and range of goods. This incorporates the requirement for flexibility in [24] NPPF, and excludes, generally, the identity and personal or corporate attitudes of an individual retailer”.*
- 3.3 In para 7.7 the applicant states that the business requirement of any contractually committed named operator is a material consideration. In the context of the sequential test, this is clearly not so. The suitability of sites has to be considered on the broad type of development. This also affects the question of “need” referred to by the applicant in para 7.6 since the need is defined there in terms of the intended operators model. Other operators would define the need differently according to their stores attraction. The adopted Plan (policy RT1) in fact specifies the order of preference specifically, in relation to the defined central area, Montpellier, the rest of the Core Commercial Area, District and Neighbourhood Centres and only then, out-of-centres sites which are accessible by a choice of means of transport. Although dated, we do not believe that it could be argued that this did not comply with the NPPF. Whether this is significant or not in this particular case will become clear later in relation to the sites considered, but it is important that it is clear that the Council is applying the sequential test correctly whatever the conclusion.

Disaggregation

- 3.4 It has become common for applicants to note that it is not a requirement of the NPPF to consider disaggregating the development proposed because, as the Inspector at the Rushden Lakes Inquiry noted, the need to do so is not referred to in the NPPF. The sequential test applies to all main town centre uses, the definition of which includes retail, drive-through restaurants and offices but not nurseries. DPP argues (para 7.3) that given the planning history of the site, the offices should not be included in the sequential site assessment. Its sequential assessment therefore considers only the drive-through and the retail development. We agree that this is a sensible approach.

Flexibility

- 3.5 DPP does set the requirement as a drive-through restaurant rather than as a simple A3 restaurant. At an appeal last year in Exeter (APP/Y1110/W/15/3005333), the Secretary of State

agreed with his Inspector that:

To insist on the same requirement for parking and access in a town centre, which has ample existing parking, service roads and excellent links to public transport, would be unreasonable. Drive-through restaurants do feature within the definition of a town centre and so, to be suitable, it must be possible for these to be accommodated. Nevertheless, as with general access requirements for servicing and other vehicular needs, it would be no more than showing reasonable flexibility to accept that existing streets and access arrangements could provide part of the drive element of such a proposal if not the restaurant area.

- 3.6 There is clearly scope for flexibility, and we do consider the Council would be unreasonable not to regard the drive-through element as a definitive requirement. However, coffee shops are becoming if not a commercial requirement, a significant attraction in office park developments to provide facilities for workers and in this case it would provide such a service for the wider commercial area. There is, in our view, a case that the restaurant has a specific locational requirement which a more centrally located restaurant could not fulfil. New office parks also often contain a convenience store but the proposed Aldi would do much more than meet those requirements and stands to be assessed sequentially in the context of policy RT1 and RT7.

Availability

- 3.7 DPP claims that the correct approach is whether alternative sites are currently available rather than speculating on what might become available, and that this approach was adopted in the Rushden Lakes decision. Neither the decision nor the NPPF qualify “available” by the word “current” or similar restrictive condition. It is in determining applications a matter that the Council must decide. However, the sequential test is a practical test and in our view the Council would be unreasonable to rely on sites which may or may not become available in due course. It is in our view reasonable that sites should be available in approximately the same timescale as the development proposed, but it will depend on local circumstances. At an appeal at Royal Leamington Spa (APP/T3725/A/14/2218334) in February 2015, the Inspector in his consideration of the appeal to sub-divide an existing out-of-centre Homebase unit to create 3/4 new A1 units that “depending on the circumstances of the case, having to be immediately available for occupation seems somewhat too restrictive” (paragraph 17). This decision postdates the Rushden Lake decision and demonstrates the non-binding nature of appeal decisions.

