

**WATERLOO PARK, ELETTRA AVENUE, WATERLOOVILLE
APPLICATION REFERENCE APP/21/00399
SEQUENTIAL TEST ADDENDUM**

- 1) We write in respect of planning application APP/21/00399 which was submitted at Waterloo Park, Elettra Avenue, Waterlooville for:

“Full Planning Application for Retail and Drive Through Development”

- 2) The application was accompanied by a Retail Sequential Test (ST). Following the initial consultation on the planning application, the Council’s planning policy team responded in August 2021 alerting the applicant to the fact that the submitted ST had not considered the vacant Waitrose unit in Waterlooville town centre.
- 3) Accordingly, we now wish to submit this Addendum, to be read alongside the ST, which assesses the vacant Waitrose store as part of the ST. In assessing the suitability of the site, we have had regard to the methodology set out in Section 5 of the ST.
- 4) Clearly, the site is currently vacant with Waitrose vacating the premises in 2020. It is also in the town centre and has a retail planning permission that means it could potentially be occupied by the proposed development. However, the suitability of the site needs to be considered in the context of the intended occupier rather than determining whether it would be suitable to accommodate an as unnamed or speculative operator.

Suitability of Site for Intended Occupier

- 5) The Applicant’s Agent wrote to the Council in October 2021 setting out why the Waitrose store was not suitable for the intended occupier. We summarise these points below.
- 6) As you will recall from the application submission the intended occupier of the foodstore is a discount or limited goods retailer. As such, they have a very specific model in relation to the range of goods they stock but also in the store format that they operate from. This is occupier specific and whilst there may be a small degree of flexibility on the size of store they will take, the vacant Waitrose store is far larger than would be required even in the most extreme circumstances. In addition, the configuration of the store does not fit the occupier’s model and is debatable whether it could be changed to suit it. The configuration

would, therefore, undermine the operation of the store and not enable the efficiencies in their operation to be passed on to their customers, thereby undermining their whole business model.

- 7) As well as the configuration, the store does not have its own dedicated free parking for its customers which is another of their key requirements that underpin their trading format.
- 8) For the reasons set out above, we conclude that whilst the site is available, it is not suitable to accommodate the intended occupier and that given the choice, the occupier would never sign a lease to operate from the store.

Other Considerations

Accordance with Development Plan

- 9) Policy CS6 of the Core Strategy (2011) promotes the regeneration of the Borough through the identification of a number of the key development objectives. Sub-section 2(b) of the policy refers to the integration of the Major Development Area (West of Waterlooville) with Waterlooville town centre. The policy requires that all relevant development proposals should bring social, environmental and economic benefits to the Borough.
- 5.1 Policy WA2 Of the Site Allocations Plan (2014) identifies land at BAE Systems Technology Park (the application site) as being suitable for employment, commercial, business and service uses. The site-specific policy identifies a number of site opportunities including the provision of new economic development and the potential to accommodate large leisure uses that cannot be accommodated in the town centre. The proposed uses that are considered suitable on the site include economic development, hotels and leisure. It is noted that the Site Allocations Plan was adopted in 2014 and, therefore, was prepared in accordance with the original Framework published in 2012. The Glossary at Annex 2 of the original Framework defined economic development as:

“Development, including those within the B Use Classes, public and community uses and main town centre uses (but excluding housing development).

- 10) The policy, therefore, is permissive to the retail uses as these are also defined in the Framework as main town centre uses. The principle of development of the main town centre uses are, therefore, considered to be acceptable as they are wholly in accordance with the provisions of the development plan.

- 11) Furthermore, the emerging Local Plan contains Policy C12 which relates to the application site and confirms that the site would be suitable for a mixed-use development comprising 29,820 square metres of employment and about 10,288 square metres of commercial, business and service uses where proposals are led by a comprehensive marketing strategy and masterplan approach.
- 12) The application proposals should, therefore, be considered against the provisions of the adopted Core Strategy and Site Allocations Plan both of which are supportive of town centre uses on the site, whilst the emerging Local Plan also seeks to reinforce the principle of commercial and mixed use development on the site.

Sub-division of Existing Unit

- 13) In the Council's response to the Agent's letter of October 2021, it was queried whether the former Waitrose store could be sub-divided so that a store of a suitable size could be created to accommodate the intended occupier. The landowner's Agent confirmed that they would be willing to entertain this in order to accommodate the proposed occupier.
- 14) Whilst in principle there would be nothing preventing the subdivision of the vacant store as there are no conditions on the planning permission preventing such a change, any internal reconfiguration would need to have regard to the relationship of the new units to the servicing and yard areas. Currently, there is a single yard and rear access that is located to the south east of the existing store. Any supermarket operator would need access to this exclusively to get goods in and into the store. Any other units that would be formed following the subdivision would not have access to rear servicing or delivery space, with everything having to come off vehicles stationed on the Dukes Walk Service Road. It is questionable whether this would be acceptable from a highways perspective or an occupiers and operational perspective.
- 15) Similarly, any sub-divided unit would have no real frontage in the development with the smaller units fronting the pedestrian only walkway between it and the Bonmarche store. Again, this lack of frontage is unlikely to be attractive to an occupier due to lack of footfall and could lead to the unit/s remaining vacant.
- 16) Whilst the landowner's agent has indicated their willingness to sub-divide the store it remains to be seen whether this would actually work from a practical perspective and if in doing so, would it actually compromise the remainder of their asset. Whilst the store is being marketed we are not aware that there

is any interest from other parties in taking part of the sub-divided store otherwise it would be part occupied by now. It appears that this is not the case.

