



RETAIL & PLANNING STATEMENT

HINTON PROPERTIES
(GROVEFIELD WAY)
LIMITED

GROVEFIELD WAY,
CHELTENHAM

RETAIL & PLANNING STATEMENT

On behalf of: Hinton Properties (Grovefield Way) Limited

In respect of: Grovefield Way, Cheltenham

Date: May 2018

Reference:

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1.0 Introduction

- 1.1 DPP has prepared this Retail Statement on behalf of Hinton Properties Limited in support of a hybrid proposal that comprises a full planning application for a mixed-use commercial development of 2 no. Class B1 office blocks (5034m²), a Class D1 day nursery (502m²), a Class A1/A3 coffee shop/drive-thru (204m²) and a Class A1 foodstore totalling 1742m², together with associated car parking, servicing and landscaping, in addition to an outline planning application for two office blocks (6176m² and 1858m²) on land adjacent to the new BMW Car Dealership at Grovefield Way, Cheltenham. This application is a duplicate to Planning Application Ref No 16/02208/FUL, which was refused planning permission by Cheltenham Borough Council on 14 December 2017, contrary to the positive recommendation of Officers. This latter application, which was found by the Council to be acceptable in terms of retail policy, is now the subject of an appeal to the Secretary of State.
- 1.2 This Statement addresses the retail elements of the application proposal in the context of relevant national and local planning policy, and should be read in conjunction with the accompanying technical reports presented to the Council as part of the application submission.
- 1.3 This Section provides a short introduction, while Section 2 describes the site and its surroundings. Section 3 describes the application proposals and Section 4 sets out the retail policy context against which the application falls to be considered. Section 5 examines the planning merits associated with the proposal, whilst Section 6 reviews the overall health of retail centres within the surrounding area. Section 7 assesses the proposal against the sequential test and Section 8 deals with impact. Finally, our summary and conclusions are provided at Section 8.

SITE DESCRIPTION AND PLANNING HISTORY



2.0 Site Description and Planning History

Site Description

- 2.1 The application site is located on the western side of Cheltenham, approximately 4.5km from Cheltenham town centre. The site is bounded to the east by Grovefield Way, which connects to Hatherley Lane and the A40 (Gloucester Road) to the north, and with Cold Pool Lane and The Reddings to the south. Junction 11 of the M5 is located approximately 2kms to the west.
- 2.2 Access/egress to the site will be taken from the new highway infrastructure serving the new BMW Car Dealership, which links directly with Grovefield Way.
- 2.3 Directly opposite, beyond Grovefield Way, is a major housing area, whilst within a few hundred metres to the north east is a well-established retail area comprising an Asda food superstore together with three retail warehouses (B&Q, Home Bargains and Pets at Home).

Planning History

- 2.4 Outline planning permission was granted for the development of 22000m² of Class B1 uses on 16 acres of land, including the subject site, in 2007 and, more recently, in 2014, full planning permission was granted for a BMW/ Mini Car Dealership totalling 7500m² on 4.5 acres of the land covered by the 2007 permission. Outline planning permission has also been granted for the balance of 11.5 acres for the development of 16800m² of Class B1 employment uses.
- 2.5 This current hybrid planning application is for a mixed commercial development that will effectively replace 9814m² of the consented 16800m² of B1 uses with 6680m² of alternative commercial floorspace. The remaining land is the subject of the outline proposal for two office blocks totalling 6176m² and 1858m² respectively.
- 2.6 As indicated above, Planning Application Ref No 16/02208/FUL (duplicate to this current proposal), was refused planning permission in December 2017, contrary to a positive Officer recommendation. The reasons for refusal relate to; loss of employment land, highways/traffic impact and visual impact/amenity. Importantly, therefore, the retail element of the very recent previous proposal was found to be acceptable on retail policy grounds by both Officers and Members, having received positive specialist retail advice from DPDS –the consultants advising on retail matters in relation to the Joint Core Strategy for Cheltenham/Gloucester/Tewkesbury.
- 2.7 In terms of the sequential test, and North Place specifically – the main candidate as a potential sequentially preferable alternative to the Grovefield Way site – Officers accepted that the previously approved scheme for North Place would not be progressing, principally because of Morrisons decision to pull-out and, as a consequence, there was uncertainty over the site’s availability, the timing of any new proposal, what form this would take or what mix of uses it might include. With regard to retail impact, both in relation to impact on planned in-centre investment and in-centre vitality and viability, Officers and Members accepted the advice of DPDS that the

proposed foodstore would not have any “significant adverse impact” – the relevant NPPF test. It follows, therefore, that unless there has been a material change in circumstances since the Council determined the previous proposal in December 2017, the same retail policy conclusions should apply in the case of the current duplicate proposal. Based on this up-dated retail assessment, and for the reasons set-out in this report, we conclude that there has been no such material change in circumstances that might otherwise justify coming to a different conclusion than that previously reached by the Council.

THE APPLICATION PROPOSAL



3.0 The Application Proposal

Background

- 3.1 ALDI's nearest store to the current proposal, which has recently been extended by 331m², is located on Tewkesbury Road, approximately 4.5kms to the north east of the subject site. This store, which is situated within the adjoining Tewkesbury Borough Council, is not, however, well located in order to conveniently serve the convenience shopping needs of those existing and proposed local residents in the south western part of Cheltenham who wish to take advantage of the quality and exceptional value provided by ALDI. Importantly, the proposed new store is regarded by ALDI as being ideally situated in order to meet their confirmed requirement for a new, second store in Cheltenham that will complement their existing Tewkesbury Road store whilst providing new and improved convenience shopping facilities for the benefit of those local residents for whom a new store at Grovefield Way would be more conveniently located.
- 3.2 With regard to the proposed coffeeshop/drive-thru, this unit too is supported by a named-operator – Costa Coffee, who similarly regard the subject site as being ideally placed to meet their requirement for a new drive-thru coffee shop in Cheltenham. The subject site's locational credentials, particularly its proximity to existing and proposed major commercial and housing development, coupled with its overall good accessibility and the proposed unit's visual prominence at the entrance to the wider development site, are all important factors in this regard.
- 3.3 Whilst Costa Coffee are currently represented within Cheltenham town centre, the proposed drive-thru format is functionally very different to the conventional coffee shop format found in the town centre. As such, the two formats complement each other and, importantly, they will cater for essentially different market segments, which is clearly material in the context of any potential concerns in terms of town centre impact.
- 3.4 The proposed foodstore and coffee shop will therefore meet both a consumer and operator "need" for new and improved facilities at a location ear-marked for future major growth. Furthermore, it is also evident from the accompanying Transport Assessment that the subject site is accessible by a range of transport modes.
- 3.5 Taking into account the foregoing, it is considered that the proposed foodstore and coffee shop will serve to enhance consumer choice and complement the major commercial and housing development proposed/approved as part of this "strategic growth area" for Cheltenham.

The Application Proposal

- 3.6 The hybrid application proposes the development of a committed commercial site at Grovefield Way for a mixed use scheme comprising:
- 1 no. Class A1 foodstore;
 - 1 no. Class D1 day nursery;

- 1 no. Class A1/A3 drive-thru coffee shop;
 - 4 no. Class B1 office blocks;
 - 376 dedicated car parking spaces, including 17 disabled spaces, 12 parent/child parking spaces, and 6 electric vehicle spaces, in addition to 106 cycle parking spaces in respect of the detailed planning application.
- 3.7 With regard to cycle and car parking within the outline element of the proposal, this will be provided with reference to the Gloucestershire County Council Draft Parking and Demand Management Strategy and the extant planning consents for Class B1 offices. Within the detailed element of the proposal, the proposed units will provide a total floorspace of 7482m² gross, comprising two Class B1 office blocks (5034m²), a foodstore (1741m²), a coffee shop (204m²), and a day nursery (502m²). The corresponding Class B1 floorspace total within the outline proposal is 8034m².
- 3.8 Importantly, both ALDI and Costa Coffee are contractually committed to the proposed development and therefore there is the certainty that both these specific operators will be represented at the subject site in the event that the Council's support is forthcoming for the further investment and development in Cheltenham proposed by Hinton Properties.
- 3.9 The interest from ALDI relates to the unit of 1741m² (gross) together with adjacent customer car parking. In two very important respects, therefore, this proposal meets ALDI's business/operational requirement for a store of a certain size in order to present its full product range, whilst also providing associated parking. Whilst ALDI already have an out of centre store at Tewkesbury Road, where the potential exists for this store to benefit from the 4000 new homes associated with the North West Cheltenham Urban Extension, they are committed to securing a second, complementary store in the town which would enhance consumer choice and competition, whilst not unacceptably impacting up on their existing store. The Grovefield Way site is considered ideal in this respect and, importantly, there are no sequentially superior sites available and suitable that could otherwise accommodate Aldi's requirement for such a new store in Cheltenham.

The Aldi Foodstore

- 3.10 ALDI's aim is to provide high-quality products at discounted prices and within a pleasant shopping environment. Since arriving in the UK at the start of the 1990s ALDI's position within the food retail market has now reached the stage where their simple value for money philosophy is widely understood and accepted. ALDI does not necessarily sell goods at the lowest possible prices, but rather retail the highest quality goods at the lowest possible prices. Discounted prices are generally achieved through bulk buying and economies of scale, limiting the number of lines offered and concentrating on own label products and maximising efficiency in the operation of the stores.
- 3.11 Prices are not lower because the quality of goods sold is reduced. Indeed, ALDI regularly receive widespread recognition of the quality of the own label products, regularly winning awards including, 'Which?' Supermarket of the Year, 'The Grocers' – Discounter of the Year and various blind tasting tests.

