

Application No: 16/0138M

Location: LAND AT, EARL ROAD, HANDFORTH

Proposal: Erection of retail and leisure development comprising Class A1 retail units, Class A3 cafes and restaurants, Class D2 gym and Class C1 Hotel.

Applicant: Martin Ridgway, CPD Development Projects Limited

Expiry Date: 18-Apr-2016

## 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 in that the development will bring a vacant site into active use and provide approximately 730 additional jobs when operational. Added to this will be the benefits arising from construction jobs, benefits to the construction industry supply chain, potential for increased trade for local businesses, and higher levels of economic activity within Cheshire East. These factors taken together, but particularly the creation of this number of jobs in the context of the local plan goal of creating 31,400 jobs to 2030, is a significant benefit of the proposal that does carry substantial weight.

It should also be acknowledged that the standard of design and materials to be adopted is above that, which is normally expected for a retail development, and the scheme would provide a development that is appropriate to its position at the northern gateway of the Borough. Moderate weight can be afforded to this.

The ecological and tree impacts are considered to be appropriately mitigated through replacement woodland planting off site. The mitigation for this also feeds into the wider aspirations of the Council to create a Country Park on the land area identified as the mitigation site. This provides the potential for wider social benefits to be realised in terms of

future access to high quality open spaces. This should be acknowledged in the planning balance, but given that this is aspirational at this stage it is considered that it can only be considered as a neutral aspect of the proposal.

Whilst the comments from Stockport MBC Highways are acknowledged, the highways impact upon Cheshire East and Stockport highways has been found to be acceptable subject to appropriate improvement works. The impact upon residential amenity / noise / air quality and contaminated land is either acceptable or could be mitigated through the imposition of planning conditions.

There are no sequentially preferable sites to accommodate the proposed development. The retail impact upon existing centres as an individual development will result in an adverse impact on Stockport and Macclesfield, albeit at the higher end of the “adverse” spectrum. Appropriate mitigation can be secured to ensure that the impacts are no worse than those identified in the retail appraisal, and to ensure that the impact is no greater than adverse. Paragraph 27 of the Framework advises refusal when an application is likely to have significant adverse retail impacts, however in this case the impacts are adverse, and not significantly adverse. Accordingly the proposal is considered to have an acceptable retail impact. Added to this, the agreed financial contributions will provide for public realm improvements in the affected centres at a time when significant Council investment is taking place in these areas, which may help to stimulate further investment.

Weighing heavily against the benefits identified above is the loss of employment land. The justification for policy E2 of the local plan explains that retailing is not permitted (on existing employment sites) because it would reduce the amount of employment land available and provision is made elsewhere for retailing. It is acknowledged that the proposal would generate a significant number of jobs. Although it is not considered that the merits of the proposal should be judged solely by the numbers of jobs it creates, the creation of 730 FTE jobs is a large number and must be given significant weight. Although as noted, this could be significantly less than the potential jobs an office scheme on the site could generate which could range from 600-2000 FTE.

Employment sites are allocated to create a range of good quality employment opportunities that will drive the future economic growth of the Borough, supporting business sectors that are key to the future economic success of the Borough. Employment uses are defined as the ‘B class’ employment uses, namely office, light industrial, general industrial and storage and distribution uses. It is accepted that within those uses, some sites and ‘B’ uses will result in fewer jobs than others. For example, B8 uses are an employment use and do not typically generate the same number of jobs as a B1 or B2 use with a comparable floorspace. Employment allocations are important to provide land for substantial buildings (including warehouse buildings) that cannot be located elsewhere such as in town centres or countryside locations.

The Council’s economic strategy is about providing better jobs. Handforth is close to the airport and has a synergy with other sites within the locality and wider region. The Council is already under pressure to provide more high quality employment sites and are having to allocate Green Belt sites to achieve this. The removal of a good employment site that is not in the Green Belt makes no sense in terms of our economic strategy. However, the Framework and policy EG3 of the CELPS allow for alternative uses to be considered where there is no

reasonable prospect of the site being used for employment purposes, or it has been demonstrated that the site is no longer suitable or viable for employment use.

It is acknowledged that the marketing of the site and the viability assessment that has been carried out both suggest that the prospects of an employment use on this site are unlikely. There does however remain a concern that the viability appraisals submitted do not evidence that all employment uses are unviable and that this, coupled with the employment land position advanced for the CELPS, fail to demonstrate that there is no reasonable prospect of the site being used for employment purposes.

Despite the identified benefits, it is not considered that there are sufficient material considerations to indicate a move away from the Development Plan. The proposal is therefore contrary to policies E1 and E2 of the Macclesfield Borough Local Plan, policy EG3 of the CELPS and paragraph 22 of the Framework.

## **SUMMARY RECOMMENDATION**

**Refuse**

## **PROPOSAL**

The application seeks outline planning permission for the 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. This application seeks approval for access, appearance, layout and scale, with landscaping reserved for subsequent approval.

The application has been amended and reduced in scale since the original submission in January 2016. The amendments include the removal of the originally proposed hotel.

It should be noted that there is a separate application for part of this site referred to as Phase 2 (application 16/0802M). However, the larger retail scheme (the subject of this application) encompasses both Phase 2 and Phase 3 as a single application.

## **SITE DESCRIPTION**

The application site comprises 4.8 hectares of open employment land as identified in the Macclesfield Borough Local Plan. The site lies within the Stanley Green Business Park / Industrial Estate, to the east of the A34 Handforth bypass adjacent to the Handforth Dean Retail Park.

## **RELEVANT HISTORY**

There have been a number of applications for mixed use developments on the site since 1995, which have included proposals for cinema, leisure and retail development. All of which were refused.

The most relevant of these was:

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

The most recent planning permission on the site was:

04/1091P - Renewal of planning permission 01/2683P for use of land for car parking from 01/04/05 to 31/03/10 – Approved 17.06.2004

On the wider site

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

On the adjacent site off Epsom Avenue

16/5678M - 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) – not yet determined

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 (loss of employment land) 08.03.2016 – Appeal scheduled for 13 June 2017

## **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 (MBLP) -

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)

### **Neighbourhood Plan policy**

The Handforth Neighbourhood Plan is at the early stages of formulation and has had its Neighbourhood Area Designation confirmed (Regulation 7) but there are no policies material to the current application at this time.

### **Other Material Considerations**

National Planning Practice Guidance

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

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

**Environment Agency** – No objections subject to condition relating to drainage of hardstanding areas.

**Natural England** – No comments to make

**Manchester Airport** – No objections subject to condition relating to a waste management plan (to avoid attraction of birds)

**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 conditions relating to highways improvements and a planning obligation to fund the monitoring of the travel plan.

## **Flood Risk Manager** – Comments awaited

**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:

- Other sites should be included in sequential assessment
- More flexibility of the scheme's format could be demonstrated
- Proposal will impact upon ongoing investment in Stockport at Redrock, Stockport Exchange, Merseyway, Market Place and the Underbanks
- Impact should be assessed up to ten years from the time the application is made.
- Retail assessment looks at impact on the comparison goods sector only
- Applicant does not consider the impact of the proposal on Stockport's District Centres
- Stockport Town Centre has a high vacancy rate
- Scope to significantly adversely impact on Bramhall, Cheadle and Cheadle Hulme District Centres
- Sales density for Next store very low
- Committed developments should be updated to include recent approvals in Stockport
- Impact of SEMMMS not taken into account
- Impact of phase 1b and 2 not taken into account
- Orbit and CPG schemes diverting trade from each other is a questionable approach.
- Applied weightings are misleading
- Errors in figures within retail addendum
- 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 the following grounds:

- Use of average trip rates for assessment purposes is a concern as there is clearly a 50% chance that they could be inaccurate
- No weekend traffic modelling provided
- The use of Temprow growth on the A34 corridor (aside from the Handforth traffic) is not appropriate as it is likely to underestimate the traffic impact of other possible development sites
- Scheme for the A34 / Stanley Road junction has not been subject to consultation with or agreement by Stockport Council.
- Unclear whether the submitted modelling exercises have been submitted to and/or verified by TfGM
- Site is remote from significant residential catchment areas and is effectively severed from the main residential areas by the presence of the A34 corridor
- Application includes little in terms of measures to promote sustainable access
- Development generates a significant numbers of trips and mitigation should be provided in a sustainable manner to sufficiently deal with this impact

- The impact on Stockport's roads of this proposal could be judged to be a severe adverse impact

**Wilmslow Town Council** - Expressed concerns about the likely increase in traffic congestion on neighbouring roads which would also be exacerbated by additional housing nearby as identified in the Cheshire East Local Plan.

**Handforth Parish Council** – Strongly support the application as it will provide welcome employment opportunities in Handforth, and with the discontinuation of the 378 bus service, provide employment within walking distance from the residential areas of the parish.

## **REPRESENTATIONS**

9 letters of representation have been received objecting to the original plans on the following grounds:

- Impact on traffic levels
- Generic reference in transport assessment on cycle and pedestrian access
- Local footpaths could be upgraded
- Impact on local centres
- Need for co-ordinated and fully informed assessment of all out of centre retail applications
- Contrary to town centre first policy
- Proposal will not promote sustainable travel
- Scheme will simply relocate existing employment opportunities
- Inadequate parking and servicing
- Loss of wildlife habitat
- Additional landscaping required to Earl Road
- No evidence that catchment area takes account of SEMMMS link road, therefore catchment area incorrectly drawn
- If catchment is incorrect then sequential site assessment should be widened
- Flexibility of form not demonstrated
- Without identifying the need that a development seeks to serve it is impossible to demonstrate flexibility of form
- Need levels not identified
- Sequential assessment flawed and inadequate
- Risk of a diversion of investment by retailers to the proposed development, e.g. Debenhams in Macclesfield
- As anchor shopping centre for regional centre (Manchester) impact upon Arndale Centre should be quantified and examined
- Anomalies between the levels of trade draw felt by centres. Applicant does not appear to have followed a like-impacting like methodology as prescribed by NPPG.
- No assessment of how SEMMMS will affect trade draw rates
- Turnover rates appear to be incorrect, for example, the turnover levels for Stanley Green and Altrincham Retail Parks seem very low
- Proposal would have a material affect on the retail hierarchy of the area
- Total net comparison goods floorspace at Handforth Dean would be greater than that in Macclesfield and Altrincham town centres
- Emerging local plan only identifies local scale retail for this area

- No marketing information submitted to demonstrate site no longer required for employment purposes
- Residents of High Peak likely to choose proposed development over Stockport Town Centre following completion of SEMMMS (both are same distance from High Peak)
- Impact on planned investment in Stockport
- The floor space for Peel Centre has been double counted within applicant's assessment
- Impact on Peel Centre and Stockport Town Centre should be examined as a combined entity

44 letters of support have been received from local residents noting that the development will:

- Support local job creation
- Creates 1200 jobs when operational and 300 jobs during construction
- Create additional business revenue for the Council
- Traffic will be well managed / improvements to road network
- Provide a better range of shops locally
- Bring investment to the area
- People will not have to drive as far, e.g. to the Trafford Centre
- Suitable location with access to public transport links
- Provides enhanced wildlife environment
- Is a good plan for a brownfield site
- Will make a positive contribution to Handforth
- Encourages shoppers to stay local
- Currently £250m in local retail spend leaves Cheshire every year in places such as the Trafford Centre
- Developer will enter into partnerships with local colleges to ensure local people will benefit from the jobs.

