



Hearing Statement
Matter 5
Town Centres and Retail

On behalf of:
Cashtal Properties Ltd

In respect of:
Cheshire East
Site Allocations and Development Policies Document
Examination in Public

Date:
September 2021

Reference:
MA/CPL/014-06/R001m

1.0 Introduction

- 1.1 This Hearing Statement is submitted in respect of document INS/o8 as it pertains to Matter 5, which are all focused upon the RET policies regarding Town Centres and Retail. A key thrust of our response in this respect is the policy framework as it will pertain to the proposed local centre within the strategic site allocation LPS33.
- 1.2 This comprises responses to the following questions from INS/o8:
- Q77 (RET1)
 - Q79 (RET1)
 - Q83 (RET2)
 - Q84 (RET3)
 - Q91 (RET7)
- 1.3 The Inspector may be aware that we issued representations to the consultation version of this Plan which challenged the failure to identify the local centre within site LPS33 within the retail hierarchy for the emerging Plan period. We continue to conclude that this approach is inconsistent with the advice of the NPPF. Regrettably, at this point the submitted Plan continue to promote this approach and has not (to date) clarified why this is the case.
- 1.4 We are therefore compelled to prepare and submit this Statement to assist the Inspector to draw out this information from the Council at the Examination.
- 1.5 We reserve the right to respond to the Council's comments regarding INS/o8.

Responses to Key Questions

Matter 5 Town Centres and Retail

Q77 Should the new local centres proposed as part of the strategic allocations in the LPS be included as “local urban centres” or “neighbourhood parades of shops” in the retail hierarchy in Policy RET 1, to ensure that, once built, there is a clear and effective policy framework for guiding future development, including changes of use, within them?

- 2.1 We note through reference to the retail hierarchy as identified in Policy RET₁ that both “local urban centres” and “neighbourhood parades” fall lower in the hierarchy than “local service centres” and that it is identified at paragraph 9.6 that neither of these would be recognised as town centres for NPPF purposes.
- 2.2 Even if the planned local centres forming part of the strategic LPS allocations (such as LPS₃₃) were identified within one of these two lower tiers in the hierarchy, the statement at paragraph 9.6 would mean that they are essentially bereft of any policy protection in the face of out-of-centre proposals for competing “main town centre uses”.
- 2.3 Given that site LPS₃₃ will accommodate 1500 homes, reasonable food shopping needs of that new community would clearly exceed that applicable to a neighbourhood parade.
- 2.4 We make no comment in terms of the use of these lower-tier designations for other LPS sites, but in the prism of LPS₃₃ it would be inappropriate especially given changes to paragraph 9.6.
- 2.5 If the Inspector is unable to agree with our recommendation that the local centre identified within site LPS₃₃ should be designated as a “local service centre” then we (with considerable regret) suggest that the compromise would be achieved by (all three components):
- A. Identify LPS₃₃ as a “Local Urban Centre”
 - B. Omit the proposed amendment at paragraph 9.6 so that it stated
“Local urban centres support the sustainability of larger centres and provide access to local day to day shopping needs. Neighbourhood parades of shops serve localised day to day needs of residents and are of purely neighbourhood significance. For the avoidance of doubt, ~~local urban centres and~~ neighbourhood parades of shops do not fall within the definition of town centres in the glossary of the NPPF.”
 - C. Introduce the following amendment to paragraph 9.9 so that it stated:
*“The need is expected to be met principally through the incremental development of allocated sites in the LPS, where such sites will incorporate an element of retail floorspace as part of their mixed-use development. **This would include the shopping facilities to anchor the proposed local centre to be provided***

as part of the LPS33 allocation. Site LPS 47 'Snow Hill, Nantwich' includes support for appropriate retailing, including opportunities for small, independent retailers in that allocation."

- 2.6 In the first instance, local centres within the LPS sites should form part of the retail hierarchy. However, we feel that the inference that they should be designated at a tier equivalent to a neighbourhood parade would wholly undersell the extent of shopping needs that 1500 new homes would reasonably expect and therefore "bake in" unsustainable shopping patterns at the Plan-making stage. We say that these should be identified as a "local service centre".
- 2.7 Whilst it is not our preferred position and would not make best use of the Plan-making process, we have identified a compromise that would give some status to the proposed local centre and afford some policy protection to competing out-of-centre proposals.

