

PLANNING COMMITTEE: 24th July 2012

DIRECTORATE: Regeneration, Enterprise and Planning

HEAD OF PLANNING: Susan Bridge

N/2012/0122: Hybrid application comprising: Full

application for home and garden centre, retail units, drive through restaurant, gatehouse, lakeside visitor centre, restaurants and boat house. Outline application for the erection of a hotel, crèche, leisure club and marina with some matters reserved (appearance). Plus removal of ski slope, associated site

levelling, landscaping, habitat management, vehicular access and servicing proposals, together with car and cycle parking and

provision of bus stop.

WARD: Situated within East Northamptonshire

District

APPLICANT: LXB RP (Rushden) Ltd.

AGENT: JR Consulting

REFERRED BY: Head of Planning

REASON: The proposal relates to retail and leisure

development within the neighbouring authority of East Northamptonshire. It is considered that the scale of development proposed would have significant implications for Northampton Town Centre and Members' views are sought on the

nature of the consultation response.

CONSULTATION BY EAST NORTHAMPTONSHIRE DISTRICT COUNCIL:

1 INTRODUCTION

- 1.1 This report relates to an application submitted to East Northamptonshire District Council (ENDC) for a substantial out of centre retail and leisure development at the Rushden Lakes site, approximately 8 miles to the east of NBC's administrative boundary. NBC were initially consulted as a neighbouring authority on 29th March and have since responded twice on the merits of the scheme. Officers submitted a holding objection to ENDC due to concerns over the scale and impact of the proposals, particularly in relation to Northampton town centre. Following this letter, a report was brought to the Planning Committee on 1st May to seek members' views on the proposals. Members resolved to **object very strongly** to the scheme on grounds of non-compliance with planning policy, concerns over the retail impact on Northampton (including Weston Favell) and the unsustainable nature of the scheme. A copy of the objection letter is attached at Appendix 1.
- 1.2 Similar letters of objection were also submitted from other neighbouring authorities and existing retailers within the region. Subsequently, the applicant has submitted further information to East Northamptonshire District Council commenting on these matters. Therefore, the purpose of this report is to update members on application and its likely impact upon Northampton and to seek their views on a further formal response of NBC.
- 1.3 The re-consultation letter was received by NBC on 26th June allowing a period of 14 days for further comment. In order that a response was received within the set period a further officer response was submitted via the Head of Planning. This is also attached at Appendix 2.

2 RECOMMENDATION

- 2.1 That Northampton Borough Council **objects very strongly** to the application for the following reasons:
 - The Retail Assessment submitted with the scheme fails to pay adequate regard to the impact of the development upon Northampton Town Centre or Weston Favell District Centre. The application site is within 13km (8 miles) of the eastern edge of Northampton and the catchment of a development of this nature and scale would clearly cover Northampton and the residential areas served by its town centre. The Retail Assessment currently submitted makes unrealistic assumptions regarding the catchment of the proposal and thus, fails to pay adequate regard to the