Aldi Trading Policy

- 3.12 ALDI's function is as a supermarket that can act as either a bulk food shop destination or a 'top-up' shopping convenience store, although the emphasis is on providing for those wishing to carry out a basic weekly shop, which most frequently (according to most shopping surveys) involves use of the private car. Through their unique retail offer (involving primarily own label products) ALDI stores also contribute to enhancing the overall range and choice of convenience goods available within their catchments.
- 3.13 ALDI stores are modest-scale supermarkets, selling a deliberately restricted product range consisting of approximately 1,500 lines. This is limited in comparison with other grocery stores and supermarkets, which can carry anything between 2,500 and 40,000 product lines, with superstores often carrying up to 60,000 lines. The result is that ALDI do not stock numerous types of one product (e.g. petfood, bread ranges etc), but rather provide one line (and most often one size) of a given product.
- 3.14 This limited selection of goods includes:
- Pre-packed seasonal fruit and vegetable lines;
 - General tinned, bottled and pre-packed groceries;
 - Frozen and chilled goods;
 - Beers, wines and spirits;
 - Pre-packed bread, morning goods and cakes;
 - A limited everyday range of non-food household items.
- 3.15 ALDI sell only a limited range of branded goods, which are only sold when, in ALDI's opinion, the brand offer cannot be 'bettered'. Local and regional sourcing of products, particularly for fresh produce and bakery goods, is an important element within the range.
- 3.16 ALDI do not sell cigarettes or lottery tickets and stock only a small range of branded wines and spirits, as well as a limited range of breadlines and a small number of boxed cakes. The ALDI store format does not include a specialist butcher, fishmonger, bakery, delicatessen or a chemist, which are commonplace with larger supermarket chains.
- 3.17 This is an important distinction with ALDI and crucial to understanding how stores operate. In practice this means that, unlike larger supermarket formats, ALDI does not offer a 'one-stop-shop' meaning that, when shopping at ALDI, customers will also have to visit other shops and services to complete their shopping trip. Further, stores have only a limited amount of non-food floorspace (around 20%), which mostly contains weekly specials. This is a further difference to larger supermarkets, which can have between 30%-50% non-food floorspace.
- 3.18 On this basis, ALDI complements, rather than competes with, existing local traders and generates considerable propensity for linked trips and associated spin-off trade. Store opening hours are also more limited than traditional convenience shops/newsagents, which further limits direct competition with such outlets.

3.19 In this way, the introduction of an ALDI offers considerable benefits to the areas a new store will serve, increasing spin-off trade as well providing physical and economic regeneration. Stores will not only increase main food shopping choice in a locality generally but, by providing an accessible store offering unrivalled value for money, will specifically help those members of the local community on restricted budgets.

Merchandising Layout, Parking & Store Equipment

3.20 Crucial to the business model is a tried and tested store format, which the Company has developed to enable goods to be handled, displayed and sold efficiently, thus enabling stores to compete effectively and provide the award winning offer. Store layouts are eminently practical and reflect the Company's philosophy of offering unrivalled value for money through cost effective management. Although the ambient internal shopping environment is high quality, there is no unnecessary expenditure on elaborate shop fittings with resultant savings being reflected in low prices.

3.21 Merchandise is sensibly displayed in specially designed cases to eliminate stocking time and allow easy and efficient re-stocking. ALDI make enormous efficiency gains in this area and pass these directly to the customer. Goods themselves are unloaded directly into the store (approximately 2-3 deliveries per day) via a dock leveller and can be transferred directly to the shop floor to go on display.

3.22 The internal store layout and operation has been designed to be efficient and practical for use by customers; these matters are routinely reviewed and monitored and adjustments made to the model as required. Retail is, of course, a constantly evolving and dynamic sector and ALDI are committed to improving operations and shopping experience to meet the demands and expectations of customers.

3.23 Features included to facilitate this are:

- Long till conveyors that hold a customer's full shop so as to allow goods to be unloaded, scanned and then packed quickly by customers.
- Level store access, automatic entrance doors, and wide aisles and checkouts for easy access by all (the design and layout of new ALDI stores also complies with the requirements of the Disability Discrimination Act).
- Gondolas and shelving that allow goods to be easily reached.
- Weekday store opening hours of 8am-10pm, and Sunday opening times to enable general flexibility in choice of shopping (within Sunday trading laws).

3.24 It is the above core philosophy that underpins ALDI's operator model and is fundamental to their store development and profitability. Both the Company's stores and their distribution warehouses are laid out to reflect the internal shop layout, which ensures efficient loading, unloading and stocking of shelves. This requires a consistent floorspace proportion and layout regardless of store location.

- 3.25 Although the Company has developed stores of different sizes since arriving in the UK, with the newer stores being larger than the early generation stores, all ALDI stores have a consistent proportion and layout. ALDI strives to ensure that all of the stores can stock the full range of goods (and the Company are currently undertaking a programme of extending their smaller stores), although the amount of circulation space within some of the smaller stores is reduced. The key factor is that each store displays its range of goods in the same way and this is a fundamental efficiency factor in the operation, which enables prices to be kept very low.
- 3.26 Stores are required to have adjacent car parking facilities. In particular, customers wishing to undertake a 'weekly' shopping trip, or those purchasing large and heavy items, and less able-bodied customers, must have the opportunity to take their goods home by car irrespective of the accessibility of the store location via sustainable modes of transport.
- 3.27 ALDI recognises the need for flexibility in promoting sites for development and pursue non-standard stores where this will assist in meeting planning policy requirements. When considering the scope for flexibility, however, the inherent nature of ALDI's operation as a discount food retailer must be borne in mind. Accordingly, there are a number of key areas where it is not possible to alter the core design of the store; as to do so would undermine the operational efficiency of the business and hence its viability.
- 3.28 Specific areas of the design and layout of an ALDI store are as follows:
- **Retail sales area:** this is the most critical aspect of store building design. A 1,254 sq m floor area is required to provide approximately 1,500 product lines, and the dimensions of the retail area are determined by the need to ensure that adequate and consistent product display space is provided. The retail sales area is also specifically designed to enable efficient transfer of products (it has been demonstrated that a rectangular store design is necessary for appropriate stock transfer, retail display and security). In view of its central importance to the trading and operational success of ALDI's business, the size and proportions of the net retail floor area is the area where it is not possible for ALDI to depart from their core design as to do so would undermine trading viability.
 - **Storage and ancillary non-retail floorspace:** where the size and shape of a particular site requires less than optimal configuration, ALDI can exhibit some flexibility, such as the location of the service pod and size of the storage area, although in all cases adequate levels of storage will be required.
 - **Urban design:** ALDI recognises that the external appearance of its buildings needs to respond to their design context. In appropriate circumstances ALDI is able to be flexible regarding siting, the exterior design and external finishes.
 - **Parking:** ALDI is committed to ensuring that its stores are accessible by a variety of modes of transport and seek to locate stores where they are accessible to pedestrians and by public transport. In recognition of the fact that most customers will wish to travel by car, and that many customers visit ALDI to carry out a weekly shop, ALDI normally seeks parking provision in line with local parking standards, subject to maintaining overall store viability.

- 3.29 In terms of new employment opportunities, an important material consideration given the priority afforded to job creation and economic growth, Aldi has confirmed that the new store would create approximately 30-40 new full and part-time jobs (26 full time equivalents).
- 3.30 The second named-operator associated with the proposed development is Costa Coffee, who would occupy the unit totalling 204m² (gross). As previously indicated, this current proposal includes a drive-thru facility which distinguishes the format from their traditional coffee shop that is located in Cheltenham town centre at The Promenade.
- 3.31 Importantly, the Grovefield Way operation will serve a different catchment and perform a different yet complementary role to Costa Coffee's operation in the town centre, which will continue to provide for the refreshment needs of workers based in the centre and visitors to Cheltenham.
- 3.32 With regard to job creation, the new Costa Coffee unit would deliver 18-20 full-time employment opportunities, thereby providing a further boost to the local economy.
- 3.33 Overall, therefore, the proposed foodstore and coffee shop will deliver up to 60 new full and part-time employment opportunities at an accessible location. This major benefit is addressed further in Section 5 of this Statement.

PLANNING POLICY CONTEXT



4.0 Planning Policy Context

- 4.1 This section of the report identifies the national and local planning policies relevant to the application.

National Planning Policy Framework (NPPF)

- 4.2 The underlying premise or ‘golden thread’ running throughout the NPPF is an overall presumption in favour of sustainable development. In order that sustainable development proposals may go ahead without delay and positive growth, which contributes to economic, environmental and social progress for this and future generations is achieved, this premise should form the basis of every planning decision. Put simply, planning should operate to encourage rather than impede sustainable growth, and specifically Paragraph 197 of the NPPF states:

“In assessing and determining development proposals, local planning authorities should apply the presumption in favour of sustainable development.”

4.3

- 4.4 Furthermore, Paragraph 17 states that the planning system should proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth.

- 4.5 Paragraphs 18-22, which focus on “Building a strong, Competitive Economy” are prefaced by the advice that the “Government is committed to strong economic growth in order to create jobs and prosperity”. Paragraph 19 states that the “Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system”.

- 4.6 With regard to retail proposals that are not located in-centre, the NPPF contains two key tests relating to the sequential approach towards site selection and retail impact.

- 4.7 Paragraph 24 states that a sequential test should be applied to the consideration of 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 competing edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre.

- 4.8 With regard to impact, Paragraph 26 states that when assessing applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date local plan, local planning authorities should require an impact assessment for developments that are over a proportionate, locally set floorspace threshold. In instances where no local threshold has been set, the default is 2,500 sq m and such assessments should consider the impact of the proposal on in-centre investment and in-centre vitality and viability up to five years from the time the application is made.
- 4.9 In terms of decision-making and individual planning applications, Paragraph 27 advises that “where an application fails to satisfy the sequential test and is likely to have a significant adverse impact on one or more of the above factors, it should be refused”.

Local Planning Policy

- 4.10 The Local Development Framework comprises the Local Plan 2nd review (“Local Plan”) (adopted June 2006) and the Joint Core Strategy. The Joint Core Strategy (JCS) is a partnership between Gloucester City Council, Cheltenham Borough Council and Tewkesbury Borough Council, supported by Gloucestershire County Council. The JCS was adopted by all three councils in December 2017. The Cheltenham Plan is currently undergoing consultation and is at the pre-submission stage, with consultation running until the 9 April 2018. The current planning policies for Cheltenham are contained in the Cheltenham Borough Local Plan Second Review. In future this will be replaced by two main policy documents: the Joint Core Strategy and the Cheltenham Plan.

Local Plan 2nd review (2006)

- 4.11 Under the Local Plan 2nd Review (2006), the application site lies within the settlement boundary of Cheltenham and is not allocated for any particular use.
- 4.12 Policy RT1 of the Local Plan states that retail development will be permitted, subject to the availability of suitable sites or buildings suitable for conversion, which relate to the role and function of retailing centres and their catchments only in the following sequence of locations:
- The Central Shopping Area;
 - The Montpellier Shopping Area or the High Street West End Shopping Area;
 - Elsewhere within the Core Commercial Area;
 - District or neighbourhood shopping centres; and
 - Out-of-centre sites which are accessible by a choice of means of transport.
- 4.13 In considering the location of retail development, developers and operators should demonstrate flexibility and realism in format, design, scale and car parking.
- 4.14 Policy RT7 states that retail development outside of defined Shopping Areas will be permitted only where a need for the additional floorspace has been demonstrated and the proposals individually or in conjunction with other completed and permitted retail development, would not harm the vitality and viability of the town centre as a whole or of a district or neighbourhood centre. Clearly,

the first test is no longer a policy requirement following the Government's abandonment of the "need test" for development management purposes.

