

Application No: 16/5678M

Location: Land At Junction Of Earl Road And, EPSOM AVENUE, HANDFORTH

Proposal: Demolition of existing buildings and erection of five units to be used for Class A1 (Non-food retail) purposes and two units to be used for Use Class A1 (Non-food retail or sandwich shop) and/or Use Class A3 and/or Use Class A5. Creation of car park and provision of new access from Earl Road, together with landscaping and associated works. (Resubmission 15/0400M).

Applicant: Orbit Investments (Properties) Ltd

Expiry Date: 17-Feb-2017

SUMMARY

The justification for policy E2 of the local plan explains that retailing is not permitted (on existing employment sites) because it would reduce the amount of employment land available and provision is made elsewhere for retailing. It is acknowledged that the proposal would generate a significant number of jobs; however it is not considered that the merits of the proposal should be judged by the numbers of jobs it creates. B8 uses are an employment use and do not typically generate the same number of jobs as a B1 or B2 use with a comparable floorspace. Employment allocations are important to provide land for substantial buildings (including warehouse buildings) that cannot be located elsewhere such as in town centres or countryside locations. The proposal will result in the loss of employment land at a time when the Council is actively allocating additional employment land as part of its emerging local plan. The need for sites is such that even Green Belt locations are currently being identified for future employment purposes in the north of the Borough. The loss of the application site would exacerbate this situation and place further pressure to locate sites within the Green Belt.

The proposal is therefore contrary to policies E1 and E2 of the Macclesfield Borough Local Plan, and the caveat within paragraph 22 of the Framework which seeks to avoid the long term protection of employment sites where there is not reasonable prospect of it being used for employment purposes does not apply. The existing warehouse building on the application site is occupied and therefore it cannot be concluded that there is no reasonable prospect of the site being used for employment purposes.

Whilst additional information has been submitted by the applicant relating to the warehouse and office market in south Manchester and the marketing that has taken place on a neighbouring office building since 2007, the existing building is currently in active use, which demonstrates that there is a need for it at this time. Therefore, the loss of employment land is considered to significantly and demonstrably outweigh the benefits of the proposal. Accordingly the application is recommended for refusal.

SUMMARY RECOMMENDATION

Refuse

PROPOSAL

The application seeks full planning permission for the demolition of existing warehouse building and erection of five units to be used for Class A1 (Non-food retail) purposes and two units to be used for Use Class A1 (Non-food retail or sandwich shop) and/or Use Class A3 and/or Use Class A5. It also includes the creation of car parking and provision of new access from Earl Road, together with landscaping and associated works. The existing office building in the north east corner of the site will be retained.

The application is a resubmission of application 15/0400M which was refused in March 2016 due to the loss of employment land and now the subject of an appeal in June this year.

SITE DESCRIPTION

The application site comprises existing warehouse and office buildings on the corner of Earl Road and Epsom Avenue. The site is located within an Existing Employment Area as identified in the Macclesfield Borough Local Plan.

RELEVANT HISTORY

15/0400M - Demolition of existing buildings and erection of five units to be used for Class A1 (Non-food retail) purposes and two units to be used for Use Class A1 (Non-food retail or sandwich shop) and/or Use Class A3 and/or Use Class A5. Creation of car park and provision of new access from Earl Road, together with landscaping and associated works – Refused 08.03.16

13/3041M – Extension to time limit of 03/2155P – Approved 08.06.2016

03/2155P - erection of 2no. Three/ four storey office blocks – Approved 04.08.2008

NATIONAL & LOCAL POLICY

National Policy

The National Planning Policy Framework (the Framework) establishes a presumption in favour of sustainable development. The Framework sets out that there are three dimensions to sustainable development: economic, social and environmental. These roles should not be undertaken in isolation, because they are mutually dependent.

Of particular relevance are paragraphs:

22 (long term protection of employment sites)

24, 26 and 27 (town centres)

Local Plan Policy

Macclesfield Borough Local Plan -

NE9 (River corridors)

NE11 (Nature conservation interests)

BE1 (Design principles for new developments)

E1 (Employment land)

E3 (Employment land – business)

E4 (Employment land – industry)

T3 (Improving conditions for pedestrians)

T5 (Provision for cyclists)

IMP1 (Provision for infrastructure)

IMP2 (Need for transport measures)

DC1 (High quality design for new build)

DC2 (Design quality for extensions and alterations)

DC3 (Protection of the amenities of nearby residential properties)

DC5 (Natural surveillance)

DC6 (Safe and convenient access for vehicles, special needs groups and pedestrians)

DC8 (Requirements to provide and maintain landscape schemes for new development)

DC9 (Tree protection)

Other Material Considerations

National Planning Practice Guidance

Cheshire East Local Plan Strategy – Proposed Changes Version (CELP)

The following are considered relevant material considerations as indications of the emerging strategy:

SD1 Sustainable Development in Cheshire East

SD2 Sustainable Development Principles

EG3 Existing and Allocated Employment Sites

EG5 Promoting a Town Centre First Approach to Retail and Commerce

CONSULTATIONS

United Utilities – No objections subject to conditions relating to drainage

Environmental Health – No objections subject to conditions relating to pile driving, floor floating, dust control, travel planning, electric vehicle infrastructure and contaminated land.

Head of Strategic Infrastructure – No objections subject to financial contribution to improve accessibility of the site.

Flood Risk Manager – No objections subject to conditions

Public Rights of Way – No objection subject to advice note on developer's obligations regarding public right of way.

