

Committee Report

Application No:	DC/19/00244/OUT
Case Officer	Andrew C Softley
Date Application Valid	14 March 2019
Applicant	Hargreaves Property Ventures Ltd
Site	Land West Of Albany Road Gateshead
Ward:	Bridges
Proposal:	Demolition of existing buildings and outline development within use classes A1 (retail), A3 (food and drink), A4 (drinking establishments) and/or D2 (leisure) with associated access, parking, servicing areas and landscaping with all matters reserved except for Access (amended 14/11/19 and 20/04/20 and additional information received 19/05/20 and 18/08/2020).
Recommendation:	REFUSE
Application Type	Outline Application

1.0 The Application:**1.1 DESCRIPTION OF THE SITE**

The application site is Unit 1, Albany Road, Gateshead, which has been home to 'Dynamix Skatepark' since 2009 and prior to that had been the HFW Plastics warehouse. It is a large detached, mostly single storey building of metal cladding construction that also features a pitched roof. It does also feature an ancillary office element, which is a two-storey brick-built section that is attached to the eastern elevation of the building. The application site forms part of a much larger plot, approximately 3.6 hectares in area that is defined by 2.4m high metal palisade fencing, which is bounded to the north by Quarryfield Road, to the east by Albany Road, the south by the A184 Felling Bypass and to the west by the Sunderland to Newcastle railway line. The site is located within the Urban Core (Town Centre) but is around 500m to the east outside of the Primary Shopping Area (PSA). It is in a location which is allocated in the Core Strategy under policy QB3 (5) for a mix of principal uses, with only ancillary A1 retail, and is expected to develop as a premier office location during and beyond the plan period.

1.2 The site is separated from the PSA by major pedestrian barriers including Gateshead Highway, and is out of centre in retail terms. Local Plan Policies RCL5, CS7, UC2 and GC1 make clear that the preferred approach is to focus retail development within existing centres in the retail hierarchy, including Gateshead's PSA, which is a focus for retail-led mixed-use development.

1.3 DESCRIPTION OF THE APPLICATION

This application for outline planning consent, with all matters reserved except access, proposes demolition of existing buildings and development within use classes A1 (retail), A3 (food and drink), A4 (drinking establishments) and/or D2

(leisure) with associated access, parking, servicing areas and landscaping (amended 14/11/19 and 20/04/20 and additional information received 19/05/20 and 18/08/2020).

- 1.4 As of 1st September 2020, changes to the Use Classes Order brought in by the recent Planning White Paper radically changed the Use Classes Order. Primarily, this is through the creation of a new broad category of 'commercial, business and service' uses. Parts A and D of the original Schedule to the Use Classes Order have been entirely deleted, with Use Classes A1, A2, A3, parts of D1 and D2 subsumed into new Use Class E along with Class B1. Class A4 (drinking establishments) become sui generis uses and D2 (assembly and leisure) is split three ways – depending on the specific nature of the use - to either Class E (commercial, business and service use), sui generis (e.g. cinemas and concert halls) or another new use class F.2 (local community uses e.g. swimming pools, and community halls).
- 1.5 Notwithstanding the above, transitional arrangements brought in as part of the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 mean, that planning applications submitted prior to 1 September 2020, which refer to Uses Classes as they applied on 31 August 2020, must be determined by reference to those Use Classes, i.e. there is no change to the range of uses listed in the application's description.
- 1.6 Indicative information has been submitted with the application which provides an example of the developer's thoughts on how the site may be designed, however, appearance, landscaping, layout and scale are to be considered at reserved matters stage in accordance with the requirements of Part 3 5(3) of the Town and Country Planning (Development Management Procedure) (England) Order 2015.
- 1.7 As previously mentioned, this application is submitted in outline with all matters reserved except access, which is submitted for detailed consideration. The application proposes to re-use two of the three existing vehicular accesses to the site, both located on Quarryfield Road on the northern edge of the site. One access (easterly) would be dedicated to the customer vehicles and the other (westerly) as a service access for the larger retail/leisure units proposed. The third existing access located on Albany Road would be removed and stopped up.
- 1.8 The application includes illustrative plans for the layout of the site in addition to elevations, floor plans, sections and levels which detail a scheme for the construction of a 'bulky goods'/food and drink retail park, a large surface car park and associated landscaping.
- 1.9 The indicative layout plan comprises the following:
 - One Use Class A1 (becoming Class E) foodstore, comprising 1,900 sqm/20,452 sqft gross;

- Two other large format retail units within Use Class A1 (becoming Class E), comprising 3,485 sqm/37,500 sqft gross floorspace in total (plus a garden centre of 697sqm/7,500 sqft gross);
- Two smaller units, comprising 234 sqm/2,500 sqft gross in total, within Use Classes A1 and/or A3 (becoming Class E);
- A micro-brewery/pub/restaurant (Use Classes A3/A4 – until Government guidance is provided, it is unclear if this type of mixed use would remain as sui generis, or fall within Class E) comprising 465 sqm/5,000 sqft gross;
- A drive-through coffee-shop (Use Classes A1 and/or A3 (becoming Class E), comprising 167 sqm/1,800 sqft gross;
- A gym within Use Class D2 (a gym would fall under Class E), comprising 1,068 sqm/11,500 sqft gross; and
- A 305 space car park.

1.10 The illustrative site plan reflects the information provided regarding floor areas listed on the application form and shows a terrace of large floorplate units, comprising a foodstore and two other two large format retail units (one of which has an accompanying garden centre) on the western part of the site, facing eastwards, with a service yard to the rear. The proposed gym is shown towards the southern boundary of the site, adjacent to the micro-brewery/pub/restaurant, with the drive-through coffee-shop located on the eastern boundary, adjacent to Albany Road. The two smaller (Class A1/A3) units are shown to the eastern side of the customer vehicular access.

1.11 Trees and other soft landscaping are shown around the perimeter with the main pedestrian route shown running from north to south through the development. Customer car parking is proposed to the east and west of this route and would comprise 305 spaces in total, of which 22 are shown as accessible.

1.12 The application is supported by a Retail & Leisure Statement (R&LS) dated March 2019, which was updated in April 2020 (Updated R&LS) to reflect changes to the application proposals. A Revised Impact Assessment (RIA) was then submitted in August 2020 (following a review of the April 2020 Updated R&LS by CPW Planning on behalf of the Council – the CPW Report). All three documents have been prepared by Lichfields. The reports include sequential test and retail impact assessment details, as required by the NPPF and policy CS7 of the Core Strategy.

1.13 The application also includes several letters of potential interest in the site from some well known national retailers.