Q79 Should the proposed minor amendment to paragraph 9.6 in the justification to Policy RET 1, which seeks to ensure local urban centres are included within the definition of 'town centres', be considered as a Main Modification? Should the definition of a 'local urban centre' in the Glossary to the SADPD be similarly modified? Would these changes be consistent with national policy?

- 2.8 Our reading of the proposed amendment to paragraph 9.6 of the accompanying text would do entirely the opposite i.e., it would mean that the Council is seeking to clarify that this tier in the retail hierarchy ("local urban centre") would **not** be a centre for NPPF purposes and the resultant text in RET2 gives them **no status** or policy protection either.
- 2.9 Read in isolation, this would mean that trading impacts upon these centres would not conflict with NPPF or Development Plan requirements. In that prism, this would have an evident adverse impact upon the vitality of services that are important to local communities.
- 2.10 We do note that the Council has not amended footnote 22 to Policy RET3 which then arguably means that there is some degree of requirement for out-of-centre proposals to consider impact on the "local urban centre" tier, but we would suggest that these two matters need to be read together and at this point they impede clarity.
- 2.11 In addition, if the Inspector was minded to designate the LPS local centres as a "local urban centre" and to retain the proposed amendment to paragraph 9.6 then it would mean that the planned local centres would have a very unclear policy framework which will impede delivery of the LPS local centres and render them at risk of impact from out-of-centre schemes.
- 2.12 Our view is that the proposed revision to paragraph 9.6 is a retrograde step and will not assist the positive preparation of the Plan. It should be resisted.

Q83 Should the proposed local centre within the North Cheshire Garden Village site and those identified as part of other LPS sites, be separately listed in Policy RET 2 as a principal means for meeting the retail floorspace needs of the borough?

- 2.13 Whilst it is likely that similar conclusions could be drawn in the context of the other LPS allocations, we focus here upon the local centre within the North Cheshire Garden Village site and its role in meeting the retail floorspace needs of the borough over the Plan period.
- 2.14 We have consistently set out that the local centre within the LPS33 allocation should be included within the retail hierarchy. That approach will clarify the Plan-led intention for the Local Centre and recognises it will meet an important role that should be safeguarded and encouraged. A failure to do so means that any future investment in shopping facilities in that local centre location would be treated as “out-of-centre” in NPPF terms and that any competing proposals would not have to have regard for impact upon the local centre.
- 2.15 The result of that approach is that if the local centre was delivered then it would be at ongoing risk of trading impact, undermining investor confidence which would prejudice the delivery of the local centre and thus derail the broad sustainability of the LPS33 allocation.
- 2.16 The Council’s base evidence to determine retail floorspace needs of the borough are flawed (in the prism of LPS33 allocation). Floorspace needs for the “Handforth area” are derived by rolling forward existing market share of Handforth local centre and netting off commitments.
- 2.17 It is self-evident that Handforth local centre is far too limited in terms of offer to meet the needs of the existing village and that they gravitate to the substantial out-of-centre facilities at Handforth Dean for their main food shopping needs and then seek a range of opportunities for their non-food shopping needs.
- 2.18 The Retail Study would suggest that despite the influx of 1500 new homes within LPS33 (and numerous other recent housing developments in the local area) that there is a zero requirement for any new shopping facilities in the Handforth area. On a very basic analysis, the new LPS33 allocation (assuming 1500 homes and 2.5 persons per home and applying Zone 1 per capita spend) will generate a resident convenience expenditure of circa £8.2m by 2030 design year. That would sustain a requirement for 830m² of convenience floorspace for the leading discounters disregarding the opportunity to redress the overtrading of the out-of-centre food superstores at Handforth Dean.
- 2.19 Simply put, the new residents will generate substantial available spend and if facilities are not provided within LPS33 then they will gravitate elsewhere to meet those needs and that would

likely reinforce the strong trading at the out-of-centre hub at Handforth Dean.

- 2.20 The much better alternative is to specify that LPS33 is a focus for meeting the retail shopping needs of the new settlement and that this can also contribute towards the shopping needs of the area subject to justification. This would include its designation as a Local Service Centre in RET1 and changes to RET2 that refer expressly to LPS33 and in its accompanying text (paragraph 9.9) as set out below.

