

The Meeting: Planning and Development Committee **Agenda Item:**

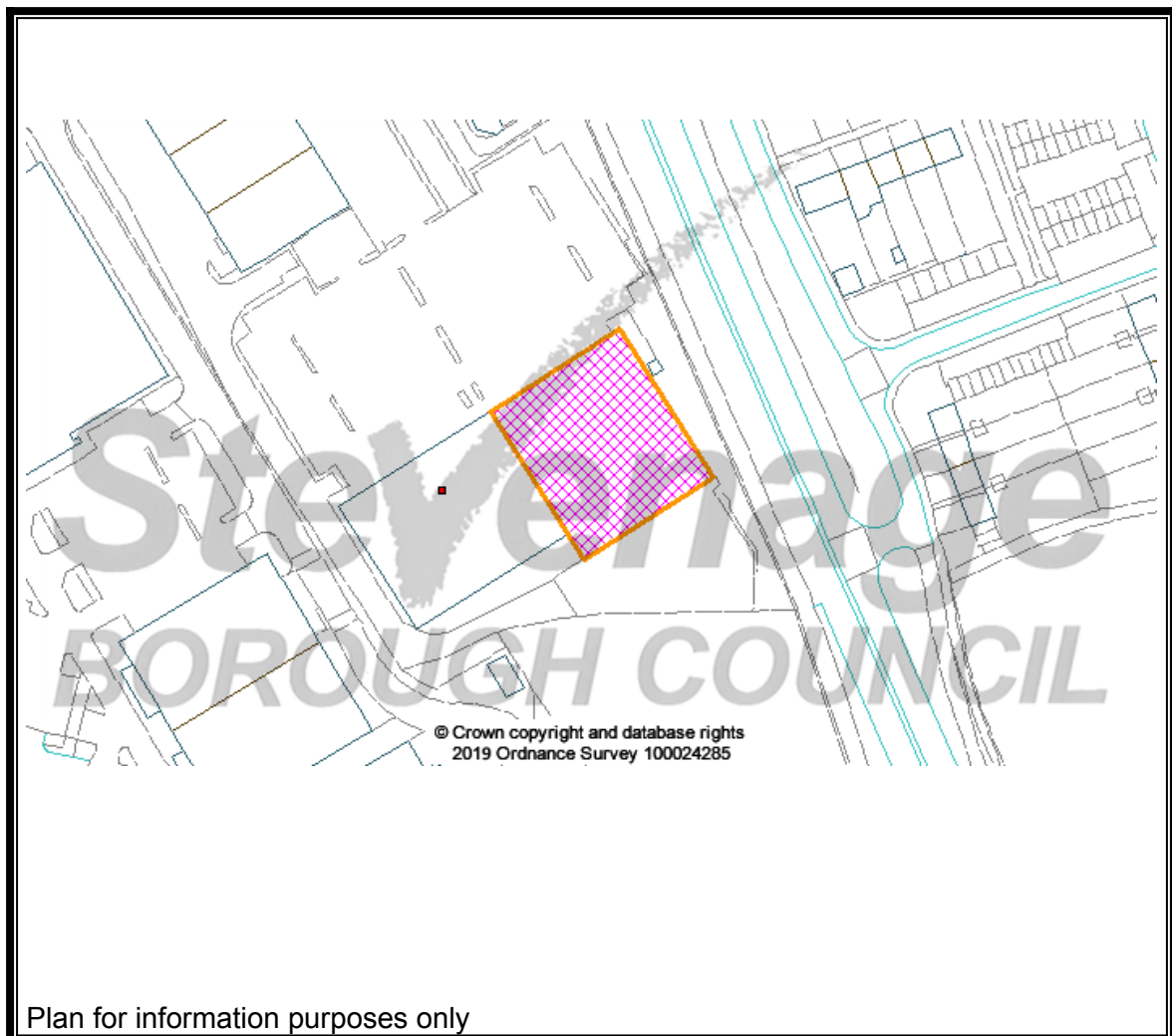
Date: 26 May 2020

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Application Nos:	20/00111/S106
Location:	Unit 2 Monkwood Retail Park, Monkwood Way, Stevenage
Proposal:	Modification of Clause 7 (goods restriction) of Section 106 Agreement (dated 30.11.1993) approved under planning permission reference number 02/0231/93/FP.
Drawing Nos.	2417-URB-U2-00-DR-A-208100
Applicant:	BBC Pension Fund
Date Valid:	25 February 2020
Recommendation:	Agree Variation of S106 Agreement.



1. SITE DESCRIPTION

- 1.1 The application site is located off Elder Way within Monkswood Retail Park. The application site comprises a one and half storey, pre-fabricated steel clad, vacant retail unit which was previously occupied by Mothercare. The site forms part of a cluster of retail units which consists of Home Bargains, Topps Tiles, Jollyes Pet Supplies along with a detached McDonalds restaurant with associated drive thru, car parking and soft landscaping.
- 1.2 The site is located approximately 1 km south of the Town Centre and approximately 294m south of the North Hertfordshire College building. Between the College and Monkswood Retail Park is Elder Way water meadow which is a designated wildlife site. To the west and south-west of the application site lies Roaring Meg Retail Park.

2. RELEVANT PLANNING HISTORY

- 2.1 There is a varied and lengthy history associated with this Retail Park. The most relevant applications are set out below:
- 2.2 2/0021/93 outline application for 2 no. retail units, tyre and exhaust unit, petrol filling station, drive-in restaurant, access and car parking. Outline application was withdrawn on 9 December 1993
- 2.3 2/0231/93 planning application for 4 x retail units, restaurants, access, car parking and landscaping. Planning permission was granted on 30 November 1993.
- 2.4 20/00125/FP planning application for external alterations to the building including new shop frontage, removal of roof lights and 1 no. door opening infilled. Planning permission was granted on 21 April 2020.

