April 2013

STATEMENT IN SUPPORT OF THE PLANNING APPLICATION FOR THE CHANGE OF USE TO ALLOW A MIXED A1/A3 COFFEE SHOP USE FOR COSTA COFFEE AT UNIT 2, MARKET STREET, MANCHESTER

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1. Introduction

1.1 This statement sets out the planning justification for the planning application for the change of use of Unit 2 Market Street, Manchester to a mixed A1/A3 coffee shop for occupation by Costa Coffee.

1.2 The statement sets out the background to Costa Coffee, its profile and its operation. It also examines the key issues with regard to locating the use within this shopping frontage. It looks in detail at the Use Class of the operation in the context of Circular 03/2005.

1.3 The statement examines the relevant planning policies and the material considerations in support of the proposed change of use before recommending appropriate conditions.

1.4 The analysis reveals that there are a number of key material considerations in favour of the proposed change of use, including:

- The use is a quasi retail use given the A1 / A3 description and the contribution that off site sales of sandwiches and drinks make in terms of Class A1 sales.
- Costa outlets are proven to generate high levels of footfall, in many cases higher than purely Class A1 uses.
- A large number of appeal decisions have recognised the benefits of locating A1 / A3 coffee shops within prime retail frontages.

1.5 Most significantly, Policy RC20 is supportive of the introduction of Cafe type uses within this area (Area 3) of the city centre, and the use is compatible with Core Strategy Policy 10.1. The proposals are therefore supported by the Development Plan.

1.6 There is a presumption in favour of sustainable forms of development set out within the NPPF. The proposals make use of two vacant units, for employment generating development. In a climate where high street retailers are reducing in number due to administration and poor trading conditions, the prospect of an active and vibrant user such as Costa should be welcomed. The statement also looks at the number of positive appeal decisions which have supported coffee shop uses in key frontages, even where policies are highly protective of Class A1 Uses. The decisions are highly relevant given the unique nature of coffee shop uses in terms of the Use Classes Order.

2. Site Description

2.1 The premises are located at Unit 2 Market Street, and are currently a vacant unit, as illustrated within photograph 1 below.

2.2 The site lies within the City Boundary of Manchester, located within Manchester City Council. It lies within a Primary Shopping Frontage, as designated within the Local Development Framework Core Strategy (adopted July 2012).

2.3 Market Street itself contains a mix of retail outlets and other commercial uses at ground floor which serves those using the designated city centre of Manchester. The vast majority of uses at ground floor in the area surrounding the application site are in Class A1 use.



Photograph 1: CGI Image of Shop Frontage/Use

3. Planning History

3.1 A review of the planning history associated with the application site revealed no previous applications or approvals of relevance to this proposal.

4. The Proposals

4.1 This planning application is for the change of use of the ground and first floor of Unit 2 Market Street, Manchester. The change of use is to allow a mixed A1/A3 coffee shop.

4.2 The intended occupier, 'Costa Coffee', would sell hot and cold drinks for consumption on and off the premises, along with sandwiches, other cold food and confectionary.

4.3 The operation does not include any hot food production for either eat in or takeaway. A small element of sales consists of Panini or toasted sandwiches. This does not require any kitchen facilities or specialist extraction facilities.

4.4 A layout plan is enclosed with the application indicating the proposed layout of the unit. The layout shows the servery area located along the left hand wall stretching away from the shop entrance. In addition 11 tables are to be provided with 41 chairs at ground floor with a further 19 tables and 61 chairs on the first floor. A disabled toilet is to be provided towards the rear of the unit with two further customer toilets provided on the first floor. Furthermore, the 'back of house area', which provides for storage, washing up and staff facilities is located at the rear of the premises on both the ground and first floor.

4.5 The concept of the mixed A1/A3 use is explained in detail in the following sections of this statement.

Costa Coffee Profile

4.6 Costa Coffee was founded in 1971 by Italian brother Sergio and Bruno Costa as a wholesale operation supplying roasted coffee to caterers and specialist Italian coffee shops. The company was acquired by, and is now a subsidiary of, the Whitbread Company. This happened in 1995. Costa Coffee outlets provide a high quality product served by specially trained staff in a welcoming environment.

4.7 Typically, Costa Coffee shops trade as Class A1 retail uses on the basis that the stores primarily serve hot and cold drinks and cold food for takeaway. Where levels of seating and levels of eating sale take up a significant proportion of the use then it has been established that a mixed A1/A3 use takes place.

4.8 Costa Coffee shops do not sell any hot food for either eat in or takeaway purposes. The only warm food which is sold on the premises is panini, but this typically will comprise of only a small percentage of all sales.

4.9 The preparation of the panini does not require a separate kitchen for preparation or any extractor equipment to discharge odour and fumes. It is simply warmed on a griddle behind the main servery.

4.10 A further contribution to the Class A1 element of the use is the sale of merchandise within the premises which assists in providing an A1 presence, therefore contributing to the vitality and viability of shopping frontages.

