



Reliance Retail Park, Newton Heath,
Manchester

Planning & Retail Assessment

Ref: AH/NR/210125/R00001v4
Date: November 2021

Mango Planning & Development Limited
Number Two, Waterton Park, Bridgend. CF31 3PH
Tel: (01656) 644458
Email: contact@mangoplanning.com
www.mangoplanning.com

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1.0 Introduction

1.1 This Planning and Retail Statement (“PRS”) is prepared by Mango Planning and Development Limited in support of a full planning application by Euro Foods Group Limited (“EFG”) in respect of proposed development at the former Poundstretcher retail unit at Reliance Retail Park, Newton Heath.

1.2 The proposed development comprises the following:

“Change of use of existing Class E unit to mixed use (sui generis) storage and distribution warehouse and retail with ancillary offices, together with warehouse loading bay extension and ancillary works.”

1.3 This PRS considers the planning and retail policy considerations arising from the proposal and should be read in conjunction with other supporting reports and documentation.

1.4 Section 2 of this report details the background of the application site. Section 3 describes the application proposal. Section 4 considers the relevant planning policy context, locally and nationally. Section 6 examines the proposal against the requirements of the sequential test and Section 7 provides an assessment of the potential impacts of the proposal. Our summary and conclusions are provided in Section 8.

2.0 The Application Site and its Context

The Site

- 2.1 The application site comprises an existing, vacant retail store and car park providing 63 spaces formerly occupied by Poundstretcher. The site extends to approximately 0.67 hectares (1.65 acres). **(Appendix A)**
- 2.2 The site is bounded by Reliance Street to the east and Oldham Road (A62) to the south. The Manchester to Oldham Metrolink line (former railway) immediately bounds the site to the north.
- 2.3 There are a mix of uses around the site with retail and employment located to the east of Reliance Street (Reliance Trading Park) and south of Oldham Road. There is a residential scheme to the immediate west of the site up to the junction of Dean Lane and Oldham Road.
- 2.4 To the frontage with Oldham Road is a vacant site, currently hoarded off, which was previously occupied by a petrol filling station which was demolished in around 2012. This site, plus part of the Poundstretcher car park are within the district centre boundary of Newton Heath.
- 2.5 The Poundstretcher unit itself sits at the north of the site with service yard to the rear, facing southwards over the car park. Access to the store by vehicle is taken via a junction from Oldham Road onto Reliance Street.
- 2.6 The existing unit provides the following floorspace:

	Sq M	Sq ft
Gross floorspace	2,728	29,902

Storage	147	1,582
Comparison goods sales (net)	2,414	25,984
Convenience goods sales (net)	167	1,797
Total net sales area	2,581	27,781

Retail Context

- 2.7 The district centre boundary for Newton Heath, as defined in the adopted UDP, runs immediately through the site along the former boundary between the retail warehouse and the now demolished petrol filling station fronting on to Oldham Road.
- 2.8 The district centre is relatively well spread out with retail provision focused along Oldham Road and Old Church Street. The retail provision on Oldham Road is relatively larger format (i.e. it includes a large Chinese convenience store) and is intermixed with employment and residential uses; a McDonald's drive-through restaurant at the junction with Eagar Street forms the eastern boundary of the centre.
- 2.9 The provision along Old Church Street comprises free standing Lidl, Iceland and Asda supermarkets in addition to a concentration of traditional terraced shop units predominantly occupied by independent retailers. A health centre and library are prominently located off Old Church Street. To the east of Old Church Street beyond the terraced shops are employment uses and the police station on Droylsden Road.

Planning History

- 2.10 Planning permission (Reference F09340) was granted in February 1979 for the erection of a single storey warehouse for the display, sale and distribution of D.I.Y. goods, timber and home improvement materials, with car parking and service area at side. A planning condition (no. 2) was included on the planning permission to restrict the range of goods as follows:

‘The premises shall be used solely for the sale of sawn timber, plywood, particle boards, hardboard and sheet laminate material, self-assembly flat-packed furniture, wall coverings, decorating material, timber preservative, sheet floor coverings, PVC tiles, building materials and equipment, garden equipment, fertilizer, shrubs, plants, trees, ironmongery, DIY fixings and tools, builders hardware, plumbing equipment and for no other purpose including any other purpose within Class 1 of the Schedule to the Town and Country Planning (Use Classes) Order 1972’.

- 2.11 It was occupied by Focus DIY Stores until 2011 when the company went into administration.

- 2.12 Permission reference 1000783/J0/2021/N1 was granted in February 2012 for the

“Variation of Condition 2 of Planning Approval F09340 and subsequent approvals to extend the range of A1 retail goods to be sold from the premises.”