A second round of public consultation has taken place following the receipt of revised plans. Three further letters have been received from interested parties (from or on behalf of Eskmuir, Intu and Peel) objecting to the proposals on the following grounds:

- Premature to go to SPB on 19 April
- Catchment Area continues to ignore the SEMMMS Link Road
- CPG continue to consider The Peel Centre and Stockport Town Centre separately
- Orbit and CPG schemes cannot draw trade from each other if they come forward and open for trade at the same time as neither has a customer base at the point of opening which can be drawn from.
- In the absence of public information about the occupiers of the development £10,000sqm should be used as a sales density
- The turnover of existing facilities does not necessarily marry up to some of the trade draw assumptions
- Some committed developments within the catchment area have not been included within HOW's assessment:
  - Lidl, Hempshaw Lane (Ref: DC/060961)
  - Aldi, London Road South, Poynton (Ref: 14/5368M)
  - Aldi, Offerton Precinct (Ref: DC050745)
  - Stockport Exchange (Ref: DC054978)
  - Brighton Road Industrial Estate, Stockport (Ref: DC/060607)



## **APPLICANTS SUBMISSION**

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

- Marketing Activity Report
- Retail Impact Assessment Reports
- Design & Access Statement
- Surface Water Drainage Strategy
- Tree Survey Report
- Environmental Site Investigation Reports
- Biodiversity Offsetting Report
- Ecological Assessment
- Nesting Bird Survey
- Employment Land Market Report
- Flood Risk Assessment
- Transport Assessment
- Landscape Report

Additional information relating to the employment land situation in the local area, the viability of the site and the marketing if the site has also been submitted in response to the previously published committee report.

## **APPRAISAL**

The key issues in the determination of this application are:

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

## **ECONOMIC SUSTAINABILITY**

### **ECONOMIC BENEFITS**

The applicant has identified the following economic benefits arising from the proposal:

The Employment Densities Guide 3rd Edition has been used to estimate the likely number of full time equivalent (FTE) jobs that would be created by the proposed development.

The employment density for the main anchor unit has been based on the figures published by Next for their similarly sized store which has recently opened on the southern section of the wider site. To estimate the remainder of the retail units, an appropriate mid-point between high-street and retail warehousing has been used, which is considered to be a reasonable assumption given the nature of the proposed development and its likely tenant line-up. The figures for the restaurant and drive-thru units are based upon the standard A3 employment density figures provided.

On the basis of these assumptions, the development will generate approximately 730 FTE jobs in addition to the 200 created by Next. Overall, both developments will provide 930 FTE jobs which contribute significantly to the 31,400 jobs forecast to 2030 for Cheshire East.

The proposed development will bring the vacant site back into use and provide approximately 730 additional jobs when operational. Based on the revised jobs growth, the proposed development will generate approximately 2.3% of the borough's overall employment need to 2030 and 47% of the average annual forecast. The applicant has also indicated that they are willing to agree a local employment plan, in order to maximise employment opportunities for local people. A similar approach was adopted with the Next scheme.

As a substantial retail scheme, the proposed development would also make a significant contribution to the economy of Cheshire East, with more expenditure being retained in the Borough.

These are considered further, below, in the planning balance.

### **LOSS OF EMPLOYMENT LAND**

The application site is located within an Existing Employment Area as identified in the Macclesfield Borough Local Plan. The last use of the site was as airport parking, which ceased in 2010 and the site has since remained vacant.

Employment Areas are defined in the glossary to the Macclesfield Borough Local Plan as:

*The existing and proposed areas which are intended to cater for a mix of employment development including general industry, business uses and storage and distribution (see elsewhere in Glossary for more detailed definitions of these classes of employment development). The primary purpose of an employment area remains employment. For the avoidance of doubt, retailing is excluded from the definition of employment.*

Policy E1 of the Macclesfield Borough 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. Paragraph 14 states 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.

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

that purpose". Policy E1 does state that "both existing and proposed employment areas will normally be retained for employment purposes". Use of the word "normally" does suggest that there may be occasions when employment land could be used for alternative purposes, as with paragraph 22.

In the Cheshire East Local Plan Strategy, Employment Land is defined as:

*Land identified for business, general industrial, and storage and distribution development as defined by Classes B1, B2 and B8 of the Employment Land Town and Country Planning (Use Classes) Order 1987. It does not include land for retail development nor 'owner specific' land.*

Policy EG3 of the emerging local plan strategy 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. The footnote to this policy requires that to demonstrate that no other occupiers can be found, the site should be marketed at a realistic price reflecting its employment status for a period of not less than 2 years. The emerging local plan is at an advanced stage and therefore this policy can be afforded significant weight.

With regard to the employment land issue, the applicant makes reference to the fact that the site has been allocated for employment purposes for 20 years and that within that time, not one planning application has been made for employment uses. The application is accompanied by a Marketing Activity Report prepared by Engine of the North, which looks at the marketing of the site between 2011 and 2015.

It should be noted that the land is owned by the Council and has been marketed by its own development company 'Engine of the North'. This is a separate entity to the Council acting as Local Planning Authority.

This Marketing Activity Report concludes that:

- Marketing Boards have been present on site since 2012 and have generated very limited end user interest for Employment Uses.
- In March 2012, the Council directly sought general expressions of interest as part of a soft marketing exercise. A wide variety of proposals from developers and occupiers were received.
- In 2014-2015 and in accordance with a Cabinet resolution, the site was marketed for a wide variety of potential land uses including employment, retail, leisure and sui generis uses such as car showrooms.
- This generated substantial interest and a large number of offers. No offers were received from any Employment occupiers either for part of the site or the whole.
- Only one offer was received to develop the whole site for Employment Use, but was not supported by named end users. This was also the lowest offer received, creating an issue for the Council in terms of its legal obligation to achieve best value. In addition, the offer was conditional on a site investigation. Ground conditions were known to be poor and the low residual value indicated by the offer limited the ability of the proposal to absorb abnormal costs whilst remaining financially viable. The developer who submitted this offer is no longer trading.
- Offers based on mixed use proposals were, for the most part, retail/leisure schemes with around 2-3 acres set aside for Employment Use.

- The option of selling the site in individual lots was not pursued beyond the first round of bids. It was initially believed that this approach might yield the highest overall value for the Site as a whole but on examination this proved not to be the case.
- A second round of bids was held in October 2014. 10 developers were shortlisted. In all instances, the offers submitted were based on a comprehensive retail/leisure scheme with no Employment Uses.

In addition to this, an Employment Land Market Report has also been submitted by the applicant, which notes that:

- NPPF discourages the retention of sites in an employment allocation if there is no reasonable prospect of it coming forward for that use
- Release of the application site would not only benefit Handforth but also Cheshire East's wider employment needs in the Borough
- Employment land review dated 2012 identifies a potential shortfall of employment land 51 hectares, however subsequent studies undertaken in 2015 and 2016 identify potential additional sites, which would provide up to 4 times the required land supply.
- Employment land take up has historically been 13.54 hectares per annum but only 3.28 hectares of this has been in the northern part of the borough, in which the site is located.
- There have been structural changes within the office market, meaning that the application site will never be brought forward for a flagship B1 office development. Out-of-town office development is now only likely to happen on the premier business parks in the area and there is an ample supply of these in the marketplace in which the site sits
- Speculative office development that has taken place on an adjacent plot to the application site which was constructed over seven years ago, has never been occupied.
- The application site is in the north of the borough where there is significantly less demand for industrial land. The industrial logistics market is concentrated in the south of the borough, a fact highlighted by both Arup and Ekosgen in their reports on Employment Land, and reflected in the employment land take-up figures
- Recent current and future demand for industrial and logistics premises is more than likely to be concentrated on the motorway corridors away from residential accommodation due to the requirements for excellent access and 24/7 usage.
- As demand increases for these prime sites there will be a resultant decrease in the take up of secondary sites, which are more suited to smaller local businesses. The application site has all the characteristics of a secondary site, in that it is in a mixed-use location near to retail and remote from the motorway network.
- Recently available existing industrial units closest to the application site have been taken up by leisure uses, including a gym and trampoline centre
- Due to the secondary nature of the site and the abnormal costs of development, the site is not a viable for continued employment use. The applicant has undertaken a viability analysis of the site for employment and their findings are that, due to the constraints of the site and the market for the location, it will never be delivered for employment use.
- The loss of this site from employment will not have a detrimental effect on the supply of existing employment land and there are still high quality office development sites in

preferential locations close by. Furthermore, there are development sites which are more suited for smaller industrial and warehouse uses, with an ample supply of existing buildings to meet any demand in the area in which the application site is located.

The applicant's overall conclusion is 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.

Following comments made in the previous Committee report (which was withdrawn from the 19 April Agenda) the applicant has responded to the issues raised. These issues and the applicant's further responses are discussed below. The responses from the applicant relating to the marketing of the site have been provided by Engine of the North.

The report on the marketing of the site covers a period from 2010 when the site was marketed on a short-term leasehold basis. This exercise did not lead to any short term lettings, but did generate interest from parties wishing to buy. This included interest from companies, some of them local, who were looking for employment floor space within the Borough. Within the original submission it was not explained why the site was marketed only on a short term leasehold basis at that time, and concerns were raised by officers in the previously withdrawn committee report that such a strategy may have deterred other interested parties, such as those looking for more long term commitments, pursuing their interest in the site any further.

