

Hearing Statement South Gloucestershire Core Strategy EiP

On Behalf of IREERE Kingdom 1 Limited and IREERE Kingdom 2 Limited

May 2012

Introduction

1. This statement has been prepared on behalf of IREERE Kingdom 1 Limited and IREERE Kingdom 2 Limited ('IREERE'), as the owners of The Galleries Shopping Centre located in Bristol City Centre, by GL Hearn.
2. This statement follows representations made by IREERE to the emerging Core Strategy, most notably those in February 2012 on the Post-Submission changes published in December 2011 in relation to draft Policy CS14. The nature of those representations are summarised as follows:
 - The change in emphasis in the Core Strategy has not been justified and is not supported by the evidence base.
 - On the basis that no account is taken of impact on established centres, there is no consideration of other options for growth and no account is taken of sub-regional needs, Policy CS14 is unsound.
3. In the intervening time, the National Planning Policy Framework ('the NPPF') has been adopted and the majority of previous Planning Policy Statements, including PPS4 on retailing and PPS12 on local spatial planning, have been superseded.
4. The matters identified by the Inspector under Matter 13 – Town Centres and Retail – Policy CS14 are used to structure these representations.

Is the hierarchy and role of the various centres appropriately defined in Policy CS14?

5. IREERE do not seek to make any comment on the draft designation of various Town Centres, District Centres and Local Centres and Parades. Concerns over soundness are restricted to the allocation of Cribbs Causeway as an 'emergent centre'.
6. The 'Role and Function' for the Cribbs Causeway emergent centre is described in the Post Submission changes as consolidation and diversification *'in accordance with the objectives and masterplan/SPD as set out in Policy CS26 and its sub-regional role recognised'*. (ref) Save this, the position of this 'emergent centre' in relation to the identified hierarchy of centres is not specified in the Post Submission Changes.
7. Notwithstanding the objection to the principle of defining Cribbs Causeway as a centre, it is plain that Policy CS14 does not provide adequate explanation on the position of Cribbs Causeway relative to the other allocated centres, nor does it provide appropriate definition in terms of function.

Should The Mall/Cribbs Causeway be designated as a Sub-Regional Centre and what implications does this have for other retail locations both locally and regionally?

8. As confirmed in the Stevenage decision (Stevenage vs SoS and North Herts DC CO/7394/2011), the requirement of any development plan document of general conformity with the relevant regional strategy remains 'for so long as the regional strategies continue to exist'. The relevant regional strategy was in place at the time of submission of the draft Core Strategy, thus obligation under S20(2)(b) for general conformity is still relevant.
9. The relevant regional strategy in this case is RPG10 (LR4), in which no provision is made for the designation of Cribbs Causeway as a sub-regional centre. It is clearly set out that any expansion at Cribbs Causeway would require further consideration in subsequent regional planning documents.
10. Whilst the draft Regional Spatial Strategy for the South West 2006 – 2026 (LR8) was not adopted, it is a material consideration in this examination. This clearly sets out that Cribbs Causeway is out-of-centre location and that there is no requirement for the further out-of-centre retail development (para. 8.4.6) and that extension is not supported (Policy TC2). Bristol on the other hand is identified as a 'strategically significant city' and as such, a primary focus for development, including retail, in the south west (Development Policy A and Policy TC1).
11. Furthermore, at a local level within South Gloucestershire, given the increasing dominance of larger centres, the designation of a sub-regional centre at Cribbs Causeway will only serve to divert investment from other centres in the District. The PPS4 Practice Guidance, which remains a material consideration following the adoption of the NPPF, sets out that '*it may be more appropriate in some cases to seek to redirect growth to smaller centres (where they have the capacity/demand) to achieve a more sustainable network of centres to serve local needs*' (para. 3.7).
12. The PPS4 Practice Guidance goes on to state that even where existing out-of-centre developments account for a significant share of expenditure, planning for growth in these locations is not necessarily appropriate and that in these circumstances, '*it may be appropriate to proactively plan to reinforce the offer of other centres in order to 'recapture' market share*' (para. 3.7). In designating Cribbs Causeway as a sub-regional centre, given its commercial attractiveness, there is little or no incentive for comparison retailers to invest in the smaller centres, thus polarising the offer in the other centres and promoting less sustainable shopping patterns, contrary to the NPPF core planning principles as set out at paragraph 17.
13. It is noted that Policy CS14 is linked to Policy CS26 which seeks to establish a new neighbourhood at Cribbs/Patchway comprising approximately 5,700 dwellings. The PPS4 Practice Guidance sets out that where significant development opportunities exist it may be appropriate to plan for a new centre (para. 3.6). However, this is not sufficient to justify the allocation of The Mall/Cribbs Causeway as a sub-regional centre which would serve to meet high-order comparison shopping needs and not the everyday retail needs appropriate to a settlement of this size. It is wholly reasonable and sustainable to expect that Bristol City Centre should continue to satisfy these higher-order comparison shopping needs.
14. Given the implications arising at both a regional and local level, the allocation of The Mall/Cribbs Causeway is therefore considered unsound.
15. This issue of sub-regional impact is explored further in the following section.