- requirements of the National Planning Policy Framework in terms of the retail impact and the sequential approach (paras 24-27).
- The sequential assessment conducted in relation to Northampton town centre is flawed and fails to adequately assess the ability of Northampton town centre to accommodate development of the scale proposed. NBC, along with its partners, are currently in detailed discussions with Legal and General (the key landowner) relating to a major town centre redevelopment incorporating a substantial increase in retail floorspace at the Grosvenor Centre. The submission version of the Northampton Central Area Action Plan identifies that the Grosvenor Centre will accommodate between 32,000 37,000 (gross) A1 comparison goods floorspace. NBC maintain that Northampton Town Centre is a sequentially preferable site that is supported in planning policy. The application should therefore be refused in line with the NPPF (para. 27).
- The assessment of the retail impact provided by the applicant is based on unrealistic assumptions regarding the trading patterns and catchment of the proposed development. NBC consider that the sub-regional scale of the development, and its location on the principal highway network, are such that the retail catchment would be significantly wider than suggested by the applicants and would directly compete with Northampton Town Centre. Northampton Town Centre is identified as the Principal Urban Area within RSS8 and the development of an out of centre retail scheme of this magnitude within easy reach of its catchment is contrary to the aims of Policies MKSM SRS Northamptonshire 1, MKSM SRS Northamptonshire 2, MKSM SRS Northamptonshire 3 and MKSM SRS Northamptonshire 4 which set the spatial framework for the subregion.
- The independent retail assessment of the impact of the Rushden Lakes proposal, conducted on behalf of the North Northamptonshire Joint Planning Unit (NNJPU) by GVA Grimley Ltd is considered to be a more realistic assessment of the likely impact of the scheme. This identifies that the proposal will have a significant negative impact upon Northampton Town Centre resulting in a cumulative trade diversion of between 9 and 15% of turnover at 2016. Therefore, it is considered that the proposal will have a significant detrimental impact upon the vitality and viability of the Town Centre and make planned investments within the centre significantly more difficult to achieve. Where significant retail impact on existing centres is anticipated the NPPF directs that applications should be refused (para. 27).
- The proposal is considered to be an unsustainable form of development by virtue of its location to the major highway network and poor accessibility in relation to non-car based modes of travel. The nature of the proposal and the likely catchment area is such that

the scheme would result in a significant increase in the level of vehicular traffic movements, contrary to the aims of paragraph 34 of the NPPF.

3. THE PROPOSAL

- 3.1 The proposal is for a mixed retail and leisure development, comprising 43,289m² gross retail floorspace in addition to restaurant, hotel, leisure uses and a marina, with associated ancillary works. The Gross Internal Area of the retail units is 38,388m² (this being the internal area, excluding the covered and uncovered planting areas relating to the garden centre). The applicants have sought full planning permission for the retail elements, restaurants and lakeside visitor centre and outline consent for the hotel, leisure club and marina (a hybrid application). The site would be configured around three large terraces, with separate restaurant and visitor centre facing onto the lakeside.
- 3.2 No named retailers/ anchor tenants have been put forward within the application documents. The application does suggest that the terraces would comprise home and garden/ lifestyle retail units and clothing retailers. In reality, the proposal is for general A1 use and (aside from the garden centre) it would be difficult to restrict the type of unit by planning condition. The independent report prepared on behalf of the NNJPU suggests that the likely occupier for this type of development would be mainstream national multiple retailers.
- 3.3 Members should also note that the application site is located within close proximity of existing retail development on the opposite side of the main access road. Therefore, the proposal would add to an existing out of centre offer in this location.

4 SITE DESCRIPTION

4.1 The application site extends to roughly 30 hectares and is bound by the River Nene on its northern boundary and the A45 to the south. Beyond the A45, immediately to the south, is an area of mixed commercial, industrial and retail development, including a large supermarket operated by Waitrose. The town centre of Rushden is just over a kilometre to the south, Higham Ferrers a kilometre to the east and Irthlingborough a kilometre to the north. In a wider context, Wellingborough Town Centre is approximately 4km to the west and the eastern extent of Northampton Borough Council's administrative area is 12km (8miles) to the west, with direct access along the A45. The Town Centre is 20km (12 miles) from the application site.

- 4.2 The site itself is made up of two main elements, the Skew Bridge Ski Lake and Delta Lake (which would be retained and enhanced) and an area of brownfield land to the south of the lakes which was formed by gravel working. Part of this brownfield land was previously used as a leisure facility incorporating a dry ski-slope, 'country club' with squash courts and boat houses in association with the water-skiing facility on the lake.
- 4.3 In its present state, the area is somewhat overgrown, with reported evidence of unauthorised off-road motorbike activity, specifically quad bikes and trial bikes.

