

P/15/0303/CU

FAREHAM SOUTH

ESKMUIR SECURITIES LTD

AGENT: SAVILLS

CHANGE OF USE OF UNITS C AND D FROM BOWLING ALLEY (D2 LEISURE USE) TO A1 RETAIL USE - INCLUDING MEZZANINE AND EXTERNAL ALTERATIONS.

COLLINGWOOD RETAIL PARK UNITS C & D NEWGATE LANE FAREHAM HAMPSHIRE PO14 1AN

Report By

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Site Description

The site is located on the eastern side of Newgate Lane within a small group of units known as Collingwood Retail Park. Collingwood retail Park currently contains Homebase, Pets at Home and Poundstretcher.

The application site relates to Units C and D. Up until the end of May the units were used for bowling alleys operated by Go Bowling. The site has been vacant since Go Bowling left the premises.

The units measure 2,295 square metres in floor area.

The Collingwood Retail Park is designated as an Employment Area within the Local Plan Part 2: Development Sites and Policies.

The four units in the retail park share a large car park to the front; a further 'overflow' car park is sited just to the south off Frankport Way. There is also a rear service yard which has some parking.

Description of Proposal

Change of use of units C and D from bowling alleys (which fall with Use Class D2) to Class A1 use (shops). The applicant has advised that Matalan is the intended occupier of the unit.

Provision of a mezzanine floor within the units of 471 square metres for back of house/ancillary floorspace (including staff room, office space, staff toilets and plant).

The applicant has stated the application site would be stocked to sell 88% clothing and footwear and 12% homeware.

Policies

The following guidance and policies apply to this application:

The National Planning Policy Framework (NPPF)

The Planning Practice Guidance (PPG)

Approved Fareham Borough Core Strategy

CS1 - Employment Provision

CS5 - Transport Strategy and Infrastructure

DSP37 - Out-of-Town Shopping

Development Sites and Policies

DPS1 - Sustainable Development

DSP17 - Existing Employment Sites and Areas

DSP37 - Out-of-Town Shopping

Relevant Planning History

The following planning history is relevant:

FBC.4633/88 - Unit C and D Collingwood Retail Park - Change of use from retail warehousing to bowling alley, restaurant, bar and associated facilities - Permission 13 June 1990

P/93/1363/VC - Unit B Collingwood Retail Park - Vary condition to allow unrestricted Class A1 retail use of unit - Permission 1994 (Condition imposed excluding the sale of footwear, clothing and fashion goods)

P/14/1111/VC - Unit A Collingwood Retail Park - Variation of Condition 1 on planning permission P/91/0311/VC to permit unrestricted A1 non-food retail use - Permission 12 January 2015 (Condition imposed excluding sale of footwear, clothing and fashion goods)

P/14/1180/FP - Single storey coffee shop (mixed A1/A3 use) on part of car park in front of the Units- Permission 15 January 2015. This permission has not been implemented to date.

Representations

There has been a significant level of public interest in this application, particularly relating to the loss of the bowling facility.

Two hundred and fifty nine objections have been received raising the following main issues:

Loss of important local facility, one of the best bowling alleys in UK;
Important activity for children and people of all ages;
Dwindling number of bowling alleys;
Proposed use is better located in the town centre;
Loss of employment;
Too many clothes shops;
Added traffic on Newgate Lane which it cannot take.

One letter of support has been received stating the proposal is a better use of the site.

Consultations

Director of Planning and Regulation (Highways) - No objection

Planning Considerations - Key Issues

The key planning considerations in the determination of this application are:

Planning Policy & the Principle of retail development outside a designated Centre
Existing Employment Sites and Areas
Sequential test

The Impact upon Fareham Town Centre
Loss of the bowling facility
Highways

PLANNING POLICY AND THE PRINCIPLE OF RETAIL DEVELOPMENT OUTSIDE A DESIGNATED CENTRE:

Policy DSP37 in the Local Plan Part 2 (Development Sites and Policies Plan) sets out the relevant tests for out of centre uses.