Opening Hours

4.11 The proposed opening hours of the premises are between 6.30am and 8.00pm.

5. Use Class Issues

5.1 The use class of sandwich shops and coffee shops has been considered in a number of appeal decisions. The principal consideration is the Use Classes Order 1987 (as amended in April 2005). This defines the uses which fall within Class A1 and A3. The order defines Class A1 uses as follows:

> *"Class A1 Shop*
>
> *Use for all or any of the following purposes:*
>
> *a. For the retail sale of goods other than hot foods*
> *b. The sale of sandwiches or other cold food for consumption off the premises*
> *c. For the display of goods for sale"*
>
> (Only relevant parts of the Class A1 use to the coffee shop type use are highlighted)

5.2 Class A3 is defined as:

> "*Use for the sale of food and drink for consumption on the premises*"

5.3 Circular 03/2005 makes reference to sandwich bars and coffee shops in relation to their use class as follows:

> *Sandwich bars*
> *34. As indicated above in paragraph 12, in considering where individual uses fall, it is the primary purpose that should be considered. A sandwich bar does not necessarily cease to be in the shops class merely because, for example, it also sells a limited amount of hot drinks, hot soup or food that is heated up. Similarly, it is possible for a few sandwich bar customers to eat on the premises, including at tables within or outside their establishments (e.g. on the forecourt) without involving a material change of use. Provided that this is only an ancillary part of their business, the classification of the business as a sandwich bar would rightly remain in the A1: Shops use class where the retail sales element is the primary purpose.*
>
> *Coffee Shops*
> *36. Coffee shops will need to be considered on a case by case basis. Whether their primary purpose is as a shop, i.e. premises for the sale of beverages to be taken away, or as a café, where the primary purpose is consumption of beverages on the premises, or indeed whether it is a mix of both uses.*

5.4 As Costa Coffee retail outlets do not sell any hot food (other than panini) and a significant proportion of the sales of sandwiches, confectionary and drinks are typically for takeaway purposes, there is a significant element of the use which would ordinarily fall within Class A1 (i.e. under the A1 definition of Sandwich Shops as set out in the Circular).

5.5 Costa Coffee stores also have an element of seating whereby customers can consume food and drink on the premises. This adds an element of Class A3 use.

5.6 Circular 03/2005 offers the following guidance on determining which use classes any particular use falls within. At paragraph 12, the circular states that each case will also be a matter for individual determination by fact and degree. It says that the cause upheld that the first thing to consider in determining whether a material change of use has occurred is the existing primary use of the land. It states that:

> *12. The Courts have held that the first thing to consider in determining whether a material change of use has occurred (or will occur) is the existing primary use of the land. Each case will always be a matter for individual determination by fact and degree. In particular, local planning authorities will need to take into consideration more than just the amount of floor space occupied by the different uses. For example, in the case of premises which incorporates restaurant use as well as pub or bar use, the local planning authority will need to determine whether the existing primary use of the premises is as a restaurant (A3), or as a drinking establishment (A4), or a mixed use. This will depend on such matters as whether customers come primarily to eat, or drink, or both. It is the main purpose of that use that is to be considered.*

5.7 Consequently, in determining whether the Costa Coffee use falls within either Class A1 or A3, or is in fact a mixed use, will be determined by a proportion of different uses which make up the whole.

5.8 A number of appeal decisions have considered the primary uses of the coffee shop.

5.9 The appeals have established that primary uses of coffee shops are influenced by a number of factors. Principally:

- The proportion of takeaway food/drink sales from the premises compared with eat in/drink in sales.
- The proportion of floorspace taken up by customer seating areas.

5.10 A number of other early appeal decisions in relation to coffee shop uses concluded that even though significant elements of food and drink were sold for consumption on the premises, they would remain in Class A1 use.

5.11 More recent decisions relating to Starbucks Coffee and Coffee Republic in Bath and in relation to Café Nero at Winchester determine that where the proportion of eat in/takeaway sale is more balanced or even where eat in sales could constitute up to 80% of total sales, a mixed A1/A3 use occurs.

5.12 The A1/A3 description of the coffee shop use has since been established in a number of other appeal decisions relating to Café Nero, Starbucks and indeed Costa Coffee (discussed in Section 6).

5.13 It is significant to note that the A1 element of the use has been retained within the description of the major branded outlets and has been supported through a number of appeal decisions. This is a strong material consideration when assessing the impact that Costa Coffee shops (i.e. mixed A1/A3 uses) has on retail vitality and viability.

5.14 The conclusion is reached that a significant element of the use made up by Class A1 makes the premises suitable for location within key shopping frontages.

6. Significant Appeal History - Merits of Coffee Shop Uses

6.1 As discussed in the earlier section, the concept of mixed A1/A3 use for coffee shops has been established through a number of appeal decisions. Relevant appeal decisions are discussed in turn below. Copies of the full decisions are available on request.

Café Nero - High Street, Winchester

6.2 The decision notice relates to an enforcement appeal regarding Café Nero within Winchester High Street. This highlights an Inspectors views on the benefits of coffee shops within primary shopping areas. A summary of the Inspectors conclusions follows:

- At paragraph 9 the Inspector accepts evidence that coffee shop uses attract significant flows of customers throughout the day. The Inspector states that he would have been very surprised if a wholly A1 use occupying the same floor space would attract so many more customers that it would be in a different league to the coffee shop use. He stated that it would be very likely that many A1 uses will attract significantly fewer customers;
- The Inspector accepted survey evidence that revealed that a significant number of customers are attracted to the town centre by the presence of high quality coffee shop;
- At paragraph 15 the Inspector concludes that the coffee shop use in question would have no adverse effect on the vitality or viability of the shopping centre. It is stated that it would maintain pedestrian flows, accepts that it is a use which needs to be located at ground floor level within a primary shopping area and compliments the retail frontage of the primary shopping areas drawing people in to them;
- In the Winchester case, the proposal would have exceeded the percentage threshold of non-A1 uses as set out within the local plan policy, yet the Inspector felt that there were material considerations which allowed him to allow the appeal.