Stockport MBC – Comments awaited

Handforth Parish Council – No objection

REPRESENTATIONS

None received

APPLICANTS SUBMISSION

The following documents accompany the planning application and can be viewed in full on the application file:

- Planning & Retail Statement
- Design & Access Statement
- GCN Appraisal
- Bat Roost Potential Appraisal
- Energy Assessment
- Tree Survey and Arboricultural Implications Report
- Environmental Site Investigation Report
- Extended Phase 1 Habitat Survey
- Flood Risk Assessment
- Transport Assessment
- Ecological walkover assessment
- Employment land and economic benefits assessment
- Letter from occupant of building
- Letter from applicant's letting agent
- Handforth Dean Business Park Marketing Report
- South Manchester Market Analysis

APPRAISAL

The key issues in the determination of this application are:

- Loss of employment land
- Retail impact
- Highways safety and traffic generation

ECONOMIC SUSTAINABILITY

Loss of Employment Land

The application site is located within an area of Existing Employment Land as identified in the Macclesfield Borough Local Plan. The existing warehouse building, which is to be demolished, is occupied by Gradus Carpets, and the existing office building, which is to be retained, is occupied by Pets at Home and Hotchief.

Policy E1 of the local plan states that "Both existing and proposed employment areas will normally be retained for employment purposes" and policy E2 states that "On existing and proposed employment land, proposals for retail development will not be permitted". It is therefore clear that the proposal is contrary to policies in the adopted development plan.

Planning decisions must be made in accordance with the development plan unless material considerations indicate otherwise. The Framework is a significant material consideration and

includes a presumption in favour of sustainable development. This means that where the development plan is absent, silent or relevant policies are out of date, permission should be granted unless any adverse impacts of doing so would significantly outweigh the benefits, when assessed against the policies in the Framework as a whole; or specific policies in the Framework indicate development should be restricted.

Policies E1 and E2 of the Macclesfield Borough Local Plan are considered to be consistent with the Framework to the extent that they seek to provide and retain a range of employment land in order to facilitate sustainable economic growth. However, paragraph 22 of the Framework states that, "Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose".

Policy EG3 of the emerging local plan also seeks to protect existing employment sites for employment use, unless there are environmental problems that cannot be mitigated or the site is no longer suitable or viable for employment use. For it to be no longer suitable or viable, there should be no potential for modernisation or alternate employment uses, and no other occupiers can be found.

With regard to the employment land issue, the applicant makes reference to the application which granted consent for the Next store on the opposite side of Earl Road. They maintain that similar to the Next site, the application site has experienced very low market demand for the approved office buildings since permission was granted in 2008, evidenced by the fact the units have never been constructed. Furthermore, another building owned by the applicants of 2407sqm on the opposite side of Epsom Avenue to the application site that was speculatively constructed following planning permission granted in October 2001 has never been occupied and remains vacant over 10 years after being built. The same permission also approved a second office building of the same size, which has not been constructed due to the absence of demand.

As part of the current application submission, the applicant has submitted additional information (compared to the previously refused application) seeking to address the loss of employment land reason for refusal. This range of documents outline the employment land situation in Cheshire East, the economic benefits of the proposal, details of the marketing of Epsom House (the office building constructed in 2007), a summary of the warehouse and office market in south Manchester, and a letter from the current occupant of the warehouse building (Gradus).

These documents include the following details:

Background information

- Gradus occupy warehouse employing 7 people.
- Occupied on a short term lease basis (4 month) – does not benefit from security of tenure as would be expected from an ordinary commercial lease.
- Level of rent is significantly below the standard market rate necessary for its long term viability
- Gradus has new owner and their requirements are changing

Employment land policy context

- Policy E1 of local plan out of date – inconsistent with NPPF
- Emerging plan makes provision for 380ha of employment land across the Borough to 2030.
- 22ha allocated for Handforth of which Handforth East will provide 12ha.
- Council's Employment Land Review (2012) (ELR) suggested need for between 1.74ha and 1.98ha of employment land between 2009 and 2030. Losses likely to come from small sites totally 0.81. Resultant gross requirement is 2.79ha.
- 3 sites identified in ELR as having potential to contribute to employment land portfolio in Handforth totalling 10.7ha including application site.
- Results in an oversupply of at least 7.91ha within the area.
- Approval granted for demolition of warehouse and erection of office blocks. Loss of warehouse considered acceptable by CEC and no justification for citing retention of warehouse as reason to refuse.
- Proposal is mixed use development because offices are being retained.
- Policy E2 is out of date and in conflict with NPPF
- Proposal complies with up to date MBLP policies
- Proposal complies with definition of economic development in glossary to NPPF
- MBLP out of date – limited weight should be afforded to policies E1, E2, E3 and E4
- Emerging local plan makes allowance for employment land losses of 144ha to 2030
- Land loss would amount to 1.03ha, less than 1% of total loss CEC has made provision for.
- Focus for employment land in local plan is very much on the larger towns of Macclesfield and Wilmslow

Over supply of Employment Land in Handforth

- ELR recommendation of up to 1.98ha of employment land in Handforth at odds with CEC allocation of 22ha of employment land for the same area.
- In quantitative terms loss of site is covered by availability of other sites in Handforth.

Conflicting approaches to employment land loss in Handforth

- Loss of employment land accepted at Next site opposite
- No clear prospect of current site being used for employment purposes when permission exists for two office blocks totalling 11,333sqm and Epsom House (on opposite side of Epsom Avenue) never been used since construction began in 2007.
- Trampoline Park granted elsewhere on same business park, where officers concluded that there was no reasonable prospect of B1 use class coming forward, and the proposal still provided employment.