- 17) We also note the correspondence from the landowner's agent attached to an email from the Planning Officer (dated 5th November 2021), which confirms that the premises are available and vacant and they are currently looking for a new tenant to replace Waitrose. We also note that the comment about the premises being 'obviously perfectly suited for occupation by a supermarket operator' which begs the question of why such an operator, with as good a covenant as Waitrose, were unable to successfully trade from the store.

Disaggregation

- 18) In light of the suggestion by the Council that the vacant Waitrose store could be subdivided to accommodate the proposed development we have considered whether the proposed development could or should be disaggregated. However, we are firmly of the view that disaggregation is not required by NPPF or local plan policy and that the proposed scheme is a 'composite' development that should not be subject to arbitrary disaggregation when considering the sequential test.
- 19) The proposed scheme, the subject of this application, is subject to a detailed planning application with a detailed scheme layout which reflects the unit specifications required by operators. Furthermore, the costs of developing the site (new access, site preparatory works, etc.) mean that it is necessary to deliver the scheme as one phase. There is a clear commercial and functional requirement to accommodate the proposed scheme on one site. The scheme, subject to planning permission, is proposed to be operational by late 2022 (reaching trading maturity by 2025 – the basis for the retail impact assessment). There are consequently fixed timescales for delivery.
- 20) As such, we conclude that the application does not require arbitrary disaggregation of the proposal for the purposes of the sequential test.

Existing Permission / Fallback

- 21) Since the application was submitted, the Council have now granted outline planning permission APP/18/01072 for:

"Outline planning application with all matters apart from access reserved for subsequent approval for the erection of Class B1(c) / B2 / B8 development and

**Class B8 Trade Counter use, Class A1 Retail, Class D2 Leisure and Classes A3 and
A5 Drink / Food Establishments”**

- 22) The Application Site currently benefits from planning permission for retail development (A1) and whilst the conditions attached to the permission seek to restrict the use to comparison/bulky goods retailing the fact the permission exists confirms that the site and location is suitable for retail development. In determining that the site is suitable for retail development, the sequential test was passed and consideration of impacts were considered acceptable. Applying these considerations to the current application, we consider that the fact that the site already has planning permission for retail development confirms that there is no need to consider further sequential test impacts and that the focus should be on impacts on the town centre instead. The submitted Retail Impact report confirms that these would be within acceptable tolerances and that the proposed development would not have an adverse impact on the town centre.
- 23) Notwithstanding that the form of retailing now proposed is different to that which was considered appropriate when granting the above permission, the above permission is now a commitment and represents a viable fall back position.

Summary

- 24) This Addendum to the Sequential Test has been prepared in response to comments from the Council’s planning policy team, who highlighted that the former Waitrose store within Waterlooville town centre was currently available and that as such, it should have been assessed as part of the submitted sequential test accompanying the planning application.
- 25) We have previously written to the Council in October 2021 setting out why the existing store was not considered suitable by the intended occupier. Furthermore, it is of note that the Waitrose store was vacant when the intended occupier were making their investment decisions about where to locate within the town and its availability and opportunity to occupy and trade from it immediately were not sufficient to entice the occupier to sign a lease on it, thus indicating that even with a town centre location available this was not sufficient to overcome the significant physical and operational concerns they would have by trading from it. This sends a very strong message to the market as to what their requirements are and in this case, a vacant store with a willing landlord, was not sufficient to attract them to it.

- 26) We have considered the possibility of subdividing the unit although note that whilst technically possible any subdivision would compromise the overall floorspace by virtue of their only being a single service yard that could only serve one occupier. Furthermore, the attractiveness of any of the smaller subdivided units would also likely deter subdivision occurring in our view.
- 27) Notwithstanding the above, we consider that the provisions of the Development Plan are such that the current proposal can be supported in policy terms and that the recent planning history to the site also demonstrates that it is acceptable from a locational perspective. The submitted Retail Impact confirms that the proposed development would not have adverse impact on the town centre.
- 28) In light of the above, we conclude that the former Waitrose store is not suitable to accommodate the proposed development, nor could it be made suitable to accommodate the intended occupier. Whilst we do not deny that the site is available, the fact that the application site has now received outline planning permission for retail use is a material consideration of significant weight, in that it confirms that the site is a suitable location for retail development. Whilst the availability of an alternative retail site in the town centre would indicate that the sequential test has not been passed, the proposal needs to be weighed in the planning balance having regard to the adopted policy but also the limited impact in retail terms that the proposal would have on the town centre, over and above the now approved permission on the site.