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**WATERLOOVILLE – BAE SYSTEMS TECHNOLOGY PARK  
ELETTRA AVENUE**

**SEQUENTIAL APPROACH & IMPACT ASSESSMENT FOR  
PROPOSED HOTEL (CLASS C1), RESTAURANT (A3) &  
DRIVE-THRU RESTAURANT (A3/5)**

**BAE SYSTEMS PROPERTIES LIMITED**

**25 June 2012**

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## **1. INTRODUCTION**

- 1.1 This report accompanies a planning application for the redevelopment of the BAE systems site at the Brambles business park in Waterlooville. This is one of a number of reports submitted in support of the application.
- 1.2 This report considers only part of the site, and some of the uses proposed (namely a hotel, associated restaurant, and a separate drive-thru style restaurant).
- 1.3 Moreover, this report only considers those uses in respect of two planning policy matters: the sequential approach to site selection; and, matters of town centre impact.

## 2. THE DEVELOPMENT PROPOSAL

- 2.1 The planning application submitted by BAE Systems encompasses the majority of their former Technology Park. The main building is now mostly vacant.
- 2.2 The overall masterplan for the site is attached as **Appendix A**. The objective is to create a contemporary, high quality replacement business park. All but two of the structures on the site are proposed to be demolished, and replaced by a range of business (class B1-8) units both in terms of size and configuration. Some limited complementary uses are proposed, comprising a hotel, associated restaurant, and a separate 'drive-thru' style restaurant with both sit-down and takeaway service. These uses would not only help to serve the needs of the business park (the hotel and restaurant), but also the needs of the wider resident population. They would also assist in terms of the overall viability of the project, and hence the regeneration of the site i.e. 'enabling development'.
- 2.3 From the masterplan it can be seen that the proposed hotel, associated restaurant and drive-thru restaurant would be located on the northeast side of the site adjacent to Hambledon Road. This part of the site is the closest to the town centre, Wellington Retail Park, and the recently consented Sainsbury store on the former Salvador Caetano Coach Builders site.
- 2.4 It is anticipated that the hotel would be occupied by a good quality 'budget' operator, such as Travel Lodge or Premier Inn, and that it would comprise approximately 60 beds along with the usual hotel facilities (customer reception area, toilets, back of house and staff facilities, servicing areas, and possibly meeting rooms / conference facilities). Consistent with numerous other examples of such hotels a restaurant would be incorporated within the development. The restaurant is an important facility, particularly for business travellers not familiar with the local area. It would be open to customers of the hotel, as well as the public at large.
- 2.5 The drive-thru restaurant would be operated separately, and not associated with the hotel. These types of commercial operation are, of course, a very established part of the street scene, both in urban areas and adjacent to the major road network. Their attraction, for many, is convenience and speed; the drive-thru part of the operation speaks for itself. Nevertheless, typically these types of operation will also offer a sit-down (eat-in) restaurant, albeit of varying size and usually on a much smaller scale to a more traditional restaurant such as that discussed above.

### *The Surrounding Area*

- 2.6 BAE Systems Technology Park is located northwest of Waterlooville town centre. In policy terms (see below) it is an out of centre site. The character of the surrounding area is very much one of mixed commercial use, consistent with the transition between town centre and residential areas

further afield. Apart from a significant number of properties in B Class general employment use the area also accommodates a nursery school (class D1), a large new car showroom and used car dealership (sui generis), a petrol station with forecourt (Class A1) shop, and the Horizon leisure centre (class D2). The latter is, effectively, the municipal leisure centre for the town (another facility being operated in Havant centre).

- 2.7 The area containing the application site is, therefore, clearly one of mixed character providing both employment opportunities, and a range of facilities of interest to both those working and living in the area. In our view the proposed development would fit with, and complement this range of uses.

### 3. PLANNING POLICY CONTEXT

- 3.1 In so far as the hotel, restaurant and drive-thru elements of the planning application are concerned policy on two levels, national and local, is relevant. We summarise each of these in turn below, along with the evidence base underpinning policy at the local level.