The Alternatives

- 3.8 DPP states that its research has established that there are no vacant units of a suitable size to accommodate the proposal but does not give further details. We agree that most of the units available on property websites are too small. DPP comment that the historic fabric of the Central Shopping Area constrains the potential for larger scale development in the centre. We do not believe this to be true and note that large scale development has taken place and continues to take place in the centre. Furthermore there is no place for generic judgements of this sort in assessments and each development would have to be assessed individually. It is worth commenting on the former Morrison/My Local unit on Winchcombe Street which is on the market. The details indicate that the floorspace is 363 sq m and that it is under offer. We consider it is too small and can be ruled out.
- 3.9 DPP provides a little more detail on the vacant units in the existing Brewery and Brewery Phase II development which is now coming on stream. The existing units are described as Unit 5 (1347

sq m over two floors) and Unit 12 with 449 sq m. This does not tally with the information currently shown on websites. The Brewery website itself shows units 6, 7a and 8 as under offer. While this would not necessarily rule out units as available in the sequential test, none of the units under offer appear to be suitable for medium scale food retailing in terms of size or format.

- 3.10 There are a number of units available in Phase II – mostly in Block B. These are two storey units and designed as modern high street units. We accept that they are not well suited for food store use on the scale proposed.

- 3.11 The main redevelopment site in the town centre is North Place. There is a planning permission for a mixed use scheme including a Morrison food store, but this is no longer proceeding. There is little doubt that the development would need to be rethought. DPP indicate that the current owners' expectations require a high return and that the planning requirements of affordable and public car parking preclude a food store development. In our view, this speculation is not a sufficient basis to rule out the site as a preferable alternative. We appreciate that it is difficult for DPP (or ourselves) to obtain sensitive information, and it is likely that the Council is better placed to understand the current position. We would be happy to comment on the implications of any information that Council was able to supply in the context of the sequential test.

- 3.12 In relation to other sites, we understand that the Promenade scheme has progressed, but our understanding is that this is not to the stage where alternative uses have been settled for the existing building, or the time scale in which it might become available. Again the Council is in a better position to consider the availability of the site.

- 3.13 DPP rejects the St Georges Place/St James Square site as too small and more suitable for housing – noting the SHLAA identifies it (ref S084) for 8 units. This is a case where full car parking would not be necessary in view of its location and the 2013 SHLAA states that it is suitable for housing in part only. It also identifies it as suitable for economic and commercial development, but gives the availability as 6-10 years. DPP comments that it believes a planning application for residential development has been submitted but we have been unable to find it – the only recent applications appear to have been associated with a pay and display car park. We do conclude, however, that the site can be ruled out as not available.

- 3.14 The Odeon/Haynes and Strange site has now been built out as a residential scheme and is no longer available.

- 3.15 DPP has not considered opportunities at Coronation Square. There have been numerous proposals for the redevelopment of the Coronation Square centre over the years. We are not fully aware of the current position with such proposals but in the absence of a development brief or similar document we doubt that a case could be made for a site being available.

- 3.16 Subject to the Council's own knowledge of the North Place site and the proposed relocation of the Council offices from the Promenade, we conclude that there are no suitable sites available in sequentially preferred locations and therefore that the test is met. We would of course comment on information the Council can supply on North Place and the Promenade.

4.0 Retail Impact

- 4.1 DPP states that a retail impact assessment is not necessary because the proposals falls under the floorspace threshold of 2500 sq m the NPPF and there is no local threshold in place. Notwithstanding this, DPP has prepared a retail impact assessment and we will, in accordance to our instructions, examine the retail impact assessment and advise the Council accordingly.
- 4.2 DPP has relied on population data from the 2014 JCS retail study update and a household survey carried out on behalf of CgMs in relation to the proposed Morrison store at North Place. However DPDS carried out a further update of the JCS retail study in 2015, based on a new household study and more, smaller zones. The 2015 update has considerable advantages in estimating the turnover of centres and stores, not least in including the expenditure flows from an area which includes almost all of Cheltenham's catchment area for food shopping. We will examine DPP's estimates of the proposal's turnover and trade diversion in the context of the 2015 study results.
- 4.3 The DPP price base is 2009 to be compatible with the 2014 JCS Retail Study Update. The 2015 update was however, in 2015 prices and it is necessary to convert the DPP figures to 2015 prices. The Experian price indices for convenience goods are 86.7 in 2009 and 104.1 in 2015 (2012 = 100). There is little change in the comparison goods price index between 2009 and 2015 (98.5 in 2009 and 98.6 in 2015) and prices can be taken as stable between the two years.