Market attractiveness of the proposed development site

- Site suited to offices rather than B2/B8 uses
- Established office locations Wilmslow town centre, Stockport town centre, Cheadle Royal and Manchester Airport account for over 40% of total take up of office space in south Manchester in recent years
- Site has limited scope to attract occupiers
- Current demand for warehousing is along motorway corridors
- B8 uses can also be met at Airport City part of Manchester Enterprise Zone with associated financial incentives
- Far from ideal access to motorway network

- Area known as a retail destination
- Vacant units –
 - 4 Brooke Park vacant for 4 years before being let to leisure operator
 - Epsom House vacant since 2007
- Rents at Handforth Dean offered below market
- Units 1 and 4 Brooke Park are most recent lettings on business park and both went to leisure operators

Market demand for application site

- Sustained marketing for Epsom House and Ascot House since 2008
- Access does not meet expectations; surrounding environment is retail; no exposure to A34; location main reason for interest not being progressed.
- Since 2008, 600,000sq.ft of office space has been transacted – no interest in Epsom House or other approved buildings
- Existing warehouse buildings would not attract new occupiers because:
 - Internal layout with level change is unusual
 - Building is approximately 40 years old and unsuitable for modern occupiers
 - Poor motorway access
 - Internal layout poor
 - Eaves height too low
 - Building has 50% site coverage which is higher than ideal 35-40% to allow for turning, loading etc.
- Not commercially viable to bring building up to modern day standards

Economic benefits

- 10 FTE jobs in construction, assuming a 12 month build programme
- 15 FTE jobs could be supported over the 12 month programme through linkages with construction programme
- Supply chain expenditure
- Contribution to local economic output
- 283-291 FTE jobs when operational
- Business rate contributions
- S106 contributions offered towards employment generation and investment in people and skills development, apprenticeships and / or infrastructure works at employment sites in the Handforth area.

The applicant concludes that, having regard to all of the above information, demand does not exist for this type of floorspace in this location and there is therefore no reasonable prospect of the site being used for that purpose.

However, it should be noted that the employment land requirement in the emerging local plan, which was based upon the 2012 Employment Land Review (ELR) undertaken by Arup, has increased from the previously proposed 351ha within the submission version of the Local Plan Strategy to a gross requirement now of 378ha. This new higher figure is based on the latest (2014) Cheshire & Warrington Econometric Model (CWEM) employment projections, as opposed to the 2011 figures that the Council's 2012 ELR was based upon.

The employment evidence base collated by the Council to support the proposed quantum and distribution of land to meet employment requirements includes a report by Ekosgen called '*Alignment of Economic, Employment & Housing Strategy*'. This report (July 2015) assesses levels of potential employment growth over the Local Plan period in light of the publication of updated economic projections; and the associated implications for employment land requirements, including Cheshire East's ability to capture such growth, based on the area's historic performance and the availability of employment land and associated infrastructure.

This report notes that with regard to the distribution of the additional 27ha of employment land, it is noted that the north of the Borough will continue to be attractive to businesses keen to be based in locations with easy access to Manchester City Centre. As such there is a strong case to allocate a substantial proportion of any additional land to the north of the Borough.

The proposed distribution of employment land across the Northern settlements of Cheshire East has been accordingly increased in the Proposed Changes Version of the Local Plan Strategy.

The proposed level identified for Handforth is 22ha, which includes 12ha within the proposed North Cheshire Growth Village, plus an additional 10ha. The latest iteration of the Local Plan Strategy notes that on 31 March 2013 there was a supply of 9.72ha (which includes the application site), leaving 0.28ha to be found via the site allocations process to meet the 10ha requirement. However, it should be noted that the supply also appears to include the site of the new Next store, and as such the area to be identified through the site allocations may be higher (approximately 1.26ha higher).

Added to this, whilst the applicant's comments regarding the absence of any interest in their existing office developments / permissions are noted, the fact still remains that the buildings on the site are currently occupied for employment uses. It is therefore impossible to conclude that there is no "*reasonable prospect of a site being used for that purpose*". The land allocation is currently being reviewed as highlighted above through the local plan process and as noted there is a requirement for more employment land provision, particularly in the north of the Borough.

Consequently there is not considered to be any material planning considerations to justify the loss of the employment land. The proposal is therefore contrary to policies E1 and E2 of the Local Plan.

Retail Impact

Policy S2 of the Macclesfield Borough Local Plan deals with proposals for new retail development outside of existing centres. This policy includes that there should be a proven need for the proposal. However, the Framework supersedes this and does not require applicants to demonstrate the need for the development. The Framework does require that proposals demonstrate that they satisfy both the sequential test and the impact assessment tests. Paragraph 27 of the Framework is clear that where an application fails to satisfy the sequential test or is likely to have significant adverse impacts, it should be refused.

On this basis, the Council need to be satisfied that there are no more sequentially preferable sites available and that there would not be a significant adverse impact on investment in centres within the catchment of the proposal or on town centre vitality and viability.

THE SEQUENTIAL APPROACH

Paragraph 24 of the Framework requires:

“applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered... Applicants and planning authorities should demonstrate flexibility on issues such as format and scale.”

The site is allocated as an Existing Employment Area under policies E1, E2 and E3 of the MBLP. The site sits to the north of Handforth Dean Shopping Centre which is not a designated retail shopping area. The nearest centre is Wilmslow town centre which is approximately 2.5km to the south. Therefore, the site is located in an out of centre location. There are a number of site and application specific factors relevant to consideration of the site at Earl Road under the sequential test. These are summarised as follows:

- The proposed site is 1.87 ha;
- The proposed car park consists of 240 spaces (including 17 disabled spaces) 40 cycle parking spaces and 10 motorcycle spaces;
- There is a total floorspace of 6035sqm and a net sales area of 5,130sqm;
- The development is divided into seven units, five are for non-food retail and two are for non-food retail, cafe/restaurant or sandwich;

The Framework states that the application of the sequential test should be proportionate and appropriate for the given proposal. The test also requires a demonstration of flexibility for the proposed development. If no town centre sites are found, preference should be given to accessible sites in an edge of centre or out of centre location that are well connected to the town centre. Only if there are no suitable sequentially preferable locations, the sequential test is passed. The NPPG also mentions that robust justification must be provided to show if certain main town centre uses have particular market and locational requirements that may only be accommodated in specific locations.

The applicant's retail submission in terms of the sequential assessment relies mainly on the details submitted as part of the previously refused application. The applicant has re-visited the same sites considered previously in and on the edge of Handforth District Centre, Macclesfield Town Centre, Stockport Town Centre and Wilmslow Town Centre.