Policy DSP 37 sets out that applications will only be acceptable where:

- i) a full sequential test has been carried out demonstrating that there are no more centrally located sites that are available, suitable or viable;
- ii) appropriate levels of parking are provided;
- iii) the site is not located outside the defined urban settlement boundaries and is accessible, particularly by public transport;
- iv) the scale and design of the buildings are appropriate to their surroundings; and
- v) the proposal would not have any unacceptable environmental, amenity or traffic implications.

Where a development for main town centre use is proposed over 500 square metres, an impact assessment must be carried out to demonstrate that the proposal will not have an adverse effect on the vitality or viability of nearby centres, nor on any planned centre expansions.

In addition to the development plan policies the National Planning Policy Framework (NPPF) is also a material consideration. Section 2 of the NPPF is relevant to this proposal, with paragraph 24 noting that:

"Local planning authorities should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. They should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale".

In relation to the assessment of impact, paragraph 26 notes that applications for retail development outside of town centres should include an assessment of:

The impact of the proposal on existing, committed and planned public and private investment in a centre or centre in the catchment area of the proposal; and

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

The national policy sets out that when assessing retail impacts, only those impacts that are "significantly adverse" should be refused which is a slightly different test to DSP37.

These national policy tests along with the tests of policy DSP37 are considered further below.

EXISTING EMPLOYMENT SITES AND AREAS:

The site is situated within the Collingwood Retail Park. On the Policies Map, which forms part of the Local Plan Part 2: Development Sites and policies, the site is shown within the 'Existing Employment Sites and Areas' designation.

The Local Plan Part 2 sets out in policy DSP17 that existing employment sites and areas will be protected for "...economic development uses". The policy also sets out that "...different uses that contribute towards economic development will be permitted provided that the proposed use will supply employment opportunities of similar quantity as those that previously existed". Economic development is defined in the Plan as 'development, including those within the B Use Classes, public and community uses and main town centre uses (but excluding housing development)'.

The units are sited within a retail park, close to other large format retail and commercial uses. Officers have been advised that the owner of the site has been marketing the units since 2008 in a bid to try and secure a more stable and permanent occupier as the bowling operation of the unit was no longer viable. This exercise has not resulted in any interest from leisure operators, primarily on the basis that there is no interest in this location. A commercial decision was made by Go Bowling to close and vacate the premises in May this year.

The proposed use as a shop falls under the definition of 'Economic Development'. The application site has not previously been used for purposes under Use Class B, and all other units within the Collingwood Retail Park are occupied for Class A1 purposes. The applicant further advises that the unit, if occupied by Matalan, would create 22 jobs.

Policy DSP17 also states that proposals for retail uses within existing employment areas will only be permitted if they accord with Policy DSP37. As such, even though the application proposal can satisfy the tests of DSP17 in terms of creating or contributing towards economic development there is a further test in policy DSP37 to satisfy. The tests of policy DSP37 are set out in detail below.

SEQUENTIAL TEST:

Given the location of the site outside of the Fareham Town Centre there is a need under the first criterion of policy DSP37 to consider whether the proposed site satisfies the sequential test.

The applicant's Retail Statement acknowledges that the application site lies in an out-of-centre location and therefore there is a need to consider whether there are any in-centre, edge of centre or more accessible and better connected out-of-centre sites which are viable suitable and available to accommodate the proposed development. It is necessary to assess whether there are any available, suitable and viable sequentially preferable sites within the catchment area of the proposal. National policy also requires flexibility in terms of scale and format when considering alternative sites.

A letter of support has been submitted by Matalan stating that Matalan has for some time been seeking to improve their representation in this part of the south of England. Portsmouth is currently the nearest store and the applicant's market intelligence has highlighted that it attracts a number of shoppers from Fareham and the immediate area. As a result, the company has been very keen to establish in Fareham but it has proven difficult to find suitable premises. In the search over the last two years Matalan has been unable to find a unit large enough in a suitable location that would meet the requirements of the business.

An assessment of all vacant units in Fareham Town Centre was undertaken by the applicant. At the time of the assessment there were two units available on the High Street, eleven on West Street and one in Market Quay.

Of those available units, the largest vacant unit (the former JJB unit) in Market Quay measures approximately 1,393 square metres. This is smaller than the units that form the application site and is approximately half the size of the minimum requirement for a Matalan store.

