

LODGE HILL

Outline Planning Application on behalf of Defence
Infrastructure Organisation

Retail Statement

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This document forms part of a suite of documents which comprise the Lodge Hill Outline Planning Application.

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1.0 Introduction

PURPOSE OF STATEMENT

- 1.1 CB Richard Ellis has prepared this Retail Statement on behalf of Defence Infrastructure Organisation (DIO) as part of the outline planning application for a new settlement at Lodge Hill.
- 1.2 This Statement has been prepared to assess the retail element of the proposal against the national and local plan policies and, in particular, Medway's emerging Core Strategy and the requirements of PPS4. The planning application is submitted to Medway Council following extensive public consultation and pre application discussions with the Policy, Development Management and Highways Officers in relation to the proposal and supporting evidence.
- 1.3 Regard is also had to the existing retail context, in particular the qualitative provision and retail commitments which have influenced the proposal. This Statement has had regard to the Medway Council Retail Needs Study (2009), prepared by Nathaniel Litchfield and Partners (NLP), and discussions with Medway Council retail consultants.

PROPOSED DEVELOPMENT

- 1.4 The development proposes the:

“Demolition of buildings and development for the delivery of a mixed-use new settlement comprising up to 5,000 residential units, up to 36,750 sq m GEA B1 business floorspace, up to 7,350 sq m GEA B2 business floorspace, up to 3,251 sq m GEA convenience (Class A1) floorspace, up to 2,070 sq m GEA comparison (Classes A1, A2, A3, A4, A5) floorspace, secondary school, three primary schools, community centre, healthcare centre, assisted living facility, nursing home, garden centre, two hotels, water bodies and works associated with the development including roads, landscaping, informal and formal open space, pedestrian, cyclist and public transport infrastructure, utilities infrastructure, car and cycle parking”.

- 1.5 The Retail Statement focuses on the Class A1 floorspace proposed.

Retail Floorspace

- 1.6 For the purposes of this Statement, the retail floorspace proposed as part of the application is detailed on the accompanying planning application forms and drawings and is summarised below.
- 1.7 In accordance with the Government aspirations for sustainable development, the proposed retail floorspace will meet much needed day-to-day shopping requirements for the net additional population resulting from the proposal. In addition, it will serve residents already living in and around the Peninsula who currently have to travel by car to surrounding centres and free-standing foodstores to meet their shopping needs.
- 1.8 We have assumed that a total of 5,321sqm GEA (3,990sqm net) of A1-A5 floorspace will be provided across the site. In testing this figure, we have assumed a scenario whereby all the floorspace is within retail use so we can model the largest possible impact. However, it is realist to assume that not all floorspace identified will come forward as retail, but as other A class uses to ensure a vital and vibrant new settlement.

1.0 Introduction

- 1.9 In accordance with PPS4, and to provide the Council with some comfort as to the likely implications of such floorspace upon existing provision, we have tested the following notional A1 floorspace:
- Convenience - 2,438sqm net (3,251sqm GEA); and
 - Comparison - 1,552sqm net (2,070sqm GEA).
- 1.10 Whilst the precise location and type of retail provision has not been determined, the proposed retail is likely to come forward as a standalone superstore, separate comparison units and an element of convenience within each of the hubs. Although the final floorspace mix will ultimately be informed by retailer demand, we consider the above breakdown of convenience and comparison floorspace to be a realistic assumption. Again, our approach assumes a worst case scenario as sales densities for both units are likely to be lower than we have tested.
- 1.11 As highlighted by the indicative masterplan, the proposed retail provision is relatively small in comparison to the rest of the development. The proposed foodstore offer is considered appropriate in this location and indeed is critical for the proper functioning of a new settlement.

Accessibility

- 1.12 The site is located in north Kent, within the Thames Gateway, on the Hoo Peninsula. It lies to the north of the urban areas of the Medway towns, including (in closest proximity) Chatham and Rochester. It is broadly surrounded by the existing settlements of Hoo St Werburgh, High Halstow, Cliffe, Cliffe Woods and Wainscott, and is located off the A228 which connects the M2/A2 with the Hoo Peninsula and the Medway towns. The site falls within the administrative area of Medway.
- 1.13 The site is in close proximity and accessible to the A228, the A2/M2 connecting to the M25 and on into Central London, and also with the ferry ports of Dover and Folkestone. It is located near to several train stations, in particular Strood.
- 1.14 The retail provision will be located within a standalone retail unit to the south of the market square and within the service hub which surrounds the market square. The market square is centrally located within the main residential area.
- 1.15 The retail proposals will be accessible by walking and cycling via paved routes to Hoo and Strood. Pedestrian access will also be provided via other routes to the surrounding villages. The main spine roads will be suitable for buses, cars and articulated vehicles (16.5m). There will also be a bus route through the site.
- 1.16 The assessment of the site's accessibility and servicing is dealt with separately by Hyder Consulting in their Transport Assessment.

THE CATCHMENT AREA FOR THE PROPOSED STORE

- 1.17 The retail provision is expected to draw from a predominately localised catchment area. For the purposes of this exercise, we have assumed a catchment area with a 15 minute drive time.

1.0 Introduction

- 1.18 The catchment area has been informed by the current provision of retail provision, the road network and local topography and existing shopping trips, as identified in the Medway 2009 Retail Study. The catchment is shown in **Appendix B**.

STRUCTURE OF REPORT

- 1.19 The remainder of this Statement is structured as follows:
- Sections 2 and 3 summarise the relevant local and national planning policy relating to the site and to retail development in Medway;
 - Section 4 considers the quantitative need for the development;
 - Section 5 demonstrates the proposal’s accordence with key policy tests; and
 - Section 6 sets out our conclusions.

2.0 Development Plan Policy

- 2.1 Sections 2 and 3 summarise the relevant local and national level planning policy. The accompanying Planning Statement considers the relevant planning policy considerations in full and should be read in conjunction with this Retail Statement.
- 2.2 Sections 38(6) of the Planning and Compulsory Purchase Act (2004) requires that the determination of planning applications is made in accordance with the development plan, unless material considerations indicate otherwise.
- 2.3 The Statutory Development Plan covering the proposal site is:
- The South East Plan – Regional Spatial Strategy (RSS) for the South East of England (May 2009); and
 - Medway Local Plan (2003) Saved Policies.

The South East Plan

- 2.4 Following the May 2011 CALA ruling, Regional Strategies currently remain part of the Development Plan.
- 2.5 The Regional Spatial Strategy (RSS) for the South East of England (May 2009) sets out the long-term spatial planning framework for the region over the years 2006-2026.
- 2.6 South East Plan policies of relevance to the proposed development at Lodge Hill are summarised below.

