

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 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. Policy EG3 of the emerging Local Plan Strategy also seeks to protect existing employment sites for employment use, unless premises are causing nuisance or environmental problems, or the site is no longer suitable or viable for employment use. 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".

Planning decisions must be made in accordance with the development plan unless material considerations indicate otherwise. The aforementioned policies are considered to be consistent with the Framework, and the proposal is not in accordance with these policies. Therefore the key issue is whether there are other material considerations that would outweigh the policy presumption against this development.

There are very clear benefits arising from the proposal, most notably it will provide 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 and 207 – 213 net additional jobs when operational. This is a significant benefit of the proposal that does carry substantial weight.

Turning to other impacts of the proposal, the impact upon residential amenity, noise, air quality, landscape, trees, ecology, drainage and contaminated land could be mitigated through the imposition of planning conditions, where necessary. The highway impact would be broadly neutral due to the scale of the development having regard to the previous permission and appropriate mitigation. Whilst there would be an adverse retail impact, the scale and form of comparison goods retail development proposed at Earl Road is not considered to undermine the vitality and viability of nearby centres, and therefore complies

with the tests within national and local policy, which advise that developments that have significant adverse impacts should be refused.

The dis-benefits of the application proposal are that it would result in a loss of employment land, notably at a time when the Council is actively making additional employment land allocations in the Green Belt as part of its emerging local plan in order to provide adequate employment land to 2030. The loss of the application site would exacerbate this situation and place further pressure to locate sites within the Green Belt.

The justification for policy E2 of the local plans 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 solely by the numbers of jobs it creates. Furthermore, alternative employment uses (B1, B2 and B8 uses) could potentially create more jobs than those which currently exist on the site. B8 uses are an employment use and do not typically generate the same number of jobs as a B1 or B2 use, or a retail use, with a comparable floorspace. However, 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 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 indicates 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, or that there is a relative need for different land uses to support sustainable communities. Added to this the application site has not been marketed in order to identify any absence of demand.

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.

## **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. Creation of car park 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 submitted planning & retail statement explains that the class A1 retail floorspace would be devoted to the sale of comparison (non-food) rather than convenience (food) goods.

The application is a resubmission of application 15/0400M which was refused in March 2016 due to the loss of employment land.

Members may also recall that the application was deferred from the SPB meeting on 22 March 2017 *in order to allow the application to be considered by the Strategic Planning Board at the same time as other live applications for retail development in the local area.*

These other live retail applications (16/0138M, 16/0802M and 16/3284M) appear elsewhere on the agenda.

## **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**

### On the application site:

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

83294P – Erection of retail warehousing – Refused 04.04.1996, Appeal dismissed 23.11.1998

### On Adjacent land:

16/0138M - Construction of 23,076sqm of class A1 retail floorspace and 2,274sqm of class A3/A5 floorspace along with associated car parking, access and servicing arrangements and landscaping – not yet determined (Phase 2 & 3)

16/0802M - Erection of four restaurants and three drive-thru restaurant/cafe's along with associated car parking, servicing and landscaping – not yet determined (Phase 2)

16/3284M - Erection of retail floorspace – not yet determined (Phase 1B)

12/4562M - Erection of Class A1 retail store with conservatory, garden centre, ancillary coffee shop and associated car parking – Approved 23.10.2014

## **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)

E2 (Retail development on 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)

DC63 (Contaminated land)

### **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** – Object on the following grounds:

- There are sequentially preferable sites in Stockport that have not been considered
- Not evidenced whether the boundary of the catchment area takes account of the A6MARR
- proposal has scope to significantly adversely impact on the vitality and viability of Bramhall, Cheadle and Cheadle Hulme District Centres
- application has not adequately set out the need that the development seeks to serve nor adequately justified its scale and format
- conflicts with the town centre first approach to retail and commerce in Policy EG 5 of the emerging Cheshire East Local Plan
- Commentary on the health of Stockport town centre is needed
- Impact on investment at Redrock, Merseyway or Great Portwood Street not addressed
- RIA should take account of recent permissions in Stockport
- Cumulative impact with other proposals in Handforth should be considered
- Assessment of the impact of the development should take account of the scope for a break-down of the high proportion of linked trips from the Peel Centre to Stockport town centre
- It is important to safeguard and strengthen town centres and this can only be achieved by focusing new retail development in the core retail area.
- The proposals do not support the vitality and viability of Stockport Town Centre
- Impacts will include investment decisions by existing multiple retailers to re-locate, close, or to downsize their existing store(s)
- The decision to allow significant retail on the A34 20 years ago significantly damaged Stockport and Macclesfield Town Centres with the result that both Cheshire East and SMBC are having to intervene directly into regenerating them.

**Stockport MBC Highways** – Object on grounds that the proposed development will have an unacceptable and demonstrably severe impact on the operation of the Earl Road/Stanley Road junction unless the impact can be mitigated by bringing forward the delivery of improvements to the junction.

