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The Planning Service
Manchester City Council
PO Box 532,
Manchester, M60 2LA

PLANNING AND BUILDING CONTROL
28 FEB 2013

24th February 2013

Dear Sir/Madam,

The Town and Country Planning Act 1990 (as amended)
Caffe Nero at Part Ground floor, St George's House, 56 Peter Street, Manchester, M2 3NQ
Change of use of the ground floor to a mixed A1/A3 Use

Please find enclosed the planning application for the above. It includes:

1. The application form
2. A site plan
3. A floor plan/details of the premises prepared by Bedrock Designs Consultants Ltd
4. This letter/planning statement addressing the policy, planning, design and access issues
5. The statutory fee.

The proposal is to authorise the change of use of the ground floor of the premises to a mixed A1/A3 use with associated ancillary space.

This application relates solely to the change of use. A separate and companion application for the listed building, shopfront and advert has been submitted by Cobalt Communications.

The nature of the use is both to serve coffees for consumption on the premises and for sales off the site. Hence the mixed A1/A3 use. Caffè Nero has over 500 premises operating across the country, the majority of which are accepted as either A1 or mixed A1/A3 uses. The Changes of Use of Buildings and Land: Circular 03/2005, confirms in paragraph 36 that such premises can be mixed use.

The sale of coffee for consumption both on and off the premises accounts for 60% of the company turnover. Other cold drinks account for 10%, sandwiches 15% and cold food 15%. A small proportion of food is reheated but no primary cooking occurs.

Where it has been necessary to pursue matters related to this company and the mixed use definition through the appeal process, the Planning Inspectorate have

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consistently found the nature of the use to be mixed A1/A3. Moreover, the appeal decisions have also consistently found the uses to be appropriate for shopping areas irrespective of primary or secondary location.

The use operates during retail hours providing an opportunity for customers to relax without the need to resort to other, alcohol related, premises.

In planning terms the use being mixed A1/A3 does not fit easily into many planning policies. There is a mix between take-out (similar to a sandwich bar or bakery) and eat-in business. To retain the appropriate character for retail areas other Councils have imposed conditions regarding the use being mixed: opening hours (as may be agreed), no primary cooking on the premises and no alcohol sales. Notwithstanding the last changes to the Use Classes Order these conditions prevent the use changing to that less appropriate for a shopping area.

Turning to the specifics of St George's House; the predicted customer visits are estimated to be around 3000 per week with a split between the A1 and A3 elements with 33% of the trade being A1 and 67% being A3. Thus around 990 customers are for the A1 use. A number of Inspectors on Caffe Nero Appeals have specifically noted that many pure A1 uses of this floorspace in this type of location would not generate this level of activity. The use thus attracts customers to this location.

The Core Strategy was adopted in 2012 and is a strategic document. It seeks to promote retail use through policy CC2. Insofar as the proposed use contains a significant degree of A1 use and will replace a betting office (A2) there is a growth of retail use. The presence of a Caffe Nero in this shopping street will help to maintain that centre's viability by enabling customers to stay longer, and it promotes shopping as a leisure activity. The use will also serve the office/commercial hinterland. Coffee shops in general assist to reinforce retail vitality of shopping frontages, as well as reducing vacancy rates of retail premises. The location of Caffe Nero will have no harmful effect on either nearby resident or employment amenity. It provides an attractive environment to take a rest and relax which is accessible to all members of the community.
Caffe Nero has consistently been found to add to the vitality of towns, a matter demonstrated in the appeal decisions noted below. Wider studies by Allegra Strategies of the coffee shop industry *(Role of coffee shops on the High Street 2010)* conclude that coffee shops improve the economy of the High Street and typically boost the local economy of the High Streets by 3-5%. It also shows, as does Caffe Nero's bespoke research; that such stores contribute up to 25% of footfall in typical High Streets. Additionally, the use has consistently been found, in all studies and decisions to date, to add to the vitality and viability of that centre. The introduction of Caffe Nero to this site will draw customers to this location, to the benefit of existing nearby retail premises. A mixed A1/A3 use would be appropriate to a core shopping area by providing a continuous flow of customers. Both Inspectors and other Local Planning Authorities are consistently agreed this use adds to the vitality and viability of the centre in question. The significant A1 element draws customers to this part of the street enhancing its viability. Moreover it adds to the attractiveness of the centre by encouraging customers to make longer visits to the shopping centre. Countrywide surveys of Caffè Nero premises show that over 56% of their customers visit more than once a week and 68% of customers plan to visit the premises. It has also been confirmed that more people visit that part of the relevant street after a Caffè Nero has opened, enhancing the opportunities of the neighbouring shops.