Policy SP1: Sub-Regions in the South East

- 2.7 Identifies a number of sub-regions which will be the focus for growth and regeneration. The Lodge Hill planning application site falls within the Kent Thames Gateway sub-region.

Policy SP2: Regional Hubs

- 2.8 States that regional hubs should be supported and developed. The Medway Towns are identified as a 'Regional Hub'. The justification provided in the document for this designation is that these towns have a longer-term potential '*to provide higher order functions and fulfil the role of a regional transport hub dependent upon improved strategic transport connections*'.

Policy SP3: Urban Focus and Urban Renaissance

- 2.9 States that Local Planning Authorities should formulate policies to (inter alia): seek to achieve at least 60% of all new development across the South East of previously developed land and ensure that developments in and around urban areas, including urban infill/intensification and new urban extensions, are well-designed and consistent with the principles of urban renaissance and sustainable development.

Policy KTG1: Core Strategy

- 2.10 Advises local and central Government to co-ordinate their policies and programmes, as a first priority, to make full use of previously developed land before greenfield sites, except where there are clear planning advantages from the development of an urban extension that improves the form, functioning and environment of existing settlements or a new community. The policy goes on to advocate that development is located (inter alia) where there is good accessibility by a choice of transport. It also states the importance of (inter alia) ensuring that the benefits of new services and employment are available to existing

Development Plan Policy

communities, and that new development is carefully integrated with them; increasing the supply of new housing, and affordable housing in particular; and setting high standards for the design and sustainability of new communities.

- 2.11 The supporting text to Policy KTG1 (Core Strategy) confirms that the main locational effects of the Core Strategy and related policies will be (inter alia) ‘concentrations of new dwellings, employment and services at major regeneration locations within the Medway urban area at riverside sites, and to the north on Ministry of Defence land at Chattenden’ (paragraph 19.5) (CB Richard Ellis emphasis).

Medway Local Plan (2003) Saved Policies

Policy S14: Ministry of Defence Estate, Chattenden

- 2.12 States that the Council ‘will not permit the piecemeal redevelopment of the Chattenden Barracks and military training areas during the lifetime of this plan. The site has long-term development potential for business, educational and/or education uses and this will be considered in the next review of the Medway local plan’.
- 2.13 Paragraph 2.5.72 of the Local Plan confirms that: ‘the publication of the Thames Gateway Planning Framework (RPG9a) in 1995 highlighted the development potential of the Defence Estate at Chattenden. If this land were to be released it could allow a more sustainable relationship to be fashioned between employment and homes on the Hoo Peninsula. It inferred that the existing barracks could be the basis for a campus-style development, but that there could also be scope for expanding the community into a new village, depending on the extent of land released. At this stage no land, including the barracks, has been declared surplus and no proposals can therefore be included in this plan.’
- 2.14 The supporting text to the policy highlights the Council’s belief that: ‘the long-term (i.e. post-2006) development needs of Medway could be met in this area’ and that ‘the potential of the relatively unconstrained Defence Estate at Chattenden cannot be disregarded.’

Policy R9: Retail Provision in New Residential Developments

- 2.15 The supporting text to this policy highlights the importance of the provision of retail and service facilities in Local Centres to serve new residential areas. The policy itself states that local shopping facilities within Use Classes A1, A2 and A3 (CB Richard Ellis notes that since the Local Plan was adopted, Use Class A has been broadened to define Use Classes A1 - A5, rather than A1 -A3) at a small scale, appropriate to meet the daily needs of residents, workers and visitors, will be provided in association with major residential development – the policy then lists a number of specific locations, although does not include Chattenden.

Policy R11: Town Centre Uses and the Sequential Approach

- 2.16 States that business employment (Class B1(a)), leisure and entertainment uses, cultural and educational facilities will be expected to be located in the main centres of Chatham, Strood, Gillingham and Rainham or, in the event of no suitable sites being available, on the edges of these centres. Proposals elsewhere for these uses, unless otherwise allocated in the Local Plan, will only be permitted if: it is clearly demonstrated that no suitable centre or edge of centre site exists; and the site is easily accessible by a choice of transport modes, including public transport; and the uses proposed would not undermine the vitality and viability of the main centres listed.

Development Plan Policy

Policy R13: Retail Uses and the Sequential Approach

- 2.17 States that retail development will be assessed in accordance with the following criteria:
- the extent to which the proposal would undermine the strategy and objectives of the Local Plan to sustain and enhance the vitality and viability of existing centres;
 - whether the scale and type of retailing, by itself or cumulatively, with other proposals, would have a detrimental impact on the vitality and viability of the Core Areas, Local Centres, Villages or Neighbourhood Centres;
 - whether the location enables access by a choice of transport including public transport; and
 - the overall impact on travel, the likely changes in travel patterns and reduction in the reliance on the car.

Policy R18: Take Away Hot Food Shops, Restaurants, Cafes, Bars and Public Houses

- 2.18 States that such uses will be permitted, outside the defined retail core areas, provided that the following criteria are met: there is no significant detrimental impact on neighbouring land uses or to residential amenity; and the presence of any similar uses in the locality, and the combined effect that any such concentration would have, would be acceptable in terms of environmental impact and highway safety; and the proposed hours of opening are acceptable in relation to the amenities of the area; and suitable refuse storage, disposal and collection facilities are provided; and the proposal pays particular attention to meeting the provision of policies BNE2, BNE3, T1, T13 and T22 in respect of the mitigation of noise and general disturbance, for the proper extraction and treatment of fumes and smells, and arrangements for parking, servicing and access for people with disabilities.

Core Strategy

- 2.19 Given the advanced stage the Core Strategy has reached, the emerging policies within the Publication Draft Core Strategy (August 2011) can be afforded considerable weight.
- 2.20 On the Core Strategy Key Diagram (Figure 3.1) the Lodge Hill site is identified as a new settlement. The emerging policies of relevance to the retail development on the planning application site are summarised below:

Policy CS19: Retail and Town Centres

- 2.21 Sets out a commitment from Medway to maintain and enhance the vitality and viability of its network of urban and rural centres and support the delivery of appropriate comparison, entertainment and cultural facilities. The policy goes on to state that town centres and edge of centre sites will be the preferred location for such development and a sequential test will be applied for development elsewhere in accordance with PPS4. There is also identification of the provision of retail development at specific locations, including (amongst others):
- Smaller scale comparison goods shopping units at the district centres with a cumulative total floorspace of (inter alia): Lodge Hill 5,200sqm
 - Two convenience stores of about 3,500sqm at Corporation Street, Rochester and 5,000sqm at Lodge Hill, Chattenden.