**Handforth Parish Council** – No objection

## **REPRESENTATIONS**

Two letters of representation have been received on behalf of Intu and Peel Holdings, objecting to the proposal on the following grounds:

- taking the application to 19 April SPB is premature
- catchment area does not take account of SEMMMS
- Need for the development not identified
- Stockport town centre includes the Peel Centre
- Stated turnovers of other retail locations do not appear realistic
- All applications together would materially affect the retail hierarchy of the area

## **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 broadly 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. It should be noted that a blanket restriction on retail uses on employment land is not replicated within the Framework; however the acknowledgement in the reasoning of policy E2 that “provision is made elsewhere for retailing” is reflective of the town centre first approach of the Framework. Policy E1 uses the phrase “*normally be retained*” which suggests alternative uses may be considered. This is broadly consistent with paragraph 22 of the Framework which 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 permission for 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 totalling 0.81ha. 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 B 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
- 207-213 net 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 figures quoted by the applicant in their submission which they suggest lead to an over supply of employment land in Handforth relate to the 2012 Employment Land Reviews rather than the more up to date Ekosgen report.

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, leaving 0.28ha to be found via the site allocations process to meet the 10ha requirement. However, it should be noted that the potential supply also includes the site of the new Next store, and as such the area to be identified through the site allocations will be higher (approximately 1.26ha higher) due to the loss of this site.

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, and have not been marketed. 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 Council have obtained specialist retail advice on this proposal from White Young Green (WYG), as they did for the previous application (15/0400M) and the issues raised by them are incorporated below.

### 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 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)*

In late 2015, the Council selected a developer (Ask Real Estate) to take forward a mixed-use leisure led scheme across two of the three available town centre redevelopment opportunity sites (Exchange Street car park and Churchill Way car park). Accordingly, these sites can be dismissed as no longer available to accommodate the scale and form of retail development proposed. This leaves Duke Street car park as the only remaining town centre redevelopment opportunity site identified in the Macclesfield Local Plan.

Duke Street car park is not considered suitable for the scale and form of retail development proposed at Earl Road, given its more limited size. The car park extends to just under one hectare and, with the Earl Road site almost double its size (1.87ha), it would be unrealistic to suggest that an equivalent large format retail park could be accommodated, even allowing for considerable flexibility on the applicant's part. On this basis Duke Street can be dismissed as unsuitable to accommodate the development.

#### *Former TJ Hughes, Roe Street*

The site is too small for the proposed development and is not 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. It should be emphasised that there is no longer a requirement for applicants to give consideration to 'disaggregating' the various components of a retail development across a range of more sequentially preferable sites.

### *Barracks Mill, 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.

WYG's conclusion on the Barracks Mill scheme from the perspective of the sequential approach was that whilst it was evidently 'available' and 'suitable' for retail development in principle, it was not necessarily suitable for the retail development proposed – given the site's much larger size and differing scale and the form of retail floorspace planned upon it. In addition, WYG also found that the Earl Road and Barracks Mill schemes would each serve a different catchment and that, as such, granting permission for the Earl Road scheme would not necessarily result in the loss of the same market opportunity that the sequentially superior Barracks Mill site was targeting. Given that a development in a sequentially preferable location in Macclesfield would not be delayed, stalled or otherwise impaired by the approval of Orbit's proposals on the Earl Road site, WYG's overall conclusion was that the existence of the Barrack's Mill site did not merit the refusal of the Earl Road retail scheme on sequential grounds – given their markedly different catchments.

The circumstances have changed somewhat following WYG's advice of January 2016, with the Barracks Mill scheme having been refused by Cheshire East Council on retail policy grounds in September 2016, and retail impact the main issue of policy conflict identified. This relatively recent decision is considered to be of material relevance to the interpretation of the sequential approach, as it raises serious questions over the suitability of the Barracks Mill site to deliver large format retail units in the future. This identified policy conflict, in conjunction with the fact that the Earl Road scheme would evidently serve a different catchment to that of Barracks Mill, again leads to the conclusion that this out-of-centre Macclesfield site does not represent a sequentially preferable alternative to the planning application site.

### Stockport town centre

#### *Redrock*

Located directly to the north of the Merseyway Shopping Centre and to the south of the M60, it is located within the defined Core Retail Area of Stockport town centre. Whilst at 3.1ha this site is theoretically large enough to accommodate the scale and form of retail development proposed, it is currently being redeveloped to provide a leisure-led scheme comprising a cinema and restaurant units. On this basis WYG is satisfied that the site is neither available nor suitable to accommodate the scale and form of retail development planned at the Earl Road site. Stockport MBC have stated that units 2, 3 and 4 of Redrock (comprising 1,755 sq.m of retail floorspace) are capable of accommodating some of the floorspace proposed as part of the Earl Road scheme. However, even showing flexibility, this would amount to the disaggregation of the proposal, which is no longer a requirement of applicants.