The applicant has sought to clarify this with reference to a Report of the Strategic Director Places and Organisational Capacity to Cabinet on 28th November 2011 to consider the options for the development of this land to maximise employment opportunities and financial returns. This public report explains that the reason for the short term marketing was to secure an occupier and revenue stream from the site whilst, *"The Council investigates further the options for development of the site ... to maximise employment opportunities and financial returns"*.

The Cabinet report also explained that interest was shown in more long term commitments to the site. The report states that:

*"Limited interest has been shown following the marketing of the site on a short term lease basis. Regular enquiries have been received however for the freehold interest of the site. Whilst the majority of these enquiries fall outside what would be classed as an employment type use there has been recent interest from a number of sources that would indicate there may be development opportunities including investment / expansion enquiries from existing Cheshire East companies."*

For the purposes of assessing the marketing activity in the context of the current application, officers therefore do now accept that the marketing (on a short-term lease basis) did generate interest in longer term commitments to the site rather than deter it, and acknowledge that the *"majority of these enquiries fall outside what would be classed as an employment type use"*.

Further to this, again in the previously withdrawn committee report officers raised concern that rather than capitalising upon the interest that had been shown in 2010/2011 the marketing seems to have stalled until March 2012, which may have led to the loss of the previous interest shown in the site. However, the applicant has now responded to this by noting that,

*“most of the interest shown in the site during this period was for non-employment uses, notably retail. This interest from this sector of the market was not pursued at that time because the Council had a very clear intention to see the site developed for Employment Use”.*

These comments are consistent with the resolution of the Council’s Cabinet on 28 November 2011, which stated:

- 1. That the Council investigates further the options for development of the site, [including those options outlined in 10.3 - 10.5 of the report,] to maximise employment opportunities and financial returns.*
- 2. That a feasibility exercise be undertaken and expressions of interest sought from the market in order to better understand the current demand and occupier requirements.*
- 3. That the conclusions of the above investigations be considered by the Cabinet in Spring 2012.*

Concern was raised previously by Officers that no specific details of the 2012 marketing exercise have been provided. Therefore, whilst it is noted marketing boards were erected around the site it is not clear if these boards acknowledged the employment allocation of the land, whether the site offered a generic development opportunity or whether the site was being marketed at a price that reflected its employment status.

In response to this the applicant refers to a report to Cabinet by the Head of Development at that time (January 2013) which states that *“A recent soft market testing exercise to explore commercial interest suggests there is potential to bring this site forward as a high-quality employment led regeneration opportunity.”* This resulted in the resolution from the Cabinet meeting on 7 January 2013 being to:

- i) Take all necessary action to bring forward, through phased direct development, the Council’s landholding at Earl Road, Handforth for employment led uses in line with current planning policy.*
- ii) Invest up to £130,000 towards the cost of financial appraisal, site investigation and masterplanning work.*
- iii) Commence marketing of serviced plots in order to ensure timely delivery on site.*

As the applicant notes, *“The Council’s intention at this time could not have been stated more clearly. In spite of strong interest from retail and leisure uses, the Council remained committed to developing the Site for Employment Uses in line with planning policy.”*

Again for the purposes of assessing the likelihood of the site being used for employment purposes, officers do accept that none of the parties who expressed interest in employment uses on the site pursued their interest through to a formal offer.

The previously withdrawn committee report also suggested that limited interest during this time cannot have been entirely unexpected when the UK was gradually leaving a significant period of recession in 2008 and 2009. In response, the applicant points out that there has only been limited interest in the site for employment uses since it was allocated for such use in 1997. Short term market conditions do not appear to be a material factor. In addition the applicant has provided a letter from the marketing agents CBRE which states that, *“The*

*economic crash was 2008/9 and therefore the soft marketing in 2012 took place 3/4 years after, and the national campaign took place 5/6 years post recession and within a period of stability and sustained low interest rates. Industrial deals were completed elsewhere during this period of relative strong market conditions. In contrast, the immediate future now looks uncertain with Brexit likely to impact the market."*

A report commissioned by the Council (as landowner) and prepared by Deloitte in 2013/2014 apparently identified (the report has not been submitted with the application) that a development containing only offices and light industrial uses would be unviable in the current market. As a result of this, the formal marketing activity between 2014 and 2015 explicitly moved away from employment uses and the Council's cabinet approved the disposal of the site *"for a range of potential land uses, including employment, retail, leisure and sui generis use such as car showrooms"*, despite the allocation in the local plan remaining as employment land.

The incorporation of these wider uses within the marketing material for a site owned by the Council may have deterred other potential employment use occupiers from expressing an interest. Whilst this may still be the case, the applicant has again referred to a third Cabinet Report (from 4 March 2014), which seeks approval for disposal of the site potential land uses, including employment, retail, leisure and sui generis use such as car showrooms. This is clearly a shift from traditional employment uses, but given the steps taken previously to attract employment uses, and the lack of interest in preceding years, such a change in strategy is now understandable. Added to this, this shift occurred when Next received permission (or more accurately a resolution to grant permission at that time) on part of the site for a retail use, but at a time when no disposal agreement existed between the Council (as landowner) and Next Plc in relation to the plot in question. The marketing covered the whole site, including the Next plot, which did have an approved retail use.

The submitted letter from CBRE states that, *"It is worth reiterating that in the initial round of bids concluded in June 2014, we received 53 separate offers for the site, of which only 1 was for a wholly employment use scheme comprising two large distribution units"*. The higher offers that were received were based on exclusively retail / leisure schemes and concern was raised by officers in the previously withdrawn committee report regarding the Council's legal obligation to obtain best value from the sale. Typically, this obligation is discharged by accepting the highest price, which would inevitably be a retail / leisure use based on the offers received. However, the applicant has explained that the Council is permitted to sell at less than the highest price when there are social, economic or environmental benefits associated with under-bids. Added to this a further consideration is the likelihood of the sale completing, and it is relevant that all of the offers were conditional, with most being conditional on planning and site investigation.

Overall, in terms of the previous concerns raised by officers in the previously withdrawn committee report relating to the marketing of the site, it is now considered to be much clearer that the Council's aspirations for the use of this site have justifiably changed over time, as they would for any other landowner, due to the lack of interest in employment uses during the 20 years the site has been allocated as such, and particularly since 2010.

It should also be noted that as part of the consideration of the Next scheme between 2013 and 2015 on the adjacent site, the fact that previous marketing campaigns did not find anyone willing to develop the site for employment purposes, was material to the decision to approve.

Added to the unsuccessful marketing campaigns, the applicant maintains that the site is not viable for an employment use, notably due to the ground conditions, and the additional costs this incurs. A viability appraisal has been provided for small and mid-box industrial and warehouse uses, which results in a loss of just under £5.1 million rendering development for employment use unviable. The appraisal was previously dismissed by officers as being high level and appeared to adopt a broad brush approach to the assessment and figures included within it. However a further review of the evidence submitted has now been made, alongside evidence available to the Council through the Cheshire East Local Plan work which has questioned that previous approach. The applicants also point to recent experiences from the construction of the Next store which has highlighted those difficult ground conditions for construction which adds to costs.

It is considered that the submission follows an industry standard format and does demonstrate that there are viability issues associated with the development of this site. However, the applicants do not believe the site is likely to attract an office use so no viability appraisal has been submitted for this type of use. It is considered that the lower values associated with industrial and warehouse uses may not fully demonstrate that the site is unviable. An office based scheme could also create a significantly higher number of jobs across the site than those currently advanced for retail use. It is estimated that an office use on the site could generate between 600-2000 jobs depending upon the nature of the type of offices required.

The viability report also reflects the advice previously given to the Council of the North by Deloitte in 2014 which also concludes that *“an exclusively employment led scheme will be a significant challenge and potentially not viable given the competition from other more preferable/established sites in the area such as Cheadle Royal or ones with future potential for critical mass such as Airport City.”*

In addition the applicant's Employment Land Market Report notes that there is a relatively weak market and continued availability of significant amounts of high quality office space in the prime business parks of south Manchester, which makes the application site unattractive for potential office uses.

In terms of industrial and logistics uses, the applicant explains that there is a two-tier market. The first tier are those prime sites mainly comprising large greenfield areas close to motorway junctions and remote from retail and housing providing excellent accessibility. The second tier includes those sites catering for the local market and closer to historic industrial areas where there has been a decline in activity and some redevelopment for alternative uses, principally housing and retail or leisure. The take up of these sites is very slow and investment into many of these sites has been minimal for many years. The applicant considers that the application site sits very firmly in the second tier.

Whilst these comments are acknowledged, the applicant's marketing report does state that the site is widely acknowledged to occupy a prime location, prominent, adjacent to the A34 and next to Tesco / M&S. The site has excellent access into Manchester City Centre along the A34, the M60 is approximately 4 miles to the north of the site along the A34, and the



completions of the SEMMMS link road will also improve accessibility to the airport and the M56.

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

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

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

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

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

The Local Plan Strategy is expected to be adopted later this year, and already the Council is faced with proposals that have implications upon the amount of employment land identified to be required from the period to 2030. The loss of this site to a non-employment use would require alternative allocations to be made, which given the constraints of the northern part of the Borough is likely to require the removal of land from the Green Belt, which should not be done except in exceptional circumstances. It is therefore very important that existing employment land allocations are not lost to alternative uses unless it can be demonstrated that there is no reasonable prospect of the site being used for employment purposes.

### **Conclusion on loss of employment land**

The applicant has provided additional details relating to the Council's strategy for the marketing of the site, which it is acknowledged has identified very little interest from potential

employment users of the site. The site has been an employment allocation in the various iterations of the development plan for approximately 20 years and remains undeveloped.

Added to this the applicant has completed a viability report, which is in line with the RICS Guidance Note “Financial Viability in Planning” and is accepted practice. The report refers to known constraints on the site and some abnormal costs (notably ground conditions) which have resulted from experience in constructing the Next store on the site. The report concludes that a development for employment purposes is unviable.

However, balanced against this is the acknowledged prime location of the site in south Manchester and the increased employment land provision required as part of the CELPS. Viability work for office uses on the site also needs further exploration.

Therefore, it is not considered that the applicant has demonstrated that the site is no longer suitable or viable for employment use, in accordance with policy EG3 of the CELPS, or that there is no reasonable prospect of the site being used for employment purposes, in accordance with paragraph 22 of the Framework. Accordingly it is not considered that there is a case for alternative development at this time.