3. THE CURRENT APPLICATION

- 3.1 This application has been made under S106A part 6(b) of the Town and Country Planning Act 1990 (As amended) to seek permission to vary the wording of the S106 agreement which was attached to planning permission reference: 2/0231/93/FP in respect of good restrictions. Clauses 7a and 7b of the agreement relating to the control of goods that can be sold from the retail park are as follows:

“7a. Not to use or permit to be used the retail units to be constructed pursuant to the Application for the retailing of food (except as to 194 square feet which may be used for the sale of baby foods and milk products) or adult clothing or footwear; and

7b. Not to use or permit to be used more than 5,000 square feet of the gross sales area of the retail units to be constructed pursuant to the Application for the retailing of children’s or babies fashion clothing or footwear”.

- 3.2 This application seeks permission to modify the definition of clause 7a only, as highlighted in bold and underlined, in the following way:

*“Not to use or permit to be used the retail units to be constructed pursuant to the application for the retailing of food (except as to 194 square feet which may be used for the sale of baby foods and milk products and **5,000 square feet of food retailing in Unit 1 and 15,220 square feet of food retailing in Unit 2**) or adult fashion clothing or footwear”*

- 3.3 The proposal before the Council does not consist of or include any alteration to the external appearance of the existing retail unit nor increase the floor space. This is because a separate application has been made for the external alterations to the building (planning application 20/00125/FP) and separate advertisement consent application will also be required respectively.

4. PUBLIC REPRESENTATIONS

- 4.1 A site notice has been erected in accordance with Section 5 (1) of the Town and Country Planning (Modification and Discharge of Planning Obligations) Regulation 1992. At the time of drafting this report, no comments or representations have been received.

5. CONSULTATIONS

5.1 Hertfordshire County Council as Highways Authority

- 5.1.1 It is confirmed that in highways terms, the requirements to the Modification of Clause 7 (goods restrictions) of Section 106 Agreement (dated 30.11.1993) approved under planning permission number 02/0231/93/FP is acceptable.

6. RELEVANT PLANNING POLICIES

6.1 Background to the development plan

- 6.1.1 Section 38(6) of the Planning and Compulsory Purchase Act 2004 provides that the decision on the planning application should be in accordance with the development plan unless material considerations indicate otherwise. For Stevenage the statutory development plan comprises:

- The Stevenage Borough Council Local Plan 2011-2031
- Hertfordshire Waste Development Framework 2012 and Hertfordshire Waste Site Allocations Development Plan Document (adopted 2012 and 2014); and
- Hertfordshire Minerals Local Plan 2002 – 2016 (adopted 2007).

6.2 Central Government Advice

- 6.2.1 A revised National Planning Policy Framework (NPPF) was published in February 2019. This largely reordered the policy substance of the earlier 2012 version of the NPPF albeit with some revisions to policy. At the time the revised NPPF was published, the Stevenage Local Plan was subject to a Holding Direction by the Secretary of State following an Examination in Public in 2017. On 25 March 2019 the Secretary of State withdrew the Holding Direction on the understanding that the Council would adopt it as part of the Development Plan. The Council are content that the policies in the Local Plan are in conformity with the revised NPPF and that the Local Plan be considered up to date for the purpose of determining planning applications.

- 6.2.2 Planning law requires that applications for planning permission must be determined in accordance with the development plan unless material considerations indicate otherwise. The NPPF is itself a material consideration. Given that the advice that the weight to be given to relevant policies in the local plan will depend on their degree of consistency with the NPPF, it will be necessary in the determination of this application to assess the consistency of the relevant local plan policies with the NPPF. The NPPF applies a presumption in favour of sustainable development.

6.2.3 In addition to the NPPF, advice in Planning Practice Guidance must also be taken into account. It states that, where the development plan is absent, silent or the relevant policies are out of date, paragraph 11 of the National Planning Policy Framework requires the application to be determined in accordance with the presumption in favour of sustainable development unless otherwise specified.

6.3 Central Government Legislation

- Town and Country Planning Act 1990 (as amended);
- Town and Country Planning (Modification and Discharge of Planning Obligations) Regulations 1992;
- Planning Practice Guidance (2014).

6.4 Stevenage Borough Local Plan 2011-2031 (Adopted 2019)

Policy SP1: Presumption in favour of sustainable development;

Policy SP2: Sustainable Development in Stevenage;

Policy SP3: A strong competitive economy

Policy SP4: A vital town centre;

Policy TC1: Town Centre;

Policy TC3: Centre West Major Opportunity Area;

Policy TC4: Station Gateway Major Opportunity Area;

Policy TC5: Central Core Major Opportunity Area;

Policy TC6: Northgate Major Opportunity Area;

Policy TC7: Marshgate Major Opportunity Area;

Policy TC8: Town Centre Shopping Area;

Policy TC9: High Street Shopping Area;

Policy TC10: High Street Primary and Secondary Frontages;

Policy TC11: New convenience retail provision;

Policy TC13: Retail Impact Assessments

Policy IT4: Transport Assessments and Travel Plans;

Policy IT5: Parking and Access

6.5 Supplementary Planning Document

6.5.1 Council's Car Parking Standards SPD (2012)

6.6 Community Infrastructure Levy Charging Schedule

6.6.1 Stevenage Borough Council adopted a Community Infrastructure Levy Charging Schedule in 2020. This allows the Council to collect a levy to fund infrastructure projects based on the type, location and floorspace of a development.

7. APPRAISAL

7.1 The main issue for consideration in the determination of this application is whether the proposed modification of Clause 7 attached to the S106 agreement of planning permission 2/0231/93 is acceptable in accordance with the retail, highways and parking policies set out in the NPPF and the adopted Local Plan (2019).