1.14 HISTORY

DC/14/00496/FUL: Planning application withdrawn for continued use of warehouse (use class B8) as indoor skate park with outdoor bike track (use class D2).

DC/10/00406/COU: Temporary planning permission granted for change of use of vacant warehouse (use class B8) to indoor skate park with outdoor bike track (use class D2). Temporary permission expired on 08.02.2014.

2.0 Consultation Responses:

Northumbria Police	No objections.
Northumbria Water	No objection subject to a condition.
Tyne And Wear Archaeology Officer	No comments.
Coal Authority	No objection subject to a condition.

3.0 Representations:

3.1 Neighbour notifications were carried out in accordance with formal procedures introduced in the Town and Country Planning (Development Management Procedure) (England) Order 2015.

3.2 Five letters of objection to the application have been received and raise the following concerns:

- The existing building should be retained and repaired, a mixed-use development brought forward that includes retail and a skatepark and parking provision capped at 100 cars.
- The loss of Dynamix Skatepark and the valuable resource for the community that it provides would be very sad.
- The community value of Dynamix Skatepark as a unique space for fitness and sport should be supported over any retail park development.
- Gateshead does not need another retail park creating waste and pollution, especially one disconnected from the town centre.

3.3 A detailed letter of objection, on behalf of Tesco Stores Ltd, has also been received, this concludes as follows:

“The proposed retail and leisure development poses a substantial threat to a vulnerable retail centre and to one of its key anchor tenants. Our review of the Retail Assessment suggests that the turnover of the proposed development has been underestimated, as has its likely trade draw, which together could result in detrimental consequences for the town centre, both directly and as a result of a loss linked trips between Tesco and other town centre stores.

Furthermore, the proposal is in direct conflict with development plan policies for the site and could ultimately undermine recent regeneration efforts, unravelling the progress made towards a healthier town centre and more sustainable shopping patterns. Considerable work is required to demonstrate the acceptability of the proposed development”.

3.4 Four letters have been received that neither object nor support the application and make the following points:

- Would like to see the Dynamix Skate Park either accommodated within the new development or nearby.
- In principle support the location of the development but feel the design quality and the aesthetic are low.
- A more cohesive design approach is needed that would better link the development to the town centre.

3.5 Three letters of support have been received that makes the following points:

- The site has been in a state of dereliction for some years and regenerating it would enhance the view of the local area and the wider borough. It would also create future employment opportunities.
- The development would create training and employment opportunities for local people.
- The scheme would bring economic and environmental benefits to the area.

4.0 Policies:

NPPF National Planning Policy Framework

NPPG National Planning Practice Guidance

GC1 Gateshead Central Sub-Area

SG2 The Exemplar Neighbourhood Key Site

QB1 Quays and Baltic Sub-Area

QB3 Quays and Baltic Dev Opportunity Sites

UC2 New Retail (A1) in Newcastle/Gateshead

UC12 Urban Design

UC15 Urban Green Infrastructure

CS7 Retail and Centres

CS8 Leisure, Culture and Tourism

CS13 Transport

CS14 Wellbeing and Health

CS15 Place Making

CS17 Flood Risk and Waste Management

CS18 Green Infrastructure/Natural Environment

ENV3 The Built Environment - Character/Design

ENV54 Dev on Land Affected by Contamination

RCL5 District and Local Centres

5.0 Assessment of the Proposal:

5.1 ASSESSMENT

The key points to be considered when assessing this planning application are the principle of the proposal, impact upon Gateshead Town Centre, design, highway safety/parking, flood risk/drainage, ecology and contamination/coal mining legacy.

5.2 PRINCIPLE

Urban Core Policy Position

The site is in the Urban Core and is a development opportunity site (Core Strategy and Urban Core policy QB3 Quays and Baltic Development Opportunity Sites). Part 5 of policy QB3 relates specifically to the Baltic Business Quarter and sets out the following requirements:

- i. Encompass a mix of the following principal uses: Office (B1 a and b), Hotels (C1), Sport and Leisure (D2), Education (D1) and ancillary Retail (A1),
- ii. Provide streets with built frontages and active uses,
- iii. Create an urban form of development reflecting its Urban Core location,
- iv. Contribute to the provision of a green infrastructure corridor through the site, linking to the wider Urban Green Infrastructure Network and integrated with surface water management including boulevard routes of at least 30 metres,
- v. Manage surface water effectively, following the drainage hierarchy,
- vi. Consider the potential to retain existing surface water flow paths within green infrastructure,
- vii. Contribute to the provision of a high quality bus waiting/interchange facility,
- viii. Provide pedestrian improvements at the Park Lane/Albany Road junction along the secondary pedestrian route, and
- ix. Provide a foul and Surface Water Drainage Strategy which demonstrates there is adequate foul and surface water capacity for the development with the aim of reducing flood risk and ensuring no deterioration of water quality.

- 5.3 Policy UC2 (New Retail (A1) in Newcastle and Gateshead) requires major new retail (A1) to be in the designated Primary Shopping Areas. The proposal is for major new retail outside of the designated primary shopping area and therefore does not meet this policy requirement.

- 5.4 The updated Planning and Economic Statement submitted states that there is no reasonable prospect of an application coming forward for the uses allocated in the plan. The NPPF at paragraph 120 states "... Where the Local Planning Authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan...b) in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area."
- 5.5 In response, officers consider that there is a reasonable prospect of an application coming forward for the allocated principal uses in the CSUCP. Recent developments at the Baltic Quarter have included the Northern Design Centre, PROTO: The Emerging Technology Centre, Northumbria University's Innovate Campus and Gateshead College's Baltic Campus. In addition, the Council has recently completed a £13 million, 6 storey (50,000sqft) office building at the Baltic Quarter. The development was completed in June 2020 and it will complement the existing uses at the site and provide an attractive option for growing businesses, bringing approximately 600 new jobs to Gateshead.
- 5.6 The updated Planning and Economic Statement submitted states that an office-led development on the site would not be commercially viable without public subsidy. In response, there is demand from occupiers which is why the Council has funded the recent Riga office development at the Baltic Quarter, which is now fully let.
- 5.7 It is considered that the proposal will draw away trade from the more sustainably located retail units in the primary shopping area and undermine the deliverability of the Baltic Quarter for its allocated primary use.
- 5.8 The other elements that make up policy QB3(5) are considered later in the report.
- 5.9 **SEQUENTIAL TEST/RETAIL IMPACT**
As the application site is out-of-centre it is supported by a sequential site assessment, as part of a wider Updated Retail and Leisure Statement (Updated R&LS) to consider the availability and suitability of sites within and on the edge of existing centres within the scheme's Primary Catchment Area (PCA) - Felling, Old Durham Road, Pelaw and Sheriffs Highway Centres. Although considered by the applicant to not be within the PCA, sites within and on the edge of Gateshead's Primary Shopping Area (PSA) have also been considered along with any sites within or on the edge of Low Fell District Centre to the south.
- 5.10 In regard to the sequential test the NPPF states that "Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored" (para 87).