Development Plan Policy

Policy CS33: Lodge Hill

- 2.22 Confirms Lodge Hill as a designated site on the Proposals Map which will 'be developed as a free-standing mixed-use settlement'. The policy states:
- "Lodge Hill, as delineated on the Proposals Map, will be developed as a freestanding mixed-use settlement providing:... Retail provision of around 5,000 square metres GEA floorspace."*
- 2.23 The full policy is summarised in the Planning Statement and in Appendix 1 to the Planning Statement (Planning Policy Summary).

Local Development Framework Evidence Base

State of Medway Report: Chattenden

- 2.24 A suite of documents currently comprise Medway's Local Development Framework evidence base including a number of 'State of Medway' reports published in December 2008, one of which specifically sets out the background to the proposal for a new settlement at Chattenden, including reference to a figure of approximately 5,000 residential units.
- 2.25 The document details the current composition of the site and the background to its release for development. It also sets out, in detail, the planning policy context through which the site has emerged as an appropriate site to bring forward strategically significant development.
- 2.26 In summary, the RSS identifies the site as a major regeneration location, and the policies within the adopted Development Plan provide for appropriate retail provision to be made to support major developments, which is consistent with PPS4. The emerging Development Plan explicitly supports the principle of retail floorspace at Lodge Hill as a key component to the creation of a balanced and sustainable new settlement.
- 2.27 The principle of retail and town development within the Lodge Hill area is recognised by the development plan and these uses are accepted as components in providing a sustainable mixed use development.

3.0 National Planning Guidance

- 3.1 A summary of the relevant retail and economic development policies set out by the Government in its national policy statements PPS1 and PPS4 are considered and interpreted below.

Planning Policy Statement 1: Delivering Sustainable Development (PPS1) (2005)

- 3.2 PPS1 sets out the Government’s objectives for the planning system and its promotion of a plan-led system.
- 3.3 In promoting a strong, stable and productive economy that aims to bring jobs and prosperity for all, PPS1 states that planning authorities should:
- i. Recognise that economic development can deliver environmental and social benefits;
 - ii. Recognise the wider sub-regional, regional or national benefits of economic development and consider these alongside any adverse local impacts;
 - iii. Ensure that suitable locations are available for retail developments, so that the economy can prosper;
 - iv. Provide for improved productivity, choice and competition;
 - v. Recognise that all local economies are subject to change; planning authorities should be sensitive to these changes and the implications for development and growth; and
 - vi. Actively promote and facilitate good quality development, which is sustainable and consistent with their plans.
- 3.4 Paragraph 8 of PPS1 sets out the application of the Government’s objectives and states that: *“Where the development plan contains relevant policies, application for planning permission should be determined in line with the plan, unless material considerations indicate otherwise”.*
- 3.5 In order to promote economic development, planning authorities are advised (para 23) (inter alia) to:
- Ensure that development supports existing communities and contributes to the creation of safe, sustainable, liveable and mixed communities with good access to jobs and key services;
 - Recognise that economic development can deliver environmental and social benefits;
 - Ensure that suitable locations are available for retail development so that the economic can prosper;
 - Provide for improved productivity, choice and competition; and
 - Actively promote and facilitate good quality development which is sustainable and consistent with their plans.

National Planning Guidance

Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4)

- 3.6 PPS4 (adopted December 2009) is the latest planning policy statement governing national retail planning policy in the UK and provides consolidated advice for retail and other town centre related developments.
- 3.7 PPS4 is further supported by detailed practice guidance on the application of need, impact and the sequential approach.
- 3.8 The Government's objectives for prosperous economies and sustainable economic development are to:
- Build prosperous communities by improving the economic performance of cities, towns, regions, sub-regions and local areas;
 - Reduce the gap in economic growth rates, promoting regeneration and tackling deprivation;
 - Deliver more sustainable patterns of development, reduce the need to travel, especially by car, and respond to climate change;
 - Promote the vitality and viability of town centres and others, including:
 - New economic growth and development of main town centre uses to be focused in existing centres, with the aim of offering a wide range of services to communities and remedying deficiencies in provision in areas with poor access to facilities;
 - Competition between retailers and enhanced consumer choice through the provision of innovative and efficient shopping, leisure, tourism and local services in town centres;
 - The historic, archaeological and architectural heritage of centres to be conserved and, where appropriate, enhances to provide a sense of place and focus for the community.
 - Raise the quality of life and environment in rural areas.
- 3.9 The guidance emphasises that local planning authorities in their LDFs should positively and proactively plan for economic growth and simplify the planning process where appropriate.
- 3.10 Planning authorities are to adopt a positive and constructive approach to applications for economic development. Applications in accordance with the Development Plan should normally be approved. For applications, other than retail and other main town centre uses, authorities should consider proposals favourably, unless there is a good reason to consider that costs outweigh the benefits.
- 3.11 An evidence based approach should be adopted for applications not in accordance with the development plan, weighing market and other economic data, alongside environmental and social, and taking full account of long term benefits and the wider objectives of the LDF.
- 3.12 The sequential approach largely remains unchanged from the Government's predecessor document PPS6 under Policy EC15.

National Planning Guidance

- 3.13 The revised guidelines on impact assessments are set out under Policy EC16, which considers the approach to be adopted for planning applications for main town centre uses that are not in a centre and not in accordance with an up-to-date development plan.
- 3.14 This sets out the following issues against which proposals should be assessed.
- a. The impact of the proposal on an existing, committed, and planned public and private investment in centres in the catchment area of the proposal.
 - b. The impact of the proposal on town centre vitality and viability, including local consumer choice and range in quality of retail offer.
 - c. The impact of the proposal on allocated sites outside town centres being developed in accordance with the development plan.
 - d. The impact of the proposal on in-centre trade/turnover and on trade in the wider area, taking account of current and future consumer expenditure capacity up to five years from the time the application is made¹.
 - e. If located in or on the edge of a town centre an assessment of the proposals appropriateness in terms of scale in relation to the size of the centre and its role in the hierarchy of centres.
 - f. Any locally important impacts on centres defined by the Council under positive plan-making policies
- 3.15 In addition to the key tests outlined above, Policy EC10.2 requires all planning applications for economic development to be assessed against the following impact considerations:
- g. Whether the proposal has been planned over the lifetime of the development to limit carbon dioxide emissions and minimise vulnerability and provide resilience to climate change.
 - h. The accessibility of the proposal by a choice of means of transport, including walking, cycling, public transport and the car, the effect on local traffic levels and congestion².
 - i. Whether the proposal secures a high quality and inclusive design which takes the opportunities available for improving the character and quality of the area and the way it functions.
 - j. The impact on economic and physical regeneration in the area, including the impact on deprived areas and social inclusion objectives.
 - k. The impact on local employment.
- 3.16 Taking account of those policies set out for all planning applications for economic developments (above) under Policy EC10 and those specific to applications for town centre related development in non-central locations (see Policy EC16), Policy EC17 recommends planning applications should not be approved either where:
- The proposal fails the sequential approach (Policy EC15); or

¹ Where applicable, this should also include an assessment on the rural economy

² After public transport and traffic management measures have been secured.