The former JJB unit in Market Quay has been vacant for some time (since late 2012). Matalan advise the size and physical configuration of the unit does not make it suitable for their business requirements. Furthermore Matalan have very few high street stores throughout the Country, and those they have are in the main located within major city centres.

The applicant also looked at two sequentially preferable locations; May Tree Road, which is no longer available as it is now occupied by a home improvement centre and Market Quay Car Park which is designated for redevelopment in accordance with Policy DSP27 of the Local Plan part 2. The Market Quay site is currently not available.

The application site in the Collingwood Retail Park is vacant and available for occupation. Matalan has confirmed that Heads of Terms have been signed for a 15 year lease of the unit, without a break clause, subject to receiving planning permission.

For a site to be sequentially acceptable all three tests need to be satisfied. Recent appeal decisions have determined, on the available test, that a site should be available 'now' for it to be considered available. On the basis that there are no 'available' sequentially preferable sites; the tests of 'suitable' and 'viable' do not need to be considered further.

Officers consider that there are currently no sequentially more preferable sites and the first criterion of Policy DSP37 is therefore satisfied.

IMPACT UPON FAREHAM TOWN CENTRE:

The application proposals would allow for the sale of clothing and home ware (comparison goods) from the units. It is the intention of the applicant to exclude food sales.

In line with the National Planning Policy Framework, the applicant's Retail Assessment provides an assessment of impact which covers the tests of 'impact on investment' and 'impact on town centre vitality and viability'. The applicant's assessment focuses upon the effect upon comparison goods turnover for Fareham Town Centre.

The applicant's assessment states that the impact on comparison goods turnover in

Fareham Town Centre is likely to be minimal. Even if a worst case scenario were to be assumed and the whole of the proposals turnover were derived from Fareham Town Centre this would have an impact of 1.7% (£4.09m) in 2017 and 1.5% (£4.87m) in 2025. The applicants believe that the turnover of Fareham Town Centre (in relation to comparison goods) is expected to increase from £222m in 2015 to £241m in 2017, an increase of £19m which is far greater than the proposed Matalan's turnover or its potential diversion from the town centre. The assessment concludes this is not a significant adverse impact especially when the predicted growth of expenditure in the town centre is factored in.

The assessment predicts that 40% of the trade diversion to the proposed development will be diverted from Fareham Town Centre. This would indicate a trade diversion of £1.64m in 2017, amounting to an impact of 0.68% on Fareham Town Centre (comparison goods only). This would be even less on the town centre's turnover as a whole, taking into account convenience goods expenditure in the town centre.

The Council has appointed GVA to review the retail impact assessment work undertaken on behalf of the applicant.

GVA have advised that overall the proposed development will have a negative impact upon the financial trading performance of the comparison goods sector in Fareham. Whilst comparison goods expenditure might have increased over the last 3 years, the overall comparison goods turnover of Fareham Town Centre has fallen during that time period. This means that increasing expenditure in the wider area has benefitted other stores and centres.

In the view of GVA the amount of trade the proposed store would draw from Fareham Town Centre is likely to be slightly higher than the applicant's estimates, and are predicted to be nearer 55%. Based upon Matalan's turnover (which GVA have adjusted to include VAT) this would result in a diversion of £2.7m which would equate to a 1% impact on the 2017 comparison good turnover of Fareham Town Centre. Alternative occupiers of the unit could of course have a higher level of turnover than Matalan.

In itself the impact, based on Matalan, does not suggest a significant adverse impact on the Town Centre. However, the importance of this impact is, to a certain extent, intensified by the importance of the clothing/footwear sector to the town centre and the wider benefits that it provides. As a consequence there is some cause for concern bearing in mind the range of goods proposed by this application and the size of the application floorspace.

Therefore in making any decision, GVA advise that the Council will need to consider:

The direct impact of the proposal on Fareham Town Centre;

The opportunity for the proposal to claw back comparison shopping trips which are currently being lost to stores and centres outside the local area;

The opportunity for the proposal to influence choice and competition in the local retail market bearing in mind the fact that there is not certainty over the operator of the floorspace;

The importance of the clothing and footwear sector to the overall health of Fareham Town Centre and the wider effects that the proposal could have, bearing in mind that it will concentrate on the sale of these types of comparison goods; and

The recent performance of the town centre in terms of its market share and turnover.