Handforth district centre

Handforth accommodates local shopping requirements on a limited scale. Some of the smaller units would be able to accommodate the A3/A5 units proposed by the application. However, in relation to the sequential approach to development, it should be assessed whether the whole scheme (with a degree of flexibility) could realistically be moved to another location. Any potential sites in Handforth are too small to accommodate the whole scheme and therefore there are no known sequential sites that could be considered available or suitable for the proposed development in Handforth district centre

Macclesfield town centre

“Silk Street”, Macclesfield (Duke Street Car Park, Exchange Street Car Park and Churchill Way)

It is acknowledged that it is the Council’s aspiration to provide a leisure-led development and that bids have been put forward by developers on that basis. However, this does not detract away from the fact that elements of retail to improve the overall town centre offer could still form part of the wider masterplan for the sites. However, in light of the clear aspirations of the Council to deliver a leisure-led scheme, it is considered that the site could not accommodate the proposed development and quantum of retail floorspace proposed even when allowing for a sufficient degree of flexibility. Therefore the site at Silk Street does not represent a sequential alternative to the application site.

Former TJ Hughes, Roe Street

The site is too small for the proposed development and it has recently been let so it is no longer considered to be available as it is now occupied by B&M since September 2014.

Macclesfield Train Station

The site is currently used as town’s train station and therefore the site is unsuitable for the proposed development. There is no information suggesting that it is available in short term and therefore can be discounted as a sequentially preferable site.

Craven House, Churchill Way

The site extends to 0.05ha which is too small for the proposed development and therefore can be discounted as a sequentially preferable site.

Former Cheshire Building Society

The site located in the Primary Shopping Area extends to 0.4ha which is too small for the proposed development. Therefore it is not suitable for the proposed development.

Macclesfield Town Centre Vacant Units

None large enough to accommodate the proposed development.

Black Lane, Macclesfield

This site is considered to be in a more sustainable location than the application site, particularly with the inclusion of a bridge across the River Bollin as part of the outline application proposals (15/5676M). However, this application for retail development on this site was refused in September 2016 due to its impact upon Macclesfield Town Centre. However, as noted during the consideration of application 15/0400M, it is considered that the Black Lane site and the proposed site will provide two retail parks which will serve different catchments, both in size but also nature. As recent appeal decisions have indicated, what is required to be proven is that development at a sequentially preferable site should not be delayed, stalled or otherwise impaired by development permitted at a less central location. There is no evidence to suggest that the development at Earl Road would prejudice or stall the development at Barracks Mill due to the different catchments these proposals will serve. As such, on sequential grounds both developments could progress, as they would trade within related but different catchments. Whilst it is considered that the site at Black Lane is available for the proposed scale of retail development, the site is not suitable to accommodate a development which will serve the same catchment area as the development at Earl Road.

Stockport town centre

Bridgefield

Permission exists for the construction of a cinema, restaurants, shops and associated works. The level of A1 retail units is constrained to 1,605sqm and therefore only represents approximately 25% of the proposed development at Earl Road and therefore Bridgefield is unlikely to be able to accommodate the whole proposed development.

Merseyway

None large enough to accommodate the proposed development.

Knightsbridge

The site is currently occupied by a range of uses and is not being actively marketed. Therefore, it is considered that although the site would be suitable for the scale of the development proposed, it appears that it is unavailable for the proposed development in the short term. There is not any development being proposed on this site that that could be considered comparable to the proposed development at Earl Road and therefore does not represent a sequentially preferable site.

Fletcher Street Car Park

The site extends to 0.3ha and therefore the site is considered to be too small for the proposed development (even after significant flexibility) and therefore unsuitable.

Former Royal Mail Sorting Office, Exchange Street

The former Royal Mail sorting office site extends to 0.25ha, located at an edge of centre location. The site is still owned by Royal Mail and is not being actively marketed; therefore it appears that it will not be available in the short term. In any event, the site is too small for the proposed development and therefore is not suitable and should be dismissed as a sequentially preferable site as it is unlikely to be able to accommodate the level of proposed development or even a reduced form after reasonable flexibility has been applied.

Stockport Town Centre Vacant Units

None large enough to accommodate the proposed development.

Other sites raised in the representations to the previous application include:

- Unit 6 Peel Centre
- Peter Carlson showroom site
- Stockport Exchange area within the town centre
- Small units within district and local centres, including Bramhall, Cheadle Heath, Cheadle, Gatley and Heald Green.
- Gas Holder site to rear of Peel Centre

None of which were previously found to be sequentially preferable, and there are no known change in circumstances that would lead to a different conclusion now.

Wilmslow town centre

Alderley Road, Wilmslow

The Site extends to 0.2ha and is allocated for mixed use development, and is too small to accommodate the proposed development in its entirety or even with a degree of flexibility; the proposed development would not be able to be accommodated within the site and therefore is

not considered suitable. The applicant also confirms that the site is not available as a number of operators are present and the site is not available in a reasonable time period.

Wilmslow Town Centre Vacant Units

It is unlikely that any vacant units would be suitable to accommodate the proposed scheme either in whole or in part (with a degree of flexibility).

TOWN CENTRE IMPACT

The two key impact tests identified by paragraph 26 of the NPPF are considered below. The tests relate to:

- The impact of the proposal on existing, committed and planned public and private sector investment in a centre or centres in the catchment area of the proposal; and
- 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.

Impact on existing, committed and planned public and private investment

There is no known change in circumstances since the previous application was refused. It is considered that the proposal would not have any impact on investment in the identified centres of Handforth, Wilmslow, Macclesfield and Stockport.

Impact of the proposal on town centre vitality and viability Including Local Consumer Choice and Trade in the Town Centre and Wider Area

As part of the previous application (15/0400M), the existing overall vitality and viability of Macclesfield and Stockport were considered. Some of the key diversity characteristics are summarised below.

Macclesfield

Macclesfield is well represented in the comparison goods sector with a higher than average percentage of units and floorspace, although both the number and percentage has fallen since the last survey in 2009. Mill Street and the Grosvenor Centre provides a location for a number of the major national retailers, with a number of the town centre's largest stores found on these streets, including Marks & Spencer, New Look, Boots, Dorothy Perkins and Burtons. Chestergate and Exchange Street offer a range of shops such as jewellers and fashion outlets. The indoor malls of the Grosvenor Centre also provide important facilities for independent traders.