- 5.11 Planning Practice Guidance states that, "with due regard to the requirement to demonstrate flexibility, has the suitability of more central sites to accommodate the proposal been considered? Where the proposal would be located in an edge of centre or out of centre location, preference should be given to accessible sites that are well connected to the town centre. Any associated reasoning should be set out clearly." (Paragraph: 010 Reference ID: 2b-010-20140306).
- 5.12 On the issue of flexibility and disaggregation and the extent to which the proposed development could be accommodated on more central sites, the guidance isn't prescriptive and Inspectors at various appeals have taken different approaches.
- 5.13 The approach undertaken by the applicant, in this application, is to consider whether there are any sites which could accommodate a development which is broadly similar to the application proposals (a new retail and leisure park with potential end-users identified). The Council wouldn't disagree with this approach noting that Policy CS7 refers to locating retail proposals on a sequentially preferable site. However, given the scale of the proposed development it is extremely unlikely that it would ever be accommodated within an existing centre in Gateshead - there are examples of good well-linked edge of centre sites coming forward for this type of development including in Birtley and Blaydon. However, the application site is, in retail terms, out-of-centre and is poorly linked to the PSA, being separated by other development and major highways infrastructure. It is therefore considered to be a competing rather than complementary element, which runs counter to efforts in the Local Plan to consolidate and strengthen the shopping area around Trinity Square, and is reflected in the concerns of Tesco Stores Ltd, as referred to elsewhere in this report.
- 5.14 The applicant has considered a number of potential alternative sites within Gateshead Centre and other centres within the catchment area. The majority of these are discounted on the basis of not being large enough to accommodate a new retail and leisure development of a similar scale and nature to the application proposals.
- 5.15 The exception to this is the High Street South Area in Gateshead Town Centre, which is larger than the application site and thus, in scale terms, capable of accommodating the proposed development. The High Street South Area site is located to the south of Charles Street and the Gateshead PSA. It comprises a mix of land uses including retail, offices, car parks and a cleared site. The Council's annual retail survey of March 2019 identifies 42 ground floor units in total, 14 (33.3%) of which are vacant.
- 5.16 A large area of the site is allocated for mixed use development as part of the Exemplar Neighbourhood Key Site, which is identified for a minimum of 1,000 new homes and small-scale ancillary uses that support the needs of the new community including small shops, cafes and community facilities. In addition, Policy GC1 states that, where proposals for large floorplate retail development

cannot be accommodated within the PSA, they must be located in the High Street South Area given its accessibility and strong links with the PSA.

- 5.17 Lichfields' assessment notes that, in October 2019, the Council published its vision for the High Street South Area for public consultation. It seeks the phased delivery of a residential-led (700 new homes) mixed use development over a 20-year timeframe. No planning application has been submitted to date. The Council owns part of the site, but the wider site comprises multiple ownerships and is yet to be assembled.
- 5.18 Overall, officers agree with Lichfields that the High Street South Area site is not currently available for the proposed development. There is insufficient evidence to suggest that the site can be expected to become available within a reasonable period (which is the test of 'availability' set out in paragraph 86 of the NPPF). This judgement has regard to the 20-year delivery timeframe indicated in the Council's public consultation material and the firm interest expressed by potential end-users of the proposed development at Albany Road.
- 5.19 In terms of the suitability of the High Street South Area site for the proposed development, paragraph 7.11 of the Updated R&LS points to a number of physical constraints (e.g. sloping site, mature trees and other vegetation, lack of frontage to High Street). Officers are not persuaded by these arguments; town centre sites tend to be much more constrained and difficult to develop than out-of-town sites but that is not robust justification. However, noting the policy support for only small-scale ancillary uses and the long term plans for substantial residential development, which will reduce the site area developable for main town centre uses, officers accept that the High Street South Area is not capable of supporting new retail and leisure development of a similar scale and nature to the application proposals.
- 5.20 On the basis of the above it is considered that the sequential test has been complied with on the basis that a scheme as currently proposed cannot be accommodated within or on the edge of the PSA or another centre.
- 5.21 **CONSIDERATION OF SUBMITTED RETAIL IMPACT ASSESSMENT**
Gateshead Town Centre Health Check
Lichfields' Updated R&LS concludes that Gateshead Town Centre is an important focal point for shopping, services and other community facilities. It is assessed that its range of uses is more limited compared to other larger centres in the wider area - particularly within the comparison retail sector - and it performs a more localised role as a result.
- 5.22 This is broadly consistent with its classification as an 'efficient centre' in the Gateshead Healthcheck Report Update 2015 (meaning it is performing a function and serving the needs of the local population). It is noted that, prior to 2015 and the opening of Trinity Square, the Town Centre was classified as a 'centre at risk' in 2011. The change to an 'efficient centre' was reflective of the improved shopping environment and quality of commercial premises delivered within Trinity Square.

- 5.23 The limited shopping role performed by Gateshead Town Centre, as observed by Lichfields, is further reflected by the results of the 2018 household survey in the Study Area. The survey (Q13) indicates that only 8.8% of households within Zone 1 (i.e. the 'home' zone of Gateshead Town Centre defined by Lichfields) do most of their non-food shopping in the Town Centre. A large majority of Zone 1 households do most of their non-food shopping in existing centres and stores outside, and in competition with, Gateshead Town Centre (e.g. intu Metrocentre 24%, Newcastle City Centre 22.4%, Team Valley Retail World 8%). In addition, whilst food shopping trips are typically more localised, only around 20% of Zone 1 households indicated that they 'last' did their main food shop in Gateshead Town Centre despite it being well represented by convenience retail uses including Tesco Extra.
- 5.24 With regards to the above-average unit vacancy rate identified within the Retail Frontage (PRF), paragraph 5.49 of the Updated R&LS states that a significant proportion of these are in the High Street South area, which is subject to emerging regeneration proposals. Officers consider this statement is somewhat misleading on the basis the High Street South Area lies to the south and outside of the PRF. The vacant units in the High Street South Area are additional to those within the PRF.
- 5.25 As a further observation, it is unclear why the Updated R&LS identifies the mix of town centre uses within the PRF and not the PSA as a whole. The latter is where retail development is concentrated and is most relevant when assessing the impact of new retail floorspace. Lichfields' review therefore under-states the number of vacant units. Indeed, the Council's annual retail survey of March 2019 identifies 27 (20.6%) ground floor vacant units within the PSA; this compares with 22 (17.2%) such vacant units recorded in August 2016.
- 5.26 The high / rising unit vacancy rate within Gateshead PSA can be viewed as a barometer of the local retail market and is a material consideration to any new retail development.
- 5.27 Discussions with local retail agents to better understand the local circumstances highlights the following:
- Retailer demand is almost exclusively from local and regional operators;
 - Rental levels have fallen slightly in recent years to £30-40 per square foot (Zone A) and substantial incentives (e.g. rent-free periods) are required to attract operators;
 - The largest vacant unit within Trinity Square is 5,000 square foot and is too big considering the nature of operator interest;
 - Tesco Extra trades relatively well but the trading performance of the rest of the Town Centre is a notable concern;
 - The retail offer is largely characterised by value-led shopping and secondary uses; and
 - The weakest parts of the Town Centre's retail pitch are High Street, Jackson Street and High West Street.