- 4.15 Policy CP5 states that development will only be permitted where it is located and designed so as to (A) minimise the need to travel; (B) provide adequate accessibility to the site for vehicles, including public transport, pedestrians, cyclists and people with disabilities; (C) meet travel demands in safe and energy efficient ways; and (D) provide a level of parking that will encourage walking, cycling and public transport and discourage use of the private car.
- 4.16 The Cheltenham Borough Local Plan will ultimately be replaced by the adopted Joint Core Strategy and the new Cheltenham Plan.

Joint Core Strategy

- 4.17 The Joint Core Strategy (JCS) provides the strategic planning framework and allocations for the three host authorities – Cheltenham Borough Council, Tewkesbury Borough Council and Gloucester Council – which was the subject of Hearings between May 2015 and April 2016. Most recently, in May 2016, the Inspector published her Interim Report and, importantly, has recommended an immediate review of key elements of the JCS, including its retail policy with reference to, for example, market shares and town centre boundaries, and housing allocations. It is anticipated that Main Modifications to the JCS will be published in October 2016, following which public consultations will be undertaken prior to any adoption.
- 4.18 Policy SD1 of the JCS reiterates the national policy "Presumption in Favour of Sustainable Development", whilst Policy SD2 confirms that employment related developments will be supported whilst Paragraph 4.2.7 states that "Employment uses such as retail and leisure facilities are predicted to provide a significant proportion of the projected job growth across the area; potentially two-thirds. Turning to retailing specifically, Policy SD3 sets out the Retail Hierarchy and defines Cheltenham as a Key Urban Area. Although this policy refers to District Plans as having the responsibility for defining town centres and other retail frontages, it is our understanding that the former will now be defined by the JCS process in light of the Inspector's Interim Report. In terms of specific development control advice, in-centre development of an appropriate scale is favoured whilst proposals out of centre "will be robustly assessed against the requirements of the sequential test and impact test, as set out in national guidance or locally defined impact assessment thresholds as appropriate".
- 4.19 With regard to the latter, there is no locally determined threshold for impact assessments in relation to Cheltenham and therefore the default position is that the 2500m² threshold identified in the NPPF applies.

Cheltenham Plan (pre-submission draft December 2017)

- 4.20 The Cheltenham Plan is currently at the pre-submission stage. The plan will be a new planning document which will guide development in the local area and be used in combination with the JCS for Gloucester, Cheltenham and Tewkesbury.

- 4.21 From assessing the pre-submission version of the Cheltenham Plan, within the policy map, the site is designated for a new employment allocation (CP EM3). The new Cheltenham Plan does not include any policies on retail. Retail policies will be introduced at the earliest opportunity upon completion of the CS retail review and will be formulated to work in tandem with revised JCS retail policy in future. This reflects the approach of the Planning Inspector who conducted the JCS examination.
- 4.22 Within Policy EM3 it is stated that proposals for tradition B class employment uses or sui generis uses that exhibit the characteristics of traditional B class employment will be supported at these locations subject to being in accord with other relevant policies embodied within this Plan. The contents of Policy EM3 reflect the evidence bases of the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy and the Cheltenham Plan.

Conclusions on Planning Policy

- 4.23 Assessed in terms of the relevant objectives and general principles of the NPPF and the relevant provisions of the Local Plan, we conclude that:
- The principle of commercial development at the application site is well established, as evidenced by the site's relevant planning history and, moreover, there is substantial further retail development nearby, most notably an Asda superstore. Furthermore, there is also major commercial and housing development proposed in this "growth area" of the town.
 - The subject site benefits from good overall accessibility by a range of transport modes;
 - There are no sequentially preferable sites that are available and suitable in terms of accommodating the proposed development, subject to a reasonable degree of flexibility;
 - The proposal will provide new and improved shopping and service facilities that will increase choice and competition – to the benefit of consumers – whilst not causing a significant adverse effect in terms of the vitality and viability of surrounding retail centres;
 - The proposal will reinforce Cheltenham's overall reputation as an important sub-regional centre where growth can be accommodated and new investment and development welcomed;
 - By providing a new Aldi store that is closer to local residents than Aldi's existing store at Tewkesbury Road and, indeed, several other out of centre stores elsewhere in Cheltenham, the proposal will assist in reducing shopping trips to a range of stores elsewhere, with associated sustainability benefits; and
 - In the event that consent is forthcoming, the foodstore and coffee shop elements of the proposal will deliver up to 60 certain new employment opportunities, to the benefit of the local economy.

BENEFITS OF THE PROPOSAL



5.0 Benefits of the Proposal

- 5.1 The following section assesses the benefits of the proposal against the key planning policy requirements.

Regeneration of a committed commercial development site within the urban area

- 5.2 The application site is currently contributing nothing to the local economy. In sharp contrast, the development of the site will enhance the environmental quality of the area and create jobs at a widely accessible and sustainable location.

Employment

- 5.3 The foodstore and coffee shop elements of the proposed development will provide up to 60 new employment opportunities at an accessible location. It is also envisaged that the majority of these jobs will be recruited locally providing a major boost to the area's economy. This is, we believe, an important material consideration which should be afforded weight accordingly in the determination of the proposal's overall degree of acceptability.
- 5.4 The proposed development will provide two modern retail/service units, one comparatively large and with dedicated on-site car parking and the other with a drive-thru facility associated with the proposed coffee shop. The contractual commitment of both operators to the scheme clearly demonstrates their requirement for new outlet in Cheltenham to complement their existing representation in the town. As such, a grant of planning permission will facilitate the provision of new facilities that will be available for prospective occupiers – who would not otherwise be able to find suitable representation within Cheltenham town centre or at any other sequentially superior site.
- 5.5 By improving the range of retailers/service providers represented locally, the proposal will assist in reinforcing Cheltenham's overall reputation as an important sub-regional centre where economic growth is welcomed and the business requirements of specific operators can be successfully met, with clear economic and consumer benefits.

Increased Linked Trips

- 5.6 The application site is located in close proximity to several food/non-food retailers and, moreover, is situated within a "growth area" for both major commercial and residential development. Furthermore, a day nursery is proposed as part of the overall mixed use scheme. The proposed development will, therefore, complement existing and emerging facilities and has the potential to encourage new linked trips with other businesses in the area – with associated sustainability benefits.

Summary

- 5.7 In summary, we conclude that the proposal will deliver a number of benefits to the local area and, in doing so, will assist in the realisation of a number of key objectives of national and local planning policy. These benefits are, we believe, important material considerations, particularly in a situation such as this where there is no evidence that the proposed foodstore and drive-thru coffee shop would have a significant adverse effect on any interests of acknowledged importance – as demonstrated in the following Section of the Statement.

QUALITATIVE ASSESSMENT



6.0 Qualitative Assessment

- 6.1 For the purpose of determining the likely economic impact of the application proposal, this Section outlines the key characteristics of Cheltenham town centre and other relevant designated centres, employing the key measures of town centre vitality, attractiveness and viability. In order to assist in this exercise, we have taken into account our previous “health check” findings from late 2014 and August 2016 associated with the proposed mixed commercial development at the BMW dealership site on Tewkesbury Road and the previous proposal in relation to Grovefield Way, respectively. We have also re-visited (April 2018) a number of centres in order to ascertain whether any material changes have occurred during the interim.
- 6.2 Cheltenham town centre is defined as a ‘Core Commercial Area’ on the Local Plan Proposals Map and is split into three distinct Shopping Areas – namely, the Central Shopping Area; Montpellier Shopping Area and the Lower High Street Shopping Area. For the purposes of assessing the overall health of Cheltenham town centre, the key characteristics of each Shopping Area is considered in further detail below.

Central Shopping Area

- 6.3 The Central Shopping Area includes High Street, Regent Street and the Promenade. The Shopping Area also includes a covered shopping arcade/centre (Regents Arcade), and the former Beechwood Shopping Centre which is currently being developed for a new John Lewis Department store, along with a number of smaller side streets. The Primary Shopping Frontage, as defined within the adopted Local Plan, includes the central portions of High Street, The Promenade and Ormond Place.

Diversity of Uses

- 6.4 Our previous “health check” survey demonstrated that almost half the total number of units in the centre are accounted for by comparison goods retailers – a clear reflection of Cheltenham’s primary role as a sub-regional centre for fashion and related non-food retailing. With regard to service uses, these too are comparatively significant, accounting for a further one third of all units in the centre. Together, these comparison and service uses make a major positive contribution towards the centre’s vitality and viability.
- 6.5 In sharp contrast, convenience goods operators accounted for just 5% of the total 524 businesses represented, demonstrating the centre’s subordinate role in terms of food shopping. Convenience retailers represented include; Lidl, Tesco Express, Iceland, Sainsbury’s “Local” and an M&S Food Hall, together with a comparatively diverse range of smaller, often “specialist” independent retailers. Based on our latest survey, there has been little change in terms of the centre’s convenience goods offer. It is also evident based on our April 2018 re-visit, that Tesco is now trading from a new Express format in the very recently completed Brewery Quarter Phase 2 development (having previously traded from a Metro format falling within the Brewery Quarter redevelopment area). Consequently, whereas the former Metro catered for both main and top-up

shopping, the Express format will, as with the smaller independent convenience stores situated in the town centre, be orientated towards fulfilling a basket/top-up shopping role. To the extent that some stores such as Lidl partly perform a main food shopping role, as evidenced by the JCS Retail Update this, in our view, is likely to be associated with relatively localised catchments and more frequent/less costly purchases.

- 6.6 Examples of the smaller, “specialist” convenience businesses represented in the centre include: Tea Too, Willards of Chelsea, Huffkins Cotswold Bakery, The Grape Tree, Cheeseworks, Hotel Chocolat and Holland & Barrett. Furthermore, there are also several “specialist” Eastern European foodstores based in the High street area. It is also evident that many of these smaller convenience stores benefit from the footfall associated with comparison shoppers visiting the centre and the substantial number of employees based within and adjacent to the centre.
- 6.7 These findings are of particular importance in the context of the proposed trade draw associated with the proposed ALDI store, as the vast majority of the convenience turnover attracted to these in-centre stores will be unaffected by those main food shoppers switching from other larger foodstores elsewhere in Cheltenham to the new discount store at Grovefield Way.
- 6.8 Importantly, in addition to the retail/service uses referred to above, it is noteworthy that the £30 million regeneration scheme at the Brewery Quarter (233-269 High Street) is now complete and, moreover, the John Lewis Department store development is programmed for completion in late 2018. The former includes retail/service/leisure uses and will complement the Phase 1 development which already includes a good mix of restaurants, bars, a gym and a cinema. This regeneration scheme will, together with the John Lewis development, further reinforce and enhance the overall role and attraction of the town centre within the sub-regional shopping hierarchy.