### *Merseyway*

None large enough to accommodate the proposed development. However, it is accepted that the unit 22-34 of the shopping centre, which was previously occupied by BHS, has now become vacant. This unit extends to 6,268 sq.m, comprising basement (1,775 sq.m), ground floor (1,751 sq.m), mezzanine (187 sq.m), first floor (2,025 sq.m) and second floor (530 sq.m). Whilst the total available floorspace within this building is theoretically commensurate with the amount proposed on the Earl Road site, it evidently takes an entirely different form as a 'department store'. This is not considered to be a suitable alternative.

### *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.

This site has been raised again as part of this application by Stockport MBC, who suggest that adjacent surface level car parks could supplement the sorting office site to provide a bigger opportunity. Whilst these sites appear to be 'available' for redevelopment, the land involved appears to extend to little more than 0.5ha. Accordingly, the sorting office and surrounding land is unsuitable for the scale and form of retail development proposed. The fact that the busy A6 bisects the site represents a further issue, and renders it largely unviable and unsuitable to accommodate a comprehensive retail scheme in any case.

### *Fletcher Street Car Park*

The site extends to 0.5ha and therefore the site is considered to be too small for the proposed development (even after significant flexibility) and therefore unsuitable.

### *Knightsbridge*

The Knightsbridge area, which has also been raised by Stockport MBC, is located to the north of the Peel Centre and south of the M60. The area is situated to the west of Stockport's Core Retail Area and forms part of the Secondary Retail Area. In August 2011, Sainsbury's submitted an application for a 11,987 sq.m GIA foodstore (ref: DC/047669). It was withdrawn because the abnormal development costs had reached a threshold which allowed Sainsbury's to withdraw from its development agreement with the Council, emphasising the viability constraints associated with this site (even for retail development of a significant scale). The land is not being actively marketed at present and is understood to be within a number of ownerships (including Sainsbury's). It would therefore likely require the use of compulsory purchase powers if the regeneration of this area is to be achieved. Given the absence of even a resolution for such a process to commence, it is considered that the Knightsbridge site is not 'currently available'. It must therefore be regarded as unavailable in the context of the sequential approach, and is also likely to be unviable (having regard to 'suitability') for the scale and form of retail floorspace proposed bearing in mind the site's planning history.

### *Gas Holder site to rear of Peel Centre*

Whilst the site is large enough to accommodate the proposals, it remains in the ownership of National Grid and substantial works would need to be undertaken in relation to decontamination/remediation (as well as the relocation of a high pressure gas main) before

the site can be made available for redevelopment for retail purposes. Accordingly, there is no possibility of the land being considered 'currently available' for retail development and we are therefore satisfied that it does not presently represent a sequentially preferable alternative to the Earl Road site on this basis

### *Water Street*

This 1.1ha edge-of-centre site was granted outline planning permission in January 2017 for a two-storey Class A1 non-food 'bulky goods' retail development of 5,574sq.m gross. Whilst Water Street can be considered suitable in principle for Class A1 retail development, it is evidently too small to accommodate the scale and form of development proposed at Earl Road, in terms of both retail floorspace and supporting infrastructure (car parking, etc.) given that it is just over half the size. However, Stockport BC state that the Satnam / Cemex site which lies adjacent to land at Water Street could be added to this in order to provide a combined development plot of 2.3ha. This land, which extends to some 1.2ha, has historically benefitted from planning permission for non-food retail and hotel development, although this has now lapsed.

The Satnam / Cemex site is of an irregular, elongated shape given that the River Tame constrains it to the west and land in a separate ownership to the east prevents visibility from Water Street. Its narrow nature means that whilst it is comparable in size to the Earl Road planning application site when combined with Water Street, we would question whether it would be able to accommodate an equivalent scale and form of development. Even if this was the case, the arrangement (encompassing the Satnam / Cemex site) is unlikely to be commercially viable, with the retail park essentially stretched in a 'L' shape around Water Street. Notwithstanding this, there is no evidence of the Satnam / Cemex site being marketed for sale and it would not therefore be reasonable to treat it as 'currently available' for redevelopment.

### *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.

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).

### Sequential Approach Conclusions

For the reasons set out above there are not considered to be any sequentially preferable alternatives either 'in' or on the 'edge' of any defined centres within the catchment area of the application proposal which could realistically accommodate an equivalent scale and form of retail floorspace. Accordingly, the application proposals have been found to be compliant with Paragraph 24 of the NPPF and the relevant parts of saved Policy S2 of the Macclesfield Borough Local Plan and policy EG5 in the CELPS.

### 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

The conclusion previously reached in relation to the retail park proposals at Earl Road as part of application 15/0400M was that they were unlikely to have a 'significant adverse' impact upon existing, committed and planned public and private investment decisions within the defined centres in Cheshire East or Stockport. In the intervening period, it is considered that relatively little has changed within the centres in the catchment area of the application proposal to alter this conclusion, although some key differences are explored below together with the potential effects of these.