Is the expansion of the The Mall/Cribbs Causeway consistent with the principles set out in the Planning Framework?

16. CS14 allocates an additional 35,000 sqm net comparison floorspace to The Mall over the period to 2026. The NPPF provides at paragraph 158 that local planning authorities 'should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence'. This is not the case in Policy CS14.

17. The Retail Study Update and Impact Assessment (EB63), prepared by Roger Tym and Partners (RTP), identifies capacity across the District for 34,094 sqm net comparison floorspace over the period to 2026. However, CS14 allocates 51,000 sqm net over this period. This additional 17,000 sqm net is entirely without evidential foundation.
18. The assumptions that have been adopted to inform these capacity calculations are queried in several key regards. Concerns over the reliability of the household survey are discussed in the following paragraphs. In addition, it is considered that the growth rates employed are excessive and serve to inflate capacity. RTP have employed a variable rate of growth of 3.59% (2011-16), 3.62% (2016-21) and 3% (2021-26) (Appendix 3 Spreadsheet 6). Adopting Experian's recommended expenditure growth rate of 2.9% per annum for comparison goods (Retail Planning Briefing Note 9 – Figure 2 2012-28) results in a significant reduction in capacity over the period to 2026.
19. The following table is based on the following assumptions:
- Population and projections, 2009 and 2011 comparison spend, SFT deductions, retention rates, turnover of existing retail and commitments and the assumed turnover per sqm are those adopted by RTP.
 - Comparison expenditure growth is the only variable in the two scenarios.

		RTP growth rate	Experian growth rate
1	Total spend generated (excluding SFT)	£1,806m	£1,689m
2	Retained spend (@ 67%)	£1,203m	£1,125m
3	Existing turnover	£867m	£867m
	Commitment turnover	£115m	£115m
4	Capacity	£221m	£143m
5	Net sales capacity (@ £6,483/sqm)	34,094 sqm	22,095 sqm

20. It should be underlined that although RTP's assumptions have been adopted for the purpose of this exercise, we do not necessarily agree with them. However, for these purposes, it is clear that utilisation of more appropriate growth rate significantly reduces the identified capacity to the extent that the quantum of comparison floorspace that cannot be justified by the evidence base is in fact in the region of 29,000 sqm net.
21. Given the direction of the NPPF at paragraph 158 that local authorities should 'take full account of relevant market and economic signals', to advance an allocation that relies on an evidence base that clearly has not had regard to these signals is unsound.
22. The NPPF makes clear at paragraph 178 that 'public bodies have a duty to cooperate on planning issues that cross administrative boundaries', particularly on strategic priorities, of which the provision of retail through the drafting of strategic policies is one. The requirement to co-operate with adjoining authorities is therefore clear.
23. It is noted that RTP have to an extent sought to justify the additional floorspace at The Mall/Cribbs Causeway by undertaking an analysis of impact based on four different scenarios. These variously predict an impact of between 4.9% to 13.4% on Bristol City Centre in 2021. The proposed 35,000 sqm net at Cribbs Causeway is considered in RTP's Scenario 3. It is anticipated the 24% of the extension's turnover will be diverted from Bristol City Centre.