7.2 Planning Policy Considerations

7.2.1 Through Section 106a part 6(b) of the Town and Country Planning Act (1990), an application can be made to the Local Planning Authority to determine whether a planning obligation, in this case clause 7 (goods restrictions), shall continue to have effect without modification. This application has therefore been submitted, in accordance with the Town and Country Planning (Modifications and Discharge of

Planning Obligations) Regulation 1992, to seek approval to allow the former Mothercare store at Unit 2, Monkswood Retail Park to be lawfully occupied by The Food Warehouse, which is an out of centre foodstore format operated by Iceland Foods Ltd (Iceland).

Retail impact and the Sequential Test

7.2.2 The NPPF reaffirms the Government's objectives for ensuring the vitality and viability of town centres. For proposals that are not in an existing centre, the NPPF states that a sequential test must be undertaken giving preference to town centre sites and then edge of centre sites before consideration is given to out of centre sites. For reference, under Annex 2: Glossary of the NPPF identifies that retail development is a main town centre use. Additional to this, the NPPF states that for proposals of this nature (above the default threshold of 2,500m² – if there is no locally set threshold) an impact assessment must be undertaken which has to consider the following:-

a) the impact of the development on existing, committed and planning public investment in a centre or centres in the catchment area of the proposal; and

b) the impact of the development on town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment.

7.2.3 The Planning Practice Guidance (PPG) (2014) reaffirms the 'town centre first' principle, that compliance with the sequential and impact tests does not guarantee that permission will be granted and that the Local Planning Authority will have to take into account all material considerations in reaching a decision. With regards to the sequential test, the PPG states that the applicant must demonstrate flexibility. A town centre site does not have to accommodate precisely the scale and form of the proposed development and consideration should be given to the contribution that more central sites are able to make.

7.2.4 Policy TC13: Retail impact assessments of the adopted Local Plan (2019) states that for main town centre uses, an impact assessment is required for any proposal in excess of 300m² for main town centre uses located outside of the town centre. This policy goes on to state that this should include an assessment of:

i. The impact of the proposal on existing, committed and planned public and private investment in centres in the catchment area; and

ii. The impact of the proposal on town centre vitality and viability, including consumer choice and trade in the Town Centre and wider area, up to five years from the time that the application is made. For major schemes, where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time that the application is made.

7.2.5 To address the two tests, the applicant has submitted a Planning Statement and Retail Statement dated February 2020. This document contains a significant amount of technical information and judgements on the suitability and availability of alternative sites and the likely impacts from the proposed development. These have been carefully assessed in the following sections of this report.

Sequential Assessment

7.2.6 To give some background, the proposed modification to the S106 agreement attached to planning permission 2/0231/93 would allow The Food Warehouse (TFW), who are looking to take out a long-term lease on the premises, to trade from the store. The modification in this instance would allow TFW as part of their business model, to sell a

wide range of chilled and frozen products, together with fresh produce (fruit, salad, vegetables), branded grocery lines and a range of beverages and alcoholic drinks. In essence, the retailer offers include “big produce packs”, which enable customers to buy certain products in bulk such as 5kg sacks of pet food and 10 litre bottles of cooking oil, and “Case Saver” deals aimed at families who want to stock up on frozen food and infrequent, large bulk shops. The store can be described as a hybrid of a “cash and carry” and a traditional foodstore, offering budget buys alongside competitively priced goods. As such, the modification to the legal agreement would allow TFW to legally trade the goods outlined above from the application site.

- 7.2.7 TFW also has a non-food retail offer which is ancillary to the convenience offer and comprises a limited range of seasonal goods and ‘special buys’. The availability of which is generally restricted as with discounters such as Aldi and Lidl. In contrast to the traditional “high street” Iceland stores, which are generally half the size of a TFW store, these “high street” stores are more orientated towards top-up/basket shopping whereas TFW format is targeted at providing main (bulk) food shopping opportunities.
- 7.2.8 Given the above, the existing Iceland store which is located within The Forum, Stevenage Town Centre, is to be retained. The ideology is that the two stores would complement each other with the much larger store sited in the Monkswood Retail Park providing a bulky offer with a larger footprint than the existing store.
- 7.2.9 In regards to locational criteria, the second store would not be able to operate within the town centre as there is the potential for store cannibalisation (Where a second store opens up in close proximity to an existing store and the existing store losing customer base to the new store). Therefore, the area of search for the second store would be followed by sites at edge-of-centre locations when assessing the ‘sequential’ preference of more central opportunities.
- 7.2.10 In considering the suitability of alternative sites, it is necessary to have regard to the characteristics of any site that must be met in order to satisfy the applicant’s business model. The definition of “suitability” is pertinent in the consideration on flexibility of format and scale. This definition has been clarified by the Supreme Court in Tesco Stores v Dundee City Council. Since this time, the judgement has been recognised by the High Court, Secretary of State and Inspectors as being applicable to the NPPF. In the Dundee judgment, it identifies that provided the applicant has demonstrated flexibility with regard to format and scale, the question is whether the alternative site is suitable for the proposed development, not whether the proposed development could be altered or reduced so that it can be made to fit the alternative site.
- 7.2.11 The aforementioned is important in the case of this application, as there is no requirement in either the NPPF or Planning Practice Guidance for applicants to demonstrate scope of disaggregation. This was confirmed in the Warner Retail (Moreton) Ltd v Cotswold District Council Court of Appeal Decision in 2016 as well as by the Secretary of State in his appeal decisions. The Mansfield Judgment (Aldergate V Mansfield DC & Anor 2016) affirms that, in applying the sequential test, the decision maker will generally be required to consider the type and format of the proposed development, rather than the requirements of any specific named operator. It identifies that the area and sites covered by the sequential test search should not vary from applicant to applicant according to their identify, but from application to application based on their content.
- 7.2.12 In accordance with the above case law and with the requirements of paragraph 87 of the Framework, the applicant is required to look at the format and space requirements of the new store so that opportunities to utilise suitable town centre or edge-of-centre sites are fully explored. The applicant has advised that firstly, the store would require a floor space of between 1,273 sq.m to 1,555sq.m (showing a degree of flexibility) in

order to meet the business model of TFW. Further, the format, space requirements and need for adjacent car parking are all key factors for the out-of-town store. Given the requirements of the proposed store, the applicant is only required to consider sites which can accommodate the entirety of the floor space required by TFW, i.e. at a minimum of 1,273 sq.m. The sequential assessment when considering available sites would have to take into account the following Guidance Principles:

1) Availability – whether a site is currently available or are likely to become available for development within an acceptable timeframe.