- 2.13 The conditions attached to this permission stated that:

1) No more than a maximum of 855sqm (gross) floorspace of the premises shall be used for the storage and retail sale of furniture and carpets, and for the sale of sawn timber, plywood, particle boards, hardboard and sheet laminate material, self assembly flat - packed furniture, wall coverings, PVC tiles, building materials and equipment, garden equipment, fertilizer, shrubs, plants, trees, ironmongery, DIY fixings and tools, builders hardware, plumbing equipment, live pets, pet products and use as a grooming parlour and for no other purpose within Class A1 of the Schedule of The Town & Country

Planning (Use Classes) Order 1987 as amended.

Reason - To ensure that the overall scale and nature of retail floorspace in this location does not lead to significant changes in retail activity which could have an unacceptable impact on nearby centres, pursuant to policies C1,C2,C4 and C9 of the Core Strategy.

2) No more than a maximum of 1,672 sqm floorspace (net retail sales area) of the premises shall be used for the sale of clothing, footwear, household textiles, hardware, garden goods, drapery, toiletries, toys, fancy goods, stationary, Christmas decorations luggage, entertainment products, storage products and electrical goods and the ancillary sale of cigarettes, cigars, tobacco, and for the reception and collection of photographic films for developing or processing on or off the premises and for no other purpose within Class A1 of the Schedule of The Town & Country Planning (Use Classes) Order 1987 as amended.

Reason - To ensure that the overall scale and nature of retail floorspace in this location does not lead to significant changes in retail activity which could have an unacceptable impact on nearby centres, pursuant to policies C1,C2,C4 and C9 of the Core Strategy.

3) No more than 167 sqm floorspace of the net retail sales area of the premises shall be used for the sale of confectionary and food stuffs for consumption off the premises.

Reason - In granting this permission, the City Council has had regard to the policies set out in policies C1,C2,C4 and C9 of the Core Strategy and considers that planning permission would have been refused for unrestricted use within Class A1 of the Schedule of The Town & Country Planning (Use Classes) Order 1987 as amended.

- 2.12 Since this consent was granted it has traded as Poundstretcher and The Pet Hut (a concession within the Poundstretcher store and part of its brand).

3.0 The Proposed Development

- 3.1 The proposed development is shown on the plan at **Appendix B** to comprise two key elements.
- 3.2 The first is an extension of 77 sq m to the rear of the unit to provide a new loading bay. This will increase the gross internal floorspace at ground floor from 2,727 sq m to 2,804 sq m.
- 3.3 The second element is the change of use of the building from retail to a mixed-use warehouse and retail “cash and carry” style outlet.
- 3.4 It is proposed that about 55% of the extended building, or 1, 615 sq m, would be turned over to storage and distribution of ambient, chilled and frozen food goods, with associated offices accommodated within a new mezzanine.
- 3.5 A further 1,111 sq m will be utilised as a “cash and carry” style retail outlet trading under the “Masala Bazaar” brand. The remaining floorspace will provide a lobby, toilets and a small café.
- 3.6 The existing and proposed floorspace are shown on the table below.

	Existing (Sq M)	Proposed (Sq M)	Change (Sq M)
Gross area (GEA)	2796	3017	+221
Gross area (GIA)	2727	2923	+196
- Ground floor GIA	2727	2804	+77
- First floor GIA	-	119	+119
Warehousing/offices	-	1,615	+1,615
Sales	2,581	1,111	-1,470
Other (Café, lobby)	-	48	+48

and toilets)			
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- 3.7 The warehousing and “cash and carry” style retail operations are an integrated operation. For example, goods stored in the warehouse will be used to stock the retail area. The offices will be used to administer both aspects of the operation. The cash and carry will also stop some degree serve to showcase the goods that will be sold and distributed in bulk. The elements outlined above are therefore indivisible and share the same planning unit. Per *Burdle* therefore, the proposed use is *sui generis*.

Masala Bazaar

- 3.8 Masala Bazaar is predominantly a retailer of Asian and European foods, particularly meat, poultry and seafood. About 70% of the goods stocked and sold are “own brand” and the number of lines sold is limited to about 4,000. Masala Bazaar does not retail any non-food goods, tobacco, alcohol or offer lottery services.
- 3.9 Up to 25% of the outlet’s trade is on a wholesale basis, serving independent retailers as well as catering customers (including pubs, restaurants and fast food outlets).

4.0 Planning Policy Context

- 4.1 Section 38(6) of the Planning and Compulsory Purchase Act 2004 (“PCPA 2004”) requires that when making a determination on a planning application a local planning authority must make that determination in accordance with the development plan, unless material considerations indicate otherwise.

Local Policy Framework

- 4.2 The development plan consists of The Manchester Core Strategy, (2012) and the saved policies of the Unitary Development Plan for the City of Manchester (1995).
- 4.3 The Core Strategy Development Plan Document 2012-2027 is the key document in Manchester’s Local Development Framework. It sets out the long term strategic planning policies for development in the city.
- 4.4 A number of UDP policies have been saved until replaced by further development plan documents.

