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Statement on behalf of Grand Arcade Partnership

Date: 10 October 2014
Consultee: Grand Arcade Partnership
Site: Grand Arcade Shopping Centre, Cambridge
Rep Id: 28070/28072/28073/28075/28079

Matter 4 – Employment and Retail

- b. Does the evidence base supporting employment and retail policies meet the requirements of Planning Practice Guidance?
- d. Do the Plans accurately identify the likely requirements for new retail development (convenience and comparison goods over the Plan period)?

Background

This Statement supplements the written representations made on behalf of Grand Arcade Partnership (“GAP”) to the Issues and Options (dated July 2012) and Proposed Submission (dated 30 September 2013) draft Local Plan documents.

For ease, a short summary of representations dated 30 September 2013 is provided below. Following this summary, and where relevant to GAP, we seek to address the retail questions raised within ‘Matter 4 – Business and Retail’; namely items b) & d) scheduled to take place on 18 November 2014.

Summary of Representations

GAP's previous representations set out why the Local Plan Proposed Submission is considered unsound.

A summary is provided below:

- 1) GAP has substantial concerns as to the degree in which the draft policies could serve to undermine the existing dynamic of the City Centre. This includes retail and leisure provision in the Historic Core which has a substantial role to play in sustaining the City's vibrancy. As an everyday, affordable shopping location serving the needs of local residents, the Grafton Shopping Centre is very much distinct from the Historic Core and provides a complimentary offer. It cannot be allowed to evolve to such an extent that it serves to compete directly with the Historic Core. This would be to the detriment of the existing quality retail and leisure offer within the Historic Core and serve to undermine investors' appetite to pursue opportunities within the historic city core.

An equal level of support is required in respect of selective and sensitive retail and leisure development within the Historic Core that will come forward across the Plan period.

- 2) The City's plan for retail growth is ambitious and perhaps not aligned with an increasingly evident fundamental shift in demand for retail floorspace in recent years. The increasing costs of operating stores, changing consumer behaviours and the growing online opportunity mean that retailers will need fewer stores in the future. The focus for retailers in higher order centres such as Cambridge is quality – this is something which traditional retail capacity models fail to take into account. One conclusion from this could be that adequate capacity could be realised within the Historic Core across the Plan period through improvements to existing provision and limited infill development.

The capacity identified represents the highest growth scenario for retail development in the City Centre which, in our view, does not align with anticipated retailer demand and could serve to dilute the strong retail offer within the City Centre. It also risks harmful retail development coming forward outside the City Centre in the event this capacity cannot be accommodated fully within the PSA (which is quite possible due to the multiple, fragmented ownerships in the Fitzroy / Burleigh Street / Grafton Area).

- 3) A coordinated and joined-up approach is required to assist in sustaining and improving the quality of the City's retail offer. This includes a widening of the Grafton Masterplan remit to consider the implications of any Grafton area redevelopment on the Historic Core and the functionality of the City Centre as a whole.
- 4) A request to lower the threshold for requiring a Retail Impact Assessment to accompany applications for out of centre retail development as standard.

Response to Inspector's Questions:

The following section sets out GAP's responses to the Inspector's retail questions.

b) Does the evidence base supporting employment and retail policies meet the requirements of Planning Practice Guidance?

The National Planning Practice Guidance (NPPG) sets out what a town centre strategy should contain. GAP considers the retail policies within the Local Plan to be unsound as they fail to fully address the wording of the NPPG:

- *“can the town centre accommodate the scale of assessed need for main town centre uses? This should include considering expanding centres, or development opportunities to enable new development or redevelop existing under-utilised space. It should involve evaluating different policy options (for example expanding the market share of a particular centre) or the implications of wider policy such as infrastructure delivery and demographic or economic change”.*

This section specifically reflects upon the need to consider expanding centres, development opportunities or the redevelopment of existing under-utilised spaces. The scale of need is addressed under question d).