Café Nero 112 High Street, Sevenoaks

6.3 As with the Café Nero premises in Winchester, the Local Plan Policy in Sevenoaks restricted changes of use from Class A1 to non-A1 uses. In fact the Policy within Sevenoaks was more restrictive as no changes of uses from A1 were permitted within the primary frontages.

6.4 Evidence was presented to the Inspector to demonstrate that the use generates a considerable amount of activity within the High Street and that the coffee shop helped attract visitors to the town centre.

6.5 The Inspector accepted that shops and services within the town centre feed off each other and the use, such as the high quality coffee shop which generated a large number of customers would, in her opinion, not undermine the retail function of the primary shopping area.

6.6 The Inspector concluded that:

> *"Although the mixed Class A1/A3 does not fully accord with the relevant development plan policies to which I have been referred, the mixed use of the appeal premises would not have an adverse effect on the retail function of the town centre."* (Para 14)

6.7 The Inspector set out three conditions at page 4 of the appeal decision which are discussed within the concluding chapter of this report.

Starbucks Coffee, 63 South Molton Street, London

6.8 Westminster City Council were concerned about the loss of retail shopping floor space within the South Molton Street Shopping area. In particular they were concerned about the loss of specialist shops.

6.9 The Inspector concluded at paragraph 14 that the proposal for a mixed A1/A3 coffee shop would not harm the vitality and viability of the shopping centre in which the appeal premises were located and consequently allowed the appeal.

66-68 High Street, Staines

6.10 In this case, the adopted Spelthorne Borough Local Plan required that the prime retail frontage must be maintained to a length of at least 80% A1 use. Prior to the application being made, the prime retail frontage was below 75%.

6.11 The inspector accepted evidence put forward through a patronage survey that the proposed use would be likely to attract significant customer flows throughout the day and generate an overall level of customer activities similar to, or greater than, an A1 use of the site. The customer survey presented also indicated that the use would be likely to perform a complementary function to the town centre shopping facility as well as attracting people to the town centre in its own right. At paragraph 8, the Inspector stated that he had no reason to disagree with these findings.

6.12 At paragraph 10 the Inspector held that the proposed mixed use did not fully accord with the relevant development plan policy but, taking into account the particular characteristics of the use proposed, it was concluded that the use would not harm the vitality and viability of the town centre and therefore would not undermine its retail function. The appeal was therefore allowed.

7 Royal George Buildings, Market Place, Rugby

6.13 This was an enforcement case against an existing Café Nero use.

6.14 In this case, the use was considered to be a mixed class A1/A3 use; however, the policies within the local plan required that ground floor uses within the primary retail frontages should be exclusively used for Class A1 purposes.

6.15 The Inspector accepted evidence that strong customer patronage of the unlawful coffee shop use was a material consideration in favour of the proposal, particularly as the customer flow exceeded that of neighbouring shops. In fact, at paragraph 13, the Inspector gave weight to the consideration that if the Café Nero use were to close, there is no guarantee that any replacement use would attract as many customers as the existing Café Nero use.

6.16 The appeal was subsequently allowed, contrary to development plan policies seeking to prevent the introduction of non-A1 uses within the primary frontages.

Café Nero, 2-4 High Street, Harpenden

6.17 In this appeal, the Inspector considered a retrospective permission for the coffee shop use within a primary retail frontage.

6.18 Whilst the policy sought to retain 90% of the retail frontage within Class A1 use, the proposal would have resulted in only 25% of the frontage being retained for such purposes. The appeal was allowed.

6.19 The material considerations that the Inspector took into account are detailed throughout the decision letter.

6.20 At paragraph 18, the Inspector recognises that the coffee shop has a large amount of day time users and replies upon a relatively high turnover of customers rather than the more traditional café/restaurant when the primary purpose is to sit for longer and have a meal. As such, the Inspector recognised that coffee shops can attract a relatively high level of daytime custom, commensurate with any number of A1 uses.

6.21 Similarly, at paragraph 20, the Inspector recognised that the appeal use compared favourably with the amount of activity generated by other nearby uses, including A1 uses.

6.22 At paragraph 24, the Inspector recognised the Council's concerns about preponderance of A3, A4 and A5 uses and the potential to cause an imbalance within the centre and thus harm vitality and viability. However, the Inspector recognised that the coffee shop was a mixed, daytime use, which complements the centre's retail function.

6.23 This is considered highly relevant given the distinction that is made between the A1/A3 use and other A class uses.

6.24 Subject to appropriate conditions, the Inspector was satisfied that the material considerations outweighed the restrictive policy.

Costa Coffee Loughton, 230 High Road, Loughton

6.25 In this case whilst the proposal was compliant with policy, the Inspector made some positive comments about the coffee shop and its suitability for primary frontage locations.

6.26 At paragraph 6 the Inspector accepted that the A1/A3 use type is an appropriate classification, given that the development would not function primarily as a café/restaurant with merely ancillary retail sales. At paragraph 7, the Inspector recognised the substantial differences between the A1/A3 use and existing A3 type establishments, particularly as the more traditional uses did not keep normal shop hours and had dining areas at the front.