Caffè Nero combines shopping with a sit-in cafe and therefore provides an A3 use as an addition to A1 use. The site is well placed for town centre parking and does not adversely affect residential amenities. There is no need for any extract ducting related to cooking as no primary cooking is involved. The use is non-alcohol based, operating largely in normal retail hours; it would thus have no impact outside those times. Residential amenity would therefore remain unharmed. Parking in the area would remain as currently exists.

Coffee shops form a part of the jigsaw that make up people's minds to visit particular centres. Few retailers will on their own form the basis of a decision to visit a town, it is the combinations of retailers that create the strength of a centre. The increasing amount of 'shopping as leisure' requires there to be high quality places for shoppers to take a break. Additionally, the extent of take-out trade varies between units.

Since the Company began trading, only twelve stores (less than 3%) have had planning permission refused and/or enforcement action taken. Ten of these cases have been won on appeal; Chiswick (2002), Morningside (2005), Winchester (2004), Sevenoaks (2006), Sidcup (2007), Harpenden (2007), Dulwich (2008) and most recently planning permission was granted at Rugby (September 2008) and Bishops Stortford (November 2008). More recently (2012) the use has been considered on appeal post NPPF in respect of the Skipton store where the Inspector granted permission and concluded:

There is no evidence before me that the introduction of coffee shops into any Town Centre/primary shopping frontage has caused any harm to the retail function of that area.

Copies of any of the appeal decisions and/or Caffè Nero's proofs and surveys in each of these cases can be made available to you if you wish.

The Government published the National Planning Policy Framework on 27 March 2012. This guidance applies with immediate effect and supersedes all previous national policy statements. In considering retailing, the framework states that policies should be positive, promote competitive town centre environments, and set out policies for the management and growth of centres over the plan period. Policies should allocate sites to promote development and flexible use of land. Where policies limit freedom to change the use of buildings these should be supported by a clear explanation of the need for such restrictions. The framework states that local plans should use a proportionate evidence base. This should be:

" ... *adequate, up to date and relevant evidence about economic, social and environmental characteristics and the prospects of the area. Local planning authorities should ensure that their assessments of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals* ... ".

The Government published its response to the Portas Review on 30 March 2012, entitled 'High Streets at the Heart of our Communities'. The Prime Minister's foreword acknowledged the continued pressures on high streets, and stated that it they are to thrive they must offer something new and different. The Minister for Housing and Local Government stated clearly that: " ... *high streets cannot simply rely on retail* ... " . It was recognised that there were some things that areas could already do, *particularly reducing planning red tape*. In this context,

the Government accepted the majority of the recommendations suggested in the Portas Review. When the report was published and the Government announced its response, Grant Shapps said:

" ... *Mary Portas's review made crystal clear the stark challenge our high streets face. With Internet shopping and 'out of town' centres here to stay, they must offer something new if they are to entice visitors back ...* ".

The facts underpinning the new approach are that:

- Town centre stores have fallen by 15,000 between 2000 and 2009
- Retail floorspace in town centres has fallen by 9% between 2000 and 2009
- Both the proportion and number of comparison goods outlets has declined
- Footfall in town centres has fallen by 10% since 2009.

The NPPF guidance acknowledges that planning policy should be flexible, in order that it can respond to market signals. The Government therefore encourages authorities to recognise the needs of business and changing market conditions. They should be flexible enough to be responsive to a changing economy or new business requirements. The underlying theme is that Local Planning Authorities should adopt a positive and constructive approach. Caffe Nero sustains employment and has been shown to be resistant to the fluctuations of the market in the latest recession, and in all centres has become a long term feature of the retail environment. By locating in the town centre the development is accessible by a choice of transport means including walking, cycling, public transport and the car.