### *Macclesfield*

In terms of investment in Macclesfield a planning application is yet to be submitted for the mixed-use commercial leisure-led scheme on the town centre's Churchill Way car park site. However, it is understood that it will comprise a six-screen cinema and six restaurant units. Should planning permission be granted for the proposal it will be delivered during 2018. The potential for Orbit's retail park at Earl Road to have an adverse impact upon the delivery of the Churchill Way scheme in Macclesfield is relatively limited. The Earl Road proposals are evidently centred on comparison goods shopping, whilst the Churchill Way scheme has a commercial leisure focus given the cinema offer planned. The schemes represent two very different market opportunities each with an entirely different customer base. Accordingly, there seems very little prospect of a retail park development in Handforth reducing the number of people wanting to visit a cinema in Macclesfield.

Notwithstanding this, we would accept that there is some limited overlap between the two schemes, with permission sought for up to two of the Earl Road retail units (429 sq.m GIA in total) to trade as restaurants and a total of six restaurants proposed as part of the Churchill



Way development. However, the restaurant offer at Orbit's Earl Way scheme would be very much ancillary to its retail component, in that it would largely cater for those already shopping at the retail park. Accordingly, this floorspace is unlikely to function as an 'eating out' destination in its own right and it is not considered that it would be capable of undermining planned investment in the restaurant units proposed alongside Macclesfield's future cinema. It is therefore concluded that there is no potential for a 'significant adverse' impact on this important Macclesfield town centre investment, should the Earl Road application be approved.

The other private sector investment in Macclesfield which merits consideration is Eskmuir Securities' plans to an additional 1,648 sq.m of comparison goods floorspace at the former Cheshire Building Society site. The construction works are now underway and will be completed in early 2018. It is acknowledged that both Eskmuir and Orbit's retail proposals involve the provision of new comparison goods retail floorspace and accordingly there is the potential for direct competition. However, in terms of whether the scale and form of retail development proposed by Orbit would prevent the Cheshire Building Society's conversion taking place, it would have to be concluded that given the progress made to date the prospects of this are extremely unlikely. Indeed, Eskmuir have brought forward their investment in the Grosvenor Centre over the past two years seemingly in the knowledge that further retail competition may be granted planning permission at Handforth. On this basis, it is considered that Orbit's Earl Road application is unlikely to have a 'significant adverse' impact upon Eskmuir's existing investment in the former Cheshire Building Society.

### *Stockport*

It is considered that the conclusions reached in terms of the Earl Road proposal's potential to impact upon investment decisions at Macclesfield's Churchill Way scheme can be applied equally to Stockport's forthcoming Redrock commercial leisure development. This scheme, which is currently under construction and is scheduled to open in late 2017, will provide a ten-screen cinema alongside seven restaurants and three retail units. Progress is considerably more advanced than in the case of Churchill Way and indeed the scheme's website suggests that a cinema operator is now in place (The Light), four of the seven restaurants are let, and two of the three retail units are under offer. On this basis, there appears to be no prospect of Orbit's Earl Road comparison goods retail development preventing the Redrock commercial leisure scheme being delivered. Furthermore, given the limited amount of floorspace in the Earl Road scheme which is to be devoted to restaurants, and the pre-lets witnessed at Redrock to date (alongside a confirmed cinema 'anchor'), it is not considered that the proposed retail park will undermine future investment decisions and will not have a 'significant adverse' impact upon investment decisions in Stockport's Redrock commercial leisure development.

Stockport MBC has recently bought the Merseyway Shopping Centre in Stockport (April 2017), with it having been in receivership for the past seven years. As part of their representation to the applications, Stockport MBC states that the Council intends to invest some £40m on the refurbishment of the shopping centre over the next two to three years. It is understood that this will likely include improvements to Mersey Square, enhancements to the appearance of shops, and improvements to existing units, although we can find no evidence of a formal scheme of works being published by the Authority to date. Stockport's representations state that the Earl Road scheme will undermine this planned future investment in the Merseyway shopping centre.

In forming a view as to whether this will be the case, it is necessary to have regard to the wording of the Planning Practice Guidance and particularly paragraph 16 (ID: 2b-016-20140306). This states that a key consideration in assessing the impact of a planning application on future investment decisions is 'the progress made towards securing the investment'. In this regard, the improvements proposed to Merseyway are yet to be the subject of a planning application and indeed the final scope of works do not appear, as yet, to have been published or endorsed by the Council. Drawing upon the wording of paragraph 26 of the NPPF, it cannot therefore be said that the investment proposed in Merseyway is 'existing' or 'committed' and at best it can be described as 'planned' (albeit they do not benefit from planning permission). Given this position, it is not considered that at this point in time that it can be said with any certainty that the application proposals at Earl Road would undermine the Council's plans to invest in Merseyway – particularly when the scope of such works is yet to be finalised and the necessary permissions for them yet to be obtained. Furthermore, the Council now owns the Merseyway shopping centre and has aspirations to improve its future appearance and offer. Furthermore, a March 2017 press release by Marketing Stockport suggested that following the recent opening of Trespass and Holland & Barrett stores at the shopping centre, its occupancy rate has now risen to in excess of 95% - indicating improvement in the centre. Accordingly, it is not considered that there would be any conflict with the 'impact on investment' test.