Proportion of Vacant Street Level Property

- 6.9 At the time of our October 2014 survey, we identified a vacancy rate of 12.9% (68 units) which broadly corresponded with the GOAD national average of 12.5%. As such, we concluded that this gave no grounds for concern as a large number of these vacancies were recorded at the north-western end of High Street which was then the subject of a multi-million pound redevelopment scheme (the Brewery Quarter) which would rejuvenate the north-western part of High Street, reducing the overall number of vacancies within the Central Shopping Area and providing new and improved floorspace which would assist in enhancing the centre’s overall role and attraction. Further to this, our August 2016 survey identified a material reduction in the number and proportion of vacant units in the town centre, with a vacancy rate about half that recorded in 2014 ie. approximately 34 units. Our latest survey indicates that the number of vacant units has fallen further to about 28 units – which is further encouraging and indicative of improved operator demand for suitable units.

Conclusions

- 6.10 The key findings of our previous assessment of the centre’s vitality and viability were:

- Cheltenham's Central Shopping Area performs strongly as a comparison goods shopping centre, with an above average representation of comparison goods retailers. In sharp contrast, convenience businesses account for just 5% of businesses represented in the centre, which is significantly below the national average of 9%;
- Of the convenience businesses represented in the centre, the majority are comparatively small and most fulfil an essentially top-up/basket shopping role;
- The centre demonstrates healthy foot-fall, attracting a large number of shoppers from a comparatively extensive catchment along with visitors from further afield;
- There is investor and developer confidence in the centre as evidenced by building refurbishment, the Brewery Quarter Phase 2 regeneration and the John Lewis Department store development;
- The town centre is accessible by a choice of means of transport and is served by ample parking; and
- The town centre is an important leisure, cultural, tourist and employment centre. These diverse uses reinforce Cheltenham's role and attraction and contribute positively to its vitality and viability, as does the centre's overall environmental quality.

6.11 Taking into account our previous findings and our re-visit in April 2018, we re-affirm our conclusion that the baseline health of Cheltenham is robust and improving – a view previously shared by DPDS and Officers. These findings and, in particular, the centre's demonstrable role in terms of convenience goods retailing, provide a contextual back-cloth against which to consider the likely impact of the proposed ALDI store at Grovefield Way.

Montpellier Shopping Area

- 6.12 The Montpellier Shopping Area is separate to the Central Shopping Area and is an attractive and healthy centre which is renowned for its independent specialist shops.
- 6.13 The centre is generally linear in form, extending from north to south along Montpellier Street. The Shopping Area also contains 'The Courtyard', a two level shopping centre. There are just a few national multiple retailers and service providers represented within Montpellier.

Diversity of Uses

- 6.14 Our 2014 survey confirms that this centre too is dominated by comparison goods businesses, these accounting for almost 60% of all operators represented – a reflection of Montpellier's reputation as an attractive and "up-market" retail destination with a high proportion of independent and specialist comparison retailers. Similarly, service uses were also well represented, accounting for 37% of all units. With regard to convenience goods businesses, these accounted for just 2 units (2.5%), the same proportion that were found to be vacant. Both in terms of convenience units and vacancies, the respective proportions recorded for Montpellier were substantially below the relevant national averages of 9% and 12.5% respectively.

- 6.15 Our re-visit to the centre in August 2016 revealed little change other than there was not a single vacancy in this centre. With regard to convenience retailing specifically, there was one national multiple represented, namely, the Coop. Their store, however, is comparatively very small, totally just 105m² (net). This store's retail offer is therefore very limited and restricted to basket shopping associated with a localised catchment and locally based workers.
- 6.16 Our latest survey (April 2018) has identified very little material change, with just one comparatively very small unit currently available.
- 6.17 Taking into account our previous findings, we concluded that neither the Coop store nor the centre overall, had any relevance in the context of the proposed ALDI store. Based on our latest survey, this conclusion remains equally valid.

Lower High Street Shopping Area

- 6.18 The Lower High Street Shopping Area is mainly characterised by pubs, cafes, takeaway food outlets and service facilities including hairdressers and laundrettes, which serve the immediate surrounding residential areas together with an element of pass-by trade. Of the 8 convenience outlets identified in our survey, these include a Nisa convenience store, along with a range of local newsagents and a number of ethnic independent stores – all of which serve a localised catchment focused on the St Paul's area.
- 6.19 As with Montpellier, this centre has no material relevance in the context of the current ALDI proposal. Regardless of whether an ALDI store is developed at Grovefield Way, this centre and the convenience goods sector within it, will continue to serve a localised catchment population.

Conclusions

- 6.20 The Shopping Area of Lower High Street is considered to be relatively popular, serving a limited range of retail/service needs. We would add that this centre is likely to benefit in the longer term from the regeneration associated with the Brewery Quarter development, that is likely to increase footfall in this area too.

District Centres in Cheltenham

- 6.21 Below we outline the key convenience retailing-related characteristics of the three district centres in Cheltenham - Coronation Square, Caernarvon Road and Bath Road.

Coronation Square District Centre

- 6.22 The existing centre was built in the late 1960s/early 1970s and is located approximately 2.5km to the west of Cheltenham's Central Shopping Area. A large car park exists to the rear of the centre off Amberley Road, whilst a number of pedestrian walkways provide linkages through the centre.

- 6.23 DPP's October 2014 survey identified 4 convenience units, 4 comparison units, 8 service units and 18 vacant units at the district centre. One of the convenience goods units was accounted for by the Iceland store that was then under construction. The service uses included a comparatively large number of takeaways and betting shops, whilst the centre's comparison offer was concentrated towards the value end of the market, which included a number of charity shops.
- 6.24 Our re-visit to this centre in August 2016 and April 2018 confirmed that the number of convenience outlets remained unchanged. Retailers represented include: Farmfoods, Iceland, McColls and Greggs. The first two are comparatively small (approximately 250m² net) and specialise in the sale of frozen and chilled food products, whilst McColls sells essentially confectionery, soft and alcoholic drinks and crisps and, as such, sells very little traditional food products. Similarly, Greggs offer is very much targeted at providing snacks. It is also clear from the scale and nature of this centre's convenience retail offer that it is limited, and that its primary catchment is focused on the local housing estate. These characteristics, together with the presence of an existing ALDI store at Tewkesbury Road, will inevitably limit the extent to which the proposed ALDI store, some 4.5kms away, will divert trade from this particular centre.
- 6.25 With regard to comparison businesses, our 2018 survey has identified 7 businesses, representing an increase of three. In addition to a Lloyds Pharmacy and an Opticians, there is also a Savers "health and beauty" outlet and a British Heart Foundation Furniture store which now occupies a large unit on the eastern side of the centre. With regard to vacancies, there has been an improvement as a result of several lettings subsequent to our 2016 survey and, moreover, there is at least one "pop-up" shop where local entrepreneurs can market their produce. Furthermore, there is evidence of on-going investment in this centre as demonstrated by the on-going refurbishment of units for both commercial and residential use. It appears, in our view, that such improvements are partly related to the relative close proximity of the higher education campus to the north and the spin-off business derived therefrom. In sharp contrast to the 18 vacant units recorded in 2014, there are presently just 5 vacancies, clear evidence of an improving situation.
- 6.26 In summary, therefore, Coronation Square District Centre is an improving centre which mainly caters for the day-to-day convenience shopping and service needs of local residents. Comparison goods provision is limited but has improved, which reflects the centre's primary role as a local top-up shopping and service centre, serving an essentially localised catchment. The proposed ALDI store, with its emphasis on providing a comparatively wide range of convenience goods – sufficient to allow for a full weekly shop – will not compete "head to head" with two businesses that specialise in the sale of frozen and chilled products. Furthermore, there will not be any direct competition with the two other small convenience businesses represented at Coronation Square. We would add that some local residents from the adjacent housing areas, already have the choice of shopping at ALDI's existing store on Tewkesbury Road.

Caernarvon Road

- 6.27 The Caernarvon Road district centre comprises just 7 units and is dominated by the Morrisons superstore which, before the Asda development at Hatherley Lane, was the largest foodstore in

south west Cheltenham. As evidenced by the household survey findings related to the JCS Retail Update, this superstore is popular with local residents, and performs both a main and top-up shopping role. Furthermore, based on our expenditure projections and the JCS Retail Update, this store has an estimated turnover of almost £43 million and, as such, is trading very well relative to the Morrisons company average turnover figure. The six other businesses represented in this centre include: an opticians, a public house, dry cleaners, a motor accessories retailer, a stationers and a bridal wear shop. Overall, based on both empirical evidence and observations on-site, the centre at Caernarvon Road is very popular and trades well and, as such, its sustained viability will not be threatened in any way by the current proposal.

Bath Road

- 6.28 Bath Road district centre benefits from its location on a busy arterial route to/from the town centre, which is located about 1km to the north. The centre, which comprises a mix of some 75 units, is dominated by predominantly independent service and comparison uses, with convenience outlets accounting for 12 units (one more than recorded in 2016). No units were recorded as vacant during our latest survey, the same position as recorded in August 2016 - an indication of this centre's attraction to both retailers and shoppers. With regard to convenience businesses specifically, multiples represented at Bath Road include the Coop and Sainsbury's "Local". Each of these shops is comparatively small (375m² net and 305m² net respectively), with each fulfilling an essentially top-up/basket shopping role in relation to a localised catchment whilst also benefitting from pass/by motorised trade associated with the busy main road, as do the other small convenience businesses situated on Bath Road. The fact that there are only 2 trolleys available at Sainsbury's and just 6 at the Coop, reinforces the conclusion that these stores do not fulfil a main (bulk) food shopping role. Other convenience businesses represented at this centre include: The Natural Grocery Store (organic/natural food), 1 traditional butcher, a green-grocer, an organic foodstore, and a bakers/coffee shop – all of which fulfil an essentially "specialist" shopping role. The nature of this retail offer is a material consideration when considering the likely effect of the proposed ALDI store on this particular centre. Given its predominantly top-up/basket shopping role, its localised catchment, the "specialist" nature of several of the convenience businesses represented, and the principle that "like affects like", our previous retail assessment in relation to Grovefield Way concluded that this centre was of little, if any, real relevance in the context of the likely effect of the proposed ALDI store at Grovefield Way. Based on our re-visit to this popular centre, our previous conclusion remains equally valid.