Manchester Core Strategy

- 4.5 The relevant policies of the Core Strategy include the following policies.
- 4.6 POLICY SO 2 “ECONOMY” states that a key objective of the Core strategy will be to:
- “Support a significant further improvement of the City’s economic performance and spread the benefits of this growth across the City to reduce economic, environmental and social disparities, and to help create inclusive sustainable communities”.*
- 4.7 Policy SO 4 “CENTRES” states a further objective to:

“Provide a network of distinctive, attractive and high quality centres, strengthening

local identity, providing essential services close to homes and local access to healthy food. Developments providing additional services and retail will be encouraged in the district centres where such development is consistent with the City's retail hierarchy. Particular emphasis will be given to development that helps to create distinctive local character”.

4.8 POLICY C1 “CENTRE HIERARCHY” sets out a retail hierarchy. Newton Heath is allocated as a district centre where it is acknowledged that district centres have an essential role in providing key services to neighbourhoods including shopping, commercial, leisure, public and community functions. It states that: *“Development in these centres should primarily respond to the needs of the catchment and recognise the need to support the vitality and viability of other centres.”*

4.9 POLICY C2 “DISTRICT CENTRES” then specifically addresses these centres and states that development should support thriving district centres, with distinct local character, providing a good range of accessible key services, including retail, health facilities, public services, leisure activities and financial and legal services.

4.10 POLICY C4 “EAST MANCHESTER DISTRICT CENTRES, EASTLANDS, GORTON, NEWTON HEATH AND OPENSHAW” states that in Newton Heath there is capacity for a medium sized supermarket to provide a key anchor store, increasing the attractiveness of the centre. It goes on to say that Newton Heath also offers significant opportunities for new housing and smaller scale employment sites.

4.11 POLICY C9 “OUT OF CENTRE DEVELOPMENT” states that:

“Development of town centre uses in locations which are outside a centre identified in policy C1 or a strategic location identified for such uses will be inappropriate unless it can meet the following criteria:

- *There are no sequentially preferable sites, or allocated sites, within the area the development is intended to serve that are available, suitable and viable*
- *The proposal would not have unacceptable impacts, either individually or*

cumulatively with recently completed and approved schemes and having regard to any allocations for town centre uses, on the vitality and viability of the City Centre and designated district and local centres.

- *An assessment of impacts will be required for retail developments of more than local significance; and*
- *The proposal is appropriate in terms of its scale and function to its location.*

Development that improves the environment of an existing out-of-centre facility or its relationship with surrounding uses will be supported, providing that it also meets the other criteria in this policy.”

- 4.12 Paragraph 10.9.6 goes on to define ‘local significance’ for the purposes of assessing retail impact and states that:

“In Manchester's circumstances, the impacts of out-of-centre development will vary across the City and will need to be considered on a case-by-case basis, although the Council considers that development of less than 650 square metres gross will generally be of local significance only. Proposals of more than local significance should be accompanied by a statement which describes the nature and role of the proposals, evidence of the area the development is likely to serve, an assessment of the likely turnover of the development, an assessment of trade diversions from designed centres and an appraisal of the effects of the proposal on the vitality and viability of affected centres having regard to the factors set out in Policy EC16.1 of PPS4. The level of detail within impact assessments for proposals of less than 2500 square metres gross floorspace should be proportionate to the scale and nature of the development proposed and its likely effects on designated centres. For all proposals of 2,500 square metres gross floorspace and over, a full assessment addressing the impacts in Policy EC16.1 will be required.”

- 4.13 POLICY DM1 “DEVELOPMENT MANAGEMENT” is a general development control policy which states that all development should have regard to appropriate siting, layout, scale, form, massing, impacts on surrounding areas in terms of design, plus effects of amenity and environmental conditions.

Unitary Development Plan for the City of Manchester (1995)

- 4.14 The UDP was adopted in 1995, however had been largely replaced by the policies of the Core Strategy. There are a number of saved policies and those of relevance are outlined below.
- 4.15 Saved Policy S1.2 “Shopping” states that:

“The Council in partnership with the private sector will encourage, where appropriate, the improvement and re-development of existing District Centres in order to ensure that they remain the focus for both shopping and a full range of community facilities. These centres comprise Cheetham Hill, Chorlton, Didsbury, the district centre in Sportcity, Fallowfield, Gorton, Harpurhey, Levenshulme, Longsight, Newton Heath, Northenden, Openshaw, Rusholme, Withington and Wythenshawe....

New development will be particularly welcome where it replaces obsolete shopping floorspace and is in keeping with the character of the existing centre.”

National Planning Policy

- 4.16 The National Planning Policy Framework (‘the Framework’) was published originally in March 2012. It has since this time gone through revision. The latest version of the Framework was published in February 2019 and is a key material consideration in the determination of this proposal.
- 4.17 Indeed, as the Inspector in respect of the call-in appeal at Rushden Lakes (APP/G2815/V/12/2190175) noted at Paragraph 8.13 of his report (and as accepted by the Secretary of State at Paragraph 10 of the decision letter):

“The development plan is now to be seen through the prism of the NPPF.”