The Turnover of the Proposal

- 4.4 DPP estimates the turnover of the store at £11.84m – £9.57m from convenience goods sales and £2.70m from comparison goods sales (DPP Appendix 1 Table 4a). In 2015 prices the turnover is £11.49m for convenience goods and £2.70m for comparison goods giving a total of £14.19m.
- 4.5 The estimate is based on the floorspace and sales densities (turnover/sq m) derived from Mintel Retail Rankings 2016. The proposal has 1741 sq m gross floorspace and the net sales is estimated at 1254 sq m which is 72% of the gross. This is very much standard for Aldi proposals. The sales densities are used are £9541/sq m for convenience goods and £10950 sq m for comparison goods. These figures convert to £11455/sq m for convenience and remain at £10950/sq m for comparison goods in 2015 prices and are on a par with those used for Aldi in other studies. We therefore regard the DPP estimate of turnover as reasonable.

The Turnover of Centres and the Main Foodstores

- 4.6 DPP and our own estimates of the centre turnovers (convenience goods only) are shown in the table below. Bearing in mind the different survey samples and local data, the figures are broadly similar. However the JCS figures incorporate more up-to-date population and expenditure forecasts, and take account of more recent shopping developments (up until September 2015).

Table 1 The Turnover of Centres and the Main Foodstores

Centre	2015 JCS Update £m	DPP 2015 Prices £m
Cheltenham Town Centre	27.04	28.88
Morrison Caernarvon Rd	41.61	36.02
Co-op/Sainsbury's, Bath Road	7.11	7.17
Coronation Square	2.29	1.18
Tesco, Collets Way	24.12	39.56
Sainsbury, Tewkesbury Road	43.75	33.89
Waitrose, Honeybourne Way	42.69	28.09
M&S, Kingsditch Retail Park	5.62	2.40
Aldi, Tewkesbury Road	29.57	5.67
Asda, Hatherley Lane	29.33	19.17
Sainsbury, Priors Road Oakley	25.34	24.85
Tesco, Bishops Cleeve	28.83	24.80
Total	£307.30	£251.68m

4.7 The overall difference between the figures is probably attributable to the restricted catchment area in the DPP figures. There are some notable differences at individual store/centre level - particularly with the turnover of the Aldi store on Tewkesbury Road. The JCS figures show an improbably high turnover. This is a common problem with recent retail studies and probably derives from a combination of over reporting in surveys and an assumption that the "basket size" of shop at Aldi is the same as for the mainstream grocery retailers. On the other hand the turnover is likely to have increased substantially with its increased market share since the 2012 household survey and the DPP estimate appears to be significantly too low. The overestimation of its turnover in the JCS up-date indicates that the turnover of other destinations is underestimated. This will primarily affect the out-of-centre stores because of their much greater market share, particularly in main food shopping. We are primarily concerned with the impact on the town centre and Coronation Square and Bath Road centres.

4.8 The JCS estimates of the convenience goods turnover of the centres are:

Cheltenham Town Centre	£27.04m
Coronation Square	£2.29m
Bath Road	£7.11m

The comparison goods turnover of the town centre is estimated at £486m in the JCS Retail Study. Figures are not available for Coronation Square and Bath Road because of the limitations of surveys. DPP estimates the comparison turnover of the town centre at £650m in 2021. We will work to the JCS figures.