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

A summary is provided below in respect of the current health of the two key centres of relevance of Macclesfield and Stockport.

##### *Macclesfield town centre*

The key findings of the 2016 Cheshire East Retail Study (CERS) healthcheck for Macclesfield were:

1. Second largest town in Cheshire East in respect of its population and as a retail destination within the administrative area.
2. There are 514 units within the boundary, which together occupy 98,950sq.m of floorspace. Of the total, 186 units or 36.1% and 41,930sq.m or 42.3% are occupied by comparison retailers, which are both above the UK average. The figures demonstrate the relatively strong comparison offer of the town centre. However, in terms of number of units and amount of floorspace, the comparison offer has decreased by 10% in ten years since 2006.
3. Of the total units, at the time of the survey in August 2015, 70 units or 13.6% were vacant and 15,310sq.m of floorspace or 15.4% was vacant. Both in terms of proportion of units and floorspace, the vacancy rate is considerably above the UK average.
4. Notwithstanding this, the centre provides a wide ranging retail, leisure and service offering, with half of Experian Goad's top multiple retailers found within the Goad town centre boundary. Moreover, WYG understand that the largest vacancy within the centre is situated within the Castle Street redevelopment area and is therefore in the process of being redeveloped for a major retail led development. TK Maxx has been secured as the anchor tenant for that scheme.
5. The convenience sector continues to be under provided for in terms of units and floorspace when compared to the national average. Although the proportion of units has

improved against the national average, the proportion of convenience goods floorspace within the town centre has declined compared to the national average.

Whilst there are some positive signs of health, the centre does need intervention to address its existing deficiencies, including a declining comparison goods role, if it is to be considered a vital and viable centre and that the improved leisure intervention at Churchill Way would act as a positive improvement to the day and evening economy.

Some of the vacancies within the centre are as a direct result of the Castle Street redevelopment and the previous Wilson Bowden scheme that has since been abandoned, and some past uncertainty as to whether the scheme will progress or not, led to the termination of leases and general uncertainty in the town centre, but we understand with the Churchill Way leisure scheme and Eskmuir's proposals (currently under construction) the overall vacancy level could improve over the short to medium term in recognition of these positive interventions.

Once retail commitments were taken account of, the 2016 CERS did not identify any capacity for additional comparison floorspace within the short term and by 2025 the CERS identified capacity for up to 12,700sq.m of additional floorspace within the administrative area as a whole. Whilst in the medium to long term there is some capacity for additional floorspace within Cheshire East, this is not at a level similar to the quantum of floorspace proposed at Earl Road under the CPG scheme. As such, whilst the consideration of need is no longer a policy test, it is relevant in considering the available expenditure to support additional floorspace within a catchment area and the potential for the likely impact on existing facilities. The Stockport Retail Study (2014) on the other hand, did identify a floorspace requirement of up to 29,102 sq.m between 2014 and 2024, identifying that within the Stockport Borough administrative area; there is substantial capacity to accommodate additional comparison floorspace.

### *Stockport town centre*

The latest update on the occupancy levels and recent lettings in Stockport town centre, which was undertaken by Stockport Council in July 2016 was published in November 2016, and the key findings are summarised below:

- 20.2% of units in Stockport town centre are currently vacant; this compares with a national average of 10.1% and a North West average of 19.6%; the latter figure appears atypical as north west averages over the last couple of years have ranged between 12.3% and 13.5%.
- Within this average there is considerable variation, for example, only 10.8% of Merseyway units are vacant, whereas vacancies in some streets in the Market Place and Underbanks area are much higher. This level has remained fairly stable for several years, following a significant drop in occupancy between 2008-10 (which was a national trend reflective of the economic circumstances at that time).
- The town centre benefits from consistently high footfall, approximately 10 million per annum through Merseyway, which helps to support the centre
- Stockport town centre's position in national retail rankings continued to decline for some years, as other centres have seen major investment which has enabled them to compete more effectively in the context of structural changes in retailing; this has seen some recovery since 2011.

- The health of the town centre is fragile but stable; Merseyway is the strongest area of the centre in terms of occupancy and footfall.
- Without Council intervention, it is likely that these measures and the health of the town centre would gradually decline further. This underpins and emphasises the importance of current initiatives to secure town centre lettings and attract new visitors, and the comprehensive strategy to regenerate and redevelop the town centre.

Whilst there are a series of positive indicators, particularly in light of the construction of Redrock (the leisure-led scheme), and the office-led development at Stockport Exchange adjacent to Stockport Railway Station, the overall retail offer within the Core Retail Area is suffering and the proportion of vacant units and floorspace is considerably above national average.

The Peel Centre appears to trade well and is typically very busy, which adds substantially to the overall retail offer within the wider Stockport town centre as a whole. There can be no dispute that the Peel Centre acts as an important part of the wider Stockport town centre and contributes substantially to the provision by providing a strong anchor to the wider town centre.