The percentage of vacant units within Macclesfield town centre has remained consistently above the national average. The amount of units vacant within the centre from 2006 has risen from 57 in 2006 to 71 in 2009. The percentage of vacant floorspace was below the national average in 2006, around the national average in 2009 and now above the national average in 2015. The amount of vacant floorspace in Macclesfield has increased since 2009 from 8,400 sq.m to 15,310 sq.m in 2015.

Macclesfield contains 14 of the 'top' 27 retailers within the Goad town centre boundary. Further retail development aimed at attracting national multiple retailers has now commenced

at the Grosvenor Centre, with TK Maxx being an intended operator. This will remove the largest vacant unit within the town centre, which has been vacant for a number of years. Despite Macclesfield's higher than average vacancy rate, it does have some good national multiple retailers for a town of this size, which will be added to upon the completion of the new retail development next to the Grosvenor Centre. It is also noted that with the development of the Silk Street site for a leisure-led development, there is the opportunity to enhance the town centre and assist to increase visitor's dwell time within the centre.

However, there are some concerns over the health of the centre which needs to be addressed to ensure the centre continues to compete with other centres both within Cheshire East but also further afield in Greater Manchester.

Stockport

The SRSU concludes that the town centre has lost market share since 2004, confirmed by its fall in the national rankings and household survey results. In the comparison goods sector, the main national multiples include M&S, Debenhams, BHS, Next, Primark, H&M and Boots, with the majority of the larger comparison retail units located within the Merseyway Shopping Centre and at the Peel Centre.

There is a high vacancy level, particularly in terms of the number of units, although a number of these units are relatively small and only three vacant units measure over 500sqm. The town centre benefits from a strong diversity in the functions it performs as an important civic centre, as an important centre for education and health, and as an office location in the wider South Manchester market. The centre also has a number of key strengths in relation to its unique, historic heritage; in relation to the successes stimulated by the Portas initiative; and in relation to the way the Council and its investment partners have responded to the recession.

Overall, Stockport has a significantly high number of vacant units, although the types of units are relatively small and therefore not necessarily suitable to accommodate large format national multiples. As such, a number of the larger retailers are now located at The Peel Centre on the edge of the centre, which attracts a high proportion of shopping trips. There are deficiencies within the centre but the Council is working hard to regenerate key areas to enhance the overall provision and offer.

The above summaries demonstrate that both Macclesfield and Stockport have struggled over the past ten years and have higher than average vacancy rates and a lack of modern format retail units to accommodate national multiple retailers.

Trade Diversion and Impact

During the previous application, the applicant originally indicated in their submission that as there was no identified occupier, a sales density of £2,678 per sqm had been calculated on the basis of an average of carpet, clothing, DIY, furniture, homeware and toy retailers and was taken from Mintel Retail Rankings 2013. Subsequent to this the applicant was asked to increase the sales density to £10,000 per sqm to provide a more robust assessment having regard to the existing flagship M&S, Tesco Extra, Next Home and Outfit (Miss Selfridge, Burton, Top Man, Top Shop etc) occupants which would result in the ability to command higher rental values for the additional units than a typical retail warehouse park and therefore it would be expected that occupants of the new units would be those who are able to generate higher sales densities; i.e. clothing, electrical, homeware or even chemist retailers (such as

Boots). The previous application assessment was subsequently based on this higher sales density rate.

The planning and retail assessment with the current application reduces average sales density (ASD) for the floorspace proposed to £5,582 per sqm at 2016. This is an average of the sales densities of five clothing retailers that typically locate on UK retail parks (the five with the highest sales densities and taken from Mintel's UK Retail Rankings, dated April 2016). This does not take into account Next which has recently opened a new store on the adjacent site and would clearly not seek a further store in the Handforth area. The applicant has grown this ASD forward to 2019 i.e. the likely design year (at which it is £6,011 per sqm) and 2021, five years from now (at which it is £6,315 per sqm).

Therefore, whilst the sales density figures are below those recommended by the Council's consultant previously, an identical application has already been considered using higher sales density figures as a worst case scenario for robustness and found to be acceptable.

For information, the table below compares the impact (trade diversion) figures now put forward by the applicant (NLP figures) with those provided by WYG in its previous advice to the Council.

Cumulative impact of application proposals and commitments in 2019 and 2021

Destinations	NLP	NLP	WYG
	Cumulative Impact in 2021 (%)	Cumulative Impact in 2019 (%)	Cumulative Impact in 2019 (%)
Macclesfield	-3.7	-3.9	-8.0
Congleton	-1.1	-1.1	-1.8
Wilmslow	-2.6	-2.7	-3.4
Nantwich	-0.8	-0.9	-1.4
Stockport (includes the Peel Centre)	-5.3	-5.5	N/A
Cheadle	-1.1	-1.2	-2.0
Cheadle Hulme	-1.4	-1.5	-2.6
Bramhall	-1.4	-1.5	-2.6

It should also be noted that WYG identified a cumulative impact upon Stockport town centre of 6.3%, but is identified as "N/A" in the table above, as the applicant's figures also include the Peel Centre as part of Stockport Town Centre (in line with glossary to the Framework, which states that a town centre is defined as an area on a *proposal map*, "*including the Primary Shopping Area and areas predominantly occupied by main town centre uses within or adjacent to the Primary Shopping Area*").

The applicant has also explained that there are two reasons why their (NLP) impact figures are less than those arrived at by WYG:

- The NLP assessment adopts what is considered to be a realistic average sales density for proposed development; and

- The NLP assessment models trade diverted to commitments at 22-26 Castle Street and King Edward House (both in Macclesfield) and the Bridgefield, PC World and Unit 6 (both the Peel Centre) commitments in Stockport town centre as an increase in the turnover of those centres.