- 5.28 Based on the foregoing, and notwithstanding the Covid-19 crisis, it is considered that Gateshead Town Centre has clear underlying weaknesses in terms of its vitality and viability. Furthermore, its performance has declined since 2015 when the Council's Gateshead Healthcheck Report Update changed the Town Centre's classification from a 'centre at risk' to an 'efficient centre' because of the opening of Trinity Square.
- 5.29 Gateshead Town Centre Health check in the context of the RIA
In terms of the RIA, Lichfields' response acknowledges a *decline* in Gateshead Town Centre in recent years and attributes this to a national trend. In particular, it cites:
- *falling [retailer demand] in the face of a number of challenges including the growth in online shopping, the inflexibility of lease structures/rental agreements and business rates;*
 - *retail failures (administrations/CVAs etc) with vacancy rates increasing;*
 - *inflexible planning policies;* and concludes
 - *The position in Gateshead [i.e. its declining health], to a large extent, mirrors the position nationally.*
- 5.30 These trends and challenges are recognised, although it is considered that Lichfields overlooks a further significant challenge facing town centres: the growth in competition from out-of-town retail and leisure development.
- 5.31 However, whilst relevant, pointing to this national context does not justify the decline in Gateshead Town Centre (there are many town centres across the UK that have improved and become more competitive in recent years); and it fails to properly account for the *local circumstances* (citing paragraph 018 of the PPG) that should underpin the assessment of whether a proposed development's adverse impacts on town centre vitality and viability are likely to be 'significant' (under the terms of the NPPF).
- 5.32 The RIA includes some commentary from @retail (retail agents). This focuses on rental levels and lease structures, all of which is noted and not disputed in the absence of any other such evidence.
- 5.33 However, Lichfields' conclusions set out in the context of the @retail comments are not accepted:
- *that Gateshead Town Centre is better placed than many centres at a time of unprecedented change on the basis it benefitted from the development of Trinity Square in 2013 and is anchored by Tesco Extra; and*
 - *that the centre does not face fundamental issues which would be compounded by the subject application proposals.*
- 5.34 Neither of these conclusions are fully substantiated and, generally, the RIA contains a notable lack of any new evidence relating to the indicators of the current vitality and viability (or health) of Gateshead Town Centre and the underlying weaknesses identified in the CPW Report.

- 5.35 It is also noted that Tesco's recent objection to the planning application is concerned that the proposals would '*reverse the improvements secured by the Trinity Square redevelopment*'.
- 5.36 The continued absence of any commentary or analysis with regards to the implications of the Covid-19 crisis on the health of the Town Centre and its future recovery remains a fundamental weakness of the RIA and the Updated R&LS before it. This is all the more surprising given the *Covid-19 Economic Update* which observes the *significant economic impact* of Covid-19 and notes Gateshead's particular vulnerability.
- 5.37 The Covid-19 crisis is clearly relevant to the local circumstances facing Gateshead Town Centre and should be a material consideration in determining the likely consequences of the proposed development on town centre vitality and viability.
- 5.38 Estimated turnover of existing centres and stores
The assessment is underpinned by a new household survey of shopping patterns in the defined Study Area. Whilst the principle of undertaking of a new survey is accepted, two important weaknesses have been identified.
- i. The survey questions ask, 'Where did you do your households last [main food shop / 'top-up' food shop / shop for the different categories of non-food goods]?' [emphasis added]. It also asks respondents 'where else' they shop for such goods. Firstly, it is unclear how the survey results have been weighted and combined by Lichfields. Secondly, it is best practice to ask where households do most of their shopping for convenience goods and the different categories of comparison goods, so as to elicit responses that are as representative as possible of households' shopping habits and preferences.
 - ii. The survey results are heavily skewed towards the older and retired population, which is potentially significant given this segment of the population tends to have different shopping habits relative to younger groups (e.g. students, young professionals, families with young children). Almost 60% of respondents to the household survey are aged over 55 years: some 44% are aged over 65 years. By contrast, fewer than 5% of respondents are aged less than 35 years. This 'age bias' - coupled with the weakness outlined under point (i) above - is likely to explain, at least in part, the small number of anomalies in the survey results noted in paragraphs 6.16-6.18 of the Updated R&LS.
- 5.39 As a result of those anomalies, Lichfields felt it necessary to adjust the survey-derived shopping patterns (i.e. they artificially increase or decrease the estimated turnover of existing centres and stores to better reflect 'benchmark' turnovers).
- 5.40 Officers are particularly concerned with the statements regarding the survey-derived turnover of the large Tesco Extra store in Gateshead Town Centre. Lichfields reports that this store is achieving a [survey-derived]

convenience goods turnover of around 70% of the company average turnover to floorspace ratio (paragraph 6.16) and in turn asserts that adjustments are necessary to re-balance the overall levels of turnover achieved by both Tesco Extra and other stores in Gateshead Town Centre (paragraph 6.18). Whilst officers fully accept that the results of household surveys of this nature should not be applied uncritically, it is considered they tend to over-state the market shares or trading performance of larger centres and stores; not under-state them.