Costa Coffee, 80 – 82 High Street, Maldon

6.27 In this appeal, the proposal was in conflict with the relevant Local Plan policy which only permitted changes that resulted in A1 or D1 (a) uses. At paragraph 7 the Inspector confirms that there was a conflict between the provisions of the adopted Local Plan and those of more recent PPS4, and that the latter should be given greater weight. Accordingly, as per the provisions of PPS4, policies should encourage a diverse range of complementary evening and night-time uses that appeal to a wide range of age and social groups, making provision, where appropriate, for leisure, cultural and tourism activities such as cinemas, theatres, restaurants, public houses, bars, nightclubs and cafés.

6.28 Accordingly, at paragraph 8 the Inspector confirms that the proposals would add to consumer choice by increasing the range of town centre activities and would maintain activity within the town centre where retail outlets appear to close early.

6.29 Likewise, at paragraph 9 the Inspector confirms that market considerations cannot be an overriding consideration when recent government advice indicates that there should be greater variety in an overall town centre 'offer' to cater for as wide a cross-section of the community as possible. The appeal was subsequently allowed.

19-23 High Street, Pinner

6.30 In this case, the key issue was the effect of the proposal on the vitality and viability of the district centre.

6.31 Whilst the Inspector accepted that the 25% non A1 threshold had been breached by 7.4%, the Inspector considered the merits of the use in the round and allowed the appeal.

6.32 The Inspector found (in paragraph 12) that in generating high levels of activity throughout the normal shopping day that the coffee shop use is beneficial to the vitality of the primary shopping frontage despite the loss of some retail floor space.

6.33 At paragraph 14, the Inspector recognised a small but significant shift in planning policy in the form of the new PPS4 (replacing PPS6), which gives a generally more flexible approach and states that primary frontages are 'likely' to have a high proportion of retail uses rather than 'should' contain a high proportion of retail uses.

47 High Street, Keynsham

6.34 The Inspector considered that the main issue in this case was the impact of the proposal on the vitality and viability of the town centre.

6.35 In relation to the proposed use, the Inspector found at paragraph 5 that the proposal was for a mixed A1/A3 use as the scheme would comprise substantial elements of both a shop and café, and that take away and merchandise sales would be more than incidental to the A3 use.

6.36 Although the relevant Local Plan Policy did not allow for the loss of any A1 use within the town centre, the Inspector gave weight to PPS4 which states that authorities should set flexible policies for their centres which can respond to changing circumstances. It was confirmed that 70% of units within the primary shopping frontage would remain in A1 use if the appeal was allowed.

6.37 At paragraph 12, the Inspector considered that the use would generate a reasonable footfall equivalent to other A1 uses, and gave consideration to the fact that the unit had remained vacant for a considerable time despite marketing.

6.38 At paragraph 13, the Inspector concluded that despite the conflict with Local Plan policy, that in view of the material considerations, the stance of PPS4 that the proposal would not undermine the retail function of the primary shopping frontage, nor lead to a fragmentation of retail uses and would not have a harmful effect on the centre vitality and viability. The appeal was allowed.

71 London Road, Headington

6.39 In this appeal, the Inspector considered an enforcement notice for the change of use from a retail use to an A1/A3 coffee shop use within a primary retail frontage.

6.40 The relevant Local Plan policy sought to retain 65% of units within the shopping frontage in A1 use, whilst the proposed use took this to 64.6%. The appeal was allowed.

6.41 The Inspector took the view that other material considerations were sufficient to outweigh this marginal policy breach. In particular, A1 sales amounted to nearly 50% of the total sales, there was no local concentration of coffee shops, footfall surveys showed the use attracted more customers than A1 shops and customer surveys showed that the use encouraged combined trips and pedestrian activity.

6.42 As outlined at paragraph 18, the Inspector found that having regard to the above material considerations, that there would not be an adverse impact on the vitality and viability of the retail function of the district centre and as such, the underlying principle of the policy would not be compromised. He considered that cumulatively, the material considerations justified a departure from the exact wording of the policy.

Cafe Nero, Sheep Street, Skipton

6.43 A recent decision has been issued allowing a Cafe Nero retrospectively within a primary shopping frontage in Skipton. This is the first relevant decision issued since the NPPF was published.

6.44 The policy set out within the Craven District Local Plan stated that the Council would resist any proposals for the change of use at ground floor level within the core retail area.

6.45 The Inspector accepted that it was contrary to the Development Plan Policy to allow a change of use, but indicated that there were other material considerations which allowed a decision to the contrary. In allowing the appeal, the Inspector gave weight to the following material considerations:

- That at the heart of the NPPF there is a presumption in favour of sustainable development – Policy R3 was found to not be in accordance with the NPPF due to its restrictive nature and failure to define primary and secondary frontages.
- The coffee shop attracted a large number of users and compared well to other Class A1 uses in terms of patronage.
- The use had not caused any harm to the vitality of Skipton Town Centre or its core retail area.

6.46 The Inspector was therefore satisfied that the use as a coffee shop could be retained within the core area despite Development Plan policies which sought to prevent any changes of use whatsoever. The policy was found to carry diminished weight on the basis that it did not promote sustainable development in line with the NPPF.

Costa Coffee Gloucester Road, Bristol

6.47 This decision was issued post publication of the NPPF. The Inspector allowed a Costa Coffee Use to continue in a primary frontage in a District Centre of Bristol. The previous use was either Class A2 or B1 Use.

6.48 The Inspector concluded that the mixed A1 / A3 scheme introduced a significant element of A1 retail activity, at around 30% of the business which strengthened the retail function of the primary shopping area of the town centre (para 9).