However, as with the previous application the highest impact is estimated to be felt on Macclesfield and Stockport town centres. In light of the current health of Macclesfield and Stockport, there are some concerns that impacts on these two centres to that level has the potential to cause some damage to the overall vitality and viability and their market shares. However, WYG considers that if the proposed floorspace was suitably controlled to reflect the nature of the retailers proposed as part of the previous application, then the potential impact on the centres could be mitigated. WYG suggest that a condition could provide thresholds for certain types of goods, to ensure that the proposed units do not compete directly with retailers in the town centres and instead, performs as a more 'traditional' out-of-centre retail destination with a proportion of the floorspace dedicated to bulky goods retailers.

ENVIRONMENTAL SUSTAINABILITY

Character and appearance

The application site is located within an Employment Area which is characterised by buildings built more for function than form. The proposed retail units adopt a relatively simple form with parapet around the roof and entrance features for each unit. The design is considered to be adequately in keeping with the local area. It is a little unfortunate however that the proposed development will face onto what is the back door and service yard of the new Next store opposite. However, the proposal is considered to comply with policies BE1 and DC1 of the local plan.

Accessibility

The applicant maintains that the site is well located in terms of its proximity to pedestrian and public transport services, and its connections to Handforth Dean Retail Park and the proposed Next retail unit.

However, accessibility was a significant issue raised at the time of the Next application for the site on the opposite side of the road, and remains so with the current proposal. The hourly bus Service (312) between Handforth Dean and Stockport runs along Earl Road, and there are some free services operated by Tesco which would be within a short walk of the site. Apart from these services the nearest are those along Wilmslow Road and Station Road in Handforth, about a kilometre away, which provide services to other destinations including Manchester and Wilmslow. The transport assessment confirms that a travel plan will be prepared to encourage the use of other forms of transport. However, without adequate provision for non car modes, a travel plan will be largely ineffective.

Mitigation is therefore required to make the development acceptable in planning terms, as it was for the extant office permission. The office permission secured contributions towards bus stops in the vicinity, improvements to provision for pedestrians and cyclists in the vicinity and a contribution towards public transport improvements. The same would be required for the current proposal.

In addition, accepting the fact that most users of the site will inevitably use the private car, the provision of electric car charging points is recommended, as it was with the Next scheme. Such provision has also been recommended by Environmental Health.

Amenity

There are no residential properties within close proximity of the application site. As such, no significant amenity issues are raised.

Highways

The proposed development has a new access onto Earl Road with the servicing taking place using Epsom Avenue and Arkle Avenue. The proposed access is located in the same position as the approved office development and is close to the end of Earl Road.

There would be 240 parking spaces provided within the site including disabled parking and there also is 40 cycle parking spaces proposed.

Traffic Impact

In considering the traffic impact of the development the applicant has taken into account the existing permission for the office development on this site compared to the proposed retail development. There are specific differences between approved office and proposed retail developments in that the peak hour impact is predominately in the am for the office and less so for the retail proposal. The evening peak for the retail is the worse case in terms of traffic generation and needs to be considered. The applicant has stated that only 50% of trips to this development will be new trips on the network. Whilst it can be accepted that due to the proximity of the site to other retail destinations a reduction can be made for linked and transferred trips the figures presented in the TA does not provide evidence that this proposal would warrant such a reduction in trips.

Considering the figures submitted, the office development has a higher traffic generation than the proposed retail development in the morning and evening peak hours. This development would have a higher impact at the weekend than the approved office development but the level of existing background traffic flows on the network is lower and the major junctions on the A34 are not operating at the same level of pressure as in the daytime morning and evening peaks.

The applicant has undertaken junction assessments at locations where the development would have a material impact and these are Stanley Road/Earl Road traffic signals and at the Stanley Road / A34 roundabout. Clearly, these junctions are not within CEC and are the responsibility of Stockport and comments on the development impact of the proposals on these junctions should be sought from Stockport. The development does add additional traffic to the CEC road network especially at Coppice Way junction although these are small percentage increases and does not constitute a severe impact on the road network.

CEC Highways Summary

The previous permission for Office development on this site is a material consideration on this application, as the new current proposal for a retail use would produce less traffic than the office development and therefore can be seen as a benefit in highway terms. There will be a number of trips to the site that will have already travelled to the nearby Handforth Dean and Stanley Green retail parks and as such the number of new trips will be reduced but not in the

opinion of the Head of Strategic Infrastructure to the level proposed by the applicant. However, taking a 30% reduction in trips which is more reasonable, this will not materially change the impact on the CEC road network but would increase the level of traffic using the Stockport junctions.

There were a number of contributions agreed relating to the mitigation of the impact of the Office development and some of these mitigation contributions are relevant in regard to this application i.e the improvements to pedestrian and cycle routes and also improvements to public transport as this would be pooled with the contribution secured to public transport from the Next application. Contributions to mitigate the traffic impact, is a matter for Stockport to consider as the major impact falls at junctions under their control.

Stockport MBC Highways

Comments are awaited from Stockport MBC Highways. However on the previous application they noted that the proposed retail development would be far from ideally located for access by travel modes other than the private car.

In addition they noted that the proposed development will have an unacceptable and demonstrably severe impact on the operation of the Earl Road/Stanley Road junction and this would justify refusal unless the impact can be mitigated by bringing forward the delivery of improvements to the junction. This requires the applicant to either prepare a package of improvements which could be delivered under a planning condition and appropriate highway legal agreement or agree to the payment of a financial contribution under the terms of a S106 Agreement. The terms of the s106 would be the same as for the approved office development.

Ecology

The nature conservation officer has provided the following comments on the application:

Habitats

Part of the site supports habitats that based on the species present could be designated as a Local Wildlife site under the grassland selection criteria. However, the nature conservation officer advises that the habitats themselves, being associated with a derelict urban site, fit better with the “ephemeral/short perennial” phase one habitat as such are not considered to be of significant nature conservation value.

Bats

An initial bat survey has been submitted in support of the application. The buildings affected by the proposed development offer limited potential for roosting bats and roosting bats are unlikely to be present or affected by the proposed development.