4.9 DPP made a reduction for the loss of the Tesco Metro on High Street in the base year and added an estimate for the town centre in for 2021. The adjustment is described as mostly to the

benefit of the town centre shops (para 8.18) although further details are not given. We will assume that all its turnover will divert to other town centre shops and that when the Tesco Express re-opens it will regain its trade from them, leaving the town centre convenience goods turnover unchanged.

- 4.10 DPP allows for growth in turnover and expenditure between 2016 and the design year of 2021, on the basis of a constant market share. However, DPP have made an allowance for the proposal's turnover to increase in line with national productivity increases forecast by Experian. The implication is that it will experience a loss of market share between 2016 and 2021. This is particularly unlikely in the case of Aldi which seen a phenomenal increase in market share recently. We have assumed that its market share remains constant and that its turnover will increase in line with total expenditure growth in the study area. This means that scheme turnover will increase at the same rate as the other destinations and the relationship between it and their turnovers will remain constant between 2016 and 2021. There is therefore no need to forecast forward to 2021 to assess impact. Since Aldi market share is likely to continue to increase at least to some extent this might lead to an underestimation of the impact so we will review this assessment if the impact is likely to be marginal.

Commitments

- 4.11 DPP has made an allowance for the permitted extension to the Aldi store on Tewkesbury Road assuming the same turnover per sq m as for the proposal. With the additional net sales floorspace estimated at 265 sq m the estimated additional turnover of £2.53m, and an additional comparison goods turnover of £0.67m in 2009 prices. In view of the very high turnover indicated for this store by the 2015 household survey, it is in our view likely that some of the additional floorspace will reduce the turnover/sq m rather than attracting additional trade.
- 4.12 DPP has included the Morrison store at North Place as a commitment in the cumulative impact exercise. We understand why, but it is at odds with its view taken with regards to the sequential test. We have suggested that the Council seeks further information on the site with regards to owners' intentions, but we accept that a development based on the extant permission is very unlikely to go ahead. If a new permission is required, any retail content will have to be assessed in relations to commitments and recent developments at that time. Furthermore the North Place proposals are much larger than the current scheme with an estimated turnover of £24.3m (DPP para 8.23). As DPP notes it would be unreasonable to refuse planning permission on cumulative impact grounds if the application proposal formed only a small proportion of that cumulative impact. We have therefore not included it at this stage.
- 4.13 The main comparison goods commitment is the planning permission on the BMW dealership site on Tewksbury Road. DPP estimated the turnover at about £9.5m depending on occupiers, but this may not have included VAT. DPP had estimated that about 70% of this would be diverted from the town centre. Bearing in mind the limited clothing offer on the retail parks, we considered that it was likely to be higher but it was clear that even if all of the turnover were diverted from the town centre, this would not be significantly adverse in the context of the town centre turnover.
- 4.14 DPP also makes an allowance for the impact of the development adjacent to the B&Q at Golden Valley. This was trading at the time of the 2015 household survey and there is no need for a specific allowance.

Trade Draw

4.15 The trade draw assumed by DPP is shown in the table 2 below.

Table 2 – DPP Trade Draw

	DPP Trade Diversion £m 2015 Prices	% Trade Draw
Cheltenham Town Centre	0.37	3%
Morrison Caernarvon Rd	2.28	18%
Co-op/Sainsbury's, Bath Road	0.00	0%
Coronation Square	0.00	0%
Tesco, Collets Way	1.80	15%
Sainsbury , Tewkesbury Road	0.65	5%
Waitrose, Honeybourne Way	0.29	2%
M&S, Kingsditch Retail Park	0.96	8%
Aldi, Tewkesbury Road	0.61	5%
Asda, Hatherley Lane	2.73	22%
Sainsbury Oakley	0.24	2%
Tesco, Bishops Cleeve	0.00	0%
Morrison, North Place	1.74	14%
Other Stores	0.74	6%
Total	12.41	100%

4.16 The calculation of the trade draw is not described and we assume that it is based on judgement. The table includes diversion from Morrison North Place. While it is reasonable to assume that there would be trade diversion from the store if it were built, this is very unlikely. The implication is that the trade diversion from the existing stores as a result of the Aldi development would be greater. In the event that it were built, we regard 14% as too high a trade diversion compared with the 15% on Tesco on Collet Way and 18% from the Morrison at Caernarvon Road.