Out of Centre Convenience Retail Provision

- 6.29 In net floorspace terms, the Tesco store at Colletts Drive is the largest foodstore in Cheltenham (5749m²), whilst the Sainsbury's store on Tewkesbury Road is closely ranked second (5729m²). Ranked third is the most recently developed superstore in Cheltenham, namely, Asda at Hatherley Lane, which has a net sales area of 3876m². Waitrose also has an out of centre store in Cheltenham, its Food and Home store, which is situated at Honeybourne Way. Its convenience goods floorspace totals 2800m² (net). As indicated, its overall retail offer includes a major element of John Lewis homeware and furnishings. Sainsbury's have a second out of centre store in

Cheltenham, located at Priors Road, some 2.5 kms to the north east of the town centre. Likewise, M&S also have two convenience outlets in Cheltenham, as represented by their Food Hall format at the Kingsditch Retail Park, as well as in the town centre.

- 6.30 As previously stated, ALDI has an existing store at Tewkesbury Road, which has recently been extended by 331m², thereby increasing the size of the store to 1421m². The current proposal, in essentially serving the south western part of Cheltenham, will complement this existing provision and, in so doing, will deliver a number of consumer and economic benefits.
- 6.31 Both in terms of floorspace and turnover (as set-out in our quantitative assessment of impact), the convenience goods/grocery sector in Cheltenham is very much dominated by out of centre provision – a finding which is clearly relevant in the context of the current proposal and its associated trade draw.

Conclusion

- 6.32 Whilst a small number of stores within the town centre fulfil both a main and top-up shopping role, as evidenced by observations and the findings of the NEMS household survey, the centre's overall convenience retail offer is orientated towards providing top-up/basket and other specialist convenience shopping associated with shoppers and workers who are in the town centre for primary reasons other than food shopping. Furthermore, to the extent that stores such as Lidl perform a main-food shopping role, this is likely, in our view, to be associated with shoppers making more frequent and less costly purchases. Whilst the centre performs a convenience goods shopping role, it is distinctive from the main (bulk) food shopping role associated with the several larger out of centre supermarkets and superstores elsewhere in Cheltenham.
- 6.33 With regard to centres such as Bath Road and Coronation Square, these too provide convenience retail offers that overall are geared towards catering for the top-up/basket shopping needs of their localised catchment areas.
- 6.34 Furthermore, to the extent that food discounters are represented in Cheltenham, Lidl occupies an increasingly dated "first generation" store beneath a multi-storey car park to the rear of the retail core, which will shortly be complemented by a new out of centre store on Tewkesbury Road, whilst ALDI's existing store is located out of centre and in close proximity to Lidl's new store, in what is effectively the north west part of the town. The proposed investment and development at Grovefield Way, and the likely trading effects of the new store should, in our view, be viewed in light of the above considerations.

SEQUENTIAL TEST



7.0 Sequential Test

7.1

7.2 As the proposed development is located out of centre in retail policy terms, it is necessary to demonstrate that there are no suitable, available and viable sequentially preferable sites that could accommodate the proposed development.

7.3 At the outset, we would highlight an important material consideration, namely, that as recently as December 2017, in its determination of the then Grovefield Way planning application, both Officers and the Planning Committee, having received essentially positive advice from DPDS, found the retail element of the proposal acceptable in retail policy terms. The key consideration in this present case is therefore whether there has been any material change in circumstances since the Council's recent decision, which might otherwise support a contrary conclusion.

7.4 It is, however, important at the outset to correctly interpret and apply the sequential test, taking into account case law and relevant appeal decisions including, for example, Dundee, Rushden, Exeter and Mansfield. The latter decision found that "suitable" generally means "suitable" for the broad type of development which is proposed by approximate size, type and range of goods, subject to the requirement for reasonable flexibility. Furthermore, with regard to "availability", the Secretary of State decision in relation to the Exeter case makes it clear that potential sites should not be discounted simply because they are not immediately "available". It is clear, however, that there needs to be a realistic prospect of a site becoming "available" in the short term and that it is not subject to any major constraints and/or uncertainties.

7.5 Whilst we acknowledge the requirement for some flexibility in applying the sequential test, as referred to in the National Planning Guidance, this needs to be applied sensibly in the context of scale and format, as it is clearly not the purpose of national or local planning policy to require a developer to seriously compromise their proposal by requiring them to disaggregate it into its constituent parts. In reality, therefore, whilst there may be some limited scope to reduce the scale of the proposed development, it would be wholly unreasonable to expect a developer to amend a proposal to the extent that it no longer meets his business requirement and becomes unviable. As acknowledged in the Mansfield decision, the approximate size, type and range of goods are relevant subject to the requirement for flexibility.

7.6 In order that the sequential test is properly applied, it is therefore necessary to consider the form of development for which planning permission is sought. Essentially, the application proposal is for four office blocks, a day nursery, a drive-thru coffee shop and a foodstore, together with associated car parking, servicing and landscaping. The sensible application of the sequential test would be to consider potential sequentially preferable sites within Cheltenham that could accommodate that part of the development which comprised "main town centre uses". On the basis of the site's planning history, we do not consider it necessary to apply the sequential test to the proposed office development. Furthermore, we do not regard the proposed day nursery as representing a "main town centre use" on the basis that it is intended to serve a localised catchment and therefore it

would be inappropriate to seek to direct the use away from the area it was intended to serve. With regard to the proposed coffee shop, it could reasonably be contended that the inclusion of the drive-thru meant that it did not represent a “main town centre use”. Notwithstanding, we have conducted our sequential assessment on the basis that the proposed development comprises both the foodstore and coffee shop together with associated parking/servicing. Whilst we do not consider it likely that any in-centre location in Cheltenham could satisfactorily accommodate a drive-thru, such an arrangement might be possible in relation to an appropriately located edge of centre site. By adopting this approach, our evaluation has sought to identify whether any sequentially preferable sites of broadly 1 hectare are currently available and suitable.

Availability

- 7.7 As neither the NPPF nor the NPG sheds light on the correct interpretation of this aspect of the test, we have taken into account relevant appeal decisions and common sense, and have concluded that for a site to represent an available opportunity, there needs to be a realistic prospect of it becoming available in the near future, unimpeded by any major constraints and/or uncertainties.

Suitability

- 7.8 Suitability relates to whether the proposed development can be reasonably and successfully located at a particular site.
- 7.9 The broad type of development proposed is a convenience goods store of a size capable of performing a main (bulk) food shopping role, with ancillary/complementary comparison goods floorspace, together with customer car parking and servicing. Furthermore, as previously indicated, it is not the purpose of planning policy to require the food and non-food elements of a proposed store to be split between separate sites. The NPPF does not require “disaggregation”.
- 7.10 Moreover, with regard to the proposed coffee shop, Costa Coffee has confirmed that a materially smaller unit would simply not allow the business to operate effectively and efficiently.
- 7.11 As indicated above, the application requirement is for a site of broadly 1 hectare. Allowing for a reasonable degree of flexibility suggests that a site of about 0.8/9ha might represent a viable opportunity subject to further more detailed analysis.

Assessment

- 7.12 For the purposes of sequential testing, the following centres/ sites have been considered, namely,

Cheltenham Central Shopping Area – Vacant Units and Development Sites

- 7.13 At the time of our re-visit to the town centre in April 2018, there was a range of vacant units within the CSA, both in terms of size, configuration and location. In reviewing these vacant units, it is clear that they are far too small to accommodate the proposed development, or significant part thereof. Whilst some vacancies lie adjacent to one another, even when combined they do not remotely

provide the scale of floorspace required to accommodate the foodstore/coffee shop elements of the proposed development at Grovefield Way.

- 7.14 Whilst there are no sites allocated in the development plan for retail development in the CSA, we are, however, aware of one major mixed-use redevelopment that has recently been completed at Nos 233-69 High Street (the Brewery Quarter Phase 2), at the north-west edge of the CSA. This site, which is sandwiched between High Street and the Brewery development, comprises a major element of replacement retail floorspace over two storeys (the net increase being 1134m² gross), together with residential accommodation and a Premier Inn hotel. Two previous on-site retailers, namely, Tesco and Wilko, have been accommodated within the new development, alongside a range of eating/drinking/leisure uses. With regard to the letting agents on-line information, it appears that the following units are available: Unit D – 567m² (Gr Fl); Unit F – 411m² (Gr Fl) and 879m² (1st Fl); Unit G 380m² (Gr Fl) and 372m² (1st Fl); Unit H – 400m² (Gr Fl) and 400m² (1st Fl); and Unit J – 1025m² (gr Fl and 1025m² (1st Fl). In their written advice to the Council in August 2017 in relation to the then proposed Lidl store at Tewkesbury Road, DPDS concluded that with regard to these same vacancies, “On their own they are too small and combined would not be suitable for a foodstore of the approximate scale contemplated”. Furthermore, whilst DPDS did not accept the need for dedicated customer car parking to be provided as part of any foodstore development, they did consider that the nearest parking in this case was too remote for a foodstore of the approximate size sought. The recent advice previously provided by DPDS is equally valid now and, as such, there are no reasonable grounds for reaching a materially different conclusion – vacant units at the Brewery Quarter do not represent sequentially preferable suitable alternatives to the subject site at Grovefield Way.
- 7.15 In their previous written advice to the Council, DPDS also discounted the former BHS store in the Regent Arcade as being a sequentially preferable suitable alternative, on the basis of its split level and the likely operational difficulties associated with the size and number of lifts and trolley management within the car park. We concur with this view that the former BHS store can be discounted for sequential test purposes and, moreover, it is our understanding that pursuant to the grant of planning permission in 2017 for a mix of commercial uses within the vacant unit, the owners of Regent Arcade are seeking to progress this approved alternative use/configuration.
- 7.16 As previously stated, there is a potential major mixed-use regeneration opportunity at North Place/Portland Street, which is located in the northern part of the CSA, and which has previously been considered in relation to the sequential test and retail proposals elsewhere in Cheltenham, including the previous proposal at Grovefield Way. This 3.2 hectare site, previously owned by the Council, was granted full planning permission in August 2013 for a food superstore (5792m²), 143 dwellings, multi-storey car park and associated works. Morrisons, who were the anchor tenant driving this major development forward has, however, formally withdrawn from this scheme as a result of their strategic re-appraisal of their development programme and corporate priorities. Superficially, it may therefore appear that this site, which is in two separate ownerships, is now available, or is likely to become available in the near future, for an alternative development that could include the “proposed development” at Grovefield Way. This likelihood, however, is affected by a number of important considerations. Firstly, it is our understanding that the two constituent

sites were purchased for substantial amounts of money and, as a consequence, their owners have particular expectations in terms of the development value of their respective sites. This has a potential major impact on the likelihood of a viable and deliverable scheme coming forward in the foreseeable future. Consequently, there is uncertainty as to the timing of any new proposal, what form this would take, and what mix of uses it will include. As far as we are aware, there is no less uncertainty now regarding this site's "availability" as was the case when the Council determined in December 2017 that the retail element of the then Grovefield Way proposal was acceptable in retail policy terms. Furthermore, it is also our understanding that any development of the North Place site overall would still be contractually required to provide both the public car parking and affordable housing that was included within the previous "Morrisons scheme". This too will have a major impact on scheme viability and, in turn, whether this site can realistically be regarded as "available" and capable of accommodating the Grovefield Way "proposed development".