Great Crested Newts

Having regard to the character of the nearby water bodies, the location of the application site and its distance and isolation from the waterbodies, great crested newts are unlikely to be affected by the proposed development.

Hedgerow

Hedgerows are a priority habitat. The proposed development would result in the loss of a section of hedgerow from the interior of the site. The submitted landscape plan includes the

planting of a replacement hedgerow however the planting appears to be spaced at 1m intervals which does not seem appropriate for the establishment of a hedgerow. In the event that the application is approved, the planting could be dealt with by condition.

Nesting Birds

Conditions are recommended to safeguard nesting birds.

Trees and landscape

The proposal will necessitate the removal of 19 trees for the development of which 14 have been assessed as Moderate (B) category trees, with the remaining 5 trees Low (C) category. A further 4 trees (identified in red on the plan) and one off site unidentified group (G10) (also shown in red) are presumably proposed for removal by virtue of their poor condition.

None of the trees within the site are afforded TPO protection and whilst some contribute to the visual amenity of the area, being visible from Epsom Avenue and Arkle Avenue, their contribution is not considered to be significant in the wider context.

The Assessment also proposes a no dig construction where proposed hard standing areas/car parking conflicts with the Root Protection Area of retained trees which will be dependent upon existing/proposed levels, particularly given that the area proposed for no dig is close to the new building.

Proposed tree losses have been identified as 45% of the total tree cover and the Assessment suggests mitigation for such losses will comprise of replacement planting of 180% of existing tree stock. In terms of numbers this appears to be reasonable, however the space allocated for landscaping appears relatively small and the future growth potential of such planting will be limited to predominantly ornamental species, given the proximity of new buildings. However, having regard to the commercial character of this area, it is considered that an acceptable landscaping approach can be achieved.

Should planning consent be granted, conditions relating to tree retention, tree protection, method statement for construction in RPAs, and landscaping will be required.

Flood Risk

No comments have been received from the Flood Risk Manager, however he did review the previous proposal and confirmed that there are no objections on flood risk grounds.

The developer will need to provide evidence that there will be no increase in flood risk either on or off-site as a result of the increase in impermeable area, and accordingly a condition requiring the detailed proposals for the disposal of surface water is recommended. United Utilities also raise no objection.

Contaminated land

The Contaminated Land team has no objection to the above application subject to the following comments with regard to contaminated land:

- The application area has a history of depot use and therefore the land may be contaminated
- The submitted report, REC October 2016 is a minor update of the REC December 2014 report which was submitted previously. There appears to be no substantial

changes to the report. The report provided both phase 1 and phase 2 information, however, all the site investigation works were carried out in 2004 prior to demolition of the previous structure. Whilst some effort has been made to revise the information there has been no current site walk over or site investigation so it is uncertain whether any land contamination issues may have arisen in the years since the report was produced. As such further information is requested:

- A current detailed site walk over;
- Existing site investigation locations overlaid onto a current day map and the proposed new development layout map;
- A review of the investigation locations for discussion and if information gaps exist a (small scale) post demolition investigation be carried out.

In the event of approval, appropriate conditions would be required.

SOCIAL SUSTAINABILITY

Open space

Having regard to the Council's SPG on Planning Obligations the development does trigger the requirement for open space contributions in lieu of on site provision, as the development will create some demand for open space / recreation facilities. These contributions amount to £90,525 for open space and £90,525 for outdoor sport and recreation. Given the location of the site and its distance to existing facilities that would be improved with any financial contributions, this impact is unlikely to be significant. Therefore the figure of £12,500 for open space and £12,500 for outdoor sport and recreation offered by the applicant is considered to fairly and reasonably be related in scale and kind to the development, and can be seen as a benefit of the proposal. This would be consistent with the approach taken with the Next site on the opposite side of Earl Road.

ECONOMIC SUSTAINABILITY

As noted above, the applicant has identified the following economic benefits arising from the proposal:

- 10 FTE jobs in construction, assuming a 12 month build programme
- 15 FTE jobs could be supported over the 12 month programme through linkages with construction programme
- Supply chain expenditure
- Contribution to local economic output
- 283-291 FTE jobs when operational
- Business rate contributions
- S106 contributions (£282,000) offered towards employment generation and investment in people and skills development, apprenticeships and / or infrastructure works at employment sites in the Handforth area.

These are considered further below in the planning balance.

PLANNING BALANCE

The application site is allocated as an Existing Employment Site in the Macclesfield Borough Local Plan where policies E1 and E2 seek to provide and retain a range of employment land in order to facilitate sustainable economic growth.

Paragraph 22 of the Framework states that, "Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose".

Paragraph 14 of the Framework applies where it states that LPAs should grant permission unless any adverse impact of doing so would significantly and demonstrably outweigh the benefits from it, when assessed against the Framework as a whole; or specific policies in the Framework indicate development should be restricted.

The benefits in this case are:

- 10 FTE jobs in construction, assuming a 12 month build programme
- 15 FTE jobs could be supported over the 12 month programme through linkages with construction programme
- Supply chain expenditure
- Contribution to local economic output
- 283-291 FTE jobs when operational
- Business rate contributions
- S106 contributions towards employment generation and investment in people and skills development, apprenticeships and / or infrastructure works at employment sites in the Handforth area.
- Contribution towards open space provision

The development would have a neutral impact upon the following subject to mitigation:

- There is not considered to be any significant drainage implications raised by this development.
- The impact upon trees is considered to be neutral.
- The impact upon the residential amenity/noise/air quality/landscape and contaminated land could be mitigated through the imposition of planning conditions.
- Highway impact would be broadly neutral due to the scale of the development having regard to the previous permission and appropriate mitigation
- Retail impact on existing centres

The adverse impacts of the development would be:

- The loss of employment land
- Loss of biodiversity

There are clear benefits arising from the proposal including the number of jobs and financial contributions towards offsetting the loss of this employment site. A similar financial contribution was secured as part of the Next scheme (on the opposite side of Earl Road) on the basis that at that time there was no reasonable prospect of the Next site being used for employment purposes. Therefore in an attempt to make the remaining allocated employment site more attractive to B1, B2 and B8 occupiers, contributions towards the infrastructure of the wider employment site were secured as part of the overall planning balance in order to increase the chances of it being brought forward for employment development. The Earl

Road site is currently the subject of an application for a substantial retail development, which would indicate that the contribution towards infrastructure for employment uses has had limited effect in encouraging such uses to the site. It is not clear exactly what use the proposed financial contribution would be in this case, given the loss of an employment site that is currently in active use, and the significant need for more sites within the Northern part of the Borough that has been identified through the emerging local plan process. A more appropriate offer, given the conflict with policy would be the provision of an alternative site to mitigate for the loss.