Policy 6 states that Cambridge City Centre should be the focus for meeting the identified comparison retail floorspace capacity between 2011 and 2022. This will be through:

1. redevelopment in the Fitzroy/Burleigh Street/Grafton Primary Shopping Area; and
2. other appropriate redevelopment/infill where opportunities arise in the historic core. Exploration of the potential for extension to the Lion Yard / Grand Arcade in the former Post Office yard behind St Andrew's Street for retail and mixed-use purposes is encouraged.

This is reinforced in Policy 11 which states that the Fitzroy/Burleigh Street/Grafton Area of Major Change (“Grafton Area”) is the primary focus for providing additional comparison retail in the City Centre, along with other mixed uses.

There has been limited consultation with the key landowners within the City Centre including GAP regarding the redevelopment of under-utilised space. This is further reflected by M&G Real Estate and The Prudential Assurance Company Limited's representations (reference 26792) which state that limited dialogue has taken place regarding what the potential of the Grafton Area may be, what their aspirations for development at the Grafton Centre are, and how many proposals could be delivered. Further dialogue should have been undertaken with the major landowners in order for the policy to be found sound.

The policy wording as stated setting out the Grafton Area as 'the first priority for comparison retail in sequential terms' and the numbering of the two locations within the policy and supporting text are of significant concern to GAP (policies 6, 9 and 11). This could have implications for existing and future investment in the Historic Core. Whilst the potential for regeneration is acknowledged, it cannot be allowed to undermine the vibrancy of the Historic Core nor introduce uncertainty to investors as to the pre-eminence of the Historic Core within Cambridge by being given priority.

Furthermore, commitment to invest and redevelop the Grafton area has not been confirmed. Representation 26792 (as referenced above) states that *“at no point during the limited discussions to date have M&G confirmed any commitment to promoting a scheme for the comprehensive redevelopment of the area as the Policy seems to require”.*

There should be no locational preference for meeting identified need given the uncertainty over the delivery of a comprehensive redevelopment of the Grafton Area. The two areas identified for meeting the identified retail capacity should be given equal weight.

This is further supported by the recognition within policy itself for the need to produce a Masterplan to guide the redevelopment of the Grafton Area. Policy 11 states that the Cambridge City Council (CCC) will coordinate the production of a Masterplan for the Grafton Area, bringing together key stakeholders.

As the Masterplan is yet to be commissioned the opportunities, constraints and feasibility of the potential redevelopment of the Grafton Area have not been fully assessed. Giving the Grafton Area priority and undue policy weight is considered premature and may prejudice opportunities for appropriate redevelopment/infill that arise in the historic core.

GAP considers a coordinated and joined-up approach is required to assist in sustaining and improving the quality of the City's retail offer. This includes a widening of the proposed Grafton Area Masterplan remit to consider the implications of the Grafton redevelopment on the Historic Core and the functionality of the City Centre as a whole.

The Masterplan should be led by CCC to ensure co-ordination with all the key landowners.

Proposed Policy Wording

The proposed wording for the hierarchy of development within the City Centre is not fully justified or effective and is unsound. It is not considered to be the most appropriate strategy for the City Centre as there is no proportionate evidence that the redevelopment of the Grafton Centre is feasible or deliverable over the plan period. This preference may prejudice development coming forward in the Historic Core.

In order to make the Plan sound, the proposed wording changes are recommended below. Please note the majority of proposed wording changes incorporated within this statement have been issued to CCC previously – dated 23 December 2013.

Policy 6: Hierarchy of Centres and Retail Capacity

c) Meeting Retail Capacity

The Council has identified a capacity to support 14,141 sq m net of comparison retail floorspace between 2011 and 2022. Cambridge City Centre should be the focus for meeting most of this need. This will be through either:

- ~~4~~ redevelopment in the Fitzroy /Burleigh Street/Grafton Primary Shopping Area (see Policy 11); and
- ~~2~~ other appropriate redevelopment/refurbishment or change of use and infill where opportunities arise in the historic core. Exploration of the potential for extension to the LionYard/Grand Arcade in the former Post Office yard behind St Andrew's Street for retail and mixed-use purposes is encouraged.