2) Suitability – with due regard to the requirements to demonstrate flexibility, whether sites are suitable to accommodate the need or demand which the proposal is intended to meet.

3) Viability – whether there is a reasonable prospect that development will occur on a site at a particular point in time. However, the importance of demonstrating viability of alternative depends in part on the nature of the need and timescale over which is to be met.

7.2.13 Further to the above, the Guidance states that if the applicant asserts that the proposal by virtue of its nature is locationally specific and cannot be accommodated in a more central location, or that it is not possible to adopt a flexible approach to accommodate any need/demand more centrally to justify the applicant's position, then this has to be taken into consideration in the determination of the application.

7.2.14 The applicant, as specified earlier in the report, could not operate a store within the town centre due to conflict with the existing store. However, for completeness, they have assessed a number of vacant units, including those identified by Officers, in the town centre. In addition, the applicant has reviewed available sites in the Old Town as well as the town's neighbourhood centres. Taking into consideration the advice in the PPG and associated Case Law, the Local Planning Authority has considered the above sites in detail.

7.2.15 Starting off with the Town Centre, in relation to Park Place, retail space delivered under planning permission 16/00511/FPM is divided into two retail blocks of 975 sq.m each. These represent less than 69% of the required floorspace which is the subject of this planning permission. As such, they would be unable to accommodate the proposed development without detrimentally impacting on the applicant's business model. Turning to 85 to 103 Queensway (including the former M&S store), there is currently a planning permission (18/00268/FPM) which comprises 10 retail units (ranging from Use Class A1 to A4) and a gymnasium (Use Class D2). The units range in size from 112 sq.m up to 790 sq.m which are, therefore, not suitable to accommodate the proposed development. With respect to units 74, 76, 86 and 88 Queensway which are currently vacant, these units range between 219 sq. to 240 sq.m in floor area. Consequently, these units are not of a sufficient size to accommodate the proposed development.

7.2.16 In relation to 33 Queensway, whilst this unit is vacant and comprises 269.49 sq.m of floorspace, it is also currently being subdivided into smaller units (Planning Permission 19/00563/FP), as such, this premises would not be able to accommodate the proposed development. Turning to the former BHS store, this unit has been vacant since August 2016 and has remained vacant to date. The unit currently has a floorspace of 2,340 sq.m which would be of a sufficient size to accommodate the proposed development. However, the Council currently has an application (Planning reference:- 19/00647/FPM) for the partial demolition and redevelopment of the store to create an 11 storey building comprising of 520 sq.m of ground floor retail with 277 residential units. Given this, whilst this site is vacant, there are aspirations to redevelop this site

for residential uses where the proposed quantum of retail floorspace is significantly lower than the identified minimum. As such, the unit cannot be considered immediately available for the purposes of the sequential test.

- 7.2.17 Further to the above, the overall floorspace of the existing BHS store is significantly larger than the maximum floorspace required for the proposed development. This would result in a significant amount of underutilised floorspace. As such, this site is also considered unsuitable in terms of floorspace requirements. In addition, and as mentioned earlier in the report, the proposed development would complement the existing in centre store which is smaller in size and with a different business model to the proposal. The former BHS unit is positioned directly opposite the existing Iceland store and, therefore, it would be unviable to co-locate the proposed development adjacent to an existing food store by the same company. As such, this could lead to cannibalisation of the existing store if the proposed development was delivered in close proximity to the existing Iceland store. Moreover, as per the business models requirements, the store is not located adjacent to a surface car park which are fundamental to how the business operates, the unit is not deemed as a viable option. In addition to this,
- 7.2.18 The applicant has also reviewed the former Office Outlet premises on Fairlands Way which closed in January 2019. These premises currently have a floorspace of 1,790 sq.m, which could potentially accommodate the proposed development. However, as set out in paragraph 7.2.17, due to this site's proximity to the existing Iceland store, it would not be acceptable to co-locate as it would have a detrimental impact upon the existing store. In addition, the floorspace provision exceeds the requirements of the proposal and whilst it comprises a 45 space parking area, this is below the 100 parking space requirement in order for the development to viably operate. As such, this site is not considered to be sequentially preferable to accommodate the proposed development.
- 7.2.19 Looking at the Matalan site, in October 2017 the Council granted outline planning permission (14/00559/OPM) for a residential development of up to 526 residential units and commercial units Class A1 (Retail), Class A2 (Professional and Financial), Class A3 (Restaurant) and A4 (Drinking Establishment) and A5 (Hot Food Take-away) with associated landscaping following demolition of the existing building. Whilst it is evident there are aspirations to redevelop the site, this application has yet to be implemented with no timeframes on delivery. In addition, the existing Matalan store is still operating and as such, the site is not considered suitable or viable.
- 7.2.20 Turning to the Stevenage Town Centre Regeneration 2007 Proposal, this achieved a resolution to grant planning permission in January 2012, subject to the completion of a S106 agreement, which to date, has not been signed. The proposal sought to redevelop the bus station and the surrounding underutilised sites. Approximately 45,000m² floorspace was proposed, including a department store, a hotel and residential units. The regeneration scheme does not include the provision of a retail warehouse or a specific sized unit to accommodate the proposed development. In addition, the proposed development partnership has withdrawn their interest in the scheme. Given this, it is considered that this proposal is neither available within the necessary timeframe required by the developer, nor is it viable in terms of the costs of implementing the scheme. Accordingly, this scheme does not represent a sequentially preferable site.
- 7.2.21 Turning to current planning application which relates to the regeneration of Stevenage Town Centre known as SG1 (Planning reference:- 19/00743/FPM), this application was submitted to the Council for the following:-