5 OTHER CONSULTATION RESPONSES

- 5.1 The West Northamptonshire Development Corporation (WNDC) have responded to the application and objected to the scheme. The following is a summary of the key points of their objection:
 - Point to the conclusions of the report prepared by GVA Grimley on behalf of the North Northamptonshire Joint Planning Unit which stresses the likely impact upon Northampton and other town centres within the sub-region
 - Notes that the development would have a detrimental impact upon planned investment in Northampton town centre
 - Comment that the development is unsustainable and contrary to policies 27 and 197 of the NPPF (retail impact/ sequential test and presumption in favour of sustainable development)
 - Notes that the development does not comply with the development plan
 - Urges the Council to refuse the application without delay.
- 5.2 Objections to the scheme have also been submitted on behalf of Corby Borough Council, Kettering Borough Council and Bedford Borough Council, in addition to objections from other retailers/ landowners with interests in existing retail developments. Wellingborough Council raised no objection to the scheme.

6 PLANNING POLICY

6.1 **Development Plan**

The Development Plan for the area comprises the East Midlands Regional Plan (RSS8), the North Northamptonshire Core Spatial Strategy (2008) and the saved policies of the East Northamptonshire Local Plan (1996). None of the saved policies of the Local Plan are directly relevant to this application. With reference to NBC's consultation response, the key issue relates to retail impact and, thus, the Policy context referred to below concentrates on relevant policies in relation to this topic.

6.3 **National Planning Policy Framework (NPPF).** The NPPF replaced the previous suite of Planning Policy Statements/ Guidance Notes on 27th March 2012. Insofar as the application impacts upon Northampton, the key elements of the NPPF are those relating to retail and the vitality of town centres at paragraphs 23-27.

6.4 East Midlands Regional Plan

Policy 22 - Regional Priorities for Town Centres & Retail Development Policy MKSM SRS Northamptonshire 2 – Northampton Implementation Area

Policy MKSM SRS Northamptonshire 3 - Northampton Central Area

6.5 Northampton Central Area Action Plan (Submission Draft)

The CAAP sets the Local Policy context for the regeneration of Northampton Town Centre and was submitted to the Secretary of State in May 2012. An examination into the soundness of the Plan will commence in September 2012. Policy 14 *Meeting Retail Capacity* relates to the Plan's strategy of providing up to 61,000m² gross comparison floorspace up to 2026. The Policy envisages that up to 37,000m² gross comparison floorspace will be accommodated within the Grosvenor Centre between the period 2016-2021.

6.6 West Northamptonshire Joint Core Strategy (Pre-submission draft)
In line with the Regional Plan, the pre-submission version of the WNJCS identifies Northampton as the Principal Urban Area of the sub-region and sets the context for regeneration and redevelopment of Northampton Town Centre. Policy S2 seeks to focus 'town centre' developments within the town centre and Policy S9 identifies that the town centre will be the focus for new retail development. The WNJCS, in addition to the North Northamptonshire sets the framework for the hierarchy of centres across the sub-region.

7. APPRAISAL

- 7.1 The key elements of the scheme have not changed since the matter was considered previously by the Planning Committee. NBC has been reconsulted following the submission of further information by the applicants in response to the objections received from various third parties. Specifically, the additional information included:
 - A supplementary planning statement
 - A response to GVA's 'Independent Assessment of the Retail Strategy in North Northamptonshire and the impact of the Rushden Lakes Proposals' (prepared on behalf of the North Northamptonshire Joint Planning Unit [NNJPU]).
 - An opinion from Counsel setting out the legal framework for decision making, essentially explaining how ENDC could