- 7.17 Given this set of circumstances, we conclude that the North Place site cannot realistically be regarded as an "available" development opportunity capable of accommodating the "proposed development". The site's regeneration is affected by major "constraints" regarding the provision of public car parking and affordable housing and, moreover, there is continued uncertainty regarding its "availability" for any form of deliverable comprehensive regeneration. As such, this site can reasonably be discounted for the purposes of sequential testing. In our view, it is very likely that in order to progress matters in relation to this overall site, its planning and development will need to be thoroughly reviewed in collaboration with the site's owners, and a new planning brief prepared to assist in promoting a scheme that is viable and deliverable. We find support for this view having regard to the emerging JCS and Policy MD2, which identifies the site in very general terms for a mixed-use development, indicating a need for further articulation and guidance in order to facilitate the site's regeneration.
- 7.18 A further potential development opportunity within the CSA that has been referred over a number of years as having the potential to build on the strength of The Promenade, is the Municipal Offices/Royal Well area. Whilst this area may offer new commercial opportunities, these are more likely to be medium term and, moreover, would be dependent upon the Council re-locating to new offices which, it is understood, is being progressed. Furthermore, to the extent that this location may, in the future, provide a retail opportunity, it will almost certainly be for "high value" fashion/comparison retailing aimed at enhancing Cheltenham's position within the sub-regional shopping hierarchy. Importantly, therefore, this potential opportunity is neither available nor suitable in terms of accommodating the proposed discount foodstore and coffee shop. Moreover, it is considered very unlikely to represent a viable development opportunity for a scheme comparable to that proposed at Grovefield Way given the likely major investment/development interest such an opportunity would attract if presented to the market. For the reasons presented, we do not consider that this future potential development opportunity should prevent the Grovefield Way proposal from proceeding on sequential test grounds.
- 7.19 In its determination of the previous Grovefield Way proposal in December 2017, the Council did not regard the Municipal Offices as suitable and/or available to accommodate the then proposed retail element of the Grovefield Way proposal. We are not aware of any significant change in

circumstances during the interim and, as a consequence, this particular potential development opportunity can be discounted from our current sequential assessment.

Lower High Street Shopping Area – Vacant Units and Development Sites

- 7.20 Whilst our survey has identified a number of vacancies in this designated area falling within the north western part of the Core Commercial Area, none are remotely big enough to accommodate the proposed development. Furthermore, there are no retail sites allocated in the development plan and we are not aware of any redevelopment opportunities of sufficient scale and nature to accommodate the “proposed development”.

Montpellier Shopping Area - Vacant Units and Development Sites

- 7.21 Our Survey has not identified a single vacancy in this designated shopping area located in the southern part of the Core Commercial Area. Furthermore, we are not aware of any major redevelopment opportunities within this area – which is reflective of its heritage credentials.

Other Vacancies and Development Sites within the Core Commercial Area

- 7.22 As noted above, none of the vacancies within the Brewery Quarter represent suitable opportunities for the ‘proposed development’ and, as such, can reasonably be discounted from our sequential approach.
- 7.23 Turning to development sites within this area, we are aware of the following sites:

Land at St George’s Place/ St James’ Square

- 7.24 In their written advice to the Council in August 2017 in relation to the then proposed Lidl store at Tewkesbury Road, DPDS concluded that this 0.66ha site could be ruled out as unavailable. We concur with this view.

Coronation Square

- 7.25 In their advice to the Council in August 2017, DPDS noted the limited vacancies in this centre and concluded that neither they nor any sites could be considered as suitable for accommodating the proposed foodstore. This conclusion is, in our view, equally valid now and, as such, Coronation Square can be discounted from the sequential assessment. We would add that in respect of the proposed coffee shop/drive-thru, DPDS noted a potential site for a drive-thru restaurant at this centre but concluded that the coffee shop element of the Grovefield Way proposal could reasonably be regarded as having a locationally specific requirement in relation to meeting the “needs” of local employees and passing trade, in the Grovefield Way area.

Conclusion

- 7.26 In summary, it is clear that it is the “broad type of development which is proposed in the application by approximate size, type and range of goods” that is relevant for the purposes of applying the sequential test and, in this particular case, the proposal relates to a mixed use development comprising retail, coffee shop, day nursery and office uses together with associated car parking and servicing. By focusing on the “main town centre uses” element of the overall proposal, whilst allowing for a reasonable degree of flexibility and the requirement for a site to be available in the near future and not subject to any major constraints and/or uncertainties,, we have been unable to identify a sequentially superior site that is capable of accommodating the “proposed development”. A rejection of the application proposal on sequential grounds would not, therefore, have the effect of re-directing the proposal to a sequentially preferable site. Such a refusal would simply mean that the benefits and employment opportunities associated with the proposal would be denied to the local community. The application site is demonstrably the most appropriate location for the proposed “economic development”.
- 7.27 Lastly, whilst we acknowledge that proposed amendments to the NPPF have recently been consulted on which, with regard to the sequential test and “availability” specifically, makes provision for non-central sites to be considered potentially relevant if they are expected to become available within a reasonable period, it is clearly relevant that this proposal is currently in draft form and, as such, does not represent adopted policy which can be afforded weight. Moreover, in the event of any revised policy being adopted in relation to the sequential test prior to the determination of the current Grovefield Way application, Hinton Properties (Grovefield Way) Ltd, reserve the right to submit further comments to the Council. We would add that there continues to be uncertainty as to the timing and nature of any comprehensive development proposal at North Place which, significantly, continues to be affected by major constraints regarding the provision of public car parking and affordable housing.

TOWN CENTRE IMPACT



8.0 Town Centre Impact

- 8.1 At the outset it is important to note that in this particular case the applicant is not required to undertake an impact assessment because there is no floorspace threshold set-down in the development plan and the proposed foodstore is materially smaller than the default threshold of 2500m² (gross) stipulated in the NPPF. The willingness of the applicant to undertake such an assessment to assist the Council should appropriately be seen in this light, as should the proportionate approach adopted, as recommended in national guidance.
- 8.2 The two impact tests set out in the NPPF, require relevant retail proposals to assess their likely effects on firstly, planned in-centre investment and, secondly, town centre vitality and viability, including local consumer choice and in-centre trade. Furthermore, it is important to note that the relevant test in the NPPF is not whether a proposal would affect a planned investment or result in trade diversion from a particular centre but, rather, whether such a proposal would have a “significant adverse impact” on either planned investment or a centre’s overall vitality and viability. The express reference to “significant” is clearly very important and effectively means that the “bar” has been set very high. We consider each of these tests below.

(1) Effect on Planned In-Centre Development

- 8.3 The NPG that accompanies the NPPF identifies several considerations of relevance when considering the likely effect of a proposal on planned investment in nearby centres. These include:
- The policy status of the investment (ie. whether it is outlined in the Development Plan);
 - The progress made towards securing the investment (eg. if contracts are exchanged); and
 - The extent to which an application is likely to undermine planned developments or investments based on the effects on current/forecast turnovers, operator demand and investor confidence.
- 8.4 Whilst we do not know of any relevant public sector planned investments in any of the relevant centres in Cheltenham, we are aware of the Brewery Quarter Phase 2 mixed-use development that is now substantially complete and the John Lewis development at the former Beechwood Centre. On the basis that the former development is completed and the latter is programmed for completion in the Autumn of this year, neither can be considered at risk – a conclusion also previously reached by DPDS in their August 2017 advice to the Council.
- 8.5 With regard to North Place, it is clear following Morrisons abandonment of this development opportunity that this scheme will no longer proceed. Consequently, there are no grounds for contending that the previously approved regeneration at North Place would be seriously prejudiced by the current Grovefield Way proposal. In relation to possible other redevelopment options, these clearly remain to be articulated, let alone form the basis of a planning permission or, indeed, a contractually committed development. Consequently, and given the advice above in the NPG, it is very difficult to see how one might reasonably conclude that an unknown

investment/development proposal that might emerge at some indeterminate future date, will be seriously prejudiced by a discount foodstore proposal some 4.5km from Cheltenham town centre.

- 8.6 We are not aware of any specific planned investment proposal in respect of the Coronation Square District Centre. As noted by DPDS in their August 2017 advice to the Council, the owner's current strategy for this centre appears to be based on incremental improvement through new lettings which, based on our recorded reduction in vacancies in this centre, is demonstrably meeting with tangible success. In responding to the then Lidl proposal on Tewkesbury Road, DPDS concluded that this strategy would not be undermined by Lidl's proposal. On the basis that the Council accepted this advice, and in this case the application proposal is more remote in relation to Coronation Square than was the Lidl proposal, it is very difficult to see how one might reasonably seek to fault the current planning application on the grounds that it would have a "significant adverse effect" on planned in-centre investment in the Coronation Square district centre.

(2) Impact on In-Centre Vitality and Viability

- 8.7 In updating our quantitative assessment, we have taken into account the relevant findings of the Gloucester/Cheltenham/Tewkesbury Joint Core Strategy 2011-31 Retail Study Update, prepared by DPDS in February 2016. Furthermore, we have also taken into account the latest advice from Experian with regard to expenditure growth rates, provided in their Retail Planner Briefing Note (December 2017). Moreover, we have also revisited all relevant centres in Cheltenham in order to assist in our assessment of the likely effect of the proposed foodstore at Grovefield Way.