The demolition of existing buildings on the site and the mixed use redevelopment of Plots A-K including new retail and food and beverage uses (A1-A5), leisure (D2), office (B1), community (D1) and residential (C3). New buildings to comprise residential accommodation (Class C3), retail floorspace Class (A1/A2/A3/A4/A5 floorspace), leisure floorspace (D2), office floorspace (Class B1), Public Services Hub (Class D1/B1/A1/A3), primary school (D1), plant and storage, servicing, new vehicle and pedestrian accesses and circulation, new public amenity space, new and amended car parking, new landscaping and public realm and associated works. Full details (access, appearance, landscaping, layout and scale) are submitted for Plots A and K and all matters reserved for Plots B to J.'

7.2.22 As this is a hybrid application, the detailed elements of the scheme with respect to phase one relate to Plots A (Swingate House and Car Park) and Plot K (Former Police Station and Hertfordshire County Council Offices). For phases two to four (Plots B to J), this part of the scheme is in outline with all matters reserved. The detailed plans for Plots A and K, include the provision of 760 residential units and 151 sq.m of retail/restaurant floorspace. With respect to the outline element (with all matters reserved) of the hybrid application, whilst the application does not specifically include floorspace figures for retail development, it is confirmed that the ground floor commercial space includes a range of Use Class A1 to A5 premises located at the northern end of the SG1 site.

7.2.23 Taking the aforementioned into consideration, in regards to the first phase of development, there would be an insufficient quantum level of floorspace to accommodate the proposed development. In regards to the latter phases of the development, the provision of a food store which operates as a cross between a cash and carry and large format warehouse style foodstore, would not be consistent with the mixed use aspirations of the proposed SG1 development. In addition, and as mentioned earlier, due to the proximity of SG1 to the existing Iceland store, the proposal would not commercially be viable for Iceland to operate a second store within the town centre. Moreover, if planning permission were to be granted the development would be delivered over a 12 year period. Consequently, the proposed regeneration scheme (SG1) would not be a sequentially preferable site on the basis of suitability, viability and availability.

7.2.24 Upon request of officers, the applicant also reviewed the six Major Opportunity Areas (MOAs) which are detailed in the adopted Local Plan (2019). These areas include the following:-

- Southgate Park;
- Centre West;
- Station Gateway;
- Central Core;
- Northgate; and
- Marshgate.

7.2.25 The more relevant area which could accommodate the proposed development is Northgate Major Opportunity Area (Policy TC6) as it makes reference to the delivery of a new foodstore. For reference, this policy states that planning permission will be granted where it included, but not limited to, new Class A1, A3 and A4 uses and the replacement Use Class A1 major food store. The supporting text of PolicyTC6 makes reference to the Tesco Extra Store, but, it does set out that this site is unlikely to come forward until the end of the plan period, transitioning into the post 2031 period. Consequently, as the application site is currently vacant and available for occupation, the Northgate MOA is not considered to be a sequentially preferable site on the basis of availability.

- 7.2.26 With regards to the Old Town, the only vacant premises of notable size is 74 and 74a High Street which is the former Waitrose. This property was vacated in October 2019 with the two units comprising 600 sq.m and 760 sq.m. The unit is being marketed as two separate units as the intention is for it to be split, combined with the fact the unit is under two separate ownerships. Consequently, these units would not be of a sufficient size to accommodate the proposed development as they are significantly below the stores requirements. In addition, whilst there is a pay and display car park to the rear, this is not suitable to a value food operator and would not satisfy the requirements of the business model. As such, whilst the units are vacant, they are not deemed sequentially preferable on the basis of suitability or viability.
- 7.2.27 In reference to the Town's Local and Neighbourhood Centres, as set out under Policy HC1 of the adopted Local Plan (2019), there are 7 neighbourhood centres, 7 local centres and 1 district centre. In addition to this, Policy SP4 of the adopted Local Plan (2019) also sets out the provision of convenience floorspace in the strategic developments North and West Stevenage along with south-east Stevenage. Dealing with the existing neighbourhood centres, local centres and district centres, none of these are suitable to accommodate the proposed development due to its overall business model requirements. In addition, with regards to the strategic sites, these are identified for small scale convenience stores and as such, the proposed development would not be suitable within the strategic sites.
- 7.2.28 Taking the aforementioned assessment into consideration, it is noted that the BHS site and Office Outlet are more suitable locations to support the proposed development. However, given Iceland operate a store which is within 200m, the BHS and Office Outlet sites are not suitable for the proposed operator. Consequently, the Sequential Test which has been submitted by the applicant sufficiently demonstrates that there are no sequentially available sites within the town centre. Furthermore, as mentioned in paragraphs 7.2.6 to 7.2.8 there is an existing Iceland which operates from the Forum in the town centre which is to be retained. Therefore, the applicant has sufficiently demonstrated in accordance with the NPPF and associated guidance that Unit 2, Monkswood Retail Park is the only sequentially acceptable site to allow The Food Warehouse to operate from. Consequently, the sequential test is considered to be acceptable and in accordance with the NPPF (2019) and the Council's adopted Local Plan (2019).

Impact Assessment

- 7.2.29 Paragraph 89 of the NPPF identifies that planning applications for retail development outside a town centre, not in accordance with an up to date Local Plan, should be assessed in terms of the following impacts on centres:
1. The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
 2. The impact of the proposal on town centre vitality
- 7.2.30 Confirmation of how the retail impact test should be used in decision taking is set out in paragraph 17 of the 'Planning for Town Centre Vitality and Viability' section of the NPPG. The guidance states that the impact test should be undertaken in a proportionate and locally appropriate way, drawing on existing information where possible. The NPPF also advises that when assessing applications for *inter alia* retail outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if a development is over a proportionate, locally set floorspace threshold. As set out under paragraph 7.2.4 Stevenage Borough Council has a locally set threshold set threshold of 300m².