National Planning Guidance

- There is clear evidence the proposal is likely to lead to ‘significant adverse’ impact under EC10.2 and EC16.1.
- 3.17 The policy notes that, where such significant adverse impact is not identified, planning applications should be determined, taking account of the positive and negative impacts of the proposals and any other material considerations.
- 3.18 As part of this balance of positive and negative impacts, it is noted that judgements about the extensive significance of any impact should be informed by the Development Plan (where this is up-to-date) and that recent local health check assessments, which take account of vitality and viability indicators and any other published local information, will also be relevant.

Emerging National Policy

- 3.19 A number of changes are proposed to the planning system in the context of the emerging Localism Bill, including an overhaul of the National Level Policy Framework. A review of national planning policy is currently underway, designed to consolidate policy statements, circulars and guidance documents into a single concise National Planning Policy Framework (NPPF). A consultation draft NPPF document was published by the Department for Communities and Local Government (CLG) in July 2011. The consultation period is due to run until 17 October 2011. Among the overarching messages conveyed by the Framework in its current draft form, is that the planning system has a key role to play in rebuilding Britain’s economy, ‘by ensuring that the sustainable development needed to support economic growth is able to proceed as easily as possible’. It goes on to state that ‘the Framework introduces a strong presumption in favour of sustainable development’ (para 15).
- 3.20 The document confirms that, for the planning system, delivering sustainable growth means: planning for prosperity; planning for people; and planning for places and that these three components should be pursued in an integrated way.
- 3.21 The draft NPPF states that local planning authorities should plan positively for new development, approving all individual proposals wherever possible. It also states that Local Plans should be prepared on the basis that objectively assessed development needs should be met; that development proposals that accord with statutory plans should be approved without delay; and that planning permission should be granted where a plan is ‘absent, silent, indeterminate, or where relevant policies are out of date’ (para 14, p.4).
- 3.22 In relation to development management, the draft NPPF states that ‘the primary objective of development management is to foster the delivery of sustainable development, not to hinder or prevent development’ (para 53, p.15). The need for early engagement and front-loading of applications is also noted.
- 3.23 The Government’s pro-growth and economic development stance is clearly reflected in the draft NPPF, which explicitly states that ‘investment in business should not be over-burdened by the combined requirements of planning policy expectations’ and that planning policies should recognise and seek to address potential barriers to investment, including poor environment or any lack of infrastructure, services and housing (para 73, p.18).
- 3.24 Paragraphs 76 – 80 of the draft NPPF set out the Government’s proposed approach to protecting the vitality and viability of town centres and will eventually replace the guidance

National Planning Guidance

set out in PPS4. As with in PPS4, both the sequential and impact tests are key components of the Framework, but the test of scale is not included.

3.25 The next section considers the need for the proposed development.

4.0 Need for Development

- 4.1 Whilst we acknowledge the removal of the requirement to demonstrate 'need' (as advocated by PPS4), a review of the Council's 2009 Retail Study, prepared by NLP, provides a useful indication as to the level of expenditure available within Medway, the current provision of retail floorspace and, informed by the household survey, an indication of shopping patterns and where trade is leaking to.
- 4.2 In addition to the NLP assessment of need, we have also considered the additional expenditure resulting from residents and workers as part of the proposal. This additional expenditure is over and above that considered by NLP.

Medway Council Retail Needs Study

- 4.3 This study was completed in 2008 and has informed both the Council's policy and development management decisions.
- 4.4 The Study considered current and future retail capacity within the Borough up to 2026. We consider the assessment to be broadly up-to-date and an accurate representation of capacity over the plan period. Since the assessment was completed, there have been a number of planning permissions granted which are not reflected within the NLP Study. We have, therefore, updated the Council's study to reflect these and their implications on trading patterns, which is set out in **Appendix C**.
- 4.5 In conclusion, the Study noted that:

"Despite the likely effects of the economic slowdown, future growth in expenditure should provide opportunities to improve the range and quality of shopping and leisure facilities within Medway in the medium term up to 2016. Overall, in order to meet projected growth in expenditure, there is a need for additional shopping and leisure facilities." (Para 16.2).

Convenience Need

- 4.6 At 2011, there is a surplus of convenience expenditure of £49.65m rising to £65.28m by 2016 (**Appendix B, Table 10B**). By apportioning different turnover per sq m to the available expenditure, NLP estimate that the available expenditure could support 5,248sq m net by 2011, rising to 6,779 sq m net by 2016 (**Appendix B, Table 10B**).
- 4.7 Where a high population growth is applied (**Appendix C, Table 11**), the supportable floorspace at 2011 and 2016 increases to 6,016sqm net and 8,971sq m net, respectively.
- 4.8 The existence of capacity does not automatically mean that impacts will be limited. However, it is pertinent to note that the convenience element of the Lodge Hill proposal will provide up to 2,438sqm net and is estimated to turnover at £24.38m at 2016. Even based on the low growth scenario, it shows that the proposal represents just 4% of available capacity.
- 4.9 It is also pertinent to note that a number of the foodstores were considered by NLP to be 'overtrading' i.e. achieve convenience sales densities above the notional company average. These included Sainsbury's at the Pentagon (£3.5m), Morrisons Strood (£2.6m), Tesco Cuxton Road (8.6m), Morrisons Princess Avenue (£15m) and Asda Chatham (£30m). Collectively, this overtrading totalled some £60m which is more than adequate in itself to support the turnover of the Lodge Hill foodstore (£24.38m) without reducing turnover to below notional company averages.

Comparison Need

Need for Development

- 4.10 In considering comparison capacity, NLP consider four scenarios ranging from maintaining the area's low market share and assuming low population growth to seeking to increase market share and adopting a high population growth. This identifies between £233.13m to £269.31m of available comparison expenditure at 2016 which could support between 22,407sqm net to 44,601sqm net over the same period. The comparison element at Lodge Hill will provide up to 1,552sqm net. Based upon NLP's sales density figures for 2016, the proposal would turnover at £8.1m – just 3.5% of the worst case growth scenario.