4.17 The trade draw of 5% from the Aldi appears significantly too low – it will have the same offer and is the nearest food discounter to the proposal. They will have overlapping catchment areas. We would also expect considerably more of the trade to be diverted from the Asda given the similar market orientation and closeness of the store. We would also expect more trade to be diverted from the Morrison store at Caernarvon Road – it is relatively close and would be easy to get to for most people in the Morrison catchment area. In contrast the trade draw from stores on Tewkesbury Road appear too high given that there is already an Aldi trading there.

4.18 Most of these doubts are concerned with the trade draw from other out-of-centre stores. With regard to trade draw from centres, DPP estimates that only £0.37m would be diverted from the town centre. It is tempting to think of most of the shopping in the town centre as top-up

shopping but the JCS Retail Study indicates that about 55% of its convenience goods turnover is derived from main food shopping. This may be over-estimated because the basket size of a main food shopping trip in the town centre may well be smaller than at a large food store, but that would also suggest a lower overall turnover, so the impact might be greater. Significantly most of shoppers in the survey using Lidl and Iceland in the town centre regarded that as their main food shop. We consider that DPP has underestimated the likely trade diversion from the town centre, particularly because of the likely impact on the Lidl store which accounts for over 25% of the town centre convenience goods turnover. However, it is clear that even if a substantially larger amount were diverted from the town centre as result of the proposal, with a combined turnover of about £513m in the town centre, the impact would not be significant.

- 4.19 Caernarvon Road is a designated centre and the impact is a material consideration. The centre comprises largely the Morrison store and the JCS estimates indicate that it is still trading well above the company average. There is no realistic risk of its closure even if the trade diversion to the proposed Aldi store were much greater.
- 4.20 DPP estimates no trade diversion from Bath Road or Coronation Square. We agree that trade diversion from Bath Road, and smaller centres to the east of it, would be very small given the distance to the proposed store and the more local nature of the shopping in the centres.
- 4.21 Coronation Square is much closer and the main food shops there, Iceland and Farmfoods share Aldi's market orientation. We consider that there are two factors which indicate a very limited impact on the centre. First the Aldi on Tewkesbury Road is reasonably accessible to those residents in the centre's catchment and many will simply swap to a more convenient store. Second, the catchment area of the centre is also in the catchment area of the Asda store and the main impact will already have been experienced with opening of the Asda. This suggests greater impacts on the Asda and Aldi stores but to a limited impact on Coronation Square. We consider that would be some further trade diversion, but accept that it would be limited and that it would be difficult to demonstrate a significant adverse impact – not least because of the difficulty of establishing trading levels in small centres on the basis of sample surveys. The centre has not performed well for many years but in view of this conclusion there is no need to consider the centre's vitality and viability in detail here.

Cumulative Impact

- 4.22 In terms of cumulative impact, the extension to the existing Aldi is likely to have limited impact on any centres not least because of its size. If there is any impact on Coronation Square, this would reduce any additional impact of the proposed store and the small sums involved are within any margins of error. The main commitment is the redevelopment of the BMW dealership on Tewkesbury Road. In relation to the town centre, the impact of this development will be much greater and form a high proportion of the combined impact. The additional impact of the Aldi proposal would be so small that it would be unreasonable to refuse planning permission having accepted the much greater impact of the committed development. The committed development would give virtually no trade diversion from either Coronation Square or Caernarvon Road whether it trades in fashion or bulky goods – comparable goods are simply not available in those centres. There is therefore no realistic risk of a significantly adverse cumulative impact from the application development.