As noted above, there are also plans to invest £40m in the Merseyway Shopping Centre, but no formal schemes have yet been progressed. It is acknowledged that the regeneration or redevelopment of the shopping centre would substantially assist in revitalising the primary shopping area of the town centre, retaining retailers and attracting new operators to the centre.

## IMPACT AND IMPLICATIONS

The current application is identical to that submitted previously on the site, and the applicant has provided an updated retail impact and set out a brief commentary on its conclusions.

The scale and form of comparison goods retail floorspace proposed by Orbit (in conjunction with committed retail schemes) was previously found not to have a 'significant adverse' impact upon the trade and turnover or vitality and viability of any of the centres within the catchment area of the proposal. The applicant maintains that this conclusion remains appropriate and robust today. Accordingly, the section below considers whether any circumstances have changed which would merit a different conclusion to be reached.

WYG have undertaken a sensitivity test of the retail impact assessment prepared by Lichfields (on behalf of the applicant) which draws upon their methodology but utilises WYG's preferred data inputs and assumptions.

The baseline comparison goods sales density of £5,599 per sq.m which has been drawn upon by Lichfields has been taken from Mintel Retail Rankings 2016 and is considered to be reflective of the type of national multiple clothing and footwear retailers which are typically found on the UK's retail parks. Its application here is therefore considered to be appropriate given the speculative nature of the retail park development and the fact that no end users are presently identified. The proposal is estimated to have a turnover on £32.2m in 2022.

Within their cumulative assessment WYG have included all known comparison goods commitments, including two more recent commitments which have been raised by Stockport

MBC in their representations of March 2017: the Lidl foodstore at Hempshaw Lane, Stockport and the retail park development at Brighton Road, Stockport. Comparison goods floorspace and turnover assumptions have been derived from respective planning application submissions. This results in 22,399sq.m (net) of comparison goods floorspace identified generating a theoretical combined turnover of £98.6m in the test year of 2022.

The cumulative results show that the trade diversion will be -£14.7m on Macclesfield town centre at 2022, this will represent a -7.1% impact. This impact figure forecast for Macclesfield of -7.1% is marginally lower than the impact of -8.0% which was forecast when WYG undertook a sensitivity assessment of the applicant's 2015 retail impact assessment in support of the previous application (15/0400M). Whilst it is acknowledged that there have been a number of changes to the retail impact assessment in terms of the turnover of centres and commitments the fact remains that WYG's previous conclusion was that an impact of -8.0% on Macclesfield town centre's turnover should not be regarded as 'significant adverse'. Accordingly, given that an impact figure of some -7.1% is now forecast and the health of the centre has not changed materially over the course of the past twelve months, it is considered that the previous conclusions with regard to the implications of the scheme for Macclesfield remain robust; in that the scale and form of comparison goods retail development proposed at Earl Road (in conjunction with existing commitments) is unlikely to undermine the long-term vitality and viability of this town centre.

In terms of Stockport town centre (including the Peel Centre), the analysis shows that the quantitative impact will be -£33.1m or -4.6% at 2022. In terms of what an impact of this order means for the vitality and viability of Stockport, it should be noted that the centre remains somewhat vulnerable, and this has been emphasised through the representations made by Stockport MBC who state that as recently as August 2016 there was a vacancy rate of 19.1% in the Central Shopping Core. This said, there is also significant investment taking place in the form of the Redrock and Stockport Exchange retail and leisure schemes, both of which will largely be completed by the end of 2017.

Furthermore, the Council now owns the Merseyway shopping centre and has aspirations to improve its future appearance and offer. Indeed, a March 2017 press release by Marketing Stockport suggested that following the recent opening of Trespass and Holland & Barrett stores at the shopping centre, its occupancy rate has now risen to in excess of 95% - indicating that the centre has a vital and viable retail core.

Indeed, the centre's strength is further evidenced by its survey derived non-food turnover which, based on a recent update of the Stockport wide comparison goods quantitative capacity assessment, is forecast to reach £669m in 2020 when combined with the Peel Centre (2013 prices). Given that this quantitative assessment also presents a 2015 combined turnover figure of £563.7m, the evidence suggests that comparison goods growth over the five-year period to 2020 in Stockport town centre and its edge-of-centre retail park is anticipated to be some £105m. It is of particular significance that the combined trade diversion of the application scheme and committed developments (£33m) will account for less than one third of this anticipated growth, meaning that even if all were ultimately delivered the centre would still theoretically benefit from a turnover in 2020 which was significantly greater than that achieved in 2015.

This anticipated comparison goods expenditure growth in conjunction with the physical improvements being made to the town centre's offer, and the fact that the quantitative impacts forecast by both WYG and Lichfields are not particularly high, lead to the conclusion that the scale and form of comparison goods retail development proposed at Earl Road is unlikely to undermine the long-term vitality and viability of Stockport town centre. This conclusion is reflective of that reported as part of WYG's advice in relation to application 15/0400M, some 12-months ago. Over the course of this intervening period there has not been a material change in the centre's overall health for the worse.