The justification for policy E2 of the local plan explains that retailing is not permitted (on existing employment sites) because it would reduce the amount of employment land available and provision is made elsewhere for retailing. It is acknowledged that the proposal would generate a significant number of jobs, however it is not considered that the merits of the proposal should be judged by the numbers of jobs it creates. B8 uses are an employment use and do not typically generate the same number of jobs as a B1 or B2 use with a comparable floorspace. Employment allocations are important to provide land for substantial buildings (including warehouse buildings) that cannot be located elsewhere such as in town centres or countryside locations.

The proposal will result in the loss of employment land at a time when the Council is actively seeking additional employment land allocations as part of its emerging local plan. The need for sites is such that even Green Belt locations are currently identified as being required for the provision of the employment land allocation in the emerging local plan. Given the extent of Green Belt in the northern part of the Borough, the loss of the application site would exacerbate this situation and place further pressure to locate sites within the Green Belt.

Whilst policy E2 states that proposals for businesses where there is an element of mixed retail and business may be permitted if the retail element is ancillary to the other uses, in this case an ancillary retail use is not proposed. Policy EG3 of the emerging local plan also states that where it can be demonstrated that there is a case for alternative development...all opportunities must be explored to incorporate an element of employment development as part of a mixed use scheme. The previous scheme was amended to include the retention of the Stanley Court office building in the north eastern corner of the site, and again as part of this proposal these offices are retained. The retention of the existing offices is of course a positive aspect of the proposal, particularly as they are currently occupied. However, the fact remains that there is no employment development associated with the current proposal. The existing office building is simply being retained as part of the proposal. Added to this, given that the warehouse building is currently occupied, it is not considered that there is a case for alternative development at this time.

The additional information submitted by the applicant since the previous application relating to the employment land situation in Cheshire East, the economic benefits of the proposal, details of the marketing of Epsom House (the office building constructed in 2007), a summary of the warehouse and office market in south Manchester, and a letter from the current occupant of the warehouse building (Gradus) is acknowledged. However, the fact that the warehouse building is currently occupied indicating that there is some demand from businesses for the site in its current form. It cannot therefore be concluded that there is no reasonable prospect of the site being used for employment purposes, in accordance with paragraph 22 of the Framework.

The proposal will lead to a loss in the amount of employment land in the Borough, which is considered to significantly and demonstrably outweigh the benefits of the proposal. The proposed development is therefore contrary to policies E1 and E2 of the Macclesfield Borough Local Plan, policy EG3 of the Proposed Changes Version of the emerging Cheshire East Local Plan Strategy and paragraph 22 of the Framework.

RECOMMENDATION

It is recommended that the application is refused for the following reason:

- 1. The proposal seeks to provide a retail use on a site allocated for employment purposes. The existing warehouse and office buildings on the site are currently occupied, and it has therefore not been demonstrated that there is no reasonable prospect of the site being used for employment purposes, as required by paragraph 22 of the NPPF. The development is therefore contrary to policies E1 and E2 of the Macclesfield Borough Local Plan and policy EG3 of the Proposed Changes Version of the emerging Cheshire East Local Plan Strategy.**

In the event of any changes being needed to the wording of the Board's decision (such as to delete, vary or add conditions / informatives / planning obligations or reasons for approval/refusal) prior to the decision being issued, the Head of Planning (Regulation) has delegated authority to do so in consultation with the Chairman of the Strategic Planning Board, provided that the changes do not exceed the substantive nature of the Board's decision.

Should this application be the subject of an appeal, the Head of Planning regulation has delegated authority to enter into a S106 Agreement to secure the following Heads of Terms:

- Financial contribution of £65,372 to CEC for improvements to provision for pedestrians and cyclists in the vicinity
- Financial contribution of £65,372 to CEC towards public transport improvements
- Financial contribution of £200,548 to Stockport MBC towards junction improvements in the Borough of Stockport.
- Financial contribution of £12,500 for public open space improvements in the locality
- Financial contribution of £12,500 for outdoor sport and recreation improvements in the locality
- Financial contribution of £282,000 towards employment generation and investment in people and skills development, apprenticeships and / or infrastructure works at employment sites in the Handforth area.

CIL Regulations

In order to comply with the Community Infrastructure Levy (CIL) regulations 2010 it is necessary for planning applications with legal agreements to consider the issue of whether the requirements within the S106 satisfy the following:

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and
- (c) fairly and reasonably related in scale and kind to the development.

The contributions towards sustainable transport initiatives are necessary, fair and reasonable in order to provide a sustainable form of development and to comply with local and national planning policy.

The junction improvements within Stockport are required to mitigate for the highways impact of the development, necessary to make the development acceptable, and fair and reasonable.

The financial contributions towards improvements towards public open space and outdoor sport and recreation are necessary, fair and reasonable to provide a sustainable form of development, to contribute towards sustainable, inclusive and mixed communities and to comply with local and national planning policy.

The financial contribution towards employment generation and investment in people and skills development, apprenticeships and / or infrastructure works at employment sites in the local area is necessary, fair and reasonable to mitigate for the impact of the development and the resultant loss of employment land.

All elements are necessary, directly relate to the development and are fair and reasonable in relation to the scale and kind of the development.