- 7.2.31 An assessment of impact is essentially determined by the projected turnover of the proposed development, where this trade will be drawn from and the ability of the existing centres to absorb the predicted impact. The assessment should include the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area and the impact of the proposal on a town centre's vitality and viability.
- 7.2.32 In respect to the first test, the applicant has undertaken health checks in each of the centres of the study area. The applicant's assessment focuses on the existing, committed and planned public and private investment scheme within the centres outlined in the study area. Where schemes have been committed (developments with planning permission), these have been assessed as part of the impact assessment as well. With regard to the second test, the town centre health checks are important to set a baseline so that the relative value of any impact can be fully assessed.
- 7.2.33 Based on the information provided, the proposed development, using the applicant's business model and existing operations, would have an estimated sales density of £7,268 per sq.m. With this in mind, the ground floor unit extends to 1,414 sq.m, with an estimated gross/net split of 80/20 (up to 20% of the sales floorspace is anticipated to be used for comparison goods) and as such, will have a sales floor area of 1,131 sq.m (283 sq.m is back of house). This equates to a turnover at the store of around £8,220,108 (£7,268 x 1131) at 2019 (in 2017 prices) which is considered to be the base year of this assessment. This scenario is considered to be robust and acceptable as a similar sales density was agreed for the Lichfield Scheme (Planning Reference:- 19/01273/FULM). For reference, this store would also have a sales density of £7,268 sq.m.
- 7.2.34 In terms of the "Design Year" (the year the proposal has achieved a mature trading pattern), the applicant is looking at this to be 2021 for their assessment. This is considered to be acceptable as it is a three year window between 2019 to the first full year of trade in the TFW development. The applicant estimates the turnover to be £8.24m (adopting an annual growth rate of 0.1% annual) which is considered to be reasonable. The Council's Retail Study prepared in 2014 estimates the total turnover of £524.2m for Stevenage Town Centre in 2021. This puts into context the limited scale of the proposal and even assuming the unlikely scenario that the whole of the proposed development's turnover is derived from Stevenage Town Centre, this will have an impact of 1.5% on the total turnover of the town centre. This is not considered to be significantly adverse to the town centre.
- 7.2.35 In more realistic terms, the development will not draw all of its trade from the town centre due to its very nature, but it will instead trade draw from large convenience stores across the catchment area of Stevenage which includes Tesco's superstore and Asda superstore. It must be noted that the existing unit can be occupied by a wide range of alternative non-food providers under the existing consent for the premises which could generate a greater trade draw from the town centre. In terms of trade draw outside of the catchment area, this is expected to be in the region of 5% to 10%. Stevenage has a fairly wide catchment area given the quantum of existing town centre retail and leisure offer, which will continue to be expanded further through the various regeneration schemes being progressed, so an estimate of 5%-10% is considered realistic.
- 7.2.36 Therefore, it is evident that the proposal, due to its modest scale, will not have any perceptible impact on the vitality and viability of Stevenage Town Centre, and will not have any discernible impact on existing convenience or comparison shopping patterns due to the proposals limited scale.

Impact on Investment

7.2.37 Paragraph 89 of the NPPF states that, in assessing impact, account should be taken of the impact the proposal would have on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal. This is reflected in Policy TC13 in the adopted Local Plan (2019). Paragraph 15 of the NPPG notes that where wider town centre developments or investments are in progress, it will be appropriate to assess the impact of relevant applications on that investment. Key considerations will include:

- The policy status of the investment;
- The progress made towards securing the investment;
- The extent to which an application is likely to undermine planned development or investment based on the effect on current/forecast turnovers, operator demand and investor confidence.

7.2.38 Taking into consideration of the above, as set out in paragraph 7.2.21 of this report, there was a resolution to grant planning permission, subject to the completion of a S106 agreement, which to date, has not been signed, for the regeneration of the town centre. This scheme was a mixed use retail-led development which would have helped to reinforce the town centres key position in Hertfordshire. However, as mentioned earlier in the report, the proposed development partnership has withdrawn their interest in the scheme. As such, whilst a scheme based on the major redevelopment of the town centre could be resurrected, it is likely that the delivery of such scheme would be many years away.

7.2.39 More recently, the Council currently has an application (Planning Reference:- 19/00743/FPM) as referenced in paragraph 7.2.23 of this report, for large scale residential led regeneration of Stevenage Town Centre which also incorporates mixed use retail provision. However, this application is yet to be determined by the Council as the Local Planning Authority. If this application were to be granted by the Council, it would be a project which would be delivered over a number of phases in which the first phase (Phase One) provides a small element of retail floorspace with this phase predominantly incorporating residential floorspace. The later phases of the scheme would also be predominantly residential led with no designated floorspace for large format food retail store. As such, it is not considered the scheme would impact on this investment. This is a similar situation for the BHS and Matalan Schemes and it is not envisaged the scheme would impact on these investments.

7.2.40 With regards to the MOAs identified in the adopted Local Plan (2019), the only MOA which is identified for large scale food retailer is Northgate. However, as detailed in paragraph 7.2.28, this would be delivered at the latter end of the Local Plan period, around 2031 and there are currently no timescales for when this part of the town would be redeveloped. Therefore, it is not considered the proposal would impact on any future investment on parcels identified in the Local Plan for development. Furthermore, as these schemes come forward, they would establish Stevenage Town centre as the primary retail shopping destination in the area.

Other Retail Policy Issues

7.2.41 The NPPG states that compliance with the sequential test and impact tests does not guarantee that permission will be granted and that the local authority will have to take into account all material considerations in reaching a decision. Additionally, paragraph 87 of the NPPF (2019) states that when considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town centre.