Policy 10: Development in the City Centre Primary Shopping Area

3.8 The table within the policy identifies those uses that the Council thinks are appropriate at ground floor level in the PSA. The NPPF identifies office and residential uses as town centre uses. While the value of these uses in centres is recognised, these are only appropriate in upper floors in the primary and secondary frontages in Cambridge. These uses would not provide active frontages. The Cambridge Retail and Leisure Study Update 2013 identifies a **significant limited** capacity for additional comparison shopping, and the best location for this is within the City Centre at the top of the retail hierarchy. Therefore, ground floor units should not be lost to offices or residential use, including student hostels, and any applications for such a change of use would have to provide evidence of marketing and show there were exceptional circumstances why a unit could not be used for a centre use.

Redevelopment, refurbishment and changes of use in the historic core have an important role to play in meeting retailer demand and improving the retail offer. The City Council will commission a study with land owners and stakeholders in the City Centre to investigate the opportunities and challenges facing retailing in the historic core, the level of demand and the impact of growth in on-line shopping, and the implications of development at the Grafton Centre. The study will identify the potential for improving the retail offer and absorbing growth in expenditure through improved efficiency of existing retail space and through refurbishment, changes of use and redevelopment. This will inform the regular reviews of the health of the city centre and inform updates of the retail study to ensure the capacity that is identified takes account of the improvements in retail offer achieved by refurbishment and changes of use of stores in the historic core. The study may lead to the preparation of an SPD with measures to safeguard and enhance the historic core's retail offer.

Policy 11: Fitzroy/Burleigh Street/Grafton Area of Major Change

The Fitzroy/Burleigh Street/Grafton Area of Major Change (AOMC), as shown in Figure 3.1, is **one of** the primary focus for providing additional comparison retail in the City Centre, along with other mixed uses. This area is supported as a location for expansion and/or redevelopment for retail and leisure use (A1, A2, A3, A4 and D2), with residential and student accommodation on upper floors. The precise quantum of net new retail floorspace and residential/student units will be subject to testing and demonstration through the development of a masterplan for the area.

d) Do the Plans accurately identify the likely requirements for new retail development (convenience and comparison goods over the Plan period)?

The NPPG sets out what a town centre strategy should contain. GAP considers the retail policies within the Local Plan to be unsound as it fails to fully address the following:

- can the town centre accommodate the scale of assessed need for main town centre uses?

This section specifically reflects GAP's concerns regarding the scale of need in Cambridge City Centre.

1. The level of capacity that has been adopted up to 2022 and the level of floorspace that could be accommodated within the City up to 2031.
2. The overlooking of the changing face of retail and the shift to quantity rather than the quantity of stores.

The level of capacity that has been adopted up to 2022 (GVA's Scenario 1) and the implication that up to 40,000 sq m could be accommodated within the City up to 2031 are of concern to GAP.

The increasing costs of operating stores, changing consumer behaviours and the growing online opportunity (particularly in constrained and higher order centres such as Cambridge) suggest that retailers will need fewer stores in the future. The focus for retailers is quality as opposed to quantity. CCC's adopted higher growth scenario for retail capacity appears to overlook this.

It also fails to acknowledge the findings of the GVA Retail Capacity Study which, in one scenario, has allowed for a marginally greater level of growth in Special Forms of Trading (SFT) in respect of comparison goods across the Plan period. This has the effect of reducing long-term capacity to support additional comparison goods in the short, medium and long term and recognises both the physical constraints of the city centre and the potential for retailers to maximise the efficiency of existing floorspace.

3. The growth scenario could dilute the strong retail offer within the City Centre.
4. It risks harmful development coming forward outside of the City Centre.