- approve the application in such a way as to avoid a legal challenge.
- A clarification statement regarding retail floorspace.
- 7.2 In simple terms, the additional information has been submitted to set out the applicant's view on the merits of their proposals. Essentially, they argue that the scheme will principally serve a local need within Rushden and that retail impacts on existing centres further afield have been exaggerated by third parties. A key element of their case is that the scheme is unlikely to compete directly with other centres within the surrounding area.
- 7.3 In terms of Northampton, the retail response submitted states that, 'Rushden Lakes is of a relatively minor scale compared with the 163,815sqm net of comparison goods retail floorspace available in Northampton town centre and in Northampton's retail parks. Accordingly, we do not consider that there will be significant trade draw from Northampton'.
- 7.4 In view of their assumptions regarding the comparative scale of the Rushden Lakes proposals, the applicants have applied a limited degree of trade diversion away from Northampton within their assessment of retail impact and cumulative impact. In line with objections received from other objectors, notably the independent assessments submitted on behalf of the NNJPU and Legal and General, NBC Officers are of the opinion that the assumptions used by the applicants in this regard are unreliable. The scale of the development and its location is such that it would clearly draw a substantial amount of its turnover from a catchment much wider than that put forward by the applicants. The argument that the proposal is intended to serve a local need within the Rushden catchment is not accepted.
- 7.5 In terms of scale, the gross retail floorspace of the scheme is 43,289m². However, it must be noted that the proposal also includes a plan to link the scheme to the existing Waitrose/ John Lewis food and home store on the opposite side of the A45. The gross floorspace on offer in this out of centre location would be close to 50,000m², in addition to the leisure facilities put forward. The application notes that the gross retail floorspace within Northampton town centre is 119,750m². On a very simple calculation, the gross comparison goods floorspace of the proposal is approximately a third of the size of Northampton town centre and the overall comparison offer including the Waitrose/ John Lewis element is greater still. As explained in the previous report to Committee, the comparison goods floorspace put forward is larger than that existing in either Kettering, Corby or Wellingborough town centres. Whatever the

- argument advanced by the applicant, the development is therefore of a scale that would compete directly with Northampton town centre.
- 7.6 The GVA assessment put forward on behalf of the NNJPU suggests that the scheme is of regional significance and is likely to draw trade from a 30 minute drivetime. The applicants dispute this but the assumption is considered to be realistic given the scale of the proposals and their location on the road network. Accordingly, it is also considered that the assessment of retail impact (including cumulative impact) put forward by the applicant is unreliable because it is based on a false assumption of the nature and scale of the development. They conclude that the cumulative impact on Northampton Town Centre is estimated to be 5% at 2016, suggesting that this is not expected to be significantly adverse. A 5% impact in itself is considered be significantly adverse and would equate to a substantial loss of turnover for the Town Centre. However, given the unreliability of the assumptions used by the applicants, it is considered that the previous assessment put forward by GVA on behalf of the NNJPU is more reliable. They estimate that the likely cumulative trade diversion from Northampton Town Centre would be between 9 and 15% of turnover at 2016. In addition to this direct impact, they argue that the scheme would lead to a reduction in investor confidence and retailer demand in existing centres.
- 7.7 Whilst retail impact predictions are inherently imprecise and reliant on the assumptions used by the consultant, it is considered that the GVA assessment is more realistic in this case. Based on the evidence put forward, NBC officers are of the view that the scheme would have a significant adverse impact upon Northampton Town Centre. Where proposals would have a *significant* impact upon in-centre vitality, the NPPF unequivocally states that they should be refused.
- Contrary to town centre first policy within the NPPF, the applicants 7.8 contend that aim of the North Northamptonshire Core Strategy is to retain spending within the local catchment concluding that, 'the benefits of clawback of Rushden spending from Northampton arising from the Lakes proposal should not be considered negatively, and as the applicant's analysis shows, will not be harmful to Northampton town centre'. As discussed above, it is considered that the proposal would be harmful to Northampton Town Centre. In addition, the North Northamptonshire Core Strategy was developed in the context of a regional planning framework that identifies Northampton Town Centre as the principal urban area. RSS8 specifically identifies Northampton Town Centre as the principal focus for retail growth within the sub-region. Consequently, the development of an out of centre retail scheme of the scale proposed, in this location, would be completely at odds with the intentions of the Development Plan for the area. Therefore, the approach put forward by

the applicant is fundamentally flawed. Rushden is identified as a 'Smaller Service Centre' within the North Northamptonshire Core Spatial Strategy and, as such, it is not envisaged or expected that it would retain a high proportion of retail spend from within its catchment. The policy framework acknowledges that people within this rural area will travel to higher order centres for the full range of shops and services.