- 4.21 Paragraph 10 confirms that so that sustainable development is pursued in a positive way, at the heart of the Framework is a presumption in favour of sustainable

development.

- 4.22 Paragraph 11 states that plans and decisions should apply a presumption in favour of sustainable development.
- 4.23 For decision-taking this means: c) approving development proposals that accord with an up-to-date development plan without delay; or d) where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, granting permission unless: i) the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.
- 4.24 Paragraph 81 states planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity.
- 4.25 The key policies with regard to retail development are set out in Paragraphs 86 – 91 of The Framework.
- 4.26 Paragraph 86 states that local planning authorities should apply a sequential test to planning applications for main town centres uses which are neither in an existing town centre nor in accordance with an up-to-date plan. Annex 2 to the Framework defines a town centre as:

“Area defined on the local authority’s policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.”

4.27 Main town centre uses are defined by the glossary as:

“Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).”

4.28 Paragraph 90 states that applications for retail and leisure development outside town centres, which are not in accordance with an up to date local plan, should be accompanied by an impact threshold if the development is over a proportionate, locally set threshold, otherwise the default threshold is 2,500 sq m. The Planning Practice Guidance notes reconfirms that *“The impact test only applies to proposals exceeding 2,500 sq metres gross of floorspace unless a different locally appropriate threshold is set by the local planning authority”*.

4.29 The footnote to the Practice Guidance explains *“Gross retail floorspace (or gross external area) is the total built floor area measured externally which is occupied exclusively by a retailer or retailers, excluding open areas used for the storage, display or sale of goods.”*

4.30 Paragraph 91 confirms that if an application fails to satisfy the sequential test or is likely to have a “significant adverse impact” on one or more of the above factors as set out in paragraph 90, it should be refused. It makes no reference to any requirement to satisfy other retail related policies of the Development Plan.

Conclusions on planning policy

4.31 Our review of the relevant planning policy demonstrates that, in accord with the policies of the local plan and Paragraph 11 of the Framework, this proposal must be considered positively unless the impacts, taken in the context of the local plan and Framework as a whole, significantly and demonstrably outweigh the benefits.

- 4.32 The proposed use is an unusual one that does not fit squarely within the definitions of planning policy. Plainly, it does not constitute a “town centre use” that would normally be accommodated or even supported within defined centres. In such circumstances the relevance of the retail policy tests is questionable.
- 4.33 Furthermore, the retail element of the proposal falls well short of the scale of offer to which the 2,500 sq m threshold for the application of the impact test would normally apply. However, because of the nature of the proposal, per the definition in the footnote of the PPG, it may be contended that the *gross* floorspace of the unit occupied by EFG exceeds that threshold and the test applies in this case.
- 4.34 In location terms, the defined district centre boundary runs through the application site, along the boundary of the former petrol station on the frontage with Oldham Road. The site therefore constitutes a part in centre/part edge of centre location in policy terms. The demolition of the petrol filling station also means the site is visually and functionally integrated with the centre and is capable of forming part of it.
- 4.35 In the context of the above (and mindful that the validation checklist for the Council includes a retail assessment as a requirement of any proposal containing retail uses) we have adopted a precautionary approach in this instance. In the following sections therefore, with the caveats outlined above, we consider compliance of the proposal with retail planning matters, including the sequential assessment and impact on the health of relevant centres within the defined study area.

5.0 The Sequential Test

- 5.1 Policy C9 “Out of Centre Retail Development” of the Core Strategy states that shopping development outside of a defined centre will only be permitted if there are no sequentially preferable sites, or allocated sites, within the area the development is intended to serve that are available, suitable and viable.
- 5.2 As detailed earlier in this report, the application proposal does not fall squarely within the definition of a main town centre use to which the sequential test applies. The retail component of the proposal is integrally linked to the storage and distribution uses which are also part of this operation. These elements are, therefore indivisible and whilst there is a retail component to the proposal the development results in a single planning unit that is a *sui generis* use.
- 5.3 A second consideration is that the proposed development is plainly not one that that is suited to a town centre location. Distribution and storage uses are typically located well away from centres, close to key highway networks.
- 5.4 A further consideration in this case is that the application site is also already in retail use and constitutes an established location for retail floorspace at the edge of the district centre. It is considered that by siting this mixed use proposal in this location, the proposal both avoids the negative aspects of locating storage and distribution uses in-centre while also locating the retail aspects close enough to the centre so that there is potential for linked and shared trips to take place.
- 5.5 Notwithstanding these comments, to assist officers, an assessment has been undertaken to assist officers in consideration of the application.
- 5.6 The application site is partially within the district centre boundary with its car parking area falling within the defined boundary. The store itself is therefore an ‘edge of centre’ location in terms of the application of the sequential test, with elements of the site being within the centre itself.