CB Richard Ellis Quantitative Retail Need

- 4.11 To aid the Council in their consideration of this application, we consider the impact of the proposal upon existing centres. This exercise has been discussed with Medway Council and agreement reached as to the appropriateness of the assumptions employed. To ensure consistency, we have relied upon the NLP study (2009) as far as possible, but have made allowance for planning permissions granted for the out-of-centre Sainsbury's at Anthony's Way and the extension to the Tesco on Cuxton Road, both in 2010. We have also had regard to the takeover of Netto by Asda and the subsequent refurbishment and rebranding of the Strood store as an Asda. Our assessment, therefore, takes account of this new floorspace and estimates the trade diversion resulting from these stores upon the existing provision. It is against this baseline that the impact of the proposal is considered.
- 4.12 The NLP Study considered capacity across the whole of Medway. However, as part of this assessment, and in our representations to the emerging Core Strategy, we have taken a closer look at the need arising on a more localised level post development at Lodge Hill. This approach has been discussed and agreed with Medway Council Officers and NLP.
- 4.13 In order to focus upon additional expenditure arising as a result of the Lodge Hill proposal, we have concentrated on the Wards of Strood Rural and the Peninsula (see map at **Appendix A**).
- 4.14 Within these wards (which effectively represent the Hoo Peninsula) the population is predicted (by the NLP Study) to increase from 28,719 at 2011 to 39,005 by 2026 – an increase of 10,268 residents (**Appendix C** Table 1). In the Strood ward there is a marked population increase over the plan period. Whilst an element of this increase might be the result of aspirations at Lodge Hill, it is unlikely that it includes the new residents predicted to move to the new settlement up to 2026.
- 4.15 For the purposes of this exercise, we have made assumptions as to the split between 'main' and 'top-up' expenditure and the proportion of each that would be retained within the settlement by residents (**Appendix C** Tables 5 and 6). This results in an additional £3.9m of additional convenience expenditure at 2016 increasing to £7.8m by 2021 and £11.9m by 2026.
- 4.16 Although we have not considered it within this submission, it is reasonable to assume that the provision of employment within the proposed new settlement will attract workers who will spend money on convenience and comparison goods.
- 4.17 In summary, in addition to the capacity identified in the Council's Retail Study, there will be additional expenditure arising from residents and workers associated with the proposed development. This will assist in supporting the proposed retail floorspace.

Need for Development

- 4.18 Whilst it is acknowledged that the demonstration of need is no longer required by PPS4, this exercise demonstrates the levels of capacity which exist over and above that which is required to support proposals at Lodge Hill. The existence of capacity alone does not negate the requirement to undertake an impact assessment but it is reasonable to assume that any impacts will be mitigated due to the existence of available surplus capacity and identified 'over trading'.
- 4.19 The retail offer proposed at Lodge Hill will primarily serve existing and new residents within the Peninsula, but we have also sought to demonstrate the level of trade diversion resulting from the proposed foodstore. This is considered in Section 5.
- 4.20 In addition to demonstrating that there is a clear quantitative need for the proposed development, the provision of a new foodstore will result in qualitative improvements on the Peninsula, improving consumer choice, fostering foodstore competition and reducing the need for shoppers to travel to nearby centres and free-standing stores to meet their convenience needs.
- 4.21 The foodstore will claw back expenditure that currently leaks from the area and, in so doing, contribute to more sustainable travel patterns.

5.0 Accordance with Key Policy Tests

5.1 There is clearly an established policy commitment to the redevelopment of Lodge Hill and we would contend that the proposals are in accordance with these established principles. However, pursuant to the policies set out for all planning applications for economic development and those specific to applications for town centre related development in non-central locations, the following section considers the proposal against the policy criteria set out in PPS4.

5.2 These key tests are considered in turn below:

CONSIDERATION OF THE SEQUENTIAL TEST

5.3 As set out in Section 3 (National Planning Guidance) of this Statement, PPS4 confirms the Government's approach to adopting the sequential test for site selection and gives preference to town centre sites before edge-of-centre and out-of-centre sites are considered for retail development. Adopting a sequential test for selecting sites means that, wherever possible, seeking to focus new development within or failing that on well located sites on the edge of existing defined centres.

5.4 National policy requires those promoting development, where it is argued that no other sequentially preferable site are appropriate, to demonstrate why such sites are not practical alternatives in terms of their availability, suitability and viability. These terms are defined as:

- Availability - whether sites are available now or likely to become available for development within a reasonable period of time;
- Suitability - with due regard to the requirements to demonstrate flexibility, whether sites are suitable to accommodate the need or demand which the proposal is intended to meet;
- Viability - whether there is a reasonable prospect that development will occur on the site at a particular point in time.

5.5 The retail element of the proposal represents a small part of the larger strategic proposal which has a proposed designation in the Publication Draft Core Strategy as a free-standing mixed use settlement including retail provision of at least 5,000sqm GEA floorspace. As identified in the supporting material, the primary focus of the proposal is to create a new settlement comprising residential, employment and community uses. To ensure the needs of residents, workers and visitors are met and in accordance with Government policy to promote sustainable economic development, there needs to be convenience and comparison provision within the centre. This presumption in favour of retail has been established in emerging planning policy.

5.6 Therefore, whilst we do not disagree with the requirements of PPS4 in so far as it requires a sequential assessment to be undertaken for proposals outside existing centres and not in accordance with an up-to-date development plan, the appropriateness of such an exercise should be balanced against the overarching objective of what is to be achieved at Lodge Hill.

5.7 As part of this exercise we have visited neighbouring centres to assess their vitality and viability and considered how the proposal might affect this. One indication of vitality is the level of vacancies in a centre. Strood is the nearest centre and this document seeks to pay particular regard to any potential impacts post-development at Lodge Hill.

Accordance with Key Policy Tests

- 5.8 Strood is identified as a District Centre in adopted and emerging planning policy. From our observations and discussions with Medway Council it primarily performs a convenience and service role.
- 5.9 In July 2011, there were a total of 11 vacancies across the centre. This represented 8% of the total number of units which is below the national average. There was no obvious clustering of vacancies, with the largest of these ranging between approximately 670sqm gross – 1,090sqm gross. Even after taking a flexible approach to the scale of floorspace proposed and assuming that all vacancies were adjacent to each other, they could not accommodate the proposed 5,321sqm gross proposal.
- 5.10 Furthermore, as far as we are aware, there are no sequential sites identified in the adopted Local Plan or emerging LDF documents. Even if such sites were identified, the location of the retail provision proposed on such sites would not meet the objectives of the proposal, reduce the need to travel in meeting shopping needs or provide the qualitative and quantitative improvements much needed on the Peninsula as a whole and within the new settlement.
- 5.11 For this reason, we conclude that in this instance a flexible approach should be taken to the requirements of Policy EC15.

CONSIDERATION OF ECONOMIC DEVELOPMENT IMPACT

- 5.12 Policy EC10 provides the criteria for which all applications for economic development will be assessed against. These are considered in turn below, although a more detailed explanation is provided in the relevant supporting documents produced by Hyder Consulting, Quod Planning and PRP Architects:

Whether the proposal has been planned over the lifetime of the development to limit carbon dioxide emissions and minimise vulnerability and provide resilience to climate change.