- 7.2.42 It is agreed that the application site is out of centre and the site is 1km to the south of the town centre. However, the site is considered fairly accessible by modes of transport other than the private car as there are bus stops in close proximity on Monkswood Way and London Road which connect to the town centre. There are also good footpath and cycleway links to the site from the town centre, taking approximately 10 minutes to walk to the site from the town centre and approximately 5 minutes to cycle.
- 7.2.43 The proposed development would also seek to re-occupy a vacant, underutilised retail unit which has been on the market for approximately 4 months following Mothercare going into Administration in November 2019. The applicant has also confirmed that the development would help to provide between 20 to 25 new job opportunities as well as investment into the store in order to bring the store to operational use. Given this, the proposal would help to ensure all of the units within Monkswood Retail Park are occupied.
- 7.2.44 To conclude this section on retail planning policy, it has been demonstrated that the application passes both the sequential test and the retail impact test. It has been shown that the proposal would not have a negative impact on town centre turnover and it is considered that the town centre is reasonably healthy to absorb any potential impact. Finally, there are no sequentially preferable sites within the town centre framework area which would be able to support the proposed development. Therefore, the conclusion has been reached that the proposal is acceptable in retail planning policy terms.

7.3 Community Infrastructure Levy

- 7.3.1 The development is liable for Community Infrastructure Levy under the Council's adopted Charging Schedule (2020). The CIL Charging Schedule specifies a payment for new floorspace in line with the following rates (plus appropriate indexation):

Development Type	CIL Rate (£ per square meter)	
	Zone 1: Stevenage Central, Stevenage West Urban Extension and North of Stevenage Extension	Zone 2: Everywhere else
Residential		
Market housing	£40/m ²	£100/m ²
Sheltered housing	£100/m ²	
Extra care housing	£40/m ²	
Retail development	£60/m ²	
All other development	£0/m ²	

- 7.3.2 CIL is a non-negotiable charge. The exact charge will be determined by the Council's CIL officer after an application has been granted in accordance with the CIL Charging Schedule and the Community Infrastructure Levy Regulations 2010 (as amended). Opportunities for relief or exemption from the CIL charge exist and will be taken into account in the calculation of the final CIL charge.
- 7.3.3 CIL replaces the need for S106 agreements to specify financial and/or land contributions for non-site-specific infrastructure projects. This allows infrastructure to be planned on a borough-wide scale rather than on a site-by-site basis as mitigation against the impacts of individual proposals. A CIL Form 1: Additional Information has

been submitted along with the application. For this development, the CIL liability would be £0 as no new floorspace is being created.

7.4 Highway safety and parking implications

- 7.4.1 The retail park is currently served off Elder Way which connects to the A602 Monkswood Way which is a dual carriageway. The road serves Monkswood Retail Park as well as the Roaring Meg Retail Park. Monkswood Retail Park is served by a spur road off Elder Way. The park is split into three parcels, there is the McDonalds drive thru as one parcel, the former Mothercare and Home Bargain units make up the second and the third parcel is Jollyes, Topps Tiles and Mattressman. The proposed development does not seek to extend or alter any of the existing access arrangements which serve Monkswood Retail Park and the application property itself.
- 7.4.2 Given the above, all of the vehicular traffic to and from the site would be from Elder Way where vehicles will either turn left into Roaring Meg Retail Park or right onto Monkswood Way. The existing road network is sufficient to accommodate two-way traffic, including rigid vehicles. The visibility splays of the existing access points, both vehicle-to-vehicle and pedestrian inter visibility splays accord with Dft Manual for Streets and Hertfordshire County Council (HCC), Roads in Hertfordshire Design Guide. Therefore, vehicles entering and egressing should not prejudice the safety and operation of pedestrians, cyclists and vehicles utilising the highway network generally.
- 7.4.3 In assessing traffic generation, the applicant's transport consultant has produced a transport assessment which incorporates details of proposed traffic generation for weekdays and weekends. In order to identify a base traffic flow, traffic surveys were undertaken in November 2019. The exit/entry counts identified 530 two-way movements (232 arrivals and 268 departures during the weekday PM Peak hour (17:00 to 18:00) and 660 two-way movements (333 arrivals and 327 departures) during the Saturday Peak Hour (12:00 to 13:00).
- 7.4.4 The assessment also comprises of a future year assessment of model in order to inform the potential future impact of the development on the surrounding highway network. This has been completed using TRICS (Trip Rate Information Computer System) which is a National Traffic Generation Database in order to predict the amount of traffic that would be generated by each individual use. This software was used to firstly identify, what the trip rates would have been for the previous use as Mothercare and then what the future trip rates would be.
- 7.4.5 The assessment identified that for the previous use as a Mothercare Store which had a floor area of 1,683 sq.m, the trip rates in the AM Peak (08:00 to 09:00) would be 2 two-way trips (2 arrivals, 0 departures) and the Weekday Peak (13:00 to 14:00) of 43 two-way trips (21 arrivals, 22 departures). In regards to the PM Peak (17:00 to 18:00), there would have been 33 (15 arrivals, 18 departures) and the Saturday Peak (12:00 to 13:00) of 131 two-way trips (66 arrivals, 65 departures). Turning to the proposed development which comprises of 1,414sq.m of retail floor space (as mezzanine will be removed), this would generate in AM Peak 55 two-way trips (33 arrivals, 22 departures) and the Weekday Peak 118 trips (54 arrivals, 64 departures). In regards to the PM Peak, there would be 118 trips (58 arrivals, 60 departures) and the Saturday Peak of 158 two-way trips (79 arrivals, 79 departures).