## **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.

Policy EG5 of the CELPS reflects the sequential approach and the impact tests set out within the Framework.

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), and their comments are incorporated below.

## **SEQUENTIAL TEST**

Planning applications for sites outside defined town centre boundaries are subject to a sequential test. The application to the sequential approach is described in Paragraph 24 of the NPPF (2012):

*“Local planning authorities should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. They should require 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. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town*

*centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale.”*

The Tesco Stores Limited v Dundee City Council [2012] UKSC 13 Supreme Court Judgment gave specific consideration to the meaning of ‘suitable’ in respect of the application of the sequential test. Paragraph 38 of the Dundee Judgment finds that:

*“...the issue of suitability is directed to the developer’s proposals, not some alternative scheme which might be suggested by the planning authority. I do not think that this is in the least surprising, as developments of this kind are generated by the developer’s assessment of the market that he seeks to serve. If they do not meet the sequential approach criteria, bearing in mind the need for flexibility and realism...they will be rejected. But these criteria are designed for use in the real world in which developers wish to operate, not some artificial world in which they have no interest in doing so.”*

Both the Courts and the Secretary of State have found the Dundee Judgment to be directly applicable to the English planning system. In this regard, the Judgment in the case of R (Zurich Assurance Limited) v North Lincolnshire Council [2012] EWHC 3708 (Admin) similarly identifies, at paragraph 61, that it is:

*“...important to mark that developers, and planning authorities, work in the real world.”*

The interpretation of ‘suitability’ was also recently considered by the Inspector in his report commending the grant of planning permission for proposed retail development at Rushden Lakes (PINS reference APP/G2815/V/12/2190175) to the Secretary of State. With specific regard to disaggregation, paragraph 8.47 of the Inspector’s report states that:

*“There is no longer any such requirement stated in the NPPF... Had the Government intended to retain disaggregation as a requirement it would and should have explicitly stated this in the NPPF. If it had been intended to carry on with the requirement then all that would have been required is the addition of the word “disaggregation” at the end of NPPF [24].”*

In addition to the above, a recent Judgement (Aldergate v Mansfield District Council & Anor [2016] EWHC 1670 (Admin)) is also of assistance in confirming how the sequential test is to be applied in practice. In particular, it is noted at paragraph 35 of the Judgement that:

*“...suitable and “available” generally mean “suitable” and “available” for the broad type of development which is proposed in the application by approximate size, type, and range of goods. This incorporates the requirement for flexibility in [24] NPPF, and excludes, generally, the identity and personal or corporate attitudes of an individual retailer. The area and sites covered by the sequential test search should not vary from applicant to applicant according to their identity, but from application to application based on their content.”*

The Communities and Local Government (CLG) Select Committee published its report into the Operation of the National Planning Policy Framework on 9 December 2014. Paragraph 85 of the report identifies that the NPPF has removed the previous policy requirement to disaggregate parts of a retail or leisure proposal.

The Government Response to the CLG Select Committee Inquiry into the Operation of the National Planning Policy Framework was published on 27 February 2015. It does not challenge the Select Committee’s stated view in respect of disaggregation. Indeed, paragraph 24 of the Government’s response dismisses the Select Committee’s

recommendation that disaggregation is restored to the sequential test as it considers “...*that this proposal is unnecessary.*”

Taken together, it is clear from the above that the Secretary of State does not consider disaggregation to form any part of the sequential test and, as a consequence, it is not considered that there is any requirement to consider whether any element of the application proposal could be disaggregated to another site.

Secondly, in order for an alternative site to be found to be sequentially preferable, there needs to be a realistic prospect that the site could support such a use in the ‘real world’. In other words, the refusal of planning permission at the subject application site should bring with it a realistic prospect that a materially similar development (allowing for some flexibility) could be accommodated at the alternative site.

The Government’s position in respect of ‘disaggregation’ (i.e. the need to consider whether constituent elements of an application proposal could be accommodated on separate sites) was clarified by the Secretary of State in granting planning permission for retail development at Rushden Lakes (PINS reference APP/G2815/V/12/2190175). The Rushden Lakes decision makes it abundantly clear that there is no NPPF policy requirement to disaggregate and this position has subsequently been maintained by both the Secretary of State and the Planning Inspectorate.

In relation to the sequential approach to development and noting the recent Judgments and appeal precedent in respect of the application of the test, it is not considered that any of the sites identified by the applicant, the Council’s retail consultant or third parties would be available and suitable to accommodate the proposed development, either in part or as a whole, even when applying a sufficient degree of flexibility.

WYG initially provided advice on the retail aspects of the proposal in 2016, and as part of that advice they considered a number (11) of sequential sites that were reviewed by the applicant. As part of that appraisal WYG raised a number of other sites that the applicant had not considered, and this was supported by third party objectors who also raised a number of alternatives.

The applicant has stated that the catchment area for the proposed development is based upon drivetime isochrones from the application site and that a 10 minute drivetime will equate to the primary catchment area (‘PCA’), with a secondary catchment area (‘SCA’) equating to a 20 minute drivetime to the north and 25 minute drivetime to the south. WYG accept that for the purposes of the sequential approach, the catchment area drawn by the applicant, as described above, covers the centres that should be assessed as part of the search for sites

In summary the following sites have been considered, and discounted, within the sequential approach:

## **Macclesfield**

### **1. Silk Street**

Town centre site in active use as two town centre car parks. The Council has now chosen a developer to take a redevelopment scheme forward for a mixed-use leisure led scheme

across two of the three available sites. Two of the sites are not available for the purposes of the sequential approach and the remaining site is not of a suitable size to accommodate the proposed development in its entirety, even when applying a sufficient degree of flexibility.

2. Royal Mail Depot

Approximately 1.6ha edge of centre site and is in current use as a Royal Mail Depot and Telephone Exchange Centre. Site is too small to accommodate all or even part of the proposed development.

3. Samuel Street/Park Lane

0.5ha edge of centre site is significantly smaller than the application site and is unsuitable for either the whole or even part of the proposed development

4. Barracks Mill, Black Lane

This site is considered to be sequentially superior to the proposed development as it is better located to Macclesfield town centre and with being located within the settlement has improved accessibility by pedestrian, vehicle and public transit than the proposed CGP site. Therefore, in location terms it does represent a more sustainable location to secure high activity land uses such as retail and leisure. However, it is accepted that the Barracks Mill site would not capture the level of likely customers as intended at the application scheme as the catchments are inherently different and the site can only accommodate approximately half of the proposed floorspace, and is therefore unsuitable.

**Stockport**

5. Redrock

The site measures approximately 3.1ha and is currently being redeveloped to form a leisure-led scheme with a cinema and restaurant units. Work has commenced on site and therefore, the site is not considered to be available for the proposed development at Earl Road.

6. Merseyway Shopping Centre

No units of a suitable size are currently available to accommodate the proposed development in its entirety within the Merseyway Shopping Centre. There are a limited number of larger scale units at the Shopping Centre and in any event, these already have well established tenants in place. The site is therefore not considered to be available for the proposed development at Earl Road.

7. Knightsbridge

The wider site comprises a multitude of smaller sites/plots accommodating a mix of retail, industrial and manufacturing uses around the streets of Richard Street, Brewery Street, Howard Street and Avenue Street. The majority of the site area retains active uses, with only a small parcel of land off Howard Street found to be vacant. The applicant notes, the ownership of the land is complex and therefore gaining the relevant land ownership consents could be a lengthy process. Due to the existing active uses and unknowns with regard to land ownership, the site is not currently available.

8. Peel Centre

There are two extant permissions at The Peel Centre, one for the extension, reconfiguration and redevelopment of Unit 6 (Ref. DC/052216) and the other for the clearance of the gas holders site and the creation of additional car parking spaces (Ref. DC/056977). Other than these two extant permissions, the remainder of the site is in active use and therefore is not available for redevelopment. The two sites subject to the extant permissions are not of a suitable size to accommodate the quantum of floorspace proposed at Earl Road and therefore cannot be considered to be sequentially preferable to the whole application site.

#### 9. Water Street

The site has been approved (DC/061730) for non-food retail floorspace (5,574 sq.m). The site is therefore clearly available for the proposed uses, however, the site in isolation cannot accommodate the quantum of floorspace that is being proposed and would only be able to deliver over a quarter of the proposed development and therefore can be dismissed as being sequentially preferable.

#### 10. Fletcher Street Car Park

The site at Fletcher Street measures approximately 0.2ha and is in current use as a car park. The site is significantly smaller than the application site at Earl Road and could not accommodate the level of floorspace proposed, even when apply a suitable degree of flexibility.

#### 11. Former Royal Mail Sorting Office

The former Royal Mail sorting office site measures approximately 0.3ha and is situated in an edge-of- centre location in planning policy terms. The site is being currently marketed. However, it is considered that the site is unsuitable and unviable for the whole (or part) proposed development in light of it being significantly smaller than the application site.

#### 12. Former BHS store, Merseyway

The applicant has considered the former BHS unit located within the Merseyway Shopping Centre. This vacant unit sits over five floors and collectively accommodates 6,269sq.m of floorspace, with varying internal floorplates across the levels within the building. It is not evident whether the unit is being actively marketed or not, and therefore is unclear whether the unit is available. Notwithstanding this, whilst the vacant floorspace could positively help to attract new retailers to the town centre, it only represents a small amount of the level of floorspace being proposed and is constrained in its configured which may not be conducive to multiple retailers, and this may be a reason why the premises have not been taken up since the vacation of BHS in mid to late 2016. Therefore, the unit can be dismissed as unsuitable for the proposed development.

### **Wilmslow**

#### 11. Alderley Road/Green Lane

The site at Alderley Road in Wilmslow is situated in an edge of centre location in policy terms and measures approximately 1.5ha. It is currently occupied by a mix of commercial and residential uses, plus a serving C of E Church. As the site is in current use and as there is no evidence available to confirm that a wholesale redevelopment would be suitable, it is not currently available for the proposed development. In any event, the site is not of a suitable size to accommodate the whole (or part) proposed development.

### **Conclusion on sequential approach**

Having regard to the above details, it is considered that that there is not sufficient evidence to confirm that there are sequentially preferable sites (and buildings) which could adequately accommodate the proposed development and therefore the proposal complies with Policy S2 of the Macclesfield Borough Local Plan and paragraph 24 of the NPPF, as well as Policy EG5 iii of the CELPS.

