

Deloitte LLP
Athene Place
66 Shoe Lane
London
EC4A 3BQ
United Kingdom
Tel: +44 (0) 20 7936 3000
Fax: +44 (0) 20 7583 1198
www.deloitterealestate.co.uk

Direct: 0207 303 6480
Direct fax: 0207 583 1198
johnadams@deloitte.co.uk

Statement on behalf of Grand Arcade Partnership

Date: 16 May 2016
Consultee: Grand Arcade Partnership
Site: Grand Arcade Shopping Centre, Cambridge
Rep Id: 28070/28072/28073/28075/28079

Matter CC2 – City Centre and Areas of Major Change

This Statement responds to the following Issues:

CC2A City Centre

CC2A.2 Policy 10

- iii) Should the requirements for new retail or leisure developments in excess of 2,500 sq m be more flexible as to take account of viability considerations?

CC2A.3 - Policy 11

- i) Notwithstanding the Council's comments on pages 3, 4 and 5 of reference document RD/GEN/081 which relates to supplementary planning documents, has any progress been made in respect of the preparation of the Supplementary Planning Document (SPD)? Should the policy contain a timeframe for the preparation of the SPD and indicate that no planning application will be submitted until the SPD has been adopted by the Council?
- ii) Should the policy seek to ensure that development proposals for the Grafton Centre take full account of the potential retail impacts on the vitality and viability of the Historic Core?

CC2B Hierarchy of Centres and Retail Capacity

2A Policy 6

- i) Should the locally set retail impact assessment threshold for proposals outside of the City Centre indicated in the policy be lowered in order to protect its viability and vitality?
- ii) Does the level of comparison retail floorspace capacity indicated in the policy for 2011 to 2022 as identified in the Cambridge Retail and Leisure Study Update (May 2013) still reflect the current need?

Background

This Statement supplements the written representations made on behalf of Grand Arcade Partnership (“GAP”) to the Issues and Options (dated July 2012), Proposed Submission (dated 30 September 2013) draft Local Plan documents and Local Plan Hearing Statement – Matter 4 (October 2014).

We set out below our response to the relevant Issues:

Response to Inspector’s Questions:

CC2A.2 Policy 10

- iii) Should the requirements for new retail or leisure developments in excess of 2,500 sq m be more flexible as to take account of viability considerations?

To summarise, Policy 10 states *“Any new retail or leisure developments above 2,500 sq m should provide a mix of small and large retail units to cater for national retail occupiers and the demands of smaller independent and local traders”*.

We have previously set out reservations as to the viability of providing retail and leisure units specifically for independent traders and a mix of floorspace above 2,500 sqm. This is bearing in mind the clear message within the NPPF that investment in business should not be over-burdened by the combined requirements of planning policy expectations (Para 21). This policy disregards that some uses will require certain amounts of floorspace in order to provide their offer and carry out their operations.

The provision of retail and leisure floorspace will be ultimately driven by demand and indeed the extent to which individual schemes are viable. Proposals for retail and leisure floorspace, in line with the Council’s Local Plan strategy, must provide competitive returns to a developer to ensure deliverability.

We continue to maintain that the policy should be re-worded as set out below in order to be found sound:

“Any new retail or leisure developments above 2,500 sqm should provide a mix of small and large retail units to cater for national retail occupiers and the demands of smaller independent and local traders, [unless it can be demonstrated that in doing so, the proposed redevelopment would be rendered unviable.](#)”

CC2A.3 Policy 11

In short, Policy 11 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..... The Council will coordinate the production of a masterplan for the area, bringing together the scheme promoter, other landowners, Cambridgeshire County Council and the other relevant stakeholders”*.

We address the Inspector’s questions in turn below:

- i) Notwithstanding the Council’s comments on pages 3, 4 and 5 of reference document RD/GEN/081 which relates to supplementary planning documents, has any progress been made in respect of the preparation of the Supplementary Planning Document (SPD)? Should the policy contain a timeframe for the preparation of the SPD and indicate that no planning application will be submitted until the SPD has been adopted by the Council?

The above question has been broken down into two parts, firstly we address whether any progress has been made in regard to the Supplementary Planning Document (SPD).

It is our understanding that no progress has been made on this document. As of 12 May 2016, Cambridge City Council's (CCC) website does not list the SPD within the "other documents timetable" which sets out the additional documents that will be prepared to support the new local plan.

We can only surmise from this, in addition to the lack of any additional information on the website and no public engagement, that no progress has been made to date.

This re-iterates our concerns regarding this Policy. In our previous submission statement dated October 2014 we set out that in the drafting of the Policy 11 there had been limited consultation with the key landowners within the City Centre. This was supported by M&G Real Estate and The Prudential Assurance Company Limited's representations to the Submission Local Plan (reference 26792) which stated *"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."*

This is further evidenced in the Statement of Common Ground (SOGC) between M&G Real Estate and CCC in regard to Matter 4 which sets out the areas in which the two parties do not agree, which in this case can be seen as evidence of the lack of dialogue between the two parties in drafting the policy.

As far as we are aware, there has been no further engagement to date outside of the SoCG in regard to bringing forward the SPD. It appears as though this was initially partly due to the disagreement between CCC and M&G as to the mechanism for bringing forward the SPD (as set out in their SOCG).

It is important to note that since the SOCG was published in 2014, the Grafton Centre was sold (August 2015). The ambitions for the centre are currently unknown and the sale of the centre has added even more uncertainty as to whether CCC's policy aspirations can come forward. The SPD for the Grafton is therefore still in doubt, at least 3 years since the Policy was drafted.

It remains the case that 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. The expansion / redevelopment is uncertain and given undue weight could impact the future vitality and viability of Cambridge City Centre.