In terms of other defined centres within the catchment area of the scheme, given that none of the impacts forecast as part of the cumulative impact assessment exceed five per cent, and are of an order which WYG regarded as acceptable as part of their previous retail policy review of the Earl Road scheme, there is not considered to be any potential for the scale and form of comparison goods retail development proposed (in conjunction with commitments) to undermine their long-term vitality and viability. Given this, it is concluded that Orbit's application proposals are compliant with Paragraph 26 of the NPPF and the relevant parts of saved Policy S2 of the Macclesfield Local Plan and policy EG5 of the CELPS.

WYG's previous advice to Cheshire East was that a condition controlling the proportion of the retail park's total floorspace that could be devoted to the sale of clothing and footwear would be appropriate. This was in order to mitigate some of the retail impact on both Macclesfield and Stockport, whose comparison goods offer is largely focussed on this sector. However, whilst the scheme, in conjunction with existing commitments, would undoubtedly cause some degree of harm to these centres (albeit not a 'significant adverse' impact), it is not considered to be necessary given the level of impact that is referred to above.

### **Conclusions on retail impact**

It has been identified above that there are no sequentially preferable sites available to accommodate the proposed development. It is also considered that the proposal will not have a significant impact upon existing, committed and planned public and private investment in relevant centres. Finally, the overall cumulative impact of the application scheme together with other existing retail commitments in the catchment is considered to have an adverse impact upon Stockport and Macclesfield town centres. However, whilst identified as an adverse impact, the scale and form of comparison goods retail development proposed at Earl Road is unlikely to undermine the vitality and viability of the identified centres. Accordingly the proposal complies with paragraphs 24 and 26 of the Framework, policy S2 of the Macclesfield Borough Local Plan and policy EG5 of the CELPS.

### **Cumulative impact with 16/0138M (CPG)**

The impact of the application scheme together with other committed retail schemes within the catchment is considered to comply with paragraphs 24 and 26 of the Framework. However, given that the application is to be considered at the same Committee as the CPG application (16/0138M) on the opposite side of Earl Road, it is necessary to assess the cumulative impact of both proposals, in the event that both applications are approved.

The following table provides WYG's assessment of the cumulative impact of extant planning permissions, the current application (16/5678M) (Orbit) and the CPG application (16/0138M).

The table below shows the cumulative impact of all proposals:

	No Development Estimated Turnover (£m) 2022 (A)	Cumulative Diversion of Extant Planning Permissions (£m) 2022 (B)	Diversion of Orbit (£m) 2022	Diversion of CPG (£m) 2022	Residual Turnover (£m) 2022	Cumulative Impact 2022 (%)
Macclesfield town centre	£206.4m	£-6.7m	£-8.1m	£-8.1m	£183.6m	-11.1%
Stockport town centre	£616.0m	£-13.3m	£-8.1m	£-34.6m	£559.6m	-9.2%
Peel Centre	£100.4m	£-10.7m	£-1.6m	£-6.1m	£82.9m	-17.4%
Combined Stockport and Peel Centre	716.4m	£-23.1m	£-9.7m	£-40.7m	£642.6m	-10.3%
Congleton town centre	£53.1m	£-0.1m	£-0.8m	£-1.1m	£51.1m	-3.8%
Wilmslow town centre	£29.5m	£-0.4m	£-0.8m	£-1.4m	£26.8m	-9.0%
Nantwich town centre	£88.5m	£-0.0m	£-0.5m	£0.0m	£88.0m	-0.5%
Handforth District Centre	£11.8m	£-0.2m	£-0.0m	£0.0m	£11.6m	-1.5%
Handforth Dean	£163.7m	£-5.6m	£4.8m	£-16.4m	£136.9m	-16.4%
Cheadle Royal	£232.7m	£-7.8m	£1.6m	£-22.7m	£200.6m	-13.8%
Stanley Green Retail Park	£71.2m	£-8.5m	£1.6m	£-2.6m	£58.5m	-17.8%
Other Centres and facilities		£-15.6m		£-59.8m		
<b>Total</b>		<b>£-98.6m</b>	<b>£-32.2m</b>	<b>£-152.8</b>		

The cumulative results show that the trade diversion will be £-22.8m on Macclesfield town centre at 2022, and represents a -11.2% impact which is considered to be a significantly adverse impact given the current indicators of the centre's vitality and viability.

WYG advise that the level of cumulative trade diversion at £-22.8m from the Orbit and CPG scheme and other extant planning permissions compares to the cumulative trade diversion of £24.9m that WYG estimated for the Barracks Mill scheme (15/5676M) which would result in a cumulative impact of -11.4% at 2020.

The above cumulative impact analysis also shows that the associated impact on Wilmslow would be -9.0% at 2022, which is at the higher end of an adverse impact. However, this does need to be read in the context that Wilmslow, like Macclesfield has experienced its overall comparison goods market share decline since 2010. Notwithstanding this, it is considered that the cumulative impact would be unlikely to result in a significant adverse impact given the relatively vibrant vitality of Wilmslow town centre which has remained resilient in recent years. Despite Wilmslow's comparison goods offer declining in recent years it has been replaced by retail services and a more independent sector and remains well served with key convenience good anchors and vacancies have remained relatively stable since 2009.