6.49 The planning application attracted a large volume of objections on the basis that the use was a branded operation and that the local area was made up predominantly of independent

traders. At paragraph 18, the Inspector took into account the fact that there were a large number of objections but he concluded that objections against the Costa brand did not outweigh making a land use decision other than in accordance with the development plan.

6.50 The Inspector took into account the evidence presented as part of the Allegra Strategies report which shows that coffee shops attract people to the high street and improve their vitality.

Costa Coffee Whiteladies Road, Bristol

6.51 An Inspector allowed the continued use of a Costa Coffee within a primary retail frontage within a District Centre of Bristol.

6.52 The appeal was considered in conjunction with the appeal at Gloucester Road (above). The Inspector acknowledged that the use contributed to footfall in the area, that the replacement of a newsagents with a coffee shop would not be harmful to the retail function of the parade and that, as there was other vacant retail units in the area, no other retailers had been kept out of the area as a result of the coffee shop opening.

Costa Coffee, 148 Commercial Road, Portsmouth

6.53 The application was refused on the basis on that the change of use would result in the 75% Class A1 threshold within Portsmouth City Centre being breached, with only 72.5% of the frontage being retained in Class A1 use. The Inspector took the view that the merits of the coffee shop use were sufficient to ensure that the retail vitality and viability of the town centre would not be harmed. The Inspector noted at paragraph 9 that whilst retail uses may remain below the 75% figure, it was not believed that the grant of permission would prejudice the wider objectives of the main policy affecting the primary shopping areas.

6.54 In this case, the unit had not been extensively marketed and was occupied at the time of the application being made. Therefore, there was no requirement to submit marketing details to demonstrate the lack of interest for a Class A1 use. The merits of the coffee shop use were enough to allow the Inspector to allow the appeal.

Summary

6.55 The assessment of recent appeal decisions has identified that, whilst the proposed use is a mixed use of A1/A3, there are recognised material considerations in favour of allowing such uses within primary retail frontages. These include:

- Branded coffee shops generate high levels of patronage, commensurate with other A1 uses that are typically located within primary frontages;
- They have become an established user, which typically locate within prime frontages;
- They are attractors in their own right;

- The A1 element of the use is beneficial to retail vitality and viability.
- The encouragement for greater flexibility and diversity of uses within PPS4 and recently the NPPF has been recognised as material in recent decisions.

6.56 Even when adopted planning policies would not allow any further loss of Class A1 uses, Inspectors have been comfortable in allowing mixed A1/A3 coffee shop because of their characteristics and positive impact that they can have on retail frontages.

7. Planning Policy Assessments and Material Consideration

7.1 This section assesses the key planning policy tests and material considerations in favour of the proposals. This draws upon the previously assessed key appeal decisions.

National Planning Policy Statements

7.2 The National Planning Policy Framework (NPPF) replaces PPS4. The guidance to ensure the vitality of town centres is found between paragraphs 23 and 27. The relevant guidance to this proposal to LPA's is as follows:

- They should recognise town centres as the heart of their communities and pursue policies to support their viability and vitality.
- Define a network and hierarchy of centres that is resilient to anticipated future economic changes.
- Define the extent to town centres and primary shopping areas and set policies that make clear which uses will be permitted in such locations.
- Promote competitive town centres and provide customer choice and a diverse retail offer which will reflect the individuality of town centres.
- Where town centres are in decline, Local Planning Authorities should plan positively for their future to encourage economic activity.

7.3 More general policy guidance within the document states that there is a presumption in favour of sustainable development, which should be seen as a golden thread running through both planning making and decision taking. For decision taking, this means approving development proposals that accord with the development plan without delay.

7.4 Furthermore, the core planning principle is that planning should proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. The re-use of two vacant units for a vibrant coffee shop use, with the effect of creating new jobs, is considered to fully accord with this aim.

7.5 The introduction of a vibrant cafe use would only assist in improving the diversity and vitality of the frontage in which the application site is located. The proposed use will also promote the competitive town centre, providing additional customer choice and a diversified retail offer. Further discussions below in relation to the Portas Review and the Allegra Research indicate that the introduction of coffee shops can improve the community role of town and district centre and support viability and vitality.

The Portas Review

7.6 The Portas Review, an Independent Review into the Future of our High Streets was published in December 2011.

7.7 The review was commissioned by the Prime Minister and the Deputy Prime Minister in order to review the state of our high streets and town centres. The report comments that the growth of online retailing, competition from out of town shopping malls and the affects of the recession have all conspired to change today's retail landscape. New expectations have been created in terms of value, service, entertainment and experience against which the average high street has in many cases simply failed to deliver. The foreword to the report suggests that the only hope of our high streets surviving in the future is to recognise what has happened and to deliver something new. Concern is raised over town centre vacancy rates doubling over the last two years. The author comments that those who see high streets purely as commercial retail mix need to think again. It is suggested that the high street needs to be freed up from constraints, to level the playing field, to mobilise landlords and give the consumer a voice in the process.

7.8 A series of recommendations are made within the report. Relevant to this case is the recommendation that the Government address the restrictive aspects of the Use Class system to make it easier to change the uses of key properties on the high street (recommendation 12).

7.9 The 28 recommendations set out within the report aim to address the key factors affecting our high street, i.e. that retailers need fewer shops due to the growth in e-retail and that people expect a wider experience when visiting retail centres other than simply retail shops. This includes leisure and entertainment facilities which in itself would include uses such as the appeal use.

