

Our Ref: NT/LM/1004909

Your Ref:

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Dear Melissa

Proposed extension to Wm Morrisons store, Cambourne

In accordance with our brief, I am writing to advise you on the proposed internal alterations to the existing Wm Morrisons store (hereafter referred to simply as Morrisons).

The proposal will increase the store's sales area from 2,800 sq m to 3,200 sq m and increase the area for the sale of comparison goods from 464 sq m to 596 sq m.

Specifically you have asked that I advise on:

(a) how retail planning policy guidance set out in the National Planning Policy Framework is being applied to proposals such as this. This provides the formal policy context within which the application proposal should be assessed.

(b) the impact of the proposal on existing, committed and planned public and private investment in the centre.

I consider that (b) is the determinant issue in this case and the size threshold is clearly also an important consideration.

You have asked that I not necessarily restrict myself to this brief and advise if I consider there to be any other matters of relevance.

Background

I have been provided with considerable background information on this proposal and from this, I draw the following main points:

- Outline planning permission for a mixed-use scheme including a foodstore in a village centre with shops was granted in April 1994 (ref: S/1371/92/0).
- Reserved matters approval for a foodstore and market square was granted in January 2002 which included a restriction on the sales area of the store to 2,800 sq m (ref: S/6133/01/RM).

- Permission was refused in September 2008 for an extension of the sales area and changes to the car park on the basis of loss of parking, but only on the basis of the loss of parking (ref: S/6393/07/F).

At this stage, I place no weight on the decision made by the Council in September 2008.

The table below summarises the changes in the existing and proposed floorspace, both in terms of quantum and use type, in sq m and as a % of the total floorspace of the store:

Convenience	2,336 (83%)	2,604 (81%)	+268
Comparison	464 (17%)	596 (19%)	+132
TOTAL	2,800 (100%)	3,200 (100%)	+400

Background information to the planning application makes the case for the proposal on the basis that it is the only foodstore in the centre, conditions within the store have become uncomfortable at busy times, greater circulation space is needed, the internal arrangements are different to those experienced in other Morrisons stores, impact on other stores will be negligible and widening the range of goods that can be sold will not cause harm and will benefit customers.

National Planning Policy Framework

The National Planning Policy Framework (the Framework) was published in March 2012. It replaced over 1,000 pages of guidance with around fifty.

Specifically with regards to policy guidance on retail development, Planning Policy Statement No 4 (Planning for Sustainable Economic Growth, 2009) is replaced by paragraphs 23-27 in Section 2 (Ensuring the vitality of town centres).

In simple terms, the Framework reinforces the “town centres first” principle from earlier guidance which seeks to direct town centre uses, of which retail is one use, to town centres so that these are competitive, vital and viable. Annex 2 of the Framework (page 57) defines “town centres” and this makes it clear that this definition applies to even the smallest centres, unless these are a small parade of local shops of purely neighbourhood significance. It is evident that the retail facilities at Cambourne serve a wider market and are not of neighbourhood significance, and hence for the purposes of applying the guidance in the Framework, it is clear that the Morrisons store forms part of a town centre.

A key element of policy guidance is the sequential approach whereby proposals for town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan are directed to sites in town centres, then to sites on the edge of sites and then to sites outside of town centres.

It goes on to advise that an impact assessment will be required if the proposal is outside of a town centre and is not in an up-to-date Local Plan, and is over 2,500 sqm or a locally set floorspace threshold.

The impact assessment should consider:

- (a) the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
- (b) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made.

It goes on to advise that for major schemes where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time the application is made

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

I confirm that I have reviewed appeal decisions made since the Framework was published in March 2012 and there are none of relevance to this case.

Therefore, having regard to the specifics of this case, I consider that for this proposal, the key retail policy tests are:

- (a) whether the proposed use should be the subject of a sequential test assessment; and
- (b) whether the proposal will impact on the overall vitality and viability of the centre of Cambourne and effect on future investment in the centre.

I confirm that given the scale of the proposal and in the absence of a locally set threshold, it is understandable that a retail study has not been submitted in support of the application. This does make it more difficult to consider the practical question of the impact of the proposal and I address this below.

Sequential test

As the proposal is in an existing centre - indeed, it is clear that the original design rationale for the proposal was to create a “village store”, later defined as a “market square” – I confirm that a sequential assessment is not needed. In terms of the guidance in the Framework, the proposal is located in a designated “town centre”.

Impact of the proposal

In assessing the impact of the proposal, I am mindful that a retail study has not been submitted in support of the proposal and therefore although a little out of date, I have turned to the following retail studies to provide background quantitative and qualitative information:

- Cambridge Sub-Region Retail Study, GVA (2008)
- North West Cambridge Supplementary Retail Study, NLP (2010)

These studies provide a range of background quantitative and qualitative information.

(a) Background information – GVA Study

The net floorspace of the existing Morrisons store is 2,992 sq m, with 90% of the floorspace used for the sale of convenience goods. If the store was to trade in line with company average turnover levels, the total turnover would be £30.1m, however it is estimated that the store is trading below company average levels at some £23.1m.

There were a number of retail proposals for Cambourne: a supermarket (net sales area of 1,063 sq m and a turnover of £5.7m in 2016), convenience unit shops (net sales area of 440 sq m and a turnover of £1.2m in 2016) and comparison shops (net sales area of 2,968 sq m and a turnover of £10.4m in 2016). If built, the total turnover of retail businesses in the centre would be around £50m.

Policy ST/9 sets out the retail hierarchy and states that any proposals for new retail development should be consistent with the position of the centre in the hierarchy.