Turning to Stockport town centre (including the Peel Centre), the analysis shows that the quantitative impact will be -10.3% at 2022. At -10.3% this remains comparable to that found

by the CPG scheme in isolation (9%). This cumulative impact needs to be interpreted in the context of the vitality and viability of the town centre (referred to above). It is considered that his level of cumulative trade diversion is likely to represent the tipping point to an impact that would be found to be finely balanced when considering the CPG scheme on its own to one that is significantly adverse when the Orbit scheme is also added to the future residual trading position. This is equally compounded by the vitality and viability position of Stockport which is considered to be vulnerable and therefore when considered together would represent a significant adverse impact on Stockport town centre as a whole.

In conclusion, the results demonstrate that when considering the CPG and this current Orbit application scheme together, they would likely result in significant adverse impacts on both Macclesfield and Stockport town centres, and an adverse impact on Wilmslow if they were both approved.

Therefore, a number of sufficient safeguards are recommended to assist in reducing the potential impact of the two proposals together. The following are areas where mitigation could be secured:

1. Contributions towards certain town centre improvement schemes (public realm enhancement, shop front improvements etc); and
2. Agreements that certain 'anchor' national multiple retailers within Stockport and Macclesfield town centre could not relocate to the new proposed units at Handforth and close their stores within the centre for a period of five years.

Mitigations measures similar to the above have been accepted elsewhere across the country in determining applications for schemes of a similar size. Such schemes include Fosse Park, Five Towns at Castleford and Rushden Lakes. All three schemes involved the applicant signing up to appropriate mitigation measures which were deemed suitable and required to ensure that the impacts of the proposed developments were reduced satisfactorily to accord with planning policy.

However, the applicant has yet to confirm their position in terms of potential mitigation and therefore further details on this will be provided as an update.

## **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

Stockport MBC Highways have 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 is not considered to be 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 I and phase II 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 so significant to justify such amounts. Therefore the figure of £12,500 for open space and £12,500 for outdoor sport and recreation offered by the applicant. However, whilst it is acknowledged that this was the approach taken with the Next application in 2015, it was not the approach taken for the extant office permission on the application site, where no contribution for open space was secured. Added to this, given that no specific deficiencies in provision are known to exist in the local area, the nearest open space area is approximately 600 metres from the application site, the nature of the development as a shopping destination is unlikely to create significant pressure on existing open space facilities, and the fact that contributions are already being made towards improvements for pedestrians and cyclists in the local area it is considered the contributions towards open space and recreation and outdoor sport are not considered to be necessary to

make the development acceptable in planning terms. The contributions would therefore not comply with the CIL regulations, and cannot be secured on that basis.

## **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
- 207-213 net 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**

Section 38(6) of the Planning and Compulsory Purchase Act requires planning proposals to be determined in accordance with the Development Plan unless material considerations indicate otherwise.

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 explains that development proposals that accord with the development plan should be approved without delay, and; 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.

Planning decisions must be made in accordance with the development plan unless material considerations indicate otherwise. The aforementioned policies are considered to be consistent with the Framework, and the proposal is not in accordance with these policies. Therefore the key issue is whether there are other material considerations that would outweigh the policy presumption against this development.

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
- 207-213 net 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

Turning to other impacts of the proposal, the impact upon residential amenity, noise, air quality, landscape, trees, ecology, drainage and contaminated land could be mitigated through the imposition of planning conditions, where necessary. The highway impact would be broadly neutral due to the scale of the development having regard to the previous permission and appropriate mitigation. Whilst there would be an adverse retail impact, the scale and form of comparison goods retail development proposed at Earl Road is not considered to undermine the vitality and viability of nearby centres, and therefore complies with the tests within national and local policy, which advise that developments that have significant adverse impacts should be refused.

The dis-benefits of the application proposal are that it would result in a loss of employment land, notably at a time when the Council is actively seeking additional employment land allocations as part of its emerging local plan.

In terms of the 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 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.

The justification for policy E2 of the local plans 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 solely by the numbers of jobs it creates. Furthermore, alternative employment uses (B1, B2 and B8 uses) could potentially create more jobs than those which currently exist on the site. B8 uses are an employment use and do not typically generate the same number of jobs as a B1 or B2 use, or a retail use, with a comparable floorspace. However, 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, and less employment land is lost. 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 indicates 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, or that there is a relative need for different land uses to support sustainable communities.

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.*

## **HEADS OF TERMS**

Should this application be the subject of an appeal, the Head of Planning (Regulation) has delegated authority to enter into a S106 Agreement for this current application and application 15/0400M, which is the subject of a current appeal, 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 at Stanley Road junction.

Further details on the potential Heads of Terms will be provided as an update subject to the receipt of further information from the applicant.

## **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.

In terms of the Heads of Terms listed above:

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.

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