24. The evidence base is underpinned by a household survey that relates solely to South Gloucestershire. Given the regional attraction of The Mall/Cribbs Causeway and the guidance on assessing impact based on an appropriate catchment area, this is plainly insufficient to fully assess the impact of the additional floorspace.
25. Whilst we have reviewed the representations submitted on behalf of the owners of The Mall/Cribbs Causeway, we do not provide any detailed comment beyond questioning the reliability of any conclusions derived from a capacity/impact assessment premised on a statistically unreliable exit survey of existing customers. There can be no question that these representations should be afforded any special weight in the consideration of the post-submission changes.
26. Notwithstanding these reservations on the evidence base, it is noted that by allocating 35,000 sqm to The Mall/Cribbs Causeway in Policy CS14 the Council have disregarded the RTP's recommendation that any increase in excess of 20,000 sqm is accompanied by a full retail impact assessment, supported by new household survey. Whilst they do not say it explicitly, it stands to reason that this household survey should be undertaken over a catchment reflective of The Mall/Cribbs Causeway's regional shopping attraction. By disregarding this recommendation and allocating substantial additional floorspace to what the Council intend to classify as an 'emergent centre', Policy CS14 has the effect of permitting largely unconstrained retail growth at Cribbs Causeway with no requirement to assess the impact as would usually be required under paragraph 26 of the NPPF.
27. Given the previous observations on the overstated capacity, it is likely that the impact of the allocation has in fact been understated by analysis and that the proportion of turnover drawn from beyond the District, and therefore Bristol City Centre as the main competing retail destination, will in fact be higher.
28. In circumstances where the Bristol Citywide Retail Study, prepared in support of the adopted Bristol City Core Strategy, is premised on the assumption of the city's 'enhanced market share from the sub-region', this planned impact is perverse. By promoting what will lead to an erosion of Bristol City Centre's market share to justify expansion of Cribbs Causeway far in excess of the identified need it is symptomatic of the lack of co-operation between South Gloucestershire and the adjoining local planning authorities in drafting this policy.
29. It is noted that the NPPF advises that local plans should 'be drawn up over an appropriate time scale, preferably a 15-year time horizon' (para. 157) and it is acknowledged that in allocating floorspace over the period to 2026, Policy CS14 has sought to do this. However, in this regard, it is relevant to note the Practice Guidance which states that 'quantitative need assessments should ideally be updated every five years, to take into account changing economic circumstances'. It goes on to state that 'it is important that these assessments should not be used prescriptively' (para. 4.23). In this instance, it is considered Policy CS14 has done the opposite. It has been made clear above that the 'need' demonstrated in the evidence base is already highly subjective.
30. Given the relatively recent completion of the Cabot Circus development, which, as a major development in the context of the NPPF requires the assessment of impact on a ten-year horizon, the ability of any assessment to adequately judge impact of this scale allocation is doubtful. Accordingly, to make allocations over the entirety of the plan period, rather than over the first five years (Practice Guidance para. 4.20) is therefore considered unsound.

Conclusions

31. With reference to the NPPF (para. 182), the draft Core Strategy is considered unsound for the following reasons:
 - Policy CS14 bears no relation to the evidence base and, in any event, that evidence base is not considered to be founded on robust assumptions. It does not meet 'objectively assessed

development requirements' and cannot be regarded as having been **positively prepared** or **justified**;

- Due regard has not been given to the duty to co-operate with adjoining local authorities as set out in NPPF para. 156 and cannot be regarded as **effective** joint working on cross-boundary strategic priorities;
- The designation of The Mall/Cribbs Causeway is not **consistent with national policy** objectives of delivering sustainable development in that it has no regard to strategic priorities, it lacks a robust and justified evidence base and would result in adverse impacts that would 'significantly and demonstrably outweigh the benefits'.

32. It is therefore IRERE's position that the Inspector should reject the Post-Submission changes to the submitted draft Core Strategy as unsound.

33. GL Hearn reserve the right to make further comment on behalf of our client when we have had the opportunity to review any additional representations made by other parties.