- 7.9 Despite the change in national policy resulting from the NPPF, the emphasis on a 'town centre first' approach remains intact. The applicant has made limited reference to the Policies contained within RSS8 and has therefore excluded a key element of the Development Plan for the region. The out of centre development would fail to comply with RSS8 (Policies Keynes and South Midlands Sub-Regional Northamptonshire 1, 2, 3 and 4). These policies set the development strategy for the region including West Northamptonshire and North Northamptonshire. It is considered that the development of an out of centre scheme of a regional scale would be contrary to the aims of the established development plan for the region. Although the Government has made clear its intentions to revoke Regional Spatial Strategies, RSS8 is still applicable. Should RSS8 be revoked, the NPPF places a duty on Local Planning Authorities to cooperate on planning issues that cross administrative boundaries (paragraphs 178 to 181). The development of a new sub-regional retail facility clearly has significant cross boundary implications would need to be considered in the context of the NPPF.
- 7.10 As set out above, the NPPF retains a 'town centre first' policy and requires applicants of out of centre proposals to consider alternative sites within centres or on the edge of existing centres. Within their updated 'retail response' the applicants have discounted Northampton town centre as a sequentially preferable site on the basis that it is unsuitable in terms of scale (stating that it is too small to accommodate the scale and format of the development proposed); that it would not meet the retail needs of Rushden; that it would not provide the leisure/ ecology benefits put forward by the scheme; and that it would not provide the economic benefits that the proposed development would provide for Rushden/ East Northants.
- 7.11 The submission version of the Northampton Central Area Action Plan identifies that the Grosvenor Centre will accommodate between 32,000 37,000 (gross) A1 comparison goods floorspace. On-going discussions with the owners of the Grosvenor Centre (Legal & General) indicate that the redevelopment would have the ability to accommodate a full range of comparison retail units and floorspace. Setting aside the garden centre, the remaining retail units within the scheme could therefore be accommodated within Northampton Town Centre. The NPPF and the Government Practice Guide on Need, Impact and the Sequential

Approach both identify the need for flexibility when applying the sequential approach. There is considered to be no practical reason why the garden centre needs to be associated with the remaining retail units. As discussed above, the development plan framework identifies that the retail needs of Rushden will be served through additions to higher order centres, including Northampton. Therefore, the rationale put forward by the developer that no other sites could meet the need for retail growth within Rushden is not considered to be a valid point. Northampton Town Centre should be considered as a sequentially preferable site and subsequently, the scheme should therefore be refused under the terms of Policy 27 of the NPPF.

8. CONCLUSION

- To conclude, the Borough Council has made previous representations 8.1 about the scheme submitting a very strong objection to ENDC. The applicants have since submitted further information seeking demonstrate that the proposal will primarily serve a local catchment area, that the impact upon other town centres will be minimal and that the scheme is compliant with local and national planning policy. assessed the additional information, officers are of the view that the substantive points raised in the previous objections should remain. The proposal represents an out of centre development of a sub-regional scale that would compete directly with Northampton Town Centre. Due to the scale and location, it is expected that the scheme would have a significant adverse impact on Northampton Town Centre. Furthermore, the sequential test undertaken by the applicants has failed to pay proper regard to the development opportunity available within Northampton Town Centre, as set out within the Northampton Central Area Action Plan. A development of this scale, within a 15 minute drive time of the Borough boundary would clearly impact upon investor confidence and make substantial town centre regeneration more difficult to achieve.
- 8.2 The proposal is therefore contrary to the established planning policy framework at national, regional and local level and should be determined in accordance with that framework.
- 8.3 Consequently, it is recommended that Members raise the strongest possible objection to the proposals, based upon the recommendation set out above.

9. LEGAL IMPLICATIONS

9.1 There are no specific legal implications of this consultation response.

10. SUMMARY AND LINKS TO CORPORATE PLAN

10.1 In reaching the attached recommendations regard has been given to securing the objectives, visions and priorities outlined in the Corporate Plan together with those of associated Frameworks and Strategies.

Position:	Name/Signature:	Date:
Author:	C Preston	11/07/2012
Planning Manager Agreed:	Gareth Jones	12/07/2012