CCC's adopted retail growth scenario does not align with anticipated retailer demand and could serve to dilute the strong retail offer within the City Centre. It also risks harmful retail development coming forward outside the City Centre in the event this capacity cannot be accommodated fully within the PSA (which is quite possible due to the multiple, fragmented ownerships in the Grafton Area).

Opportunities for piecemeal incremental retail development in the Historic Core, in addition to appropriate changes of use and the intensification and refurbishment for existing floorspace, should be sufficient to address the growing needs of the City, alongside a modest uplift in retail floorspace at the Grafton Centre commensurate with its existing role as an important everyday shopping destination with a mainstream retail and leisure focus for the City's residents.

5. There is no local threshold set for Impact Assessments.

We question the rationale for applying the NPPF 2,500 sq m threshold for requiring an impact assessment where retail development is proposed outside designated centres. The GVA Study has shown that the City Centre is becoming increasingly vulnerable / sensitive to out of centre retail development. The 2,500 sq m threshold would fail to protect the City from the cumulative impacts arising from incremental increases in retail floorspace. Whilst it is acknowledged there is scope within the draft

Policy to apply a lower threshold in certain circumstances, we are inclined to suggest that the threshold is lowered to 1,000 sq m net as standard to remove any ambiguity in regard to this policy requirement and ensure that the impact of any proposals are not significantly adverse in line with the NPPG.

The Local Plan needs to ensure that it does not provide undue weight to out of town development, such as allocating out of centre retail as district centres, as this would undermine the role of the City Centre contrary to the National Planning Policy Framework.

Proposed Policy Wording

It is considered that the proposed capacity is not fully justified when considered against reasonable alternatives (scenarios for growth and special forms of trading). In order to make the Plan sound, the proposed wording changes are recommended:

Policy 6: Hierarchy of Centres and Retail Capacity

Supporting text:

2.60 Cambridge has a vibrant, outstanding city centre, which currently has low vacancy levels and increasing pressure for new development. The city centre has a multi-functional role and its contribution will increase as it continues to meet the needs of committed and new population growth in Cambridge and the sub-region. However, the growth of on-line retailing is having a major impact on shopping patterns, and the demand for retail floorspace. The retail industry is going through rapid change. The demand for retail floorspace in the city centre is very sensitive to increases in on-line shopping and other trends in retailing. In this volatile environment there is increased risk to the health of the city centre, and the City Council will monitor annually the health of the city centre, and undertake regular reviews of the capacity and demand for additional retail floorspace.

2.65 The Cambridge Retail and Leisure Study Update 2013 has identified limited capacity for further comparison goods floorspace (clothing, home and electrical goods etc), but no capacity for additional convenience goods floorspace (food and drink and non-durable household goods) above proposals already approved or in the pipeline.

2.67 New retail development should in the first instance be directed to the centres and then located according to the sequential test set out in the NPPF. Applications for retail development in out-of-centre locations will need to be supported by an impact assessment where they are above 1,000-2,500 sq m floorspace (gross), ~~which is the same as the NPPF threshold. However, where the Council is concerned that a~~ to adequately assess whether the proposal might have a cumulative impact or an impact on the role or health of nearby centres within the catchment of the proposal. ~~proposal might have a cumulative impact or an impact on the role or health of nearby centres within the catchment of the proposal, an impact assessment may be required for a smaller proposal, and developers should discuss this with the Council as soon as possible, at a preapplication stage.~~

Summary

This Statement has set out:

- A summary of GAP's original representations highlighting their key concerns:
 - The undermining of the existing dynamic of the City Centre – namely the Historic Core;
 - CCC's ambitious plan for retail growth;
 - The need for a co-ordinated and joined up approach to improve the quality of the City's retail offer; and
 - Concerns regarding the threshold for requiring Retail Impact Assessments.
- GAP consider the retail policies associated with these concerns (6,10 and 11) proposed within the Local Plan to be unsound;
- The policies are not fully justified or effective; and,
- The proposed wording to make the plan sound.