7.10 The author suggests that new high streets will not be just about selling goods. It envisages that the mix would include shops but would also include a diverse range of uses including social, commercial and cultural enterprises and meeting places. It states that high streets should become places where we go to engage with other people in our communities, where shopping is just one of small part of a rich mix of activities.

7.11 This strikes a chord with the research published by Allegra discussed below and the reasons set out as to why people use coffee shops within our high streets as an important social hub as well as providing benefit to surrounding retail uses.

7.12 The Government response was published during March 2012. The Government supports a wide range of the recommendations within the report and endorses the need to revitalise and support town centres for the benefit of local communities.

7.13 Whilst the recommendation (12) to address the Use Classes system to make it easier to change the use of key properties on the high street was not taken up, the Government highlight the Local Authority can ensure that local development plans set out a robust strategy for managing local needs and improving their high streets, a key element of which is diversify and provide uses such as coffee shops which enhance the visitor experience.

Development Plan Policies

7.14 Pertinent Development Plan policies to changes of use within the primary shopping areas of Manchester have recently been considered as part of the appeal decision on 9 -11 St. Annes Square, issued 5 January 2012. The Inspector concluded that whilst Policy W5 of the Regional Spatial Strategy encourages retail development in the City Centre of Manchester, it was concluded that other A Class uses are an accepted and expected part of the shopping scene. The Inspector therefore considered Policy RC3 of the adopted UDP and the individual area designations set out under Policy RC20 as the principle development plan policies to consider.

Policy DC10

7.15 In addition to the above policy DC10.1 of the Core Strategy covers food and drink uses which are relevant in this case. Each of these policies is covered in turn below.

7.16 Policy DC10.1 states the following:

In determining planning applications for developments involving the sale of food or drink for consumption on the premises, or for hot food to be consumed off the premises (whether or not other activities, such as a nightclub, are included), the Council will have regard to:

a. the general location of the proposed development, including any reference to the area in other policies in the Plan;

b. the effect on the amenity of neighbouring residents;

c. the availability of safe and convenient arrangements for car parking and servicing;

d. ease of access for all, including disabled people; and

e. the storage and collection of refuse and litter.

7.17 Policy DC10.2 supports the principle of A3 type developments in City Centre and in shopping centres. Policy DC10.3 states that development would not normally be permitted where it is

outside of areas referred to under DC10.2 or where there is a house or flat on the ground floor next to the proposed business.

7.18 Therefore, Policy DC10.1 is the key policy to consider within the Core Strategy policies.

7.19 Under criteria a) it is evident that the general location of the proposed development is acceptable, given that it lies within an existing City Centre location. The reference to areas in other policies in the plan is discussed further below.

7.20 Under criteria b) the proposal will not have any adverse amenity effect on neighbouring residents given the lack of residential properties nearby and the low impact nature of the use.

7.21 In terms of criterion c), the City Centre location means that the overwhelming majority of customers and staff will arrive on foot, via public transport or by using the existing car parking facilities nearby.

7.22 In terms of criterion d), the new doorway access proposed will allow level access to the premises, affording ease of access for all.

7.23 In terms of storage and the collection of refuse and litter, the arrangements will remain as per the existing A1 unit which has an area land to the rear of the property (on New Market Lane) used for bin storage. The proposed use does not generate any materially different requirements for refuse collection than the previous occupiers; therefore, this area is suitable for continued use.

Policy RC20

7.24 The site lies within Area 3 (Arndale Centre/Market Place) under policy RC20 of the UDP. The text for area 3 makes reference to maintaining a predominantly retail area but also encourages the limited introduction of uses such as public houses and cafes.

7.25 Importantly there are no specific thresholds in terms of retaining Class A1 uses at ground floor. Of the 40 units that currently front on to Market Place, currently 39 are in Class A1 use (98%). The only non A1 use is Barclays Bank (86-88). The proposed Coffee Shop will therefore add an element of diversity into this otherwise Class A1 dominated frontage, in line with the encouragement given for cafe type uses under RC20.

7.26 The merits of the proposed use are explored in the following paragraphs.

High Levels of Patronage

7.27 The high levels of patronage associated with the use are positive characteristics that have been recognised widely as supporting the grants of planning permission for Costa's in primary frontages in the past. Costa Coffee have commissioned surveys in order to provide a comparison on how well patronised coffee shop uses are against other Class A1 retailers.

7.28 A site specific patronage survey was undertaken at the existing Costa premises at Praed Street in August 2011 in order to compare the use of the coffee shop with other purely Class A1 retailers. The table below shows the numbers of people entering the surveyed units throughout a normal shopping day.