Base and Design Year

- 8.8 An initial base year of 2015 is adopted in line with the JCS Retail Update, together with an interim "base year" of 2018 and a design year of 2022 – some four years from the date of the application, as endorsed in Paragraph 26 of the NPPF.

Price Base

- 8.9 All monetary values are expressed in constant 2015 prices in order to be consistent with the price based adopted by DPDS in their JCS Retail Update.

Population

- 8.10 In order to determine forecast population levels within the area served by foodstores in the Cheltenham area, we have adopted the four "Cheltenham Zones" (1a-1d) identified in the JCS Update together with the adjacent survey zones, namely, 2, 3a and 3b. In terms of convenience shopping, these zones and the expenditure generated therein, will essentially account for the total turnover of stores within Cheltenham itself. As shown in Table 1, sourced directly from the JCS Update, the population of this area totals 162,267 in 2015, and is forecast to increase to 165,706 and 169,849 in 2018 and 2022 respectively, representing a growth between 2015-2022 of 7582 (4.7%).

Expenditure: Convenience Goods

- 8.11 Table 2 shows the local expenditure per capita levels for each zone at 2015, 2018 and 2022. We have adopted the JCS base year figures for 2015, which we have projected forward to 2018 and 2022 in line with the relevant expenditure growth rates set-out in the latest Experian Retail Planner Briefing Note (December 2017). Table 3 shows that total convenience goods spending power is forecast to increase from £354.5 million in 2015 to £363.4 million and £372.4 million in 2018 and 2022 respectively. For comparative purposes, the 2018 expenditure forecast in the JCS Update for the same seven zones is just £0.7 million less than our estimate. Furthermore, with regard to the respective forecasts for 2022, these are very similar, with our forecast being just 0.4% lower than the interpolated DPDS estimate.

The Proposed Retail Development: Turnover Estimate

- 8.12 As out in Section 3 of this Report, the proposed foodstore totals 1741m² (gross), of which ALDI has confirmed that 1254m² would represent retail sales floorspace. On this basis, the convenience goods sales area would be 1003m² (80% of the total net) and the corresponding comparison goods sales area would total just 251m².
- 8.13 For the purposes of forecasting the likely turnover of the proposed development, we have assumed, as is typically the norm in such assessments, that the proposed new store would turnover at the relevant ALDI benchmark turnover level. Taking into account the latest benchmark figures taken from Mintel 2016, the current convenience goods sales density would be £11431/m² which, by 2022, would remain unchanged given the relevant Experian advice on floorspace efficiency increases in their latest Retail Planner Briefing Note (December 2017). Conversely, the comparison goods sales density would increase to £10750/m² in line with the relevant Experian advice. As such, the respective convenience and comparison goods turnover of the proposed store in 2022 would be £11.5 million and £2.7 million (Table 4).

Estimated Turnover of Relevant Convenience Retail Provision

- 8.14 In their written advice to the Council in respect of the previous ALDI proposal at Grovefield Way, DPDS helpfully set-out their 2015 estimated turnover levels of foodstores in the Cheltenham area derived from the up-dated NEMS household survey and the relevant local population/expenditure estimates. For the purpose of this assessment, we have adopted these base year turnover estimates, which are presented in Table 5, which we have projected forward to both 2018 and 2022 using a constant market share approach. With regard to the town centre specifically, the key area of interest in this case in terms of retail impact, the total 2015 turnover level identified by DPDS is £27.04 million. Whilst a new Tesco Express in the Brewery Quarter development has replaced a Tesco Metro that was trading at the time of the NEMS survey, this change is unlikely, in the view of DPDS, to have had a material effect on the survey-derived turnover estimate for the town centre overall – a view with which we agree.

8.15 With regard to food superstores elsewhere in Cheltenham, for example, the Morrisons store at the Caernarvon Road district centre, this has an estimated turnover of almost £42 million, which compares very favourably with the company benchmark turnover for this store of approximately £31 million. Furthermore, whilst the out of centre Asda store is trading broadly in line with its company average, the ALDI store at Tewkesbury Road has a survey-derived turnover of almost £30 million, which is more than double the relevant company benchmark figure and, in the view of both DPDS and ourselves, is very likely to represent an over-estimate. In reality, this store's turnover will be lower and, as a consequence, the turnover of other, mostly out of centre stores in the area, will be somewhat higher.

Estimated Trade Division

8.16 Prior to estimating the trade diversion associated with the proposed ALDI store, we have firstly taken into account the extension to the ALDI store on Tewkesbury Road, which was built following the JCS/NEMS household survey and, secondly, we have taken into account the committed Lidl store at the former BMW Car Dealership site, Tewkesbury Road, which is currently under construction. Unlike in our assessment in support of the previous ALDI proposal at Grovefield Way, we have not taken into account the North Place "Morrisons consent". Following Morrisons abandonment of this scheme, and taking into account current superstore representation in Cheltenham and the respective present development strategies of these operators, it is widely accepted that this particular scheme will not be progressed by an alternative superstore operator. Furthermore, it is evident that the relevant consent, granted on 16 August 2013, has not been commenced, as acknowledged in the emerging JCS and, as such, this permission will lapse in August of this year. Taking into account these considerations, we believe our current approach to be reasonable. Any alternative foodstore proposal at North Place would require a fresh planning application and associated justification.

8.17 For the purpose of estimating the turnover of the built ALDI extension, we have assumed that the additional sales floorspace would trade at 50% of the full company average turnover, on the grounds that the host store was, based on the JCR Retail Update household survey, trading substantially in excess of the ALDI benchmark turnover and, as a consequence, the additional floorspace would have effectively taken some of the pressure off the over-trading existing store.

8.18 On this basis, our turnover estimates for the additional convenience and comparison goods floorspace at the existing ALDI store are therefore £1.25 million and £0.34 million respectively. With regard to the Lidl commitment, we have increased the convenience goods turnover of the store from £8.3 million to £10.45 million, with the comparison goods turnover remaining unchanged at £1.6 million.

8.19 Table 5 sets out sequentially, the impact associated with the ALDI extension, followed by the estimated trade diversion to the new Lidl store at Tewkesbury Road, before adding the estimated trade diversion related to the proposed ALDI store at Grovefield Way. In terms of the percentage impact, both solus and cumulative, this is set out in the final two columns of the Table.

- 8.20 In terms of the town centre specifically, the proposed ALDI store is estimated to have a solus impact of just 1.2%. This, in our view, would have an imperceptible effect on the sustained vitality and viability of the centre's convenience goods businesses, which would continue to trade well and benefit from footfall in the centre associated with Cheltenham's sub-regional role and attraction as a visitor destination. With regard to cumulative impact, taking into account the committed Lidl store on Tewkesbury Road, the percentage impact totals 3%. This is substantially less than the cumulative impact of almost 9% (which included an allowance for Morrisons at North Place), we identified in connection with the previous ALDI proposal at Grovefield Way which, importantly, the Council concluded was acceptable in terms of retail impact. In these circumstances, it is very difficult to see how the Council could reasonably reach a different conclusion now and conclude that the current proposal is unacceptable in retail impact terms. Furthermore, as acknowledged by DPDS in their advice to the Council in respect of the previous ALDI proposal, even if the estimated trade diversion from the town centre was higher than estimated by DPP, this would not, in any event, equate to a "significant adverse effect" in terms of the town centre's overall vitality and viability. In relation to this current proposal for a new ALDI store, the same conclusion is equally valid now.
- 8.21 Turning to the comparison goods element of the proposed ALDI store, the benchmark turnover, as indicated in Table 4, would be £2.7 million. In terms of the likely trade draw, it is widely accepted in retail planning that a major proportion of a new foodstore's comparison goods turnover can reasonably be expected to be derived from other food superstores associated with those shoppers who switch their convenience shopping to the new store. In addition, some of the comparison goods turnover of the new store will also be derived from out of centre non-food stores in Cheltenham. Consequently, we have assumed that 75% of ALDI's comparison goods turnover would be derived from these latter sources, with the balance of 25% being derived from the town centre – a robust assumption in our view, which we have also applied to the approved ALDI extension and the Lidl commitment. On this basis, the trade diversion from the town centre to the extended and proposed store would amount to £0.085 million (£0.34 million x 0.25) and ££0.67 million (£2.7 million x 0.25). With regard to the trade diversion from the town centre to the committed Lidl store, this would amount to £0.4 million (1.6 million x 0.25).
- 8.22 The 2015 comparison goods turnover of the town centre, as estimated in the JCS Retail Update, amounts to £486 million which, by adopting a constant market share approach, would total £577 million by 2022.
- 8.23 If the total trade diversions (comparison and convenience) associated with the commitments are added together, the cumulative trade diversion would amount to £0.49 million (comparison goods) and £0.58 million (convenience goods) which, collectively, totals £1.07 million and equates to a percentage impact of just 0.18% in relation to a total town centre turnover of £605 million (£577 million comparison goods and £28 million convenience goods). This is in sharp contrast to the 1.58% cumulative impact we identified in connection with the previous ALDI proposal.
- 8.24 Turning to the current ALDI proposal, this is estimated to result in a total trade diversion of £1.01 million (£0.34 million convenience goods and £0.67 million comparison goods) from the town

centre which, in terms of solus and cumulative impact, amounts to 0.17% and 0.35%. This latter figure is comparatively very small and contrasts sharply with the cumulative impact figure associated with ALDI's previous proposal and found to be acceptable by the Council.