The Centre for Retail Research notes in May 2012 that in the past four years companies going into administration include Clinton Cards, Game, Borders, Barratts, Alexon, T J Hughes, Jane Norman, Habitat, Focus DIY, Floors-2-Go, the Officers Club, Oddbins, Ethel Austin, Faith Shoes, Adams Childrenswear, Thirst Quench, Stylo, Mosaic, Principles, Sofa Workshop, Allied Carpets, Viyella, Dewhursts, Woolworths, MFI, and Zavvi/Virgin Megastore. It is widely accepted that a number of major retailers have serious financial difficulties threatening their longevity. Independent retailers have equal problems. A variety of retail research organisations have commented on the increasing number of empty retail premises in all town centres. It is well documented that vacancies in a High Street can decrease its attractiveness and harm its retail function.

In September 2012 the Local Data Company noted an increasing number of empty shops in Britain and warns that some high streets will never return to their pre-recession days. Retail spending has now reduced to 2002 levels. Across the country town centre vacancy rates climbed from 12% at the end of 2009 to 14.5% in 2012 which is noted to be partly a result of structural changes to the high street.

The Company notes that the structural changes including the growth of on line retailing now results in the country having 20,000 too many shops (September 2012 report). Trading conditions in 2013 remain as difficult as the preceding three years with recognised retailers such HMV, Jessops, Comet and Blockbuster having continued store closures or started such closures.

HERITAGE STATEMENT

Character of area

The application relates solely to the use with any physical alterations being subject of the separate listed building application referred to above.

This is a Grade II listed building (St. George's House) prominently located in the St. Peter's Square Conservation Area which is contiguous with the nearby Deansgate Conservation Area. The 'Bet Fred' shop front lies directly opposite the Midland Hotel and diagonally opposite the Central Reference Library - both Grade II* listed. Several other Grade II* and Grade II listed buildings are in close proximity to St. George's House, and so, clearly there is a potential impact on the settings of a number of listed buildings. The presence of so many nearby heritage buildings underlines the importance of this site.

In terms of background, St. George's House underwent considerable refurbishment following it being vacated by the YMCA, and in order to bring it back into a mixed use of offices and ground floor 'active' uses. It is noted that the building as originally built included retail premises at the Bet Fred corner of the building. As a part of the refurbishment the exterior of the building was largely retained although historic photographs show that the existing Bet Fred shop frontage is unlikely to be original but the different elements are set within the original elevation openings. It is expected that a detailed inspection of planning records and on site would bear out that the shopfront was probably installed at the time of the refurbishment.

Access

The rationale of the design is to provide easy access from the street and easy links to the serving counter and sufficient space to provide a comfortable eating/drinking environment but also ease of exit for those wishing to take coffee and food away.

The proposal complies with Part M of the Building Regulations with level access and appropriate services on the ground floor. A disabled persons WC is provided. The access allows the buildings to have flexibility to meet future changing needs. Furniture such as tables and seating is noted not to be fixed thus allowing rearrangement to meet the needs of all sections of the community. The site is centrally located in the town centre. It is an accessible location where such uses are promoted.

The centre is served by public transport.

Community Safety

The use operates broadly normal shop hours with no evening activity nor any sales of alcohol. As such the use will have less impact on community safety than the former betting office use. By not involving alcohol there are few community safety implications

Sustainability

By locating in a town centre the use is inherently sustainable allowing for use without reliance on the motor car and promoting dual trips.

Servicing

The use involves minimal servicing, far less that most retail uses.

Heritage impact

The application does not seek consent for any physical alterations to the building, just the use. The physical changes to the building were and are subject of separate listed building applications as described above.

The property is Listed. The proposal relates largely to the interior of the ground floor. Changes have occurred which have a permanent affect on the fabric of the building or its architectural or historic interest.

As noted above the use does not involve any primary cooking and thus issues of fumes/smells do not arise and therefore this has no impact on the Conservation Area.

The applicant will accept appropriate regulatory conditions. It is our view that the proposal meets the requirements of the local plan and your detailed design criteria. Accordingly we would ask you therefore to give this application your favourable recommendation. If there are any matters that you would like clarified please do not hesitate to contact me.

Yours Sincerely

[redacted]

Brian Madge