## IMPACT

Policy S2 of the Macclesfield Borough Local Plan provides guidance for new retail development outside established centres. In terms of impact, the policy states that the proposals will need to meet the following criteria:

- That there is no demonstrable harm to the vitality and viability of existing nearby centres;
- The likely cumulative effects together with recently completed developments and outstanding planning permissions, in the catchment areas of existing nearby centres.

Paragraph 27 of the NPPF indicates that application proposals for retail, leisure and office development may be refused planning permission where a significant adverse impact is likely to arise from the development. The key consideration is clearly not whether there is an impact as a result of development, but whether that impact could be deemed to be 'significantly adverse'.

In assessing the significance of impacts arising from development, it is necessary to reflect upon the advice set out in the Ensuring the Vitality of Town Centres Planning Practice Guidance ('NPPG'). In this regard, paragraph 017 states that:

*"A judgement as to whether the likely adverse impacts are significant can only be reached in light of local circumstances. For example in areas where there are high levels of vacancy and limited retailer demand, even very modest trade diversion from a new development may lead to a significant adverse impact."*

It should also be recognised that impacts will arise with all retail developments, but that this is not by definition always a bad thing as development often enhances choice, competition and innovation. It is instead necessary to differentiate between those developments which will have an impact and those which will undermine the future vitality and viability of established centres, i.e. have a 'significant adverse' impact.

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

1. 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
2. The impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, usually up to five years from the time the application is made.

### **Impact on Investment**

In terms of impact of the proposal upon existing, committed and planned private or public sector investment in a centre or centres in the catchment area of the proposal, four schemes have been identified which merit consideration with regard to the first part of the impact test:

1. Silk Street, Macclesfield

2. Redrock, Stockport
3. Stockport Exchange
4. Market Place and Underbanks, Stockport

Some concerns were raised during the course of the application with regard to the potential impact of the proposed development on the Silk Street scheme in Macclesfield and the Redrock scheme in Stockport. Additional justification has been submitted to address these concerns, which is considered below. The Market Place and Underbanks initiatives within Stockport as well as the Stockport Exchange are both considered to represent qualitatively different offers that would not be affected by the proposal at the application site.

#### 1. Silk Street, Macclesfield

The Silk Street scheme is now centred on a new cinema (Use Class D2) anchor with associated restaurant (use Class A3 to A5) uses that will complement that proposed use. It is accepted that with no cinema being proposed at the application site it is unlikely to compete directly with the Silk Street scheme. Furthermore, the applicant considers that any restaurants uses would not compete but are likely to operate from both locations as they are both complimentary and ancillary to the main primary function of the respective developments. The applicant further suggests that they would both serve different catchment areas. This position is supported by two letters provided by McDonalds and Tasty Plc ('dim t' and Wildwood Restaurants) which confirm that they consider Macclesfield, Stockport, Parrswood and Handforth Dean as separate catchments. This is useful evidence, albeit limited in that it is focused to a single drive thru operator and a single chain restaurant operator (with limited (7) 'dim t' restaurant portfolio all in London and Wildwood Pizza which operate across major settlements across the UK). However, the duality trading position does marry with WYG's experience elsewhere whereby restaurant, food and beverage operators, especially those focused on more fast food related operations, do seek dual representation at various locations to help exploit footfall generated and varying retail formats, and this can be experienced across both town centre at retail park formats.

It is unlikely that the proposed level of A3/A5 uses at the proposed development would prejudice the ability of the Silk Street scheme coming forward as this is being driven by the Council's desire to facilitate a key leisure anchor in the form of the cinema, and address a key deficiency in the town's wider leisure offer. This intervention will increase overall footfall which will ultimately drive the need for complementary local food and beverage footfall in that locale. Furthermore, Silk Street is likely to be targeted towards a different end user such as families and high quality dining experience linked to enhanced evening pastime and wider leisure activities. Whereby the A3/A5 uses at the proposed development are likely to be more orientated to fast food and drive thru facilities and to enhance local dwell times at the application scheme linked to the shopping experience (typically involving quicker dining experiences as part of a wider shopping trip). Therefore, it is likely to represent a qualitative difference in the leisure offer aimed at differing audiences. Lastly, it should be noted that the Council is pursuing the Silk Street scheme in full acknowledgement of the application scheme being proposed (as the landowner of the site) and this does not appear to affecting the ability of the Council to facilitate a leisure based scheme, therefore there does not appear to be any prejudicial impact on the intended investment.

#### 2. Redrock, Stockport



It is clear from representations by Stockport Council and from the marketing material for the Redrock development that a significant level of the proposed leisure floorspace has been pre-let in advance of the development opening later in 2017. These pre-lets have been agreed in the full knowledge of the proposals at Earl Road, although it is accepted that there is still further space to be occupied. As with the Silk Street scheme, it is clear that the leisure operators that are being secured at Redrock are taking advantage of the probable footfall to be created from the anchor Light cinema facility and all the restaurant units are focused towards family and high quality sit down experiences linked to wider evening activity that will be created. It is therefore accepted that the proposed restaurant and A3/A5 uses at the application site are likely to be different to those being promoted at Redrock and therefore the prejudicial impact is likely to be more limited. However, this is with an element of caution, as there will be some overlap and it is a material consideration that the initiative for Redrock (as well as others including Silk Street) is to diversify the wider offer of Stockport town centre in direct response to its declining retail role that has been quantified by the Council's Retail Study. However, given the relatively limited scale of the units (A1, A2, B and C) which are designed to cater for more family and sit down eating establishments it is unlikely that in isolation this would prejudice the investment in such space in Stockport given the wider initiatives that are being pursued. We also note that the promoters of Redrock have not formally objected to the current application. Overall, it is considered that the proposed Class A3/A5 units will not significantly impact on any planned or committed town centre investment.

#### Other investment

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 CPG'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 CPG 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 CPG's Earl Road application is unlikely to have a 'significant adverse' impact upon Eskmuir's existing investment in the former Cheshire Building Society

As noted above the Market Place and Underbanks initiatives within Stockport as well as the Stockport Exchange are both considered to represent qualitatively different offers that would not be affected by the proposal at the application site.

Stockport Borough Council 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<sup>2</sup> 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 on town centre vitality & viability**

During the course of the application, the proposal has been amended to reduce the quantum of Class A1 floorspace and has also removed the gym and hotel elements from the scheme.

The applicant also submitted an updated retail impact assessment ('RIA') in March 2017 to support the revised proposals. The March 2017 RIA included an updated set of quantitative tables (both 'central case' and the 'sensitivity case'), supported by associated analysis within the report itself. The primary purpose of the March 2017 RIA was to set out the revised impact figures following the submission of a scheme with a reduced quantum of Class A1 floorspace and to address previous concerns with the applied methodology.

The revised impact figures submitted by the applicant have included the Class A1 floorspace proposed under their other application 16/3284M for the erection of two units in the place of the garden centre adjacent to Next. The increased turnover and trade diversion as a result of application 16/3284M has therefore been taken into account in considering the acceptability of the proposal. The proposals have been considered together in the likelihood that the applications will come forward together. If it was the case that the proposed two units adjacent to Next were to come forward separately to the wider scheme proposed under this application (16/0138M), it is unlikely that the solus diversion would have a significant adverse impact on any defined centre due to the limited scale and turnover of that application alone.

The revised scheme (16/0138M and 16/3284M) has a reduced net sales floorspace of 19,615sqm. This has been reduced by 5,325sqm from the original submission, which equates to a reduction in turnover of the proposed scheme by -£40.8m.

Based on existing shopping patterns as identified in the household survey supporting the planning application, it is evident that high proportions of shoppers are currently undertaking

their comparison goods shops in Stockport town centre in particular and therefore, a high proportion of diversion is likely to be from this destination.

Added to this Members should also be aware of the Peel Centre in Stockport, which is a retail park within the town centre and therefore the impact upon Stockport town centre should be considered together with the Peel Centre. If the size of the proposed retail floorspace at 24,519sqm (GIA) is compared to the existing floorspace at the Peel Centre which is approximately 21,832 sqm (GIA), it is evident that the two schemes offer a comparable quantum and quality of modern Class A1 floorspace both set around a retail park format. Furthermore, the format and layout of the two schemes is comparable, along with accessible surface level parking and visual locations on good transport networks. The two schemes will inevitably compete directly with each other, particularly when considering the NPPG guidance that 'like affects like'.

This is also probable due to its location in proximity to the application site, its current offer (both at the Peel Centre and in Stockport town centre itself) and the ease of accessibility off the M60.

It is important that the cumulative impact of the application proposal is considered having regard to other existing retail commitments in the catchment. It is vital that the cumulative impact of the application scheme and extant planning permission are considered together and accounted for when analysing the potential implications on the vitality and viability of defined centres. The table below provides a summary of the likely cumulative impact with the application proposals, which is estimated to have a turnover of £158.1m by 2022.

#### WYG's Cumulative Impact Considerations at 2022

	Estimated Turnover (£m) 2022	Cumulative Diversion (£m) 2022	Residual Turnover (£m) 2022	Cumulative Impact 2022 (%)
Macclesfield town centre	£206.4m	-£14.8m	£191.6m	-7.2%
Stockport town centre	£616.0m	£48.3m	£567.7m	-7.8%
Peel Centre	£100.4m	£15.8m	£84.6m	-15.8%
Combined <i>Stockport and Peel Centre</i>	716.4m	£64.2m	£652.2m	-9.0%
Congleton town centre	£53.1m	£1.2m	£51.9	-2.2%
Wilmslow town centre	£29.5m	£1.8m	£27.7	-6.2%
Nantwich town centre	£88.5m	-£0.0m	£88.5m	0.0%
Handforth District Centre	£11.8m	-£0.2m	£11.6m	-1.5%
Handforth Dean	£163.7m	£22.0m	£141.7m	-13.4%
Cheadle Royal	£232.7m	£30.5m	£202.2m	-13.1%
Stanley Green Retail Park	£71.2m	£11.1m	£60.2m	-15.6%
<i>Other Centres and facilities</i>		-£75.4m		

These cumulative results show that the trade diversion will be -£14.8m on Macclesfield town centre at 2022, this will represent a -7.2% impact which is considered to be an adverse impact, although it is noted that the town centre residual turnover will be £191.6m at 2022. The turnover of the town centre at 2020 is estimated at £191.3m, so the results show that there will be no turnover growth in the town centre between 2020 and 2022. WYG advise that the level of cumulative trade diversion at -£14.8m from the application 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 refused by SPB due to the impact on Macclesfield town centre). This resulted in a cumulative impact of -11.4% at 2020.