Cambourne is identified as a Rural Centre. Although the publication of this study predates the Framework, for the purposes of applying the guidance in the Framework to this proposal, it is clear that Cambourne is a town centre.

The vitality and viability of each centres in the study area is analysed in Table 7.1. The supporting text explains that Cambourne has a total of 18 units, but not all of the floorspace in the centre has been built. It notes that all of the centres have a good range of convenience, comparison and service uses and vacancy rates are very low, which indicates that the centres are healthy. Specifically with regards to Cambourne, it notes that it is still expanding and there are outstanding retail permissions which have not yet been implemented. These include a plot for a DIY store/garden centre and six further plots which it is anticipated will be developed to provide a more substantial high street offer with larger units attracting multiple retailers.

It is noted that immediately adjoining Morrison's are two developments that have already been built (Caxton House and W2). These comprise a high proportion of service uses including a public house, estate agents, a building society, takeaways and a restaurant. It was noted that this area appeared to be quieter than the Morrison's store.

It is anticipated that only pipeline development at Cambourne is likely to come forward by 2011 and the addition of a supermarket and unit shops there would not utilise all the capacity identified in the short-term.

The amount of comparison floorspace at Cambourne High Street was reduced from 6,527 sqm gross to 4,117 sqm. This has been netted down to an additional 2,968 sqm net at Cambourne over the LDF period. It was anticipated this development will come forward by 2011.

(b) Background information – NLP Study

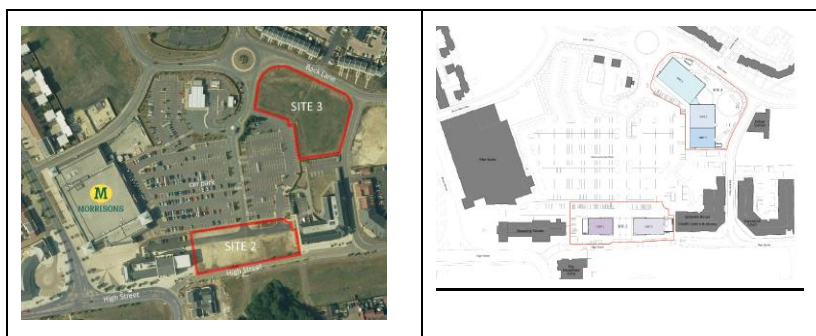
It was noted that the proposed 1,063 sq m net supermarket and 440 sq m net convenience shop units were no longer included in the development pipeline as it was assumed that it was unlikely that these would come forward at this time.

The proposed new main foodstore at the NW AAP (University) Site was the only location expected to impact on Cambourne Rural Centre. It noted that this is a new purpose built centre anchored by a larger foodstore, and whilst it is still expanding (there is significantly more housing to be built) and therefore yet to fulfil its potential, the centre appeared to be relatively vital and viable. The level of predicted trade diversion is low and hence it was not expected to adversely affect the vitality and viability of Cambourne Rural Centre which was still expanding.

(c) Planning application update

It is relevant to note that since Morrisons' application was submitted, two applications for retail development in Cambourne were submitted and both have been approved.

The first application (ref: S/1666/12/FL) was for 5 retail units comprising 2 standalone retail units (site 2) and 3 retail warehouse units (site 3). In total, the application comprised some 473 sq m of convenience floorspace. Both sites adjoin the existing Morrisons store and an aerial photo showing this and a plan showing the layout are provided on the next page:



The second application was for a stand-alone foodstore (ref: S/2138/12/FL) of some 495 sq m gross. We understand that Co-op will be the operator. The location plan of the store and a site plan is provided below:



(d) Quantitative Impact Assessment

In terms of the quantitative effects of the proposal, it is relevant to note the previous observation that the existing Morrisons store is under-trading.

Given the qualitative deficiencies of the store in terms of its cramped layout, the increase in sales area is unlikely to lead to any material increase in the store's convenience turnover and it is likely that the store will continue to under-trade relative to the company's national average.

I do not consider that the increase in the convenience sales area of 268 sq m will result in any material increase in the store's turnover and I do not consider that it will impact on other businesses in the centre to any material degree.

I reach a similar conclusion in relation to the proposed increase in the comparison sales area of 132 sq m.

Moreover, given the existing store is in a designated "town centre", the increase in the turnover of the store will lead to an overall increase in the turnover of the centre as a whole which is supported in principle by national planning policy guidance.

I note also that both retail studies (2008 and 2010) concluded that the centre is trading well and it is vital and viable. In my opinion, this is consistent with the decision made to secure planning permission for two separate retail developments in the centre.

(e) Qualitative impact assessment

In terms of qualitative impact considerations, the test is whether the proposal will impact on existing, committed and planned public and private investment in the centre.

In this case, despite Morrisons' application, two separate applications for retail development have been submitted, one of which is for a Co-op store.

In our opinion, this is evidence that the proposal has not impacted on planned investment in the centre. Had either applicant been concerned at the effects of Morrisons' application, they would not have submitted.

Overall, I conclude therefore that the proposal will not impact on the vitality and viability of the centre or undermine investment in the centre.

Summary

Morrisons' proposal seeks permission for internal changes to the sales area of an existing store that anchors a designated local centre.

In quantitative terms, the proposal will not impact on the vitality and viability of the centre, indeed it will increase the overall turnover of the centre.

In qualitative terms, it will improve the store and it will not harm the centre. Together with recently approved proposals to extend the centre, the proposal will enhance the overall vitality of the centre.

We recommend that permission should be granted for the proposal.

Yours sincerely

Nick Taylor

Head of Planning

For and on behalf of Carter Jonas LLP

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