RECOMMENDATIONS

The proposed locally set threshold of 300m² for Town Centres is wholly unjustified and any decision

- 2.21 That policy RET2 be amended as follows:

Planning for retail needs

Retail convenience and comparison floorspace need arising in the borough over the period 2018 to 2030 will be met principally through:

1. *the delivery of sites allocated in the LPS that include an element of retailing to meet local needs (including the local centre within LPS33);*
2. *further retail development in central Crewe and central Macclesfield, on sites in town centre boundaries; and*
3. *the delivery of allocated Site LPS 47 'Snow Hill, Nantwich'.*

- 2.22 That paragraph 9.9 of the supporting text be amended as follows:

"The need is expected to be met principally through the incremental development of allocated sites in the LPS, where such sites will incorporate an element of retail floorspace as part of their mixed-use development. Site LPS33 "North Cheshire Garden Village" includes support for a local centre to meet the shopping needs for 1500 new homes and ensure its sustainability, including opportunities for other town centre uses to meet local needs. Site LPS 47 'Snow Hill, Nantwich' includes support for appropriate retailing, including opportunities for small, independent retailers in that allocation."

- 2.23 The above clarifications make it clear that the LPS33 local centre is a Plan-led initiative that is integral to the delivery of the wider allocation and the provision of sustainable new garden village as has been envisioned from the outset. A failure to do so will instead entrench unsustainable shopping patterns and a long-term failure for the planned local centre.

Q84 *As drafted are the sequential and impact tests set out in Policy RET 3 consistent with national policy? Would they be effective in respect of applications for main town centres uses, which accord with site allocations in the LPS, but are located outside of an existing centre?*

- 2.24 We note that the structure of the RET3 framework is to largely replicate the NPPF framework,

save for where it defines specific locally set impact thresholds and then also that by cross-reference to footnote 22 it identifies which types of centre are deemed as “town centres” for these purposes.

Local Impact Thresholds

- 2.25 By way of context, it is worth remembering that the derivation of the 2500m² floorspace threshold in the NPPF (which arrived with PPG6) was a response to the growth of larger stores that could genuinely impact shopping patterns. In the context of food shopping, the 2500m² threshold triggered the definition of food superstore and in terms of scale these would typically be directed towards higher-tier centres. Put simply, the threshold was not geared to the typical size of the existing units in a centre, but rather to the scale of the retail offer that would be necessary to genuinely impact upon the ongoing vitality of those centres.
- 2.26 Through revisions to national policy and changes in shopping offer, it has been noted that in some instances that retail units that would fall below that 2500m² threshold could genuinely impact shopping patterns especially if the centre demonstrated signs of vulnerability. However, these locally based thresholds must be properly justified.
- 2.27 By way of summary, the impact thresholds that have been arrived at essentially rely upon the premise that there is an inherent vulnerability in terms of centre vitality which justifies the use of lower thresholds. By use of different thresholds for the different tiers of centre, it is implied that an introduction of a smaller format store (say a Tesco Express) could impact the vitality of lower tier centres but would be unlikely to impede one of the main town centres albeit that the logical basis for this is (we say) flawed.
- 2.28 We fundamentally disagree with the intellectual basis for arriving at these thresholds. The thread of the Council’s argument is that health checks clarify that most units in the lower order centres are relatively small and that by consequence of the mantra of “like competes with like” then it would be reasonable to impose controls such that any proposals for units which could “compete” should be required to provide retail impact assessments. This is completely absent of the logic which is that floorspace thresholds are needed to consistently apply a requirement for analysis where a development proposal could support a format that provides a shopping offer that could genuinely impact shopping patterns.
- 2.29 We do not seek to argue that there is no case for a lower locally set threshold and can see that popular formats including the food discounters (such as LIDL and Aldi) can provide a compelling food shopping offer in units which fall below the NPPF threshold. As such, evidence could be compiled to underpin a locally set threshold but it would need to be aligned

to a consideration of a benchmark format that would genuinely impact vitality.