GVA recommends that in the event that the Council grant planning permission suitable

controls should be imposed as follows:

- A limit on the total net sales floorspace of the development;
- A control to ensure that the overall floorspace subject to this application remains as one single retail unit with no sub-division in the future;
- A control on the range of goods to be sold from the floorspace.

Officers have carefully considered the arguments put forward by the applicant, the submitted retail impact assessments and the advice of the Council's retail consultants, GVA.

It is clear that the creation of the store in this location will have some adverse impact upon Fareham Town Centre. If operated by Matalan the prediction is that the adverse impact is unlikely to be significant. It must also be considered that the presence of the unit here is likely to 'retain' some comparison good expenditure within Fareham Borough, which currently goes to other centres (or Matalan stores) outside the Borough.

Officers acknowledge that it is not possible to restrict the use of the units to a named operator such as Matalan. A number of controls are recommended by GVA should this Council be minded to grant planning permission.

Having considered all relevant matters Officers conclude that the potential impact upon the comparison goods expenditure within Fareham Town Centre, and in turn the vitality and viability of the Town Centre, would not be so great as to justify the refusal of planning permission, subject to the imposition of the conditions recommended by GVA.

LOSS OF THE BOWLING FACILITY

Planning permission was granted in June 1990 (FBC 4633/88 refers) for the change of use from retail warehousing to use as a bowling alley; a bowling alley falls within use Class D2 (Assembly and Leisure). A planning condition was imposed in this particular case restricting the use of the site to a bowling alley only. The bowling alley operated for many years, before it closed earlier this year for commercial reasons.

As set out earlier in this report, the site is situated within an 'Existing Employment Sites and Areas' designation subject to Policy DSP17. The implications of this policy is that a wide range of alternative uses would be acceptable within this building.

Policy DSP17 does not contain any exceptions which afford special protection to the bowling use. Furthermore neither the adopted Core Strategy nor the Local Plan Part 2: Development Sites and Policies, provide any policy basis for preventing the change of use of the unit from that as a bowling centre.

Officers acknowledge the considerable number of objections to the loss of the bowling facility. Notwithstanding the strength of feeling relating to the loss of the facility, Officers do not believe that there is a planning policy basis to resist the change of use of the units.

HIGHWAYS:

Collingwood Retail Park comprises three other units: Homebase, Pets at Home and £Poundstretcher. Planning permission has also been approved for a coffee shop to be built in the car park adjacent to Homebase (not implemented at present).

The existing customer parking provision for the Retail Park is some 302 spaces; of these 302 spaces, 213 are in the main car park to the front of the units and 89 spaces are in the 'overflow' car park to the south of the retail park. A further 25 spaces are available within the rear car park. The level of car parking would be reduced by 20 if the permitted coffee shop is constructed.

The submission included a Transport Statement together with supplementary traffic and parking data to support the application. The data concluded that the expected demand from the existing and proposed retail unit would remain well below the capacity of the main, overflow and rear car parks.

Officers consider that there is significant capacity available in the car parks and the proposal would not have a material traffic impact on the surrounding road network.

CONCLUSION:

The proposal is considered to be an economic development use for a vacant unit within the retail park.

There are no alternative units within the Fareham Town Centre presently available to meet the floorspace requirement of Matalan.

Extensive work has been carried out to assess the likely retail impact upon Fareham Town Centre. The retail impact upon Fareham Town Centre is not judged to be significantly adverse.

Sufficient car parking is available and the use of the site would not cause unacceptable harm to users of the highway.

There is no planning policy objections to loss of the bowling facility.

Officers are satisfied that the proposal accords with National Planning Policy and this Council's adopted planning policy and accordingly recommend that planning permission should be granted subject to the imposition of appropriate conditions.