	9-10	10-11	11-12	12-1	1-2	2-3	3-4	4-5	Daily Total	Hourly Average
Costa Coffee 137 – 130 Praed Street	48	66	47	46	41	36	44	31	359	45
Bagel Factory 141 Praed Street	19	16	8	13	35	17	19	14	141	18
Barry Bros Locksmith 121 – 123 Praed Street	5	4	11	17	16	14	8	12	87	11
London Souvenirs 16 Craven Road	35	22	31	19	25	13	18	16	179	22

Table 2: Praed Street Customer Surveys

7.29 The other shops surveyed were chosen in order to understand how comparative sized Class A1 units were patronised.

7.30 The results are represented in the following graph :

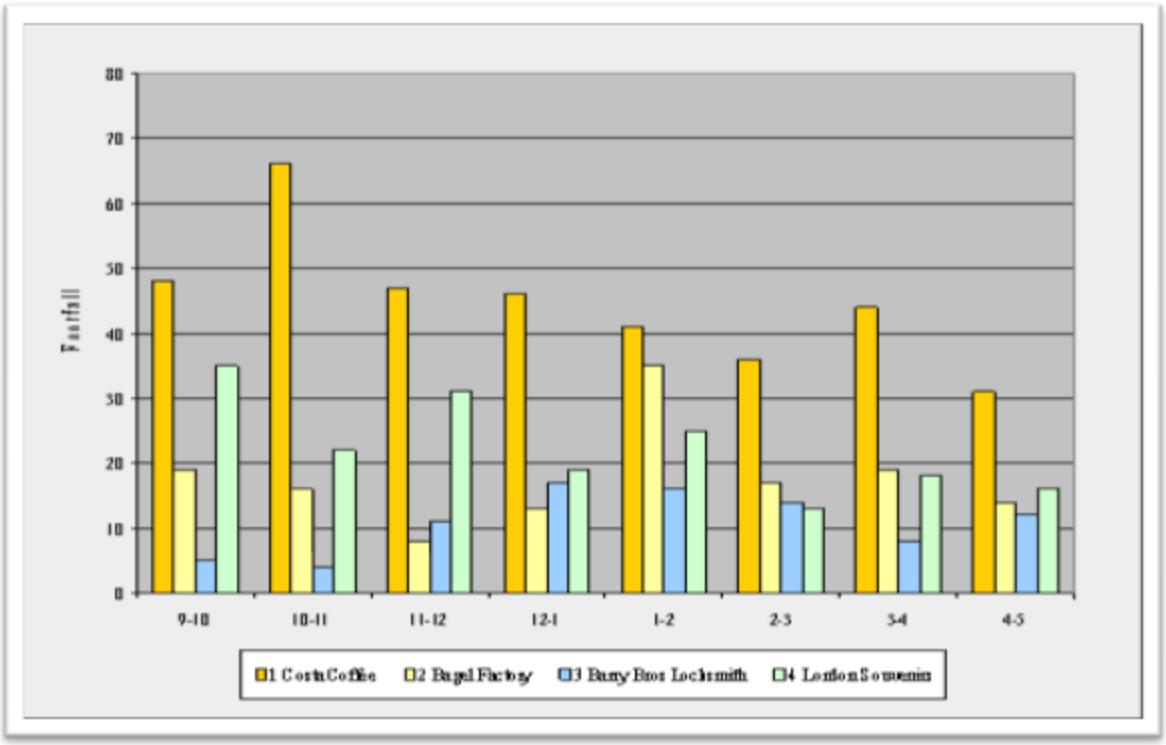

Table 3: Praed Street Results

7.31 Patronage calculations were undertaken in order to determine what proportion of the passing pedestrians were attracted into the units. The number of people entering a particular unit, divided by the numbers of the people passing it by gives the patronage, which in itself is an indicator of the contribution that the use makes to the frontage.

7.32 The patronages compare as follows:

- *Costa Coffee – 9%*
- *Locksmiths – 2.3%*
- *Souvenir Shop – 4.5%*

7.33 The data demonstrates that the number of people who entered the Costa was significantly higher, at all times of the day, than those who entered the other three surveyed A1 uses and, it draws a higher percentage of passers by than comparable A1 units and users. This confirms, as per the national trend outlined within the results below, that the coffee shop is well-used and generates considerable levels activity, resulting in a significant positive impact on the vitality and viability of the frontage.

7.34 The Table below shows the results of a number of patronage surveys by PMRS, an independent market research company in order to demonstrate that the results at Praed St are reflective of other situations.

	FRIDAY			SATURDAY			ESTIMATED WEEKLY		
	Costa	Retailer 1	Retailer 2	Costa	Retailer 1	Retailer 2	Costa	Retailer 1	Retailer 2
Durham 1	424	462	683	639	729	912	2501	2802	3753
Farnham 2	259	207	101	282	289	139	1273	1167	565
Horsham 3	544	118	422	622	180	549	2744	701	2285
Salisbury 4	144	58	62	162	73	87	720	308	351
Welwyn G.C 5	205	47	9	89	52	12	692	233	49
Total	1576	892	1277	1794	1323	1699	7930	5211	7003
Average	315.2	178.4	255.4	358.8	264.6	339.8	1588	1042.2	1400.6

4 Table 3: Patronage Surveys

1. Durham, survey dates 23 & 24 July	Retailer 1 = Stationery Box	Retailer 2 = Allsports
2. Farnham, survey dates 11 & 12 June	Retailer 1 = Currys	Retailer 2 = Specsavers
3. Horsham, survey dates 16 & 17 July	Retailer 1 = Wakefield Jewellers	Retailer 2 = Birthdays
4. Salisbury, survey dates 16 & 17 July	Retailer 1 = Fat Face	Retailer 2 = Whittards
5. Welwyn G.C, survey dates 23 & 24 July	Retailer 1 = Holland & Barrett	Retailer 2 = Going Places

7.32 The table shows the patronage of Costa Coffee compared with other high street branded retail outlets such as All Sports, Currys, Specsavers, Whittards, Fat Face and Going Places, in a number of different town centres.