- 8.25 Taking into account the essential characteristics of the town centre's attraction and robustness, there are no grounds whatsoever for believing that such a comparatively very small and substantially reduced percentage impact would represent a "significant adverse effect". In such circumstances, the ALDI proposal is considered acceptable in terms of its likely impact on Cheltenham town centre. Importantly, we would add that the cumulative trade diversion identified will, in reality, be spread over several years as each of the schemes comes forward. In practice, therefore, the effect will be more diffuse than we have identified and will not all be absorbed by town centre retailers at the same time. Furthermore, the very small cumulative impact figure we have identified does not make any allowance whatsoever for the significant amount of expenditure attracted to the town centre associated with visitors/tourists. Taking into account the relative strength and attraction of the town centre as a whole, we conclude that ALDI's current proposal would have an imperceptible effect on the centre's overall vitality and viability.
- 8.26 With regard to the proposal's likely effect on the Morrisons superstore which anchors the Caernarvon Road district centre, this store is estimated to have a post cumulative impact turnover of almost £40 million, which is substantially in excess of the Morrisons benchmark turnover. On this basis, and taking into account the continued role and attraction of this demonstrably popular national multiple, its sustained vitality and viability will not be threatened in any way by the likely trade diversion associated with relevant commitments and the proposed ALDI store.
- 8.27 Turning to the Bath Road district centre, our qualitative assessment demonstrates that this is a well-used centre which benefits from both a localised catchment and, to a lesser extent, pass-by trade. In terms of its convenience goods businesses, these clearly perform an essentially basket/top-up shopping role and, to the extent that the Sainsbury's and Coop stores perform a main food shopping role, this is likely to be associated with some shoppers undertaking a few smaller shops throughout the week. Consequently, this centre will not be subject to any harmful trade diversion and, as a consequence, its sustained vitality and viability will not be threatened in any way by either the relevant commitments or the proposed ALDI store.
- 8.28 With regard to the Coronation Square district centre, we believe that the centre's household survey-derived turnover is likely to represent an under-estimate, as such surveys typically under-record the turnovers of smaller stores/centres, whilst over-recording the turnovers of some larger stores. Our key findings in relation to this centre are that both the Iceland and Farm Foods stores occupy a niche position within the grocery market and serve an essentially localised catchment with an important walk-in element. Consequently, we do not anticipate that the proposed ALDI store will attract a quantifiable level of trade from this particular centre, particularly since there is already an ALDI store at Tewkesbury Road.
- 8.29 As with our previous retail assessments in relation to proposed Lidl and ALDI stores in Cheltenham, the vast majority of the turnover of the current proposal will be drawn from out of centre foodstores such as; Asda (Hatherley Lane), Tesco (Collets Drive), Aldi and Lidl (Tewkesbury Road),

and Sainsbury's (Tewkesbury Road) – these stores alone accounting for almost two-thirds of the proposal's convenience goods turnover. These stores, together with others such as Waitrose (Honeybourne Way) and Sainsbury's (Priors Road), are not afforded any policy protection and, as such, their trading performance is not material to the determination of the current planning application. Notwithstanding, none of these national multiples will experience any threat to their sustained vitality and viability.

8.30 With regard to other smaller centres and parades of local shops, none of these will be susceptible to any material trade diversion.

8.31 In light of the above analysis, there are no reasonable grounds for believing that the proposed discount foodstore would cause an adverse impact, let alone a "significant" adverse impact – the relevant NPPF test – in relation to any policy protected centre in Cheltenham. In these circumstances, the proposal is demonstrably policy compliant and, given the wide-ranging consumer and employment benefits we have identified, the "presumption in favour" should clearly apply. Importantly, these same conclusions in relation to retail impact were reached by both DPDS and the Council last year in connection with ALDI's previous proposal at Grovefield Way when, significantly, the levels of cumulative impact were substantially higher than they are now. This being the case, and given the absence of any other material change in circumstances, we would urge the Council to re-affirm its view that the proposed ALDI store passes the relevant retail impact tests.

CONCLUSION



9.0 Conclusion

- 9.1 This report has assessed the proposed discount foodstore against the key retail policy tests set out in national and local planning policy.
- 9.2 With regard to the sequential test, case law demonstrates that the broad type of development proposed in the application by approximate size, type and range of goods is important in terms of correctly applying the test. In this case, a sensible interpretation and application of the sequential test dictates that the “proposed development” is compliant with the relevant provisions of the NPPF.
- 9.3 Turning to retail impact, it has been demonstrated that the proposal will result in a comparatively very small increase in trade diversion from the town centre over and above that associated with relevant commitments. In reality, this trade diversion will, in our view, have an imperceptible impact on the sustained vitality and viability of the town centre, which is strong, popular and attractive and, moreover, is continuing to improve. Furthermore, the level of impact we have estimated is substantially less than that which we previously identified in connection with the earlier ALDI proposal at Grovefield Way which, importantly, both DPDS and the Council considered was acceptable in retail impact terms. Moreover, as with the previous proposal, the current proposed development will not remotely adversely affect any other policy protected centre in Cheltenham. Put simply, the retail impact test contained in the NPPF, which sets the bar comparatively very high by requiring evidence of a proposal having a “significant adverse impact”, is comfortably complied with and there is demonstrably no evidence whatsoever to indicate otherwise.
- 9.4 In practice, the proposal will deliver a number of important retail and employment benefits at a committed commercial development site within the urban area and, as such, it clearly qualifies as a “sustainable economic development”, for which there is a presumption in favour embodied in the NPPF. Given the major benefits identified and the absence of any “significant adverse effect”, that could otherwise out-weigh the benefits, the current proposal should, as in the case of the previous recent proposal, similarly be regarded by the Council as compliant in terms of retail policy.

APPENDIX 1: ECONOMIC TABLES



10.0 Appendix 1: Economic Tables

10.1 Table 1: Population Forecasts

| Zone | 2015 | 2018 | 2022 | Growth 2015-22 |
|--------------|---------|---------|---------|----------------|
| 1a | 28,471 | 29,096 | 29,889 | |
| 1b | 40,491 | 41,372 | 42,468 | |
| 1c | 15,498 | 15,825 | 16,235 | |
| 1d | 33,331 | 34,049 | 34,963 | |
| 2 | 15,547 | 16,003 | 16,587 | |
| 3a | 21,547 | 21,778 | 22,084 | |
| 3b | 7382 | 7583 | 7623 | |
| TOTAL | 162,267 | 165,706 | 169,849 | 7582 |

- Source/ Notes: JCS Retail Update (Feb 2016), DPDS

10.2 Table 2: Convenience Goods Expenditure for Capita By Zone (£)

| Zone | 2015 | 2018 | 2022 |
|------|------|------|------|
| 1a | 2219 | 2228 | 2230 |
| 1b | 1945 | 1952 | 1954 |
| 1c | 2260 | 2269 | 2270 |
| 1d | 2203 | 2212 | 2214 |
| 2 | 2226 | 2235 | 2237 |
| 3a | 2381 | 2391 | 2393 |
| 3b | 2463 | 2473 | 2475 |

- Source/ Notes:
- JCS Retail Update (Feb, 2016) DPDS
- Expenditure Growth Rates source directly from Experian Retail Planner Briefing Note (December 2017)

10.3 Table 3: Total Convenience Goods Expenditure Available (£m)

| Zone | 2015 | 2018 | 2022 |
|--------------|--------------|--------------|--------------|
| 1a | 63.2 | 64.8 | 66.6 |
| 1b | 78.8 | 80.8 | 82.9 |
| 1c | 35.0 | 35.9 | 36.8 |
| 1d | 73.4 | 75.3 | 77.3 |
| 2 | 34.6 | 35.8 | 37.1 |
| 3a | 51.3 | 52.1 | 52.8 |
| 3b | 18.2 | 18.8 | 18.9 |
| Total | 354.5 | 363.4 | 372.4 |

- Source/Notes: Tables 1 and 2

10.4 Table 4: Proposed Aldi Store

| Gross Floorspace (m2) | Net Floorspace (m2) | Convenience Net Floorspace | Comparison Net Floorspace | Convenience Sales Density (£/m2) | Comparison Sales Density (£/m2) | Convenience Benchmark Turnover (£m) | Comparison Benchmark Turnover (£m) |
|-----------------------|---------------------|----------------------------|---------------------------|----------------------------------|---------------------------------|-------------------------------------|------------------------------------|
| 1741 | 1254 | 1003 | 251 | 11431 | 10750 | 11.46 | 2.7 |

10.5 Table 5: Estimated Trade Diversion Solus and Cumulative

| | DPDS Turnover Estimate 2015 (£m) | Turnover Estimate 2018 (£m) | Trade Diversion to Aldi Extension (£m) | Post Impact Turnover 2018 (£m) | Turnover Estimate 2022 (£m) | Trade Diversion to Lidl (£m) | Residual Turnover (£m) | Solus Impact (%) | Trade Diversion to Aldi (£m) | Residual Turnover (£m) | Solus Impact (%) | Cumulative Impact (%) |
|---------------------------|---|-----------------------------------|--|---|-----------------------------------|---------------------------------------|------------------------------|------------------------|---------------------------------------|------------------------------|------------------------|--------------------------|
| Cheltenham Town Centre | 27.04 | 27.73 | 0.06 | 27.67 | 28.3 | 0.52 | 27.78 | 1.8 | 0.34 | 27.44 | 1.2 | 3 |
| Morrisons | 41.61 | 42.66 | 0.15 | 42.51 | 43.57 | 0.78 | 42.79 | 1.8 | 2.87 | 39.92 | 6.6 | 8.6 |
| Bath Rd (Coop/ JS) | 7.11 | 7.27 | | 7.27 | 7.45 | | 7.45 | | | 7.45 | | |
| Coronation Square | 2.29 | 2.36 | | 2.36 | 2.42 | | 2.42 | | | 2.42 | | |
| Tesco, Collets Way | 24.12 | 24.71 | 0.44 | 24.27 | 24.95 | 2.1 | 22.85 | 8.4 | 1.26 | 21.59 | 5.1 | 13.5 |
| JS, Tewkesbury Rd | 43.75 | 44.84 | 0.31 | 44.53 | 45.8 | 1.7 | 44.1 | 3.7 | 0.46 | 43.64 | 1 | 4.7 |
| Waitrose, Honeybourne Way | 42.69 | 43.75 | 0.03 | 43.72 | 44.69 | 0.31 | 44.38 | 0.7 | 0.11 | 44.27 | 0.2 | 0.9 |
| M&S, Kingsditch | 5.62 | 5.78 | 0.01 | 5.77 | 5.96 | 0.1 | 5.86 | 1.7 | | 5.86 | | 1.7 |
| Aldi, Tewkesbury Rd | 29.57 | 30.03 | | 31.55 | 32.4 | 3.13 | 29.27 | 9.7 | 1.6 | 27.67 | 3.1 | 12.8 |
| Asda, Hatherley Lane | 29.33 | 30.1 | 0.15 | 29.95 | 30.54 | 1.04 | 29.5 | 3.4 | 3.45 | 26.05 | 11.3 | 14.6 |
| JS Priors Road | 25.34 | 26 | 0.02 | 25.98 | 26.63 | 0.21 | 26.42 | 0.8 | 0.23 | 26.19 | 0.9 | 1.7 |
| Other | | | 0.12 | | | 0.52 | | | 0.57 | | | |
| Lidl, Tewkesbury Rd | | | | | | 10.45 | | | 0.57 | 9.88 | 5.5 | 5.5 |
| Aldi, Grovefield Way | | | | | | | | | 11.47 | | | |