- 5.7 The sequential test in this case therefore requires consideration of whether there are any suitable, available and viable locations entirely within the district centre boundary of Newton Heath that could accommodate the proposal.
- 5.8 The principles of the application of the sequential test have been well rehearsed by the Courts and the Government.
- 5.9 The supreme court in *The Supreme Court in its Dundee*¹ judgment provides guidance on what constitutes a 'suitable' alternative site. That judgment outlined that in determining a site's suitability, LPAs must consider whether it can accommodate the developer's proposal, subject to the demonstration of flexibility and realism, and not to some alternative scheme, which might be suggested by the LPA. As Lord Reed held at (29):

"Provided the applicant has (given consideration to the scope for accommodating the development in a different form and to have thoroughly assessed sequentially preferable locations)... the question remains...whether an alternative site is suitable for the proposed development, not whether the proposed development can be altered or reduced so that it can be made to fit an alternative site".

- 5.10 Further clarification of the requirements of the sequential test is provided in the Secretary of State's decision at Rushden Lakes². At Paragraph 8.45 of his report (which was endorsed fully by the Secretary of State) the Inspector noted two tests of suitability arising from the Dundee judgment:

"In summary it establishes [a] that if a site is not suitable for the commercial requirements of the developer in question then it is not a suitable site for the purposes of the sequential approach; and [b] that in terms of the size of the alternative site, provided that the Applicant has demonstrated flexibility with regards to format and scale, the question is whether the alternative site is suitable for the proposed development not whether the proposed development could be altered or reduced so

¹ *Tesco Stores Limited v Dundee City Council* [2012] PTSR 9831

² Decision of the Secretary of State for Communities and Local Government, dated 11 June 2014, in respect of Land adjacent Skew Bridge ski slope, Northampton Road, Rushden. APP/G2815/V/12/2190175

that it can be made to fit the alternative site.”

- 5.11 Paragraph 8.46 of the Inspector’s report adds:

“This makes good the very simple point that what the sequential test seeks is to see whether the application i.e. what is proposed, can be accommodated on a town centre site. There is no suggestion here that the sequential test means to refer to anything other than the application proposal”.

- 5.12 Paragraph 8.47 of the Inspector’s Report confirms that disaggregation is no longer an express part of the legislative framework in England and, as such, there is no requirement on behalf of the applicant to demonstrate that the proposal can be subdivided into separate elements. In a similar vein, PPW does not make any requirement to consider disaggregation of proposals.

- 5.13 Flexibility is required, but this does not mean changing the nature of the proposal for which consent is sought but does need to be considered.

- 5.14 Paragraph 8.49 of the Inspector’s Report considers the degree to which developers must show flexibility in issues such as format and scale, through consideration of matters such as flexible car park arrangements, use of multi level stores and innovative servicing.

- 5.15 Paragraph 8.55 considers the issue of availability and confirms that Paragraph 24 of the National Planning Policy Framework simply asks whether sites are available and does not ask that such sites are likely to come available over a period of years. This wording is reflected in PPW. This indicates that test of availability should be concerned whether a site is available now and not some time in the future.

- 5.16 In the High Court judgment Aldergate Properties v Mansfield District Council & Anors [2016] EWHC 1670 (Admin) Mr Justice Ouseley ruled that *“the identity and personal or corporate attitudes of an individual retailer” is not a relevant consideration and that “the area and sites covered by the sequential test search should not vary from applicant*

to applicant depending on the identity [of the applicant]” (paragraph 35).

- 5.17 Mr Justice Ouseley does not anywhere in the judgment letter suggest, expressly or otherwise, that the operational and commercial requirements of retail operators cannot be valid considerations in the application of the sequential test. He rules that the identity of the operator is generally irrelevant and should not be used as a means of circumventing the test as it is set out in the Framework (Paragraph 86) and allowing an applicant to dismiss a site that could be regarded as suitable for an alternative operator with similar operational and/or commercial requirements. Operational requirements for the type of retail floorspace proposed remain entirely valid considerations when setting site parameters for sequential assessment and the suitability of sites to accommodate a proposed development.
- 5.18 Therefore, it is entirely valid for operational requirements of an operator to be accounted for, but the corporate identity of the end user is ultimately irrelevant for the purpose of the sequential assessment.
- 5.19 The prevailing case law and the Rushden Lakes call-in decision establishes therefore that the simple requirement of any sequential assessment is that any alternative site must be able to accommodate the application proposal in full, albeit with consideration of reasonable flexibility (reflective of the certainty of the scheme’s composition) and to be available for development now.
- 5.20 There is nothing in the judgment to contradict Regina v Braintree District Council Ex Parte Clacton Common Development Limited (CO1614/98) that the scope of the sequential exercise be limited to locations that may serve the intended catchment rather than all centres within the catchment (which themselves would have different catchments).
- 5.21 As to the characteristics of sites and premises to be examined, while it is incumbent upon the applicant to adopt a flexible approach in determining whether potentially sequentially superior sites may accommodate the proposal, as the Courts held in Dundee, this does not require applicants to consider sites or premises that would plainly not meet their commercial needs.