7.33 The figures demonstrate that Costa Coffee is consistently higher than the other surveyed retailers in terms of patronage on both Friday and Saturday (the only exception being Allsports in Durham). Averaged over the 5 towns, Costa attracts more footfall on both Friday and Saturday than the other retailers.

7.34 These surveys clearly demonstrate that a Costa Coffee shop generates significant levels of customers, comparable with, and indeed in excess of, other Class A1 retailers. Furthermore, the nature of the proposed use is likely to encourage combined / linked trips to the surrounding retail.

7.35 Therefore, Costa coffee shop uses are well-used and generate comparative levels of footfall, patronage with standard Class A1 uses. Clearly, therefore, the proposed use will generate high levels of patronage which will impact positively upon the vitality and viability of the frontage.

Other research into the benefits of Coffee Shops for Town Centres

7.36 Enclosed at Appendix 1 are extracts from a research document published by Allegra Strategies. This research reinforces the views expressed by the numerous Inspectors discussed under Section 6.

7.37 This research highlights a number of benefits in Coffee Shop uses in terms of their positive social impact and sets out a number of case studies whereby customer experiences are positive in primary locations.

7.38 The key findings of the report are set out in the Executive Summary pages 8 to 10.

7.39 Some of the key findings relevant to this application are;

- Coffee Shops are one of the main social hubs on the High Street and are seen as safe places to go where people from all backgrounds can congregate;
- They bring people together and provide a safe and comfortable place to meet;
- 93% of consumers in the Case Study locations agreed that Coffee Shops improved the vitality of their local High Street;
- The presence of Coffee Shops on a High Street encourages 75% of consumers to shop for longer and 68% of the consumers interviewed would choose to visit another High Street if the one they were on did not have a Coffee Shop;
- Spending time at Coffee Shops is a growing part of the fabric of UK consumers lifestyle;
- In terms of future trends, creating a dynamic High Street which offers consumers a vibrant experience is critical to the success of retail on the High Street and to the local economy.

7.40 It is therefore evident that Coffee Shops perform a vital role within modern day shopping frontages and should therefore be considered as entirely appropriate for location within primary areas.

7.41 Of particular interest is the research which shows that Coffee Shops attract consumers to businesses. This is also reproduced as an extract at Appendix 1. The research, documented at page 59, provides evidence that the footfall generated by Costa Coffee Shop is of benefit to other local businesses.

Summary

7.42 Having reviewed the appeal history to Class A1/A3 coffee shop uses, it is clear that Inspectors have considered that there are significant material considerations in favour of allowing coffee shop uses within retail frontages. These have been detailed in previous sections.

7.43 In addition, the following material considerations are highly relevant in this case:

- The Use is materially different to more traditional A3 and now A4 and A5 Uses in that it is busy throughout the normal shopping/working day and not just at peak times such as breakfast/lunchtime. Trade is generated throughout the day as is activity which assists in maintaining and enhancing vitality and viability and proven through the patronage figures detailed above.

- The A1 element of the use adds to retail vitality and viability in a way that other more traditionally, wholly non-A1 uses do not, i.e. the sale of merchandise, takeaway drinks and sandwiches are classed as A1 activities.

7.44 In particular, the proposal is supported by the National Planning Policy Framework. The introduction of the vibrant café use would enable economic growth, will assist in improving the diversity of the frontage in which the application site is located, and improve consumer choice within the town.

7.45 Likewise, it has been established that the proposed use contributes to the vitality and viability of the shopping area, and would likely improve the liveliness, attractiveness and character of this frontage.

7.46 The proposed use has been demonstrated to be compliant with Core Strategy Policy 10.1 and, is the type of use which is envisaged as being appropriate within the sub-area of the city centre (Area 3), as set out under RC20.

8. Conclusions

8.1 The proposal is for the change of use to a mixed A1/A3 coffee shop. It has been established that this is the most appropriate categorisation of the use for a coffee shop such as Costa Coffee given the appeal history detailed within this statement.

8.2 This statement has demonstrated that the proposed coffee shop will contain a significant element of Class A1 use through the sale of coffee and sandwiches for takeaway purposes which are recognised as supporting past changes of use within primary frontages.

8.3 The patronage surveys' discussed within this statement indicate that the premises would be very well used by shoppers and other users of the centre which is a material consideration

8.4 The policy analysis has demonstrated that the use of the unit as a coffee shop (A1/A3 Use) satisfies the key criteria contained within Policies RC20 (UDP) and policies 10.1, 10.2 and 10.3 of the core strategy.

8.5 It has been demonstrated that the introduction of a Costa Coffee shop would be of benefit to retail vitality and viability within the frontage given the significant merits associated with the use. In view of the above material considerations, planning permission is justified.

8.6 Furthermore, here is a presumption in favour of sustainable forms of development set out within the NPPF. The proposals make use of a vacant unit, for employment generating development. In a climate where high street retailers are reducing in number due to administration and poor trading conditions, the prospect of an active and vibrant user such as Costa should be encouraged.

8.7 The following conditions have been considered appropriate by Inspectors in the past and would therefore be acceptable in this case:

1. The premises shall not be used other than as a coffee shop serving coffee, other hot and cold drinks, sandwiches and similar light refreshments for consumption on or off the premises;

2. No primary cooking of unprepared food shall be carried on within the premises. Only reheated or cold food that has been prepared elsewhere shall be served within the premises;

Appendix 1 – Extracts from Allegra Research into Coffee Shops