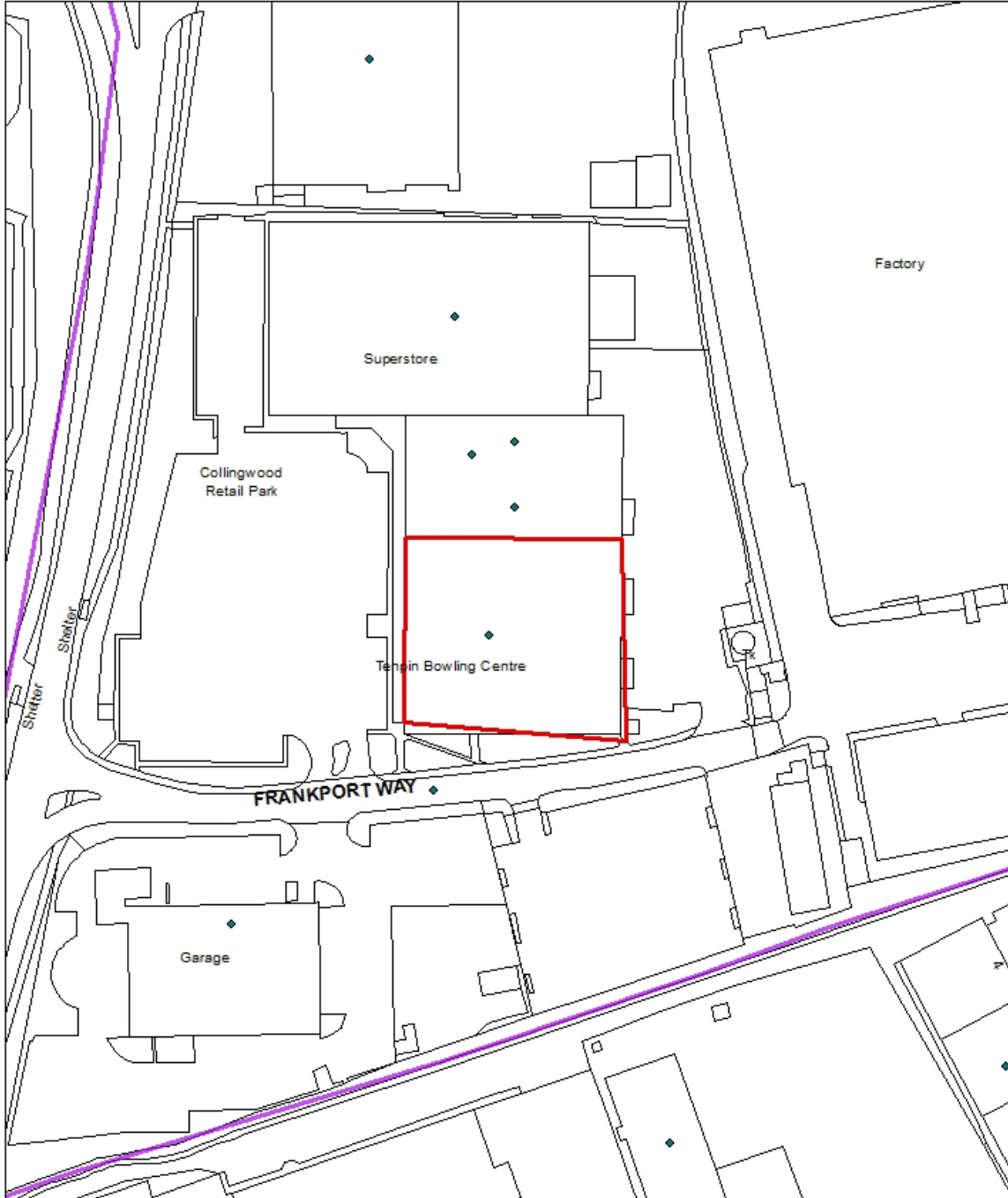
Recommendation

PERMISSION: Subject to the conditions: Commence development within 3 years; restrict retail floorspace; restrict goods which can be sold from site; prevent subdivision of site.

An update will be provided at the meeting setting out the full wording of the proposed conditions

FAREHAM

BOROUGH COUNCIL



COLLINGWOOD RETAIL PARK
UNITS C & D
SCALE: 1:1,250

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