- 2.30 Regarding convenience retailing, it does not appear realistic that a unit of 301m² (which would be markedly below a Tesco Express format) would create a material extent of impact to a town centre which would typically have a food retail offer anchored by a food superstore and/or a food discounter.
- 2.31 Certainly in that context, there is no reasonable basis to impose a threshold of 300m² for proposals for retail development outside defined town centres. It could be the case that an argument can be created to identify a locally imposed threshold but at this point there is no credible evidence-based argument to do so. It is not for the Representor to demonstrate what should be an alternative threshold, but rather it is the duty of the LPA and if unable to do so then the Plan should revert to the thresholds set out within the NPPF.

Retail Hierarchy

- 2.32 We note in the first instance that the table within Policy RET₃ refers to thresholds for three tiers of centre, the lowest of which is "local centre". Looking at the table within bullet 1 of Policy RET₁ those centres which are named "Local Centre" are then described as forming the role of "Local Service Centre". Whilst that clarification is helpful it might have been preferable that these were simply identified as "Local Centres".
- 2.33 Nevertheless, this means that RET₃ does not plan for developments that could affect the vitality of those centres which fall below them in the hierarchy. Supporting text at paragraph 9.12 implies some support for "local urban centres" but this does not have policy status and is another example of the lack of clarity which is provided by this policy framework.
- 2.34 At the current time, the Development Plan proposes a strategic development under Policy LPS₃₃ which includes a local centre to meet the reasonable shopping and other needs for 1500 new homes. A failure to deliver and safeguard that local centre will prejudice the sustainability of the LPS₃₃ allocation. At a basic level, if inadequate shopping facilities are provided within the LPS₃₃ area then it will inevitably lead to less sustainable shopping patterns as residents are compelled to travel elsewhere to meet those needs.
- 2.35 The shopping facilities at Handforth are limited in scale and frankly dwarfed by what is available at the larger format needs in the out-of-centre retailing at Handforth Dean. A failure to deliver suitable facilities within LPS₃₃ will direct residents to complete (in all likelihood) car-based journeys via the dual carriageway to those existing stores and would give a justification for their extension in time.

- 2.36 A better way forward is to identify the LPS33 local centre as a “Local Centre” in the hierarchy and then obligations of the NPPF and Development Plan will apply and give policy protection to ensure the delivery of a viable local centre with appropriate facilities in the LPS33 site.

Wording of RET3 bullet 4

- 2.37 The wording of the last sentence of bullet 4 of Policy RET3 advises that a proposal which fails the sequential and/or impact test **will** be refused. That construction is unacceptable and in conflict with the NPPF and statute. The word “will” must be replaced with “should” or it would conflict with the overriding statutory guidance of s38(6) of the Planning Act.

RECOMMENDATIONS

- A. The proposed locally set threshold of 300m² for Town Centres is wholly unjustified and any decision to impose that threshold would make the Local Plan unsound.
- B. If the Council does wish to pursue locally set thresholds then it should be reflective of trading formats that can genuinely impact shopping patterns and thus influence the vitality of centres, not to be a function of the types of unit that is already there.
- C. That it is necessary for the hierarchy identified under RET1 to include the local centre within LPS33 as a “local service centre” as otherwise it will fundamentally prejudice the delivery of that centre which is crucial to the locational sustainability of the wider allocation and ensure that it remains viable through the remainder of the Plan period.
- D. That the wording of bullet 4 must be amended to omit the word “will” as this is fundamentally inconsistent with the NPPF and the provisions of statutory guidance at section 38(6) of the Planning Act.

Q91 Are the Primary Shopping Area boundaries for the principal town centres and town centres, and the boundaries for local centres and local urban centres, as defined on the draft Policies Map, justified based on proportionate evidence of the extent of the main shopping frontages?

- 2.38 We are strongly of the view that the local centre within the North Cheshire Garden Village should be shown on the Policies Map and should be designated as a “Local Service Centre”.
- 2.39 We would of course welcome the Council’s response on this matter and this would need to include a revision to the Policies Map to ensure that the drawn boundary was appropriate and provided opportunity for appropriate shopping facilities to be delivered.
- 2.40 If the Policies Map was amended to designate the LPS33 Local Centre accordingly, then we would raise no other objection to the justified basis for these boundaries.