- 5.41 Table 4 at Appendix 2 of the Updated R&LS sets out the convenience goods market shares and expenditure flows in the Study Area as at Lichfields' base year of 2018. It shows Tesco Extra to be achieving a total convenience goods turnover of £46.1m in 2018. This equates to a sales density of approximately £10,400 per sqm net, which appears high for a Tesco Extra store format and is likely to represent a considerable uplift in the survey-derived convenience goods turnover.
- 5.42 Other sales densities that further call into question the reliability of Lichfields' 'baseline' turnover of existing centres and stores includes the following:
- Low Fell District Centre, which comprises a Heron Foods and Co-op convenience store. Table 4 indicates a sales density of some £18,265 per sqm net (a more realistic sales density would be well below £10,000 per sqm net);
 - Lidl, Wrekenton District Centre. Table 4 indicates a sales density of some £17,934 per sqm net (more than double the average sales density assumed for the discount foodstore within this application);
 - Aldi, Pelaw Local Centre. Table 4 indicates a sales density of some £26,879 per sqm net; and
 - Lidl, Pelaw Local Centre. Table 4 indicates a sales density of just £5,926 per sqm net in contrast to the sales density estimated for the other Lidl (Wrekenton District Centre).
- 5.43 Any errors in establishing the 'baseline' turnover of existing centres and stores will directly affect the calculation of forecast (percentage) retail impacts.
- 5.44 Assessment of Impact on (a) Town Centre Investment and (b) Vitality and Viability
Paragraph 018 of the PPG requires that it is necessary to consider the likely adverse impacts of proposed new retail floorspace on town centres in the light of local circumstances, to judge whether the adverse impacts are likely to be 'significant' (under the terms of the NPPF).
- 5.45 The appraisal undertaken has identified a number of key weaknesses in the retail impact assessment contained in the Updated R&LS. These serve to undermine the reliability of Lichfields' assessment and are likely to mean that the forecast retail impacts have been under-stated.
- 5.46 Moreover, it is evident that town centres are facing significant challenges from a wide range of issues including changes in the economic 'climate' and retail

trends such as the consolidation (or downsizing) of major retailers to fewer, prime locations; reducing retailer demand; rising occupancy / operational costs and thus falling retailer profitability; and, not least, the continued growth of and competition from online shopping. These challenges have become even more pronounced in the wake of the Covid-19 crisis, which has not been addressed in Lichfields' Updated R&LS or the RIA despite its likely deep and long-lasting implications for the health, trading performance and future recovery of the existing centres.

- 5.47 Even based on Lichfields' quantitative assessment, it is considered the forecast retail impacts are sufficient to illustrate that the proposal would likely have a significant adverse impact on the vitality and viability of Gateshead PSA (based on a convenience and comparison goods cumulative trading impact of 5.2% and 1.7% respectively in 2023). This judgement takes into account the Town Centre's underlying weaknesses outlined earlier in this report; and would stand regardless of the imposition of a condition attached to any planning permission seeking to restrict the relocation of retailers currently trading in Gateshead Town Centre to the proposed development (a condition proposed by the applicant to safeguard Gateshead's PSA by preventing existing occupiers from relocating for first 5 years of the development). Officers do not consider that such a condition would meet the tests and therefore should not be applied.
- 5.48 The main concern in terms of the proposed development's impact is not the relocation of existing town centre retailers to Albany Road but rather, it is likely to substantially increase the general vulnerability of the PSA and raises questions about the achievement of long term improvements in its attractiveness, vitality and viability as per Core Strategy policy CS7.
- 5.49 To that end, officers take issue with Lichfields' analysis at paragraph 8.15 (et al) of the Updated R&LS that, existing traders in Gateshead and other centre... benefit from a range of trading advantages which help to ensure their attractiveness in the face of new competition. This, in officers' opinion, is ignorant of the increasingly difficult economic conditions for retailing and town centre retailers in particular; and the clear competitive advantages of a new retail and leisure park under single ownership with free and substantial surface level car parking. The impact, both psychologically and quantitatively, of a large format shopping destination opening out-of-centre may have significant effects on the decisions of retailers who are considering their store requirements. It is also likely to result in reduced footfall (given the diversion of trade) and make it more difficult to address the high / increasing unit vacancy rate within Gateshead PSA. This could, in turn, undermine the Council's regeneration plans for the High Street South Area.
- 5.50 The Updated R&LS contains limited analysis on the likely impact of the proposed new leisure floorspace (namely the potential food and beverage uses and the gymnasium).
- 5.51 It is stated that there is no requirement to consider the likely impact of such uses given the application site's location within the defined Urban Core:

- 5.52 Policy CS7 concerns the retail hierarchy (including the Gateshead PSA) and does not support new leisure development outside the PSA; and Policy CS8 supports focusing leisure, cultural and tourist attractions in the Urban Core and at accessible locations. Notwithstanding, this does not make irrelevant the considerations relating to the impact of new leisure development on the PSA.
- 5.53 Paragraphs 8.22-8.23 of the Updated R&LS do seek to justify the proposed non-retail uses. Summarised as follows:
- There are a limited number of national food and beverage operators in Gateshead Town Centre, with the majority of existing provision comprising small, independent cafes/restaurants and public houses;
 - There is also a limited number of gymnasiums in the Town Centre;
 - Any trade diversion resulting from the proposed non-retail uses would be spread across a range of facilities in the surrounding area (many of which are located outside town centres);
 - Such facilities would benefit from future forecast growth in spending; and
 - Therefore, it is unlikely that the proposed leisure uses would have any material effect upon Gateshead Town Centre's overall vitality and viability.
- 5.54 With regard to point 1, Trinity Square's food and beverage operator line-up Burger King, Costa Coffee, Cooplands (bakery), Greggs (bakery), Nando's and Subway; thus, the types of operators who would potentially occupy the Class A1 and/or A3 units at Albany Road. Whilst it is accepted likely that non-retail trading impacts would be relatively widely diffused (point 3), the likelihood of linked trips means that any diversion of trade will, to some extent, reflect the forecast retail impacts. Furthermore, Lichfields' claim that the Town Centre's existing non-retail uses would benefit from future spending growth (point 4) is not substantiated and is unlikely, given the challenges facing the food and beverage sector, particularly with the Covid-19 public health emergency.
- 5.55 To summarise in respect of the proposed non-retail uses, the presence of non-retail uses at Albany Road would enhance its attractiveness as a 'destination' and only increase the degree to which it is likely to compete with the PSA for consumers and expenditure.
- 5.56 General Consideration of the RIA
The RIA has sought to address the comments/criticisms made in the CPW Report with regards to the impact assessment.
- 5.57 Fundamental to the assessment of the proposed development's likely impact on Gateshead Town Centre is regard to the Town Centre's local circumstances and performance against the indicators of town centre vitality and viability set out in the PPG.
- 5.58 The RIA acknowledges a *decline* in Gateshead Town Centre in recent years and attributes this to a national trend. Whilst the trends and challenges facing town centres are relevant and not disputed, it is unreasonable to claim this national context as justification for the decline in the Town Centre.