7.4.6 Based on the aforementioned, in the AM Peak, there would be an increase of 31 arrivals and 22 departures. In the PM peak, there would be an increase of 43 arrivals and 42 departures. On the Saturday Peak, there would be an increase of 13 arrivals and 14 departures. However, these represent the gross number of trips associated with the existing permitted non-food retailer and the proposed discount food retailer. Therefore, other factors have to be considered such as shopping being a discretionary trip where people have a choice of when, where and how they travel with trips which are classified as follows:-

- Diverted trips which are those that are diverted from an existing destination with the new destination deemed more convenient. These trips typically will still be new to the immediate network unless diverted from an adjacent store such as ASDA to the north;
- Linked trips where people will visit another destination on the park and or immediate vicinity. It is established that there are higher proportions of linked trips in areas where there are greater concentrations of retail such as in the immediate area;
- Pass-by trips which are on the road network that visit as a result of the proposed development with higher proportions during peak period and on busier roads such as the A602;
- Pass-by diverted trips that are diverted from nearby streets such as Broadhall Way and Six Hills Way;
- New trips which are considered new to the network and will generally be a destination for food shopping which would have occurred in any event.

7.4.7 Based on the information provided and taking the aforementioned into consideration, the applicants Transport Consultant undertook additional modelling. This suggested that there would be 37 additional new trips (21 arrivals, 16 departures) during the morning peak, 51 additional new trips (26 arrivals, 25 departures) in the evening peak and 3 additional trips (1 arrival, 2 departures) during the Saturday peak hour. With regards to trip distribution, the modelling has identified that the greatest level of trips would occur on Monkswood Way to the south of Elder Way with increases of one additional vehicle every 3 to 4 minutes northbound. However, the anticipated increases would not result in any changes in traffic conditions on the local or wider network.

7.4.8 In terms of parking, in accordance with the Council's Parking Standards SPD (2012), the existing use (non-food retail) would have required 1 space per 20m² of gross floor area. Given this, there would have been a requirement to provide 85 parking spaces. However, as the site is located in non-residential accessibility zone 2, as such the overall maximum parking requirement would be between 25-50%. This equates to a requirement of between 22 and 44 spaces. Turning to the proposed development, the parking standard for a food retail store is 1 space per 18m² of gross floor area. Given this, there would be a requirement to provide between 20 and 40 spaces.

7.4.9 There are currently 258 parking spaces, including 14 disabled spaces and 4 spaces for use by parents with young children serving Monkswood Retail Park. Of these, 168 spaces are located to the front of Home Bargains and the former Mothercare units, 61 spaces in front of Jollyes, Topps Tiles and Mattressman with the remainder of the parking (29 spaces) associated with the Mc Donald's store.

7.4.10 The applicant has provided a parking survey (undertaken in November 2019) of the existing parking spaces serving Monkswood Retail Park which identified a peak occupancy of 198 spaces (77%) on Saturday afternoon (14:00). In terms of demand, it is anticipated the proposal could increase demand of addition 25 spaces during the weekday afternoon, and 10 additional spaces during the Saturday afternoon for the proposed development when compared to the existing assuming an average stay of 45 minutes. These are both calculated as follows:-

Weekday Afternoon

- Existing non-food use:- 21 arrivals = 16 spaces;
- Proposed food use:- 54 arrivals = 41 spaces;
- Difference:- 25 spaces.

Saturday Afternoon

- Existing non-food use:- 66 arrivals = 50 spaces;
- Proposed food use:- 79 arrivals = 60 spaces;
- Difference:- 10 spaces.

7.4.11 Given the above, it is considered that the proposal would not impact on the availability of parking at peak times under normal trading conditions as the existing car park has more than sufficient capacity to accommodate the proposed development. In relation to cycle parking, there would be up to 6 bicycles in the form of 3 Sheffield stands in the vicinity of the store entrance. This would help to encourage staff to modal shift away from the private car.

7.4.12 In relation to deliveries and refuse, all of these would take place via the service yard to the rear of the building which can accommodate articulated HGVs. The proposal does not include any changes to the delivery strategy and in terms of numbers, the store would receive 1 to 2 deliveries per day. This will increase up to 3 deliveries per day during peak trading periods such as the run up to Christmas. In terms of waste, this would be collected at the same time as per the existing retail units.

7.4.13 Taking the aforementioned into consideration, whilst there would be an increase in vehicle movements, the development would not result in any significant change to the flow of traffic on the existing highway network. In addition, there would be more than sufficient car parking capacity within the retail park to accommodate the proposed development. Given this, Hertfordshire County Council as Highways Authority do not raise any objections to the proposal as they consider the development would not prejudice the safety and operation of the highway network.

8. CONCLUSIONS

8.1 This application proposes to alter the wording of the agreed S106 and, in accordance with the above, the modification of the wording of the S106 is considered to be acceptable. Such a modification has been sufficiently supported by an acceptable 'Sequential Test' which demonstrates that there are no sequentially suitable sites within the town centre, and it would not have a negative impact on the vitality and viability of the town centre. In addition, it would ensure that a vacant retail unit would be brought back into use and provide additional employment for the area and would not prejudice highway safety. As such, the proposed modifications to the agreement accord with the provisions of the adopted Local Plan (2019), the NPPF (2019) and PPG (2014).

9. RECOMMENDATIONS

9.1 That the Committee agree to the variation to Clause 7a (goods restriction) of the S106 agreement to delegate authority to the Assistant Director of Planning and Regulation in conjunction with the Council's appointed Solicitor, to agree the precise wording of the variation to the S106 agreement.

10. BACKGROUND DOCUMENTS

1. The application file, forms, plans and supporting documents having the reference number relating to this item.
2. Stevenage Borough Council Supplementary Planning Documents – Parking Provision adopted January 2012 and Stevenage Design Guide adopted October 2009.
3. Stevenage Borough Local Plan 2011 – 2031 adopted 2019.
4. Hertfordshire County Council’s Local Transport Plan 4 adopted May 2019.
5. Responses to consultations with statutory undertakers and other interested parties referred to in this report.
6. Central Government advice contained in the National Planning Policy Framework February 2019 and Planning Policy Guidance March 2014.