- 5.13 The proposals for a new foodstore have been prepared, giving consideration to PPS1, the Development Plan and draft emerging plan policies. Full details of sustainability measures, incorporated as part of the application proposals, are set out in the supporting Sustainability Report, prepared by Hyder Consulting.
- 5.14 In respect of the retail elements of the Lodge Hill development, we are committed to delivering the following:
- BREEAM “Excellent” will be achieved. BREEAM looks at the energy use, as well as materials used in building the retail facility, the water used in operation, etc. which will ensure low energy use and optimise day lighting opportunities, whilst minimising solar heat gain.
 - Additionally, an Energy Statement has been developed for the whole site. This strategy aims to reduce the CO₂ emissions across the whole site through the implementation of a district heating system coupled renewable energy technologies and will deliver well in excess of 20% reduction in CO₂ emissions across the site.

Accordance with Key Policy Tests

- 5.15** Achieving a BREEAM 'Excellent' standard demonstrates the developer's commitment to delivering a sustainable and low energy scheme by going beyond the minimum planning requirements.

Accordance with Key Policy Tests

The accessibility of the proposal by a choice of means of transport, including walking, cycling, public transport and the car, the effect on local traffic levels and congestion.

- 5.16 The site's accessibility and transport impact are detailed in the supporting Transport Assessment, prepared by Hyder Consulting. The retail areas will be accessible by:
- Walking and cycling via paved routes to Hoo and Strood;
 - Walking via other routes to the surrounding villages;
 - Bus Route through the site.
- 5.17 Measures to encourage modes of travel to the proposed store both by customers and employees are set out in the supporting Travel Plan (prepared as part of the Transport Assessment) also prepared by Hyder Consulting.

Whether the proposal secures a high quality and inclusive design which takes the opportunities available for improving the character and quality of the area and the way it functions.

- 5.18 The proposal has evolved through extensive public consultation and feedback from the Council. What is proposed will result in a significant improvement to the site and surrounding areas and secure a high quality and inclusive design. This is demonstrated in the supporting DAS.

The impact on local employment.

- 5.19 The supporting document produced by Quod Planning considers the total number of jobs resulting from the proposal and whether these are full or part time. In summary, the proposal will enhance local employment within Medway and it is anticipated a total of 150 FTE jobs will be created by the foodstore and 80 other FTE jobs for the other 'flexible' floorspace.
- 5.20 A further significant benefit of major proposals is the generation of employment during the construction period. This would typically include contractors, sub contractors and supply chain members.
- 5.21 The development is also likely to support indirect jobs such as local suppliers of construction materials and equipment.
- 5.22 Finally, we would expect to see local businesses benefiting from the temporary increase in expenditure as construction workers spend money in local shops and other facilities. These benefits resulting from the construction period are considered to be a significant short term positive impact for the area.
- 5.23 Overall, in considering the issues to be assessed under policy EC10, it is concluded that the proposals will accord with the requirements of policy EC10 by providing a sustainable, accessible and high quality development that will enable regeneration of this area.

CONSIDERATION OF RETAIL IMPACT

- 5.24 Section 4 confirms a clear quantitative need for additional convenience and comparison floorspace within the catchment area.

Accordance with Key Policy Tests

- 5.25 PPS4 policy EC16 identifies the main impact considerations to be assessed for town centre/retail proposals. Before considering these in turn below, it is useful to consider the context of retail impact. In the negative context, retail impact would result in a material harm to an identified centre. Policy EC17 is clear that only where there is clear evidence that a proposal is likely to lead to significant adverse impacts should planning permission be refused. In this regard, we have already outlined that the retail element of the proposal will provide a much needed day-to-day provision to the Peninsula, enhance consumer choice and reduce social exclusion.
- 5.26 The positive impacts of economic and retail development are also reflected in PPS4 (Policy EC10) which requires Local Planning Authorities *“to adopt a positive and constructive approach towards applications for economic development.”*

The impact of the proposal on existing, committed, and planned public and private investment in a centre or centres in the catchment area of the proposal.

- 5.27 Medway’s regeneration programme (which replaces the Medway Renaissance Partnership) continues to be involved in promoting a number of key sites within Medway, with an onus on providing additional homes and new jobs. Of most relevance to this application are the aspirations for Strood Centre where the objective is to realise the centre’s growth potential, contribute to the emergence of the City of Medway and evolve into an attractive and vibrant centre.
- 5.28 Strood District Centre’s retail offer is predominately convenience and service based. The centre is unique amongst Medway centres, as its retail offer is partially anchored by a retail park situated behind the High Street (anchored by B&Q and Matalan) and Morrisons.
- 5.29 Medway Council commissioned a masterplan to provide a long term vision for future development and regeneration of Strood District Centre. This document informed Policy CS26: Strood of the Core Strategy which seeks to: strengthen the cohesion of the centre; improve the quality of retail provision; promote employment opportunities; safeguard open spaces and enhance the public realm; and reduce the impact of traffic.
- 5.30 Since the publication of the masterplan the centre has benefitted from major investment by Morrisons and Tesco and more recently Asda have taken the former. Other planned major developments in the area have also come forward recently, including the Sainsbury’s proposals for the Medway City. These proposals demonstrate investor confidence in Strood and that demand remains strong.
- 5.31 The provision of retail within the planned new settlement at Lodge Hill is considered an ancillary use to support local needs. Furthermore the comprehensive development of the area is not likely to come forward before 2016. Against this background and taking account of the wider regeneration benefits resulting from Lodge Hill such as employment and investment, we conclude that the proposal would not have an adverse effect on future investment in Strood or the Medway towns.

Impact of the proposal on town centre vitality and viability, including local consumer choice and range in quality of retail offer.

- 5.32 Our assessment has been evidenced by the latest Experian GOAD Centre Reports (surveyed in 2009) and has considered the health check analysis undertaken by NLP as part of the

Accordance with Key Policy Tests

Medway Retail Needs Study (2009) as well as CB Richard Ellis' own findings from visits to these centres.

- 5.33 The NLP Study undertook health checks of the following centres:
- Chatham City Centre;
 - Gillingham District Centre;
 - Hempstead Valley District Centre;
 - Rainham District Centre;
 - Rochester District Centre; and
 - Strood District Centre.
- 5.34 Based upon the notional catchment area of the proposal, the distance of centres from the proposal site, the qualitative offer and our assumptions as to trade diversion this Statement focuses upon Strood District Centre. However, given the proximity to the proposal we also assess the trade impact on Chatham, Rochester and Hoo St Werburgh in **Appendix C**.