5.22 With regard to the need for flexibility, as explained in detail above, this proposal relates to a very specific proposal, converting an existing building in an established retail use, to a mixed retail/wholesale use. In practical terms, the proposed development could not reasonably therefore be accommodated anywhere else other than at the application site. This is a characteristic that is unique to this proposal.

5.23 Another key consideration is that the proposal is not proposing new retail floorspace, but the re-purposing of existing floorspace which has been in use for retail sales for a number of years and is trading, currently selling comparison and convenience goods. It is considered unreasonable and unnecessary for the applicant to assess alternative sites in the district centre to accommodate new development given the nature of the application proposals and the application site's location within and on the edge of the district centre boundary.

5.24 Notwithstanding this view, we have undertaken a sequential assessment of alternative locations within the district centre and our findings are set out below.

- There was only one vacant unit at the time of our visit, which was under refurbishment and situated within a terrace of small units along Old Church Street. At approximately 75 sq m at ground floor this would be entirely incapable of accommodating the proposed development.
- There are no specific sites within the district centre boundary allocated for retail development in the Core Strategy. The Core Strategy acknowledge that sites will need to be identified through the emerging Site Allocations DPD.
- There is land adjacent to the existing Y.E.S Chinese Wholesale store fronting Oldham Road which is undeveloped at the moment, however this benefits from permission granted in May 2020 (Reference: 125990/F0/2020) for redevelopment, to include the following:

“Erection of a part 4 (plus ground), part 5 (plus ground) storey building to form 100 residential apartments (Use Class C3a) together with ground floor

commercial floorspace (Use Classes A1, A2, A3, B1 and D1) (211 sqm) and erection of 39 two and three storey dwelling houses (Use Class C3a) along with associated access, landscaping, boundary treatment and car parking.”

- 5.25 The scale of commercial floorspace proposed is clearly not comparable to the application proposal, nor is the site available to accommodate the proposal.
- 5.26 In conclusion therefore the application site constitutes an accessible and suitable partial in/edge of centre location which currently performs and functions as part of the district centre. It is already in retail use, and there are no sites which are capable or available to accommodate the proposal which are any more well linked to the centre. It is therefore demonstrated that the proposal is compliant with the sequential test.

6.0 Retail Impact

- 6.1 As outlined above, national and local planning policy sets a threshold of proposals over 2,500 sq m for the requirement for an assessment of retail impact.
- 6.2 We have explained that by virtue of the unique nature of this proposal forming part of a larger single use at the site, it crosses the gross floorspace threshold despite the sales area being substantially lower than that of a comparably sized modern retail foodstore. A 2,500 sq m supermarket unit, for example would offer a sales area of about 2,000 sq m, about 80% more than is proposed in this case.
- 6.3 Within this context, and mindful of the guidance that the level of detail provided in such an assessment ought reasonably to be proportionate to its scale and effects, in this section of the PRS we provide a proportionate but thorough assessment of the likely impacts arising from the application proposal.

Overview

- 6.4 The most recent information on retail patterns in the locality can be found in the Retail Study: Quantitative Need for Additional Retail Floorspace Update 2010 prepared for the Council by Alyn Nicholls and Associates. This illustrated:
- Significant growth potential for additional retail development due to population growth within Zone 4 - Newton Heath and Moston
 - Only 12.5% of convenience expenditure generated in Zone 4 was retained in their immediate catchment, with this spend focused on top up shopping (28.1%) rather than main food shopping (7.4%)
 - There was a relatively poor level of convenience provision at Newton Heath, with only Iceland, Netto (now Asda) and Lidl appearing as identified destinations.

- There was significant flows of convenience goods spending to large foodstores within the City, notably Asda at North City Shopping Centre and Sportcity, Morrisons stores located at Failsworth and Chadderton (Oldham) and Tesco at Failsworth.
- To maintain market share, Newton Heath and Moston need to experience growth in convenience expenditure of £1.05m and £2.33m by 2015 and 2020 respectively. (2008 prices).

6.5 It also highlighted that population growth leads to a requirement for additional provision, particularly in those areas where housing-led regeneration is to take place.

6.6 Table 8.4 provided a summary analysis of the survey information for convenience goods in Zone 4 and is provided at **Appendix C**.

Assessment

6.7 In light of changes to population and spending estimates and forecasts since the 2010 Study was completed, we have remodelled the 2010 survey to provide a more up to date assessment of spending in this area.

6.8 We have adopted a traditional step by step approach, as set out in the Practice Guidance, with the following stages:

- Define study area
- Define base and design years
- Determine existing and future population levels and per capita expenditure
- Multiply population by expenditure to determine the overall spending pool
- Distribute this expenditure in accord with the survey results
- Identify the turnover of the application proposal
- Estimate the pattern of trade draw to the proposal from existing facilities

- Determine the likely effects of the proposal on existing centres.

Study Area

- 6.9 For the purposes of our assessment we have adopted Zone 4 of the 2010 study which covers the following postcode sectors: M40 0, M40 1, M40 2, M40 3, M40 5, M40 7, M40 8 and M40 9. The extent of this area is shown on the plan at **Appendix D**.