Turning to Stockport town centre (including the Peel Centre), the analysis shows that the quantitative impact will be -9.0% at 2022. It is noted that the majority of the cumulative impact is a result of potentially -£46.5m diverted from extant planning permission already consented in the local area. These on their own would have an impact of -3.3% on the overall town centre. However, using WYG's interpretation of the applicant's trade diversion, they estimates that a further -£40.7m of turnover will be diverted by the proposed Earl Road scheme, resulting in the -9.0% impact at 2022.

#### Town centre health checks

Whilst the quantitative and monetary diversion figures are of use in considering the impact of a proposal on defined centres, the consideration of what implications such a diversion could have 'on the ground' is the key matter in determining the acceptability of a proposal. Considering matters such as whether retailers are likely to cease trading, whether developments are likely to reduce retailer demand in defined centres, or what impact a reduced footfall could have on existing operators are all important in determining applications of this nature.

In considering the potential implications of the identified trade diversion and impact on centres, it is considered that the two centres of particular relevance are Macclesfield and Stockport town centres, which have both experienced declining roles in recent years. The other destinations of relevance which are likely to compete directly with the two destinations are primarily out of centre destinations which do not benefit from any planning policy protection.

A summary is provided below in respect of the current health of the two key centres of relevance of Macclesfield in Cheshire East administrative area and Stockport in Stockport Borough's administrative area.

#### *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. This identified 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.

#### Town centre implications

Turning firstly to Macclesfield, it is considered that although the centre has struggled in recent years, particularly with regard to vacancy rates, the cumulative impact of the application scheme and other extant planning consents on the centre are unlikely to have a significant adverse impact. The level of cumulative trade diversion is £10.1m lower than that which was to be diverted by the proposed Barracks Mill proposal last year. However, WYG has raised concern that the level of trade diversion as a result of the application proposals (at £8.1m at 2022) may be underestimated and if this was notably higher (like that considered as part of the Orbit scheme) then it will be comparable to the level found by committee members to be significantly adverse at Barracks Mill. The estimated trade draw does take account of current shopping patterns and the current nature of Macclesfield town centre. The application scheme is likely to compete directly with retail destinations which currently attract high proportions of comparison shopping trips of a similar nature to that which will be proposed at Earl Road. Existing shopping patterns demonstrate that high proportions of residents in the catchment area travel to Stockport, Manchester and the Trafford Centre rather than Macclesfield, to meet their comparison shopping needs, plus to other out of centre retail destinations such as Handforth Dean, Cheadle Royal, and Stanley Green Retail Park. It is therefore considered that the impact will be less on smaller centres such as Macclesfield, due to the qualitatively different nature of these centres and the evidence confirming that shoppers are less likely to undertake their comparison shopping trips at this centre presently. However, the identified impacts are finely balanced in the sense that if the impacts are under estimated by a relatively modest amount then the impact could easily be considered to be significant

adverse and therefore it will be necessary to consider controlling the proposed retail floorspace as well as measures that would seek to mitigate the potential impact if the estimates are found to be incorrect.

In terms of Stockport, the latest healthcheck indicators demonstrate that vacancy levels are high within the primary shopping area in particular and the centre is in a position of transition with significant qualitative and physical improvements being realised following a number of years of significant public and private investment. There is also a strategy in place to address concerns

with regard to the centre with the delivery of Redrock and Stockport Exchange, plus a wider range of town centre management initiatives such as the Stockport Market and an overall increase and support of a wider leisure offer.

Although the centre has suffered for a number of years, the positive signs of investment and wider town centre initiatives are substantial and should be taken account of in determining the acceptability of these proposals. Whilst there are some signs of the revitalisation of Stockport town centre, this is mainly predicated on the introduction of non-retail uses to drive footfall and activity to then help bolster retail sales and performance. These schemes will significantly help the centre once implemented but there is obvious concern that the impact of the schemes at Earl Road could add unnecessary pressure to a centre which is about to 'turn a corner' through these positive interventions which specifically seek to strengthen the overall wider offer. The diversion and impact from the town centre and the potential to reduce footfall as a result of the proposals, could have an adverse impact which could fall within that which is significantly adverse if unchecked and again is considered finely balanced.

Overall, the impact on Stockport town centre when taken account of alongside the impact on the Peel Centre, could have an adverse impact on the vitality and viability of Stockport as a whole at between -6.5% and circa -9.0%, with the higher quantified impact being more finely balanced and one which has the potential to have a significant adverse impact.

#### Consideration of SEMMMS

A number of the letters of representation refer to the impact of the SEMMMS route which is currently under construction, not having been adequately considered, and the impact of this road upon local drive times in the area and subsequently the likely trade draw of potential customers using the proposed Earl Road scheme.

It is unclear when exactly the benefits of the link road will be felt and if these would have any substantial benefits in terms of the accessibility of the scheme in particular. In any event, due to the infancy of the scheme and the adopted design year of 2032 it is not considered to be appropriate to consider these within the retail evidence at this point in time, which is only considered up to 2022 and therefore the full benefits of the highway infrastructure will have not have materialised.

#### **Conclusions on retail impact**

The overall cumulative impact of the application scheme together other existing retail commitments in the catchment is considered to have an adverse impact upon Stockport and Macclesfield town centres. This adverse impact is considered to be at the higher end of the "adverse impact" spectrum, and is finely balanced and as such caution is needed to ensure that the recorded impacts do not exceed those estimated by WYG or the applicant.

If appropriate safeguards could be put in place, then this is considered to be sufficient to ensure that the application scheme accords with retail and town centre planning policy on impact grounds. Without such safeguards and protection of existing town centres, and if the claw back and the trade diversions as indicated by the applicant do not materialise the potential for the development to have a significant adverse impact on Stockport and Macclesfield town centres could be enhanced.

This is made worse when considering the current health of Stockport town centre and the issues it has come up against in the last ten years. These conclusions are made on the basis of the cumulative impacts of both the current application and extant planning permissions.

Equally it has been found that the cumulative impact on Macclesfield is -7.2% which is adverse but below that found at Barracks Mill that was found to be significantly adverse (at -11.4%) by committee members. However, if the estimated trade diversions do not materialise and the level of claw back is not delivered then the impact on Macclesfield could be more finely balanced especially given the recorded decline of the town centre over the last decade and the diminishing comparison goods role of the town centre. Therefore, a number of sufficient safeguards are recommended to ensure that the estimated impact reflects that which has been estimated by WYG and the applicant.

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.

The following mitigation has been agreed with the applicant:

- With regard to the suggested non-relocation agreement for anchor retailers, the applicant is happy to offer a "keep-open" clause that would prevent all first-letting occupiers closing existing stores in either Macclesfield or Stockport within 5 years of the development opening
- Financial contribution of £2m towards public realm improvement works in Macclesfield town centre. The proposed improvements to Castlegate, Castle Street and Exchange Street offer the greatest opportunity for significant improvements to Macclesfield town centre to be realised. These three scheme will link the ongoing investment in the Grosvenor Centre and the forthcoming investment on the Churchill Way car park site with the main town centre frontage along Mill Street.

**Cumulative impact with 16/5678M (Orbit)**



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, subject to mitigation.

However, given that the application is to be considered at the same Committee as the Orbit application on the opposite side of Earl Road, it is necessary to be aware of the cumulative impact of both proposals, in the event that both applications are approved. (Members will be aware that this was one reason for deferral of the Orbit application).

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

	No Development Estimated Turnover (£m) 2022 (A)	Cumulativ e Diversion of Extant Planning Permission s (£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 <i>Stockport and Peel Centre</i>	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%
<i>Other Centres and facilities</i>		£-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 represent a -11.2% impact which is considered to be a significantly adverse impact given the indicators of the 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 this 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 Orbit and this current CPG 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.

However, appropriate safeguards such as those presented above could assist in reducing the potential impact of the two proposals together. The mitigation outlined above has been agreed with the applicant, however any mitigation proposals agreed with Orbit 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 similar form to the existing Next unit, but will have some variation in height and materials. The larger units will have a stone finish with substantial glazed elements and aluminium louvres to the upper sections of the front elevations. The smaller units are finished in brick with two-storey glazed frontages. The restaurant units in the centre of the site serve to break up the expanse of the car park, together with tree and shrub planting, and provide a public square with outdoor seating. Pedestrian connections are provided to the Public Right of Way to the north, to Earl Road to the west and to the wider Handforth Dean Retail Park to the south. The design is considered to be of a relatively high standard for a retail development, befitting this prominent site at the gateway to Cheshire East, and is in keeping with the local area. The proposal is therefore considered to comply with policies BE1 and DC1 of the local plan.

### **Amenity**

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

### **Noise**

Environmental Health initially recommended a condition requiring a noise impact assessment to be submitted due to the proximity of the hotel to the A34. The hotel has now been removed from the scheme and the noise assessment is therefore not necessary.

In addition due to there not being any residential properties within the vicinity of the site, conditions relating to pile foundations are not considered to be necessary.

### **Air Quality**

Environmental Health also recommends conditions relating to the submission and implementation of a travel plan, electric vehicle infrastructure and dust control which are considered to be necessary to ensure that local air quality is not adversely affected.

### **Highways**

The Head of Strategic Infrastructure has provided the following comments on the application:

#### Safe and suitable access

From the north, vehicular access will be taken via the dumbbell roundabouts beneath the A34, between the A34 / Coppice Way junction and the A555 grade-separated junction. From the south, vehicles will access via Coppice Way and Long Marl Drive. Access to the development will be via an existing five arm priority controlled roundabout junction with the A34 / Handforth Dean Retail Park. In order to accommodate the proposed development, improvements are proposed to the site access junction. Improvements will include the addition of a second circulatory lane, a left turn slip from the site access into the A34 northbound merge and the widening of the approach arm onto the roundabout from under the A34 resulting in an acceptable access strategy.

Service vehicle access to the proposed development will be via a dedicated service vehicle access off Earl Road as per planning application 12/4652m (the existing Next store's planning permission).

Servicing of the cafes and restaurants will take place, through the car park, via the customer access off A34 / Handforth Dean Retail Park northern access / egress.