5.59 The RIA is more reliable than the previous quantitative assessment; however, concerns remain that it under-estimates the likely forecast impacts on existing stores in Gateshead Town Centre. The weaknesses of the RIA include (but are not limited to):

- applying – uncritically – the expenditure growth rates and Special Forms of Trading (SFT) / online shopping estimates derived from Experian’s Retail Planner Briefing Note 17 published in February 2020, which pre-date the Covid-19 crisis and are therefore likely to under-state the growth in online shopping in particular; estimates derived from Experian’s Retail Planner Briefing Note 17 published in February 2020, which pre-date the Covid-19 crisis and are therefore likely to under-state the growth in online shopping in particular;
- potentially over-estimating of the turnover of existing centres and stores in Gateshead Town Centre;
- potentially under-estimating the forecast turnover of the proposed floorspace at Albany Road;
- applying patterns of trade draw to the proposed development (specifically within the ‘sensitivity test’ revised impact assessment) that are not fully in line with those previously set out in the CPW Report, which seek – at least in part – to address Lichfields’ exclusion of Gateshead PSA from the proposed development’s Primary Catchment Area; and
- applying unrealistic trade diversion estimates that under-state the likely forecast impacts on Gateshead PSA.

5.60 Based on a convenience and comparison goods cumulative trading impact on Gateshead Town Centre of 5.5% and 2.1% respectively in 2023 (as forecast by Lichfields and noting that these percentage impacts are likely to have been under-estimated as above), it is considered that the forecast retail impacts are likely to have a significant adverse impact on the vitality and viability of Gateshead PSA.

5.61 This judgement takes into account the Town Centre’s underlying weaknesses and conditions outlined in the CPW Report, including:

- the high / rising unit vacancy rate within the PSA (including Trinity Square) and adjoining areas (namely the High Street South Area);
- the extent and nature of retailer demand, which is reported to be almost exclusively from local and regional operators (despite the Town Centre’s role and status at the top of the retail hierarchy);
- rental levels and the increasing demand for substantial incentives (e.g. rent-free periods) to attract operators;
- the relatively limited range of uses particularly within the comparison retail sector, which is resulting in a high degree of expenditure ‘leakage’ to competing shopping destinations; and
- the generally poor quality of environment (excluding Trinity Square) and the implications for retaining and attracting inward investment.

5.62 The proposed non-retail uses (notwithstanding the policy support for Class D2 uses at the application site) would further enhance the scheme's attractiveness and only increase the degree to which it is likely to compete with Gateshead PSA for consumers and expenditure.

5.63 Therefore, officers maintain that the proposed development is likely to substantially increase the general vulnerability of the PSA. The impact, both psychologically and quantitatively, of a large format shopping destination opening out-of-town is likely to have a detrimental effect on investor confidence / decisions and town centre footfall and make it more difficult to address the Town Centre's decline in recent years. This could, in turn, undermine the Council's regeneration plans for the High Street South Area.

5.64 DESIGN

The type of development proposed constitutes an out-of-town warehouse style retail facility (similar to Retail World located on Team Valley Trading Estate). However, as this site is located within Gateshead's Urban Core and the fact there are design policies that require (amongst other things) an urban form of development that provides streets with strong built frontages and active uses, it is considered that the type of development being sought inevitably necessitates a different design approach to that required by policy. This is demonstrated by the illustrative design solution provided by the developer. It is not an appropriate form of development for this site, for the simple reason that an out-of-town warehouse type of retail development (regardless of detail design) cannot deliver any of the fundamental design objectives that CSUCP policies QB3, UC12 and CS15, or that an urban site such as this requires.

5.65 It is considered that the illustrative layout indicating a substantial area of surface car parking with a backdrop of very large metal-clad retail units would not constitute an urban form and furthermore, it would not deliver a development comprising active streets with strong built frontages.

5.66 Officers cannot foresee how this type of development, of the uses and floor areas proposed, and over 300 car parking spaces, could possibly comply with the relevant design policy objectives. Furthermore, the applicant has failed to provide any assurance that relevant design policies could be complied with, indeed the illustrative plans suggest a wholly inappropriate scheme. It therefore has to follow, that despite layout, scale, landscaping and appearance being left as reserved matters, officers cannot be sure that this quantum of development could be provided except than in a form that would not meet policy requirements.

5.67 Therefore, it is considered that this is fundamentally the wrong type of development for this site, regardless of the quality of its detail design and as such the principle of the design is contrary to the NPPF and Core Strategy policies QB3, UC12 and CS15.

5.68 HIGHWAY SAFETY/PARKING Policy

The updated Transport Assessment (April 2020) has provided some clarification relating to the policy section. It is noted there are some welcome additions to the proposals to support QB3 5.viii, namely the improvement for pedestrians and cyclists to cross the A184 which is proposed to be provided through a financial contribution to be secured by Section 106 agreement relating to the upgrade of the Park Lane / Albany Road signalised junction, the level of contribution has not been specified. However, there is no mention of improvements to Mill Road/Hawks Road junction.

- 5.69 Whilst it is also noted that initial discussions with Go North East suggest additional bus stops along Quarryfield Road and the rerouting of existing services, this does not reflect QB3 5.vii (the requirement to contribute to the provision of a high quality bus waiting/interchange facility). The proposals presented do not fully consider the impact on Hawks Road, particularly considering wider development proposals that are coming forward, as the proposal is still a predominately car borne out of town retail park, which is in conflict to policy QB3 5.ii and 5.iii
- 5.70 General Assessment
The application claims the site is in a highly accessible location, however, the nature of the proposed type of units together with the levels of parking being proposed detract from the likelihood of significant proportions of future users, other than the potential of staff arriving by modes other than private car.
- 5.71 Microsimulation modelling has been commissioned and undertaken by the applicant, however the data behind this modelling including trip rates and the level of committed development that have been included have not been agreed. The results therefore do not give officers full confidence that the transport network will operate without significant or severe impact as a result of this development, nor whether safety issues will arise as a result of greater demand on the network.
- 5.72 While officers do not wish the application to be refused on the grounds of road safety or severe impact on the transport network as set out within the NPPF, based on the assessment work that has been undertaken, it is considered that insufficient information has been provided to determine the true impacts of the development.
- 5.73 There are two key areas in relation to this:
1. Trip rates
Council officers and the developer are not in agreement that the trip rates used are appropriate, it has been requested that further review of the trip rates should be undertaken and agreed, this has not been done to officers' satisfaction.
 2. Committed development
Officers do not consider the committed development has been suitably addressed as part of this submission. Assessment as included within application DC/20/00323/FUL (for the Quays Arena development) has been

referenced, given the inclusion of the applicant's site in that appraisal. However, this was not included at the request of the Council, and as with the above comment has been based on trip rates that have not been agreed.