Base and design year

- 6.10 We have adopted a base year of 2021, with a design year of 2024 to reflect when the outlet will be open and trading patterns have settled. We also provide data for 2026, being 5 years after the base year, in accordance with the Practice Guidance. Our tables are provided at **Appendix E**.

Population

- 6.11 We have taken the 2011 census base populations by postcode sector and projected them using Manchester MCCFM forecasts to the base year, design year and 2026. By comparison with ONS forecasts, the local data is acknowledged to be significantly higher. This is because the data take account of local intelligence such as the high level of construction, rising numbers of international students and increasing demand for school places. At the base year, we estimate the population to be 47,573, rising to 49,033 by 2023 and to 51,417 by 2026. These data are broadly consistent with the forecast population figures used in the 2010 Study.

Expenditure

- 6.12 We have commissioned Experian Business Strategies to provide bespoke expenditure estimates and forecasts for convenience goods based on the latest available data. This indicates that the study area has a per capita convenience goods spend in 2019 at 2019 prices of £2,212. Excluding non-store special forms of trading (“SFT”) such as vending

machines, catalogues and internet sales, store-based spending is estimated at £2,183 per capita.

- 6.13 This store-based spending is then projected per Figure 6 of the Experian Business Strategies Briefing Note 18 (October 2018), again allowing for non-store SFT, to provide estimates for the base year and design year. Table 2 shows at 2021 the per capita store based convenience goods spend in the study area is £2,316. The increase to 2021 reflects the reliance on internet grocery sales during the Covid-19 pandemic. Per capita spend is forecast to fall back by 2023 to £2,191 and to fall again by 2026 to £2,181.

Total spending

- 6.14 As a consequence of population growth, the overall pool of convenience goods spending at 2021 is estimated to be £104.36 million, rising to £107.45 million by the design year of 2023 and to £112.12 million by 2026.
- 6.15 These data are not directly comparable to the 2010 study insofar as they adopt a different price base. However, allowing for price indexation, it is observed that the available pool of spending, in real terms is about 9% lower than originally forecast.

Spending patterns

- 6.16 Table 8.4 of the 2010 study summarises the spending patterns for main food and top up shopping by the resident population of Zone 4.
- 6.17 This is summarised below:

	Main trip expenditure	Top up expenditure	All expenditure
Iceland	2.5%	8.0%	3.8%
Netto (now Asda)	2.6%	3.1%	2.7%

Lidl	1.4%	3.7%	2.0%
Other Newton Heath	0.4%	5.6%	1.7%
Other Moston	0.4%	5.9%	1.8%
Other	0.0%	1.8%	0.5%
Elsewhere, Manchester City	37.9%	28.2%	35.5%
Beyond Manchester City	54.8%	43.7%	52.0%
Total	100%	100%	100%

6.18 It is recognised that the survey results above pre-date the conversion of Netto to Asda and the opening of Farmfoods. However, insofar as both these proposals are located within the defined centre and are likely to have boosted the town centre turnover by a small degree, the assessment that follows adopts a robust “worst case” consideration of impacts on town centre convenience turnover.

6.19 In Table 4 at **Appendix E** these patterns are applied to the pool of available spending to provide the total turnover drawn to each of these outlets from Zone 4 at the base year, design year and 2026.

6.20 With reference to the results of the 2010 household survey, allowances are then made for inflow to Zone 4 stores from outside, to determine estimates of total store convenience goods turnover at the relevant years.

6.21 The majority of in-centre stores are located within the traditional core of Newton Heath and have a limited retail offer. These therefore have relatively localised markets with very limited trade from beyond the local area. Lidl is located on Oldham Road and is therefore well placed to intercept traffic between zones, both in terms of pass by trips and more structural trips to and from work. That store is therefore more likely to draw trade from beyond Zone 4.

- 6.22 Table 4 at **Appendix E** shows that Lidl has an estimated turnover based on the survey of £2.98 million at 2021, rising to £3.07 million at 2023 and £3.20 million by 2026. This is likely to be an underestimate based on our visits to the store and the overall improvement in Lidl store turnovers since 2010 as the brand has competed more directly with the larger supermarkets.

The proposed store

- 6.23 Masala Bazaar is predominantly a retailer of Asian and European foods, particularly meat, poultry and seafood. About 70% of the goods sold are “own brand” and the number of lines sold is limited to about 4,000. Masala Bazaar does not retail any non-food goods, tobacco, alcohol or offer lottery services.
- 6.24 Up to 25% of the outlet’s trade is on a wholesale basis, serving independent retailers as well as catering customers (including pubs, restaurants and fast food outlets).
- 6.25 The outlet will have a net trading floorspace (including checkouts but excluding lobbies, toilets and an ancillary café) of 1,111 sq m. (11,959 sq ft). This will comprise a mix of traditional shelving, freezers and bulk pallet displays.
- 6.26 The trading floorspace is forecast to attract a turnover of about £4 million per annum (£3,600 per sq m) of which 75%, or £3.0 million will be derived from retail sales.
- 6.27 The existing building was in retail use by Poundstretcher and while in predominantly non-food use, its consent allows for 167 sq m of food sales, with a putative turnover potential of £ 0.75 million. The net convenience goods turnover uplift arising from this proposal therefore is £2.25 million.