The proposed development would be supported by the provision of 557 car parking spaces, including 39 disabled spaces and six electric charging spaces. In addition, 12 motorcycle parking spaces will also be provided and cycle parking for up to 60 cycles. The Head of Strategic Infrastructure raises no objections to this level of parking provision.

#### Network Capacity

Travel demand associated with the proposed uses has been estimated based on gross floor area (GFA) using trip rates derived from the TRICS database. These rates have been agreed and utilised in the VISSIM modelling work that has been undertaken to assess the impact of the vehicular traffic from the development on the operation of the surrounding public highway network at year of opening and five years in to the future. In addition standalone junction capacity assessments have taken place at the following junctions at Weekday PM and Saturday peak period using appropriate software (in brackets):

- Stanley Road/ Earl Road – LINSIG;
- A34/ B5094/ Stanley Road – ARCADY;

- A34/ A555 Manchester Airport Eastern Link Road – ARCADY;
- A34/ Handforth Dean Retail Park northern access/ egress – ARCADY;
- A34/ Handforth Dean Retail Park southern access – ARCADY.

As part of the assessment process it was imperative to ensure that the proposed retail development did not result in severe harm (NPPF context) to the operation of the highway network and did not prejudice the development of the North Cheshire Growth Village (NCGV) (site CS30 in the emerging Local Plan Strategy).

The VISSIM modelling illustrated that the development could be accommodated on the highway network and does not stymie the NCGV as mitigation in the form of widening at A555 interchange to provide 4 lanes on the northern and southern sides of the circulatory roundabout achieves this, accordingly it would be appropriate to require this mitigation to be brought forward as part of the NCGV proposals.

In order to accommodate the proposed development, and to ensure that any delays are within acceptable levels, demonstrated by being contained within acceptable modelled service levels, improvements are required to the site access junction and the Coppice Way roundabout. Improvements proposed include the addition of a second circulatory lane, a left turn slip from the site access into the A34 northbound merge and the widening of the approach arm onto the roundabout from under the A34. In addition mitigation at the Coppice Way roundabout is proposed involving the realignment and signalisation which will accommodate development traffic, future background growth and the North Cheshire Growth Village strategic plan site (CS30) at the future year assessment timeline.

The above mitigations assume that the Poynton Relief Road is in place however in the event that this is not the case a sensitivity test has been undertaken modelling the eventuality that this road is not delivered in the envisaged timeframe. These results have demonstrated that even without the relief road in place the proposed development can be accommodated on the highway network within acceptable network operational tolerances.

In summary the VISSIM traffic modelling has demonstrated that, with the proposed mitigations in place, the development is acceptable from a network capacity perspective.

#### Accessibility

The site is served by an hourly bus service along Earl Road (Mondays to Saturdays 0800-1800) linking the site to residential areas to the north of the site and Stockport town centre. Apart from this service the nearest are those along Wilmslow Road and Station Road in Handforth (together with the train station), about a kilometre away, which provide services to other destinations including Manchester and Wilmslow. However, pedestrian routes to these facilities are such that they may deter some people using these options during hours of darkness.

The transport assessment confirms that a travel plan will be prepared to encourage staff and customers to use of other forms of transport. However, without adequate provision for non-car modes, a travel plan will be largely ineffective.

To improve sustainable access obligations to enhance the existing bus service / infrastructure along Earl Road are contained within the 'Next' planning permission which will be payable given that this development has been implemented. In addition, it was identified as part of the Orbit proposals on the opposite side of Earl Road that contributions towards bus stops in the vicinity, improvements to provision for pedestrians and cyclists in the vicinity and a contribution towards public transport improvements were required. These measures were originally secured as part of the approved (and extant) office development on the Orbit site. In the event that all the current retail proposals are approved, careful consideration will need to be given to who is required to contribute what towards these improvements as part of a s106 agreement, given the limited public transport options that are currently available.

In addition to pedestrian and cycle access via the main vehicular access off the A34/ Handforth Dean Retail Park northern access/egress, the applicant has stated that they are proposing to provide an additional dedicated pedestrian/ cycle access off Earl Road, in the vicinity of the consented Next store and a connection to Spath Lane via the bridge under the A34. The applicant will also enhance the footway link at the southern end of Earl Road to facilitate access into the existing retail development to the south. However, further clarification is required on the specific details of this.

#### Stockport MBC Highways

Stockport MBC Highways have raised a number of concerns regarding the highways impact and sustainability of the proposal. In response to this objection the applicant has provide the following details:

- All trip rates and input parameters were agreed with both Cheshire East Council and Stockport Council in advance of the Transport Assessment being prepared.
- The submitted Transport Assessment included a Saturday assessment, which demonstrated that this was no more critical than the Friday peak periods.
- VISSIM modelling included an assessment of the network with all the proposed Local Plan allocations. On reviewing this model it was concluded that this approach was overly robust and that the proposed development at Handforth Dean Retail Park would not be required to
- address such a level of traffic impact. Accordingly, the assessment parameters were amended to take account of only the North Cheshire Growth Village and then account for some base line growth. This is considered to be representative of a reasonable approach to assessment.
- Stockport Council state that as part of the development proposals it is intended to remove the signals from the A34 / Stanley Road junction. This is however incorrect; no such proposal is linked with the planning application.
- The proposed development will not have a material impact on the operational performance of the A34 / Stanley Road roundabout.
- Cheshire East Council as Local Highway Authority are not required to submit development proposal to TfGM. However there would be no reason preventing Stockport Council seeking the advice of TfGM if they themselves considered it necessary to do so.
- Commitments to sustainable modes of travel under application reference 16/0138M include footway and cycle way improvement works to Footpath No 80 and have been agreed with the PROW Officer at Cheshire East Council.

Cheshire East Highways officers are satisfied with this response.

### Highways conclusion

The results of the traffic modelling, along with the sustainable measures discussed above, demonstrate that the proposed development is acceptable from a network operational performance and connectivity perspective subject to conditions relating to the improvement of the Coppice way roundabout, the site access and footpath access to the wider retail park.

In terms of the impact upon the Cheshire East Highway network and the Stockport Highway network, for the reasons outlined above the proposal is considered to be acceptable.

### **Ecology**

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

#### Woodland

The woodland towards the north of the site appears upon the national inventory of priority habitats. Woodlands of this type are a material consideration for planning. In addition woodland habitats are also present in the eastern half of the application site. These woodlands support a number of characteristic floral species.

A line of more mature trees is present on the eastern boundary of the site which appear to have been associated with a former historic hedgerow, whilst the bulk of the woodland appears to have started to become established in the 1980s.

With the exception of the more mature trees on the eastern boundary and a narrow strip of woodland along the stream to the north the bulk of the woodland habitats (covering approximately 1.6ha) would be lost as a result of the proposed development. Macclesfield Borough Local Plan policy NE7 seeks to retain and enhance existing woodlands. The loss of the woodland from the site is therefore clearly contrary to this policy

The nature conservation officer's initial recommendation was that the scheme should be amended to allow for the retention of the existing woodland in order to avoid a loss of biodiversity as a result of the development of this site. However, as an alternative mitigation options have been explored to compensate for the impact.

In order to inform the amount of compensatory habitat required as mitigation 'The Biodiversity Impact Assessment Calculator' has been used. This assessment calculator has been developed by Warwickshire County Council as part of the offsetting pilot project. The use of this calculator as a way to quantify the mitigation requirement was agreed with the nature conservation officer.

The nature conservation officer has confirmed that the offsetting calculation appears to be undertaken appropriately and the results of the assessment broadly reflect the nature conservation value of the woodland lost. A commuted sum £180,000 for the current application (phase 2 and 3 of the proposals combined) is required to mitigate for the impact.

Of course in order for the financial contribution to be of any use, a site needed to be identified that could accommodate the mitigation proposals. As woodland is being lost, albeit plantation woodland, this should be replaced with at least a proportion of new woodland planting. Woodland in the Cheshire East area is considered to be a rare habitat feature and therefore

its value for biodiversity is considered to be high. 9.6ha of replacement woodland habitat is required, and as noted above, the associated costs for this have been calculated to be £180,000. This allows for set up costs, woodland creation and for 30 years of management and maintenance costs.

Following discussions with the Council's Countryside and Ranger Service, an area of land known as Dean Valley has been identified as an appropriate mitigation site. The valley follows a section of the River Dean, which extends from Station Road in Styal to Styal Road in Wilmslow. The Council have aspirations to improve the biodiversity value of this area, with a long term goal of developing a Country Park connecting up Styal to the Wilmslow area.

The proposals outlined above do provide appropriate mitigation for the loss of the broad leaved plantation woodland on the application site.

#### Bats

The submitted ecological report identifies a number of trees with bat roosting potential. It appears likely that a number of these trees would be lost as a result of the proposed development. The applicants were asked to carry out and submit further bat surveys to assess the potential impacts of the proposed development upon roosting bats. Further surveys were carried out which confirmed that no bat roosts were present within any of the trees, and therefore there are no further implications with regard to roosting bats.

#### Nesting Birds

Protected and priority ground nesting bird species have been recorded as either breeding or attempting to breed on the application site. This includes 2 pairs of Lapwing (priority species) and 1 pair of Little Ringed Plover (protected). The proposed development will result in the total loss of the suitable habitat present on the site for these species.

An updated nesting bird survey has confirmed the continued presence of nesting Little Ringed Plover so if planning consent was granted compensatory habitat for this species would also be required. It is anticipated that this would take the form of an appropriately designed green roof, and a condition requiring details of this to be submitted for approval is therefore recommended.

#### Badgers

Badgers are known to occur in this broad locality, but no evidence of badgers was recorded during the submitted survey. Badgers are therefore not currently considered to present a constraint on the proposed development.

However, if planning permission is granted a condition is recommended requiring the undertaking and submission of an updated survey prior to the commencement of the development.

#### **Trees and landscape**

The submitted tree survey identified 66 individual trees and eight groups of trees and shrubs within the application site. Two strips of woodland are located within the site, one strip of woodland follows the eastern boundary of the site adjacent to planting that forms the embankment of the adjacent A34 bypass, and the second follows the northern boundary adjacent to Spath Brook.

Trees within the site are not protected by a Tree Preservation Order or lie within a Conservation Area. The northern woodland (part G2, G3, G4 and G5) adjacent to Spath Brook is identified as a priority habitat in the National Forest Inventory (NFI) – Spath Lane corridor.