- 5.74 The modelling work included within this separate assessment does not endorse this proposed development (Albany Road). Furthermore, the results of this modelling demonstrate issues with this development during a Saturday afternoon, linked to a potential matinee performance taking place at the proposed Arena.
- 5.75 The access proposals, which are to be fully considered as part of this outline application continue to raise concerns.
- 5.76 Given concerns relating to trip rates and committed development, and the Council's committed highway scheme, which would create a link road between Albany Road and Hawks Road, including replacing the existing roundabout to the east of the application site with a 4-way signalised junction (current application ref DC/20/00694/FUL) the need to maximise junction separation between the signalised junction and the main site access, of this site, is considered to be a key consideration, the applicant has chosen not to make any amendments to the access position despite repeated reference to this requirement.
- 5.77 A stage 1 Road Safety Audit was submitted by the applicant on 10 August 2020, together with a designer's response, which responded to the problems raised, the brief for this audit was not agreed with council officers prior to commissioning, in line with national guidance (GG119). As with previous comments, the audit has been undertaken without due regard to the Council's committed highway scheme or with the assessment criteria of the development having been agreed and carried out accordingly. If Planning Committee were moved to grant planning permission, a revised stage 1 road safety audit would be required with the scope of the audit agreed by officers.
- 5.78 The applicant has put significant weight on the site being situated in a sustainable location, with future users having 'genuine' choice of sustainable transport modes. Pivotal to this are the following:
- A willingness to provide a financial contribution to the implementation of a pedestrian crossing at the Park Lane/Albany Road junction.
 - Re-routing existing bus services and the provision of new bus infrastructure to improve public transport access
 - A pedestrian boulevard through the site.
- 5.79 While it is accepted all of the above have merit, officers are yet to receive any details of the contribution that could be secured through s106, (should it be decided to grant outline planning permission). Officers' consider that the full costs of the crossing, should be met by the applicant given it is fundamental to opening up the site for sustainable travel choices.

- 5.80 The proposal relating to the rerouting of existing bus services would have clear benefits for this site, however, as suggested previously, the current proposal does not appear to have suitably considered the impacts on existing or future development proposals. Further discussions with Nexus and the bus operators would be required to determine the most appropriate measures to best serve the area by public transport. This requirement could be dealt with through a condition for a Public Transport Strategy, this would need to identify how the site would be served by public transport, what infrastructure requirements need to be met and timescales for delivery.
- 5.81 The commitment to a pedestrian boulevard through the site has been noted, while this is commended, given the internal layout details of the development are not being considered as part of this outline application, it is considered a condition requiring appropriate cycle and pedestrian connections in/out and through the site would be required, should outline permission be granted.
- 5.82 The applicant, through their consultant, have rebutted the Council's request to allow for the safeguarding of land to secure a future pedestrian/cycle route under Park Lane alongside the existing rail infrastructure. This is extremely disappointing given the opportunities it would provide in connecting the Baltic Quarter and Quays with both existing and future development to the east. While this future aspiration is not included as part of current council policy, it is very much in line with both local and national policy in delivering development that maximises opportunities for sustainable travel. It is also relevant to the Government's new walking and cycling strategy 'Gear Change', which, among other commitments, states that:
- 'We will ensure that all new housing and business developments are built around making sustainable travel, including cycling and walking, the first choice for journeys'.*
- 'The purpose of the planning system is to contribute to the achievement of sustainable development. We expect sustainable transport issues to be considered from the earliest stages of plan-making and development proposals, so that opportunities to promote cycling and walking are pursued'*
- 5.83 It is considered that this pedestrian/cycle route is deliverable and as a minimum if the application were to be granted permission, the applicant should provide land for a footway/cycleway alongside the service access to the boundary of the site, allowing the Council to connect in the future.
- 5.84 If a decision were to be taken to grant planning approval a final travel plan covering the site would need to be secured through a planning condition.
- 5.85 It is considered that the provision of a 305 space car park is not an incentive to walk, cycle or use public transport to a predominately retail area where people are more likely to need their cars. Based on the trip rates that have been used as part of the assessment, both the Council and applicant agree that the proposed supply of parking is in excess of the predicted demand. If planning approval were to be granted a Car Park Management Plan (CPMP) would be

required and this would need to clearly set out how the use of the parking will reflect wider retail car park management including duration of stay and potential need for charging. The CPMP would also need to provide details in relation to cycle parking, EV charging, motorcycle parking and accessible parking. The applicant has accepted this can be secured by condition.

5.86 A Servicing Management Plan would also need to be submitted to demonstrate how each of the units would be serviced, as the position of the service yard would not meet the requirements of all the units as shown on the indicative layout. It would be necessary to provide details showing each unit can be safely serviced without detrimentally affecting other users on the site. This could be secured by condition should planning permission be granted.

5.87 FLOOD RISK/DRAINAGE

Northumbrian Water have confirmed that they agree to the proposed discharge rates addressed in the application and if outline planning permission was to be granted a suitable condition could secure this.

5.88 It is considered that, it would be possible for a drainage engineer and a landscape architect to design an appropriate strategy to combine the drainage requirements and suitably sized tree pits, raingardens and establish the appropriate location for permeable paving. If outline planning permission was to be granted, suitable conditions could secure these details.

5.89 Similarly, should outline planning permission be granted, a SuDS maintenance plan and a drainage construction method statement could be conditioned.

5.90 As such, it is considered that the proposal would be able to satisfy the requirements of the NPPF and policy CS17 of the Core Strategy in respect of flood risk/drainage.

5.91 ECOLOGY

The submitted Preliminary Ecological Appraisal makes a number of recommendations for further botanical and species specific survey work to be undertaken in relation to priority habitats, great crested newts and priority butterfly species, including dingy skipper. The report states that the results of recommended further survey work are required to finalise impacts and mitigation/compensation requirements and it recommends that the scope and method of the required further ecological survey be discussed/agreed with the Council's ecologist. In addition, a biodiversity net-gains calculation using the Defra 2.0 metric is also required.