Diversity of Town Centre Uses

- 5.35 The retail offer of Strood comprises the defined Core Retail Area and the adjacent Strood Retail Park. Although they are separated by Commercial Road, they function as a connected centre and have been considered as such by NLP.
- 5.36 The Core Retail Area comprises the retail units along High Street, North Street and the surrounding area, with the retail units at Strood Retail Park located off Knight Road. In addition there is a Tesco supermarket on Cuxton Road (which has recently obtained planning permission for an extension) and a Morrisons, both of which fall outside the Core Retail Area boundary. Smaller retail units are situated on High Street but with the exception of Wilkinson and Asda, the majority of the centre's large retail units are provided on the Retail Park.
- 5.37 The GOAD plan for Strood identifies a total of 25,360 sq m gross of retail and service floorspace. The NLP Study remains silent on the role of the centre but based upon our observations the centre displays a bias towards convenience and service uses. As highlighted above the number of vacancies is below the national average which is an improvement on the NLP Study.
- 5.38 PPS4 defines Districts Centres as *"those centres which will usually comprise a group of shops often containing at least one supermarket or superstore, and a range of non retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library"*. Overall we consider Strood conforms to this.

Retailer Representation

- 5.39 Retailer representation in Strood, both within the centre and within the Retail Park and free-standing foodstores provide a good range and mix of uses and operators, consistent with its District Centre status.
- 5.40 Strood is represented by mainstream multiple retailers with Tesco, Asda, Morrison and Iceland providing convenience goods and Next, Matalan and B&Q representing comparison retailers.

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Proportion of Vacant Street Level Property

- 5.41 The 2009 NLP Study notes that the vacancy rate of units in Strood was above the national average at 11.8%. Based upon our review of the latest GOAD plan and site visits we estimate that the vacancy rate has decrease to 8%. Since the NLP Study the national average for vacancies has shifted to 13%, no doubt in response to the climate on the high street. Despite this Strood represents an improvement on the number of vacancies against the lower 2009 national average.
- 5.42 The majority of vacant units are small, with the upper range providing between 670 and 1,090sqm gross. This relatively small average size of vacant units shows the limited opportunity for additional convenience or comparison retail of any significance in the centre.

Accessibility

- 5.43 Strood is easily accessible by public and private transport. Bus services operate through Strood to Chatham and other Medway towns, the Hoo Peninsula, Gravesend, Bluewater and Lakeside, amongst other destinations.
- 5.44 To the north east of the Centre is Strood railway station. This is approximately 300m from the Core Retail Area and provides services to Central London, Gillingham, Maidstone, Woolwich Arsenal and Greenwich. As of December 2009, the line is now connected with the high speed rail link to London St Pancras.
- 5.45 The centre is therefore considered to be very accessible by a choice of transport modes.

Pedestrian flows and environmental quality

- 5.46 The Strood Town Centre masterplan sought to provide a long term spatial vision for the centre. One of its key elements was to enable improved access and movement which is currently prevented by the adverse impact of the road network. The masterplan acknowledges investment in the centre and the positive effects of those developments taking place in the wider area.
- 5.47 To improve pedestrian flows and the environmental quality in the centre will require developments to accord with the spatial vision. There is not a short term solution to this but we believe it is realistic to conclude that the proposal at Lodge Hill will not frustrate this and may result in additional visitors to the waterfront area of the centre.

Effects on allocated sites outside town centres

- 5.48 With the exception of the Strategic Allocation of Lodge Hill, the statutory development plan does not allocate any sites for development in out of centre locations.

Impact on in-centre trade/turnover and on trade in the wider area

- 5.49 The total turnover of the proposal is estimated to be £32.15m at 2016. At 2016 the convenience element is estimated to be £24.38m and the comparison £7.76m (Table 7 Appendix C).
- 5.50 Our approach follows a widely accepted step-by-step approach whereby we:
- estimated the turnover of the proposed convenience provision at Lodge Hill at the design year of 2016;

Accordance with Key Policy Tests

- calculate the turnover of foodstores within the area at the base date of 2011 and the design year of the proposal (2016) based upon the 2009 Retail Study;
 - make allowances for planning consents granted since the 2009 Study and adjust market shares to reflect these proposals;
 - estimate the likely trade diversion of the Lodge Hill proposal at 2016 upon the existing provision and estimate the likely level of impact upon existing centres.
- 5.51 The results of this trade draw/impact assessment are contained in Table 8 in **Appendix C**.
- 5.52 Given the considerable level of comparison capacity available within the Medway area and the anticipated growth in population and expenditure over the plan period we consider there is ample capacity to support the comparison element of the proposal (1,533sqm net) without resulting in any significant impacts upon existing centres.
- 5.53 Table 8 in **Appendix C** assesses the implied convenience turnover of the main foodstores within Medway at the test dates of 2011 and 2016. Before considering the level of trade diversion resulting from the Lodge Hill proposal we have adjusted the 2009 market shares to reflect the introduction of Asda in Strood and the recently consented schemes at Cuxton Road and Anthony's Way. This resulted in a slight reduction in Chatham's convenience turnover at 2011 from £61.6m to £59.2m and a resultant increase in Strood's retained expenditure from £71.8m to £82.3m over the same period. Although construction of the new Sainsbury' store at Anthony's Way has not yet commenced we have assumed that it will be open and trading by 2016. We have adjusted the market shares in line with the turnover identified by Montagu Evans in their supporting Retail Assessment for the Tesco's proposal.
- 5.54 Overall it is estimated that 16% (£3.9m) of the proposals turnover will come from Chatham Town Centre. 21% (£5.1m) will be diverted from Strood although the majority of this will be from the edge of centre Morrisons and the majority i.e. 9% being drawn from the Tesco and edge or out of centre Morrisons, which are both overtrading. 51% (£12.4m) will be diverted from the free-standing stores in and around Chatham. An allowance has also been made for trade diversion beyond the Medway Retail Study to reflect response to the household survey which identified the free-standing Asda and Morrisons at Gravesend as convenience shopping destinations from residents in and around the Peninsula. At these levels and given the health of the centres we do not consider our trade diversion estimates to be reason for concern.
- 5.55 When this is translated into impact this represents a total impact upon the total retained expenditure of 21% at 2016.
- 5.56 In pre application discussions, the Council has asked us to consider the potential impact the proposal might have on Strood and other smaller centres, including Hoo. When considering the issue of impact the following are important considerations:
- Firstly, all development will have some degree of impact, the test is whether this is considered significant and would adversely affect vitality and viability.
 - Secondly, 'like impacts upon like'. The Guidance Notes which accompany PPS4 recognise that large foodstores will, by their very nature impact upon similar sized stores and not upon smaller local provision. As trade diversion to supermarkets and superstores is generally accepted to be from similar size and functioning stores (as they provide directly comparable goods), we believe this approach is robust.