Impact on Planned Investment

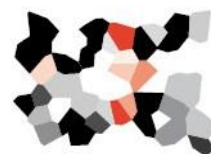
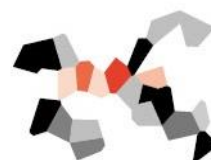
- 4.23 Significant investment is taking place in the town centre at present, with the Brewery Phase II and the John Lewis department store. We have considered the main sites in the sequential test assessment and are not aware of any further planned investment in the town centre which has reached the stage where it should be taken into account. There have been proposals for the redevelopment of Coronation Square, but these were dropped and we are not aware of any current proposals. We will comment further if the Council brings any proposals to our notice.

Overall Conclusion on Impact

- 4.24 The proposal is relatively small and the impacts are likely to be experienced mostly by the existing foodstores. Although we disagree with DPP on the likely trade draw, the main foodstores are mostly out-of-centre and the impacts on centres are therefore likely to be limited. The centres where the potential impacts are greatest are the town centre, Caernarvon Road and Coronation Square. The comparison goods turnover of the town centre is so large that the impact on the centre as a whole would be negligible even if much greater than forecast by DPP. The impact on Caernarvon Road would be on the Morrison store which comprises the majority of the centre. This is operated by a major national company and is trading considerably above the average for the company. Its closure as a result of this proposal or any cumulative impact is highly unlikely. Coronation Square is a weak centre but we conclude the trade diversion is likely to be small because the existing Aldi store on Tewkesbury Road and the Asda store on Hatherley Lane are already conveniently accessible to the users of the centre and the proposed store would offer little qualitatively that is not already available. We are not aware of any investment proposals in these centres which would be jeopardised by the application proposal. We therefore conclude that the impacts tests are passed.

5.0 Conclusions

- 5.1 The proposal includes office, retail and restaurant uses on an out-of-centre site and national and local planning policy indicates that the sequential and impact tests are relevant. The site has an outline planning permission for office use and we agree with the applicant that the sequential test is of little value in deterring that use. We also consider that the restaurant use is closely linked to the office development, and surrounding commercial uses and that there is an element of locational specificity which indicates that similar development in any existing centre could not meet. The Aldi would meet the same requirement from local workers but is larger than needed to serve the development itself and would also meet a much wider market. It should therefore be subject to the sequential and impact tests.
- 5.2 In relation to the sequential test, we accept that there are no suitable vacant premises in the relevant centres. We consider that more information is required on the current position of development on North Place and the Promenade (the Council Offices). This is information that the Council is probably in a better position to obtain and we recommend that it is sought from the departments concerned. We would be happy to comment on any additional information supplied.
- 5.3 We conclude there is unlikely to be any significant adverse impacts on the vitality and viability of any centre, or investment in it, either from the development on its own or cumulatively in association with other developments with planning permission. The proposal is likely to impact mostly on the large foodstores in the area and the out-of-centre Aldi in Tewkesbury Road. We have examined the likely impact on the town centre, on the Caernarvon Road centre and Coronation Square and consider that the trade diversion would be larger than DPP indicates in each case. However, the town centre turnover is so large compared with that of the proposed development that there is no realistic risk to its vitality and viability. The Caernarvon Road centre is dominated by a large mainstream food store which is trading well and there is no realistic likelihood of it closing as a result of the proposal. Coronation Square is a weak centre but we conclude the trade diversion is likely to be small because the existing Aldi store on Tewkesbury Road and the Asda store on Hatherley Lane are already conveniently accessible to the users of the centre and the proposed store would offer little qualitatively that is not already available. We therefore conclude that the impact test is passed.
- 5.4 We therefore conclude that the proposal is in accordance with national and local policy for retail development. In relation to restaurant development, the proposal would serve a largely local need and the sequential test would be of little assistance in determining the application.



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