Trees have been categorised in accordance with BS5837:2012 Trees in Relation to Design, Demolition and Construction – Recommendations with four individual trees (3 Oak and 1 Beech; 13, 22, 38 and 33) of High quality and value (A category) and 24 individual trees and 7 groups of trees of moderate quality and value (B category).

The remaining low quality and value trees (C) category should not necessarily be a constraint but should however be considered for retention where development allows.

Eleven trees were identified as poor quality (U category), which are in such a condition that they cannot be retained in the context of the current land use including several Oak with significant dieback and poor quality Birch and Willow.

It is anticipated that most (if not all) high, moderate and low category trees including woodlands along the northern and eastern boundaries of the site will be directly lost to accommodate the development. The retention of optimal canopy cover is an integral part of the requirement to meet national climate change adaptation and resilience strategies and whilst the submitted landscape strategy identifies a proposed narrow strip of Oak and Beech planting within the site adjacent to the northern access road and specimen planting within proposed car parking areas and adjacent to internal roads it is unlikely to be sufficient to compensate for the loss of the woodland and local canopy cover.

Macclesfield Borough Local Plan policy NE7 seeks to retain and enhance existing woodlands. The loss of the woodland from the site is therefore clearly contrary to this policy. However, as noted above in the Ecology section of this report appropriate mitigation is provided on a much larger scale in a location where the future of new woodland planting can be secured into the future.

### **Flood Risk**

The Environment Agency (EA) has noted that the layout for the proposed development shows woodland/screen planting and access vehicles adjacent to the southerly bank of Handforth Brook, which is acceptable in principle. The layout for the proposed development indicates a proposed crossing over Handforth Brook, just downstream of the A34 subway at the north-east corner of the site. This proposed crossing over the brook will require consent from the EA as will any proposed surface water outfall structure into Handforth Brook.

Surface water is being proposed to discharge directly to in Handforth Brook, and the EA recommend a condition requiring surface water draining from areas of hardstanding to be passed through an oil separator or series of oil separators.

The Flood Risk Manager has requested clarification on a number of points relating to drainage, which have now been provided, and further comments are awaited.

### **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 and military use and therefore the land may be contaminated.
- Various reports have been submitted in support of the application. These reports make recommendations for further works to be undertaken prior to and during the development:
  - Areas of the site have potentially been used for waste disposal in the past (in particular around TP2 and evidence also in TP6-11 in the Terraforma investigation). We would expect these areas to be remediated so as to not pose an environmental or geotechnical risk to the proposed development. Evidence of free-phase hydrocarbon contamination was encountered in TP2 around an old fridge. Due to the unknown age of this fridge, coolants used in the past such as Freon may be present in these soils – this, and the potential for further buried wastes in this area, should be discussed further. If necessary, further investigations in this area should be undertaken to more fully understand the ground conditions and the potential risks to identified receptors.
  - Site investigations and assessments have demonstrated a low potential risk to the proposed development from ground gas risks. As such, no gas protection measures are considered necessary for this site.
  - A detailed methodology for dealing with asbestos impacted soils should be provided to us prior to development commencing.
  - A radiation method statement has been submitted previously and comments raised on the method statement have been addressed by the radiological consultant. This method statement and the results of the subsequent comments should be adhered to during site works.

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 £376,460 for open space and £376,460 for outdoor sport and recreation. Given the location of the site and its distance to existing facilities that would be utilised by staff and customers of the proposed development, the impact upon them is unlikely to be so significant that it would require mitigation amounting to the sums identified above.

However, 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 the contributions already being made towards the ecological mitigation tie in with the Council's aspirations of developing a Country Park connecting up Styal to the Wilmslow 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.

## **PLANNING BALANCE**

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

Paragraph 14 states 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.

There are very clear benefits arising from the proposal in that the development will bring a vacant site into active use and provide approximately 730 additional jobs when operational. Added to this will be the benefits arising from construction jobs, benefits to the construction industry supply chain, potential for increased trade for local businesses, and higher levels of economic activity within Cheshire East. These factors taken together, but particularly the creation of this number of jobs in the context of the local plan goal of creating 31,400 jobs to 2030, is a significant benefit of the proposal that does carry substantial weight.

It should also be acknowledged that the standard of design and materials to be adopted is above that, which is normally expected for a retail development, and the scheme would provide a development that is appropriate to its position at the northern gateway of the Borough. Moderate weight can be afforded to this.

The ecological and tree impacts are considered to be appropriately mitigated through replacement woodland planting off site. The mitigation for this also feeds into the wider aspirations of the Council to create a Country Park on the land area identified as the mitigation site. This provides the potential for wider social benefits to be realised in terms of future access to high quality open spaces. This should be acknowledged in the planning balance, but given that this is aspirational at this stage it is considered that it can only be considered as a neutral aspect of the proposal.

Whilst the comments from Stockport MBC Highways are acknowledged, the highways impact upon Cheshire East and Stockport highways has been found to be acceptable subject to appropriate improvement works. The impact upon residential amenity / noise / air quality and contaminated land is either acceptable or could be mitigated through the imposition of planning conditions.

Comments from the Flood Risk Manager are awaited, however it is not anticipated that there will be any significant drainage implications raised by this development.

There are no sequentially preferable sites to accommodate the proposed development. The retail impact upon existing centres as an individual development will result in an adverse impact on Stockport and Macclesfield, albeit at the higher end of the “adverse” spectrum. Appropriate mitigation can be secured to ensure that the impacts are no worse than those identified in the retail appraisal, and to ensure that the impact is no greater than adverse. Paragraph 27 of the Framework advises refusal when an application is likely to have significant adverse retail impacts, however in this case the impacts are adverse, and not significantly adverse. Accordingly the proposal is considered to have an acceptable retail impact. Added to this, the agreed mitigation will provide for public realm improvements in the affected centres at a time when significant Council investment is taking place in these areas, which may help to stimulate further investment.

Weighing heavily against the benefits identified above is the loss of employment land.

The justification for policy E2 of the local plan explains that retailing is not permitted (on existing employment sites) because it would reduce the amount of employment land available and provision is made elsewhere for retailing. It is acknowledged that the proposal would generate a significant number of jobs. Although it is not considered that the merits of the proposal should be judged solely by the numbers of jobs it creates, the creation of 730 FTE jobs is a large number and must be given significant weight.

Employment sites are allocated to create a range of good quality employment opportunities that will drive the future economic growth of the Borough, supporting business sectors that are key to the future economic success of the Borough. Employment uses are defined as the ‘B class’ employment uses, namely office, light industrial, general industrial and storage and distribution uses. It is accepted that within those uses, some sites and ‘B’ uses will result in fewer jobs than others. For example, B8 uses are an employment use and do not typically generate the same number of jobs as a B1 or B2 use with a comparable floorspace. Employment allocations are important to provide land for substantial buildings (including warehouse buildings) that cannot be located elsewhere such as in town centres or countryside locations.

The Council’s economic strategy is about providing better jobs. Handforth is close to the airport and has a synergy with other sites within the locality and wider region. The Council is already under pressure to provide more high quality employment sites and are having to allocate green belt sites to achieve this. The removal of a good employment site that is not in the green belt makes no sense in terms of our economic strategy. However, the Framework and policy EG3 of the CELPS allow for alternative uses to be considered where there is no reasonable prospect of the site being used for employment purposes.

It is acknowledged that the marketing of the site and the viability assessment that has been carried out both suggest that the prospects of a B8 employment use on this site is unlikely. There does however remain a concern that the viability appraisals submitted do not evidence that all employment uses are unviable and that this, coupled with the employment land position advanced for the CELPS, fail to demonstrate that there is no reasonable prospect of the site being used for employment purposes or that the site is not suitable or viable for employment use.

Despite the identified benefits, it is not considered that there are sufficient material considerations to indicate a move away from the Development Plan. The proposal is therefore contrary to policies E1 and E2 of the Macclesfield Borough Local Plan, policy EG3 of the CELPS and paragraph 22 of the Framework.

## **RECOMMENDATION**

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

- 1. The proposal will lead to a loss in the amount of employment land in the Borough, at a time when the Council is allocating Green Belt sites through the local plan process to provide adequate employment land to meet the needs of the Borough to 2030. This is considered to significantly and demonstrably outweigh the benefits of the proposal. It has not been satisfactorily demonstrated that there is no reasonable prospect of the site being used for employment purposes, or that the site is no longer suitable or viable for employment use, required by paragraph 22 of the NPPF and policy EG3 of the emerging Cheshire East Local Plan Strategy. 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.**

## **REFERRAL TO SECRETARY OF STATE**

It should be noted that due to the scale and nature of the proposal, and its out of town location, the application will need to be referred to the Secretary of State under the requirements of The Town and Country Planning (Consultation) (England) Direction 2009: circular 02/2009. Therefore any resolution to approve will be subject to the outcome of this process.

## **HEADS OF TERMS**

Should this application be the subject of an appeal, the Head of Planning (Regulation) has delegated authority to enter into a S111/S106 Agreement to secure the following Heads of Terms:

- Financial contribution of £180,000 towards replacement woodland habitat planting (for set up costs, woodland creation and 30 years of management and maintenance costs).
- Financial contribution of £10,000 for travel plan monitoring
- Local Employment Agreement

- Financial contribution of £2m towards proposed improvements to Castlegate, Castle Street and Exchange Street (or other schemes identified by the Council)

### **Community Infrastructure Levy (CIL) Regulations**

In order to comply with the Community Infrastructure Levy (CIL) Regulations 2010 it is now 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 this case the proposed financial contribution for woodland planting is required to provide and manage 3.2ha of replacement woodland planting to mitigate for the loss of the woodland habitat on the application site in order to make the development acceptable in planning terms and is directly related to the development. Calculated using the 'The Biodiversity Impact Assessment Calculator', which has been developed by Warwickshire County Council as part of the offsetting pilot project, the contribution is considered to fairly and reasonably relate in scale and kind to the development.

The travel plan contribution is required to ensure that sustainable transport measures that are put in place are effective and ensure the provision of a sustainable form of development.

The contribution towards town centre public realm improvements is required to ensure that the retail impact is no worse than that estimated within the retail impact assessments, and to minimise any potential impact upon the town centres.

The local employment agreement is considered to be necessary to mitigate for the loss of employment land and support sustainable local communities.

All aspects are fairly and reasonably related in scale and kind to the development.

*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.*