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these residents are estimated to represent an increase in available convenience expenditure of £3.9m in 2016, rising to £7.8m in 2021 and £11.9m by 2026.

- 5.64 At 2016, 35% of the proposed turnover of these foodstore would be supported by these residents, rising to 53% by 2021 and 86% by 2026. This additional expenditure would therefore greatly reduce the impacts set in **Appendix C**, Table 8.

Whether in centre/edge of centre proposals are of an appropriate scale

- 5.65 The application site is currently considered to be out-of-centre in terms of PPS4 although the status of the site will change through the emerging Core Strategy where Lodge Hill is proposed to be designated as a free-standing mixed-use settlement providing at least 5,000 sqm GEA retail floorspace. Notwithstanding this we consider the scale of the proposal compared to the surrounding key centres in Medway to be appropriate and necessary to meet the day-to-day needs of the proposed new settlement.

Additional Material Considerations

- 5.66 In addition to the retail impacts tests set out under Policy EC16 we consider qualitative need as a material consideration for the proposed development.
- 5.67 The Council's Retail Study and our own observations confirm that there is currently a qualitative deficiency in retail provision on the Peninsula. This results in residents having to travel to both nearby centres and free-standing out-of-centre foodstores in order to carry out shopping trips.
- 5.68 The proposal at Lodge Hill will create a wholly new settlement and new residents. Unless there is a qualitative improvement in the retail offer the current situation of leaking expenditure will be exacerbated and unsustainable. The retail proposals at Lodge Hill will meet this deficiency and reduce the need to travel for day to day shopping needs.
- 5.69 PPS4 identifies five factors relevant to qualitative need including:
- Deficiencies or 'gaps' in existing provision;
 - Consumer choice and competition;
 - Overtrading, congestion and overcrowding of stores;
 - Location specific needs such as deprived areas and undeserved markets; and
 - The quality of existing provision.
- 5.70 There is currently no main foodstore provision provided on the Peninsula and therefore a gap in the provision of a high quality foodstore operator.
- 5.71 Foodstore operators currently trading in Strood and Chatham include Morrisons, Tesco, Sainsbury's and more recently Asda, whilst beyond the existing centres the major foodstore operators are Morrisons, Tesco and Asda. The Council's findings and our own show that stores in Strood and Chatham are overtrading as are a number of the edge and out of centre stores. Given the level of excess turnover, it is the correct approach to claw back this turnover to more central locations and allocated sites.

SUMMARY OF RETAIL IMPACT

Accordance with Key Policy Tests

- 5.72 The overarching objective of PPS4 is “sustainable economic growth” which can be achieved through, amongst other initiatives, promoting regeneration, reducing the need to travel and tackling deprivation. PPS4 recognises retail development as an important form of economic development and advises local planning authorities to adopt a “positive and constructive approach towards planning applications for economic development”.
- 5.73 The proposed development as a whole, will result in significant positive impacts for the Peninsula and the wider Medway area, including:
- Significant investment and regeneration in an area lacking in major development for many years;
 - Significant employment generation by creating 150 FTE jobs will be created by the foodstore and 80 other FTE jobs for the other ‘flexible’ floorspace;
 - Improved accessibility by a choice of means of transport;
 - Improved retail provision, resulting in qualitative improvements in provision, increased competition, choice and retention of expenditure; and
 - Significant contribution to reducing levels of social exclusion through investment and access to jobs and retail facilities.

6.0 Conclusions

- 6.1 The Medway Publication Draft Core Strategy confirms Lodge Hill as an emerging free-standing mixed-use settlement, which includes retail.
- 6.2 Given the advanced stage that the Core Strategy has reached, the emerging policies within the Publication Draft Core Strategy should be afforded considerable weight. Policy CS19 specifically identifies the provision of smaller scale comparison retail of approximately 5,200sqm and a convenience store of about 5,000sqm at Lodge Hill. Policy CS33 acknowledges the appropriateness of around 5,000sqm of retail provision at Lodge Hill.
- 6.3 The Local Plan acknowledges that the long term needs of Medway could be met at Lodge Hill (referred to as Chattenden in the Local Plan) and local shopping facilities which meet the daily needs of residents, workers and visitors should be provided in association with major residential development.
- 6.4 The proposed retail development, as a whole, will result in significant positive impacts for the Peninsula and the wider Medway area including significant investment and regeneration, employment generation including approximately 230 jobs, improved access, qualitative improvements in retail provision, competition and choice.
- 6.5 The convenience provision, given its proposed location, will result in a greater level of convenience expenditure retention on the Peninsula and result in a more appropriate market share and an alternative to the market dominance of the stores in Strood and the other Medway towns.
- 6.6 The scale of the proposal is considered appropriate and sufficient to widen choice in food shopping and to meet the day-to-day needs of existing and new residents, as well as workers and visitors to the new settlement.
- 6.7 At present, the Peninsula is poorly served by comparison retail provision. Whilst the future occupiers of the comparison floorspace have yet to be agreed, it is expected that these would serve the new settlement and immediate hinterland. Their inclusion within the proposal would widen choice in non-food shopping, help redress the extensive leakage of comparison expenditure and reduce the need to travel.
- 6.8 As with the convenience floorspace, it is critical that the mix of retail within the new settlement provides vitality and viability and, alongside the rest of the proposal, create a sense of place where people will want to live, and work.
- 6.9 Having demonstrated that it is not appropriate for the proposal to be accommodated on a sequential site (should one exist) we considered the economic (EC10) and retail impacts (EC17) of the proposal.
- 6.10 The existence of capacity alone does not negate the requirement to underrate an impact assessment, but it is reasonable to assume that any impacts will be mitigated due to the existence of available surplus capacity and identified 'over trading'. Whilst we acknowledged that the demonstration of need is no longer required by PPS4 our assessment of additional capacity arising on the Peninsula is capacity over and above that identified in the Council's Retail Study. Taken as a whole, the levels of capacity identified by NLP and CB Richard Ellis could support the proposed development at Lodge Hill.
- 6.11 We concluded that the proposal accords with the requirements of policy EC10 by providing a sustainable, accessible and high quality development that will enable regeneration of this area.

Conclusions

- 6.12 The proposal will not result in an adverse impact upon existing centres including Hoo St Werburgh, but rather provide positive benefits to the Peninsula and wider area.
- 6.13 There is spatial capacity within the indicative masterplan to accommodate additional floorspace beyond that proposed in this outline planning application, although any additional floorspace would need to be subject to the necessary testing and planning process. The opportunity exists to respond to additional demand in the future, should it arise, without undermining the principles that underpin the masterplan vision.

APPENDICES

Appendix A – Strood Rural and Hoo Peninsula Wards

Appendix B - Catchment Area

Appendix C - Impact Tables