5.92 Overall, given the fact this is an outline application with all matters reserved except access and hence is only attempting to establish the principle of the proposed development, it is considered that the proposal would be able to satisfy the requirements of the NPPF and policy CS18 of the Core Strategy in respect of ecology through the application of several conditions (and potentially a s106 agreement) to address the points raised.

5.93 CONTAMINATION/COAL MINING LEGACY

The site is located on land identified as being potentially contaminated and Phase 1 and Phase 2 land contamination assessments have been submitted that conclude further investigations are required. This could be addressed by conditions in accordance with policy CS14 of the CSUCP and policy ENV54 of the UDP. The Coal Authority has also been consulted and has raised no objection subject to conditions requiring further investigations if permission were granted.

5.94 OTHER MATTERS

Comments have been received supporting the current use of the site as a skate park and how valuable it is to its patrons. The current use, although more compatible with Core Strategy policy QB3 than the proposed development, is operating unlawfully without any planning permission and therefore can only be afforded limited weight. Furthermore, the Local Planning Authority must consider the merits of the scheme in front of it and the existing unlawful use does not form part of the current proposal.

5.95 Furthermore, the comment about the site being untidy is acknowledged and the appropriate enforcement action to rectify the situation is currently being considered separately from this planning application.

5.96 COMMUNITY INFRASTRUCTURE LEVY

On 1st January 2017 Gateshead Council became a Community Infrastructure Levy (CIL) Charging Authority. This outline application has been assessed against the Council's CIL charging schedule. The site lies within Commercial CIL Zone 3 and the levy is £10/sqm for supermarkets with a net floorspace in excess of 280sqm and £50/sqm for retail warehouses with a net floorspace in excess of 280sqm. The indicative layout plan submitted with this outline application includes both such uses. Therefore, should outline planning permission be granted, at the subsequent reserved matters stage further consideration would be required once a detailed scheme was submitted.

6.0 CONCLUSION

6.1 Taking all the relevant issues into account, it is recommended that outline planning permission be refused, as the principle of a retail led scheme is contrary to several aspects of the area specific policy QB3 and it would unduly harm the vitality and viability of Gateshead's Primary Shopping Area. It fails to provide adequate information in relation to the impact on the transport network including highway safety nor to demonstrate that the relevant design policy requirements could be achieved at reserved matters stage.

6.2 The proposed development does not accord with the relevant national and local planning policies and the recommendation is made taking into account all material planning considerations including the information submitted by the applicant and third parties.

6.3 It is also worth noting that developing this site as is proposed would provide economic benefit to the area both in terms of construction and operation.

However, this does not outweigh the severe detrimental impact this development would have upon the wider regeneration of the Baltic Quarter and Gateshead's Primary Shopping Area.

7.0 Recommendation:

That permission be REFUSED:

1

The principle of the development is unacceptable because it fails to provide a mix of principal uses encompassing office, hotels, sport and leisure, education and ancillary retail, contrary to site specific policy QB3(5) of the Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne. As a result, the development would have a detrimental impact on the wider regeneration of the Baltic Quarter

2

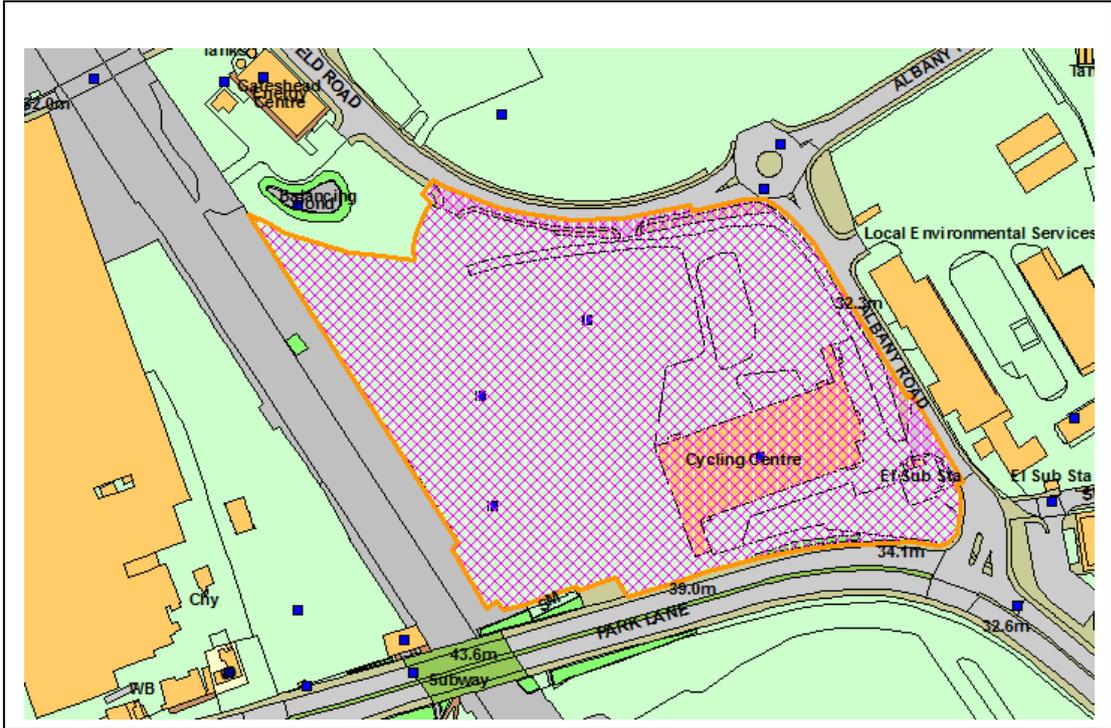
The applicant has failed to provide any information to demonstrate that the proposed type of development could deliver, at reserved matters stage, a scheme of appropriate scale, appearance and layout that would ensure compliance with the design requirements of policies QB3(5), CS15 and UC12 of the Core Strategy and Urban Core Plan, saved policy ENV3 of the Unitary Development Plan and the National Planning Policy Framework.

3

The development would have an unacceptable impact on Gateshead's Primary Shopping Area, threatening its vitality and viability, which is contrary the National Planning Policy Framework, policies UC2, GC1 and CS7 of the Core Strategy and Urban Core Plan and saved policy RCL4 of the Unitary Development Plan.

4

The applicant has failed to provide sufficient information to demonstrate that the proposed development would not harm highway safety or demonstrate that the harm can be mitigated against, which is contrary to the National Planning Policy Framework and policy CS13 of Core Strategy and Urban Core Plan.



This map is based upon Ordnance Survey material with the permission of the Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office © Crown Copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. Gateshead Council. Licence Number LA07618X