We consider that the Policy as drafted promoting the Grafton Area as the *"primary focus"* for additional retail comparison is **unsound** as it will prejudice opportunities for appropriate redevelopment/infill that arise in the historic core and put the City Centre at risk of increasing competition from out of centre developments should the Grafton Area not come forward.

We therefore maintain that there should be no locational preference for comparison retail within the Primary Shopping Areas given the uncertainty over the delivery of a comprehensive expansion / redevelopment of the Grafton Area. Whilst we acknowledge the potential for regeneration, it cannot be allowed to undermine the vibrancy of the Historic Core nor introduce uncertainty for Investor's as to the pre-eminence of the Historic Core within Cambridge.

In regard to the timing of a planning application submission, we set out that this should be following the adoption of an SPD without which the impacts of the redevelopment will not have been fully assessed. It is clear that there has been no assessment of the potential expansion / redevelopment in terms of size, viability or feasibility given the different landowners and new ownership of the Grafton. The deliverability of the Policy is in doubt.

- ii) Should the policy seek to ensure that development proposals for the Grafton Centre take full account of the potential retail impacts on the vitality and viability of the Historic Core?

We agree that the policy should seek to ensure that any development proposals for the Grafton Centre take account the potential retail impacts on the vitality and viability of the Historic Core. This is with a view to maintaining the attractiveness of the historic core to leading retailers and upholding the critical mass of quality retail provision in this key location. The City Centre's retail offer needs to be looked at in whole rather than its parts, to understand how it functions and the impact of change.

For example, the Policy at present disregards the different offers that are provided in the two locations; the Historic Core and the Grafton Area. The Grafton Centre currently fulfils its role as an everyday shopping destination for the City's residents. There is a distinct difference in the brands on offer in the two locations and more regard should be given to the type of offer.

We continue to re-iterate that Policy 11 should state that any Masterplan or SPD should assess the implications for future investment opportunities and retailer demand within the Historic Core arising from any uplift in retail floorspace at the Grafton Centre. This will establish whether 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. Any uplift in floorspace at the Grafton should be commensurate with its existing role as an important everyday shopping destination with a mainstream retail and leisure focus for the City's residents.

The Policy should also seek to look at the wider impacts, for example the City's infrastructure in terms of the linkages between the two Primary Shopping Areas and for those coming into the city through the park and ride.

This will enable the Policy to meet the requirements of the national Planning Policy Guidance which states:

- *"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 exercise should be undertaken before it is agreed what additional floorspace can come forward.

We note that the Policy is currently silent on this but the Statement of Common Ground between CCC and M&G sets a proposed revision to the wording of Policy 11 which includes a figure of 12,000 sq m. This revision has not been included within CCC's Proposed Modifications as far as we are aware. We are not sure of the justification of this figure and how it was agreed.

A floorspace figure should arise from and be tested against an updated Retail Study which has taken into account the changing retail environment and the production of a masterplan which details what can feasibly come forward in that location. Without these documents, we do not know what floorspace is appropriate for the City Centre and it is therefore not justified.

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.

We re-iterate the proposed changes to the wording from our previous Statement (October 2014) in order for the Policy to be found sound:

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.

A revision should be incorporated so that it is clear that the Grafton Area is not the primary focus for additional comparison retail but provides the opportunity for additional floorspace subject to the production of a SPD which justifies the allocation and sets out its feasibility.

CC2B Hierarchy of Centres and Retail Capacity

2A Policy 6

- i. Should the locally set retail impact assessment threshold for proposals outside of the City Centre indicated in the policy be lowered in order to protect its viability and vitality?

We continue to 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. A locally set threshold should be introduced.

The GVA Retail Capacity Study Update 2013 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 set out 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 Policy should be updated to change the figure to 1,000 sq m. We have set out within our previous Statement how the supporting text should be updated also to reflect a change to the Policy itself.

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.

- ii. Does the level of comparison retail floorspace capacity indicated in the policy for 2011 to 2022 as identified in the Cambridge Retail and Leisure Study Update (May 2013) still reflect the current need?

We have previously expressed our concerns in regard to the Retail and Leisure Capacity Study Update (2013) (the study). These concerns are set out in full within our previous submissions.

Given the time that has passed, it is important to note that the study has not been updated since 2013 and that we are now nearly half way into the plan period. We argue that the Study should be updated to reflect the changes to the retail environment. In the time that has lapsed other Local Authorities are revising their retail CIL rates due to the changes in the retail environment since 2013. This has not been addressed by CCC.

Furthermore, given the additional evidence and revisions to housing numbers, it should be noted that the population growth planned across the City and the wider sub-region during the Plan period should be reviewed to see how it aligns with the Study as well as assessing the implications of the findings.

This Policy also needs to reflect our proposed changes to Policy 11 which is referenced within. To be found sound, the Policy should be updated to include a revised floorspace figure from an updated evidence base and contain the amendments set out below:

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:

- ~~1.~~ 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.

CCC should also commit to regularly monitoring the health of the city centre and undertake regular reviews of the capacity and demand for additional retail floorspace as set out within our previous Statement.

To conclude, the study does not reflect the current need as it is not up to date nor have our previous concerns in regard to capacity been addressed.

Summary

This Statement has set out why we believe Policies 6, 10 and 11 are not sound in their current guise. The Policies as they current stand:

- Undermine the Historic Core and the existing dynamics of the City Centre.
- Do not provide the most appropriate strategy for the City Centre as no evidence of feasibility or deliverability has been provided.

The policies are not fully justified or effective and the proposed wording changes set out within this Statement should be made in order to make the Plan sound.