Town centre health

- 6.28 To inform our understanding the character of Newton Heath (as the adjacent defined centre), the existing way in which that centre is used and its likely susceptibility to trade impacts, we have undertaken a health check of the centre following the parameters

set out in the Practice Guidance. This is provided at **Appendix F**. The Health Check underscores the localised character of the store's offer and its convenience for walk in customers from surrounding residential areas.

Trade Impact

- 6.29 The location of the application site on a principal route together with the cash and carry type offer means that trade is expected to be drawn from a relatively wide area across eastern Manchester. Consequently, it is estimated that only about 60-70% of the retail trade (up to £1.58 million) will be drawn from residents of Zone 4. The remainder will be drawn into the store from residents of other zones in Manchester and beyond.
- 6.30 As Table 3 at **Appendix E** shows, Zone 4 is forecast to experience a growth in available spend between 2021 and 2023 of £3.09 million and growth between 2021 and 2026 of £7.76 million. The proposed turnover uplift can therefore be accommodated comfortably within spending growth without any real term impact on existing outlet turnovers.
- 6.31 In terms of the trade drawn from residents of Zone 4, due to the nature of the offer and the site's location this will be entirely "main food" spending. The existing shopping patterns illustrated in the household survey show that the overwhelming majority (92.7%) of Zone 4 resident main food spend is presently directed to larger stores outside of Zone 4 in out of centre locations unprotected by policy. Moreover, it is an established principle that in terms of food retail, "like competes with like" and so the proposed store is more likely to compete with larger foodstores than smaller local stores such as Iceland and neighbourhood shops.
- 6.32 We therefore expect the majority of the new store trade drawn from Zone 4, representing 90% of £1.58m (i.e. £1.42 million), to be drawn by the "claw back" of locally generated expenditure presently drawn to large supermarkets elsewhere, such as Asda, Morrison's and Tesco.

- 6.33 By retaining this spend within Zone 4 at an edge of centre location such as the application site, rather than losing it to stores further afield, the potential is created for linked trips with other facilities within the centre.
- 6.34 Only a very limited trade draw is anticipated from the smaller stores in Newton Heath itself, amounting to £0.16 million. This diversion is most likely to be directed at Lidl, which sits opposite the application site, with a small level of diversion from Farm Foods, Asda and Iceland.
- 6.35 The diversion on Lidl is estimated to be only 0.4% on its 2021 turnover, which is unlikely to have any material effect on its performance. Diversion from Farm Foods, Asda and other stores (Other Newton Heath) is even lower, at 0.25% and gives no cause for concern.
- 6.36 In terms of convenience goods trading terms therefore, the proposal will not have any material effect on any store within the centre or the convenience sector of the centre “as a whole”.
- 6.37 The proposal will also have no effect on comparison goods sales within the centre. Indeed, by replacing the Poundstretcher unit, the potential for any further non-food diversion from the centre by a new operator is removed.

Impact on investment

- 6.38 We have not identified any formal proposals for investment within the defined centre that would be materially affected by this proposal.

7.0 Summary and Conclusions

- 7.1 This proposal is for a *sui generis* facility to be operated by EFG comprising storage, distribution and retail / wholesale of food produce.
- 7.2 We have explained that the unique nature of the proposal means that it does not fit squarely with prevailing planning policy in respect of retail uses and indeed the proposed location, outside but at the edge of the defined centre, represents a sensible location to accommodate this mix of uses.
- 7.3 Notwithstanding this view, we have assessed the proposal against the relevant retail tests. This PRS has demonstrated that the proposed development complies with the relevant development plan retail policy tests, providing a change in format of existing retail floorspace in an established, popular and accessible destination.
- 7.4 It is evident from the sequential assessment that there are no sites or premises that are any more accessible than the application site, suitable or available to accommodate the proposal, even when employing the degree of flexibility required by policy.
- 7.5 The district centre of Newton Heath is healthy and well used with a good range of convenience retail and service uses, plus a modest non-food retail offer. The application site functions as part of the centre and is indeed located partially within the defined boundary.
- 7.6 It has been demonstrated that the impact of the proposed development upon the turnover of the nearby district centre, which this site is partially within, will be imperceptible in terms of trade diversion, with the primary impacts falling on larger out of centre stores.
- 7.7 The proposal will provide investment in the area, delivering up to 90 jobs in an accessible location. It will also facilitate the re-letting of the unit to a long term tenant proposing to improve and update the fabric of the building.

- 7.8 In accordance with the latest national and local policy, this proposal should be welcomed and permission granted accordingly.