#### **National Planning Policy Framework (March 2012)**

- 3.2 This (NPPF) document replaces the former PPS4 (as well as significant number of other national policy statements and guidance), and is the Government's primary policy statement in respect of 'town centre' uses (of which hotels and restaurants are examples).
- 3.3 Section 2 deals with town centres, and paragraphs 24 and 26 confirm that the (PPS4) sequential approach to the location of development, and impact assessment requirements are retained in their basic form. There have however been some subtle but important changes to the policy guidance wording, and so it is important to rehearse the most relevant sections in respect to this application.
- 3.4 As with PPS4 local authorities are required to "*plan positively*" and ensure that sites to meet the needs of, inter alia, leisure, community and tourism uses are met. The NPPF has however taken this further by insisting (at paragraph 23) that "*It is important that needs for (such uses)... are met in full (our underlining) and not compromised by limited site availability.*" If there are no suitable town centre sites, edge of centre then out of centre sites should be utilised (paragraph 24).
- 3.5 Paragraph 26 sets out the requirements for the preparation of impact assessments. These are required for those schemes in out of centre locations where development proposed exceeds 2,500sq.m. (or locally defined threshold).
- 3.6 The criteria for impact assessment have been much simplified, and now comprise two main criteria only.
- 3.7 The Good Practice Guidance that accompanied PPS4 has not be superseded by the NPPF, and remains extant. Paragraph 6.9 is relevant to the proposal. It states "*Whist the sequential approach applies to all main town centre uses, local planning authorities should consider the relative priorities and needs of different main town centre uses, particularly recognising their differing operational and market requirements. For example, a hotel associated with a motorway service area is likely to cater for a distinct market compared to a traditional city centre hotel. Similarly, a town centre office development will serve a different function and market compared to a business park.*" We consider these sentiments are very relevant to the uses considered within this report, particularly the hotel (and associated restaurant) that is intended, primarily, to serve the needs of the adjacent business community.

- 3.8 As paragraph 13 of the NPPF confirms, the document constitutes guidance for local decision taking, and is a material consideration. Since the NPPF (and indeed the sections within it) is only one material consideration, it is of course the case (by law) that the Council must have regard, and give due weight to all other material considerations. Moreover, the NPPF does not replace the development plan as the starting point for consideration of applications, and we consider the relevant policies below.

#### **Havant Borough Core Strategy (March 2011)**

- 3.9 This policy document replaces many of the policies contained within the saved Local Plan (2005).
- 3.10 Paragraph 1.34 of the Plan confirms that the borough is made up of five distinct areas. One of these is Waterlooville, defined as including Cowplain, Purbrook, Waterlooville, Wecock and Widley. Accordingly, we have adopted this area as the extent of the study area for this report (further details are provided in Section 4).
- 3.11 Policy CS4 sets out the hierarchy of centres within the Borough. Waterlooville is identified in the top tier (along with Havant) as a town centre. In so far as our study area (the Borough to the west of the A3M) is concerned, Cowplain is identified as a district centre, and Purbrook and Widley as local centres. The policy is permissive of development for a range of uses within these centres.
- 3.12 Paragraph 3.42 confirms that the key challenges for Waterlooville town centre are integration with the Major Development Area (MDA), being developed by Grainger Plc, and improved connectivity with the Wellington Retail Park.
- 3.13 Paragraph 3.51 suggests that all of the town and district centres except Emsworth have weak evening economies, with very few restaurants and public houses. Indeed, paragraph 3.52 confirms that the focus of Waterlooville town centre is on retailing. A weekly street market generates high footfall, and is the busiest day of the week for retailers (Friday).
- 3.14 Policy CS5 deals with tourism, including hotels. The policy is permissive of new development "around the borough" in certain circumstances. This reflects the discussion in the subsequent supporting paragraphs of the plan that *"Tourism and leisure was identified as a significant growth cluster in the 2008 University of Portsmouth Cluster Study generating significant employment and income for the Borough."* Indeed, despite its proposed location adjacent a new business park it is not only business travellers that are anticipated would stay at the new hotel; it is likely to be attractive to the general tourist market.
- 3.15 More evidence was contained within the Havant Hotel Futures (July 2008) report, forming part of the evidence base for the plan. Paragraph 3.59 notes that *"It identified a strong demand for budget hotel accommodation in the Havant area. The report also highlighted the potential for significant future growth in midweek demand from the corporate and contractors"*

*markets given the planned development of business parks in the area and the level of construction work planned."* A PUSH-wide study was published in July 2010. We refer to both of these studies below.

- 3.16 Paragraph 3.60 confirms that the (NPPF) sequential approach is applicable to hotel proposals, however it is recognised that "... *the market demand will influence hotel location.*" Sites for hotels will be set out in the Development Delivery (Allocations) Plan (we understand not yet published by the Borough Council).
- 3.17 Policy CS18 identifies five strategic projects that are fundamental to the delivery of the overall vision (paragraph 8.06). These include the Waterlooville 'Major Development Area' and integration with the town centre (Site 4). On the latter of these objectives, the plan makes reference to the Waterlooville Town Centre Urban Design Framework (2004)(paragraph 4.07), which we understand is considered as supplementary planning guidance.
- 3.18 Page 98 onwards of the plan sets out more detail of this strategic allocation, and discusses matters relating to the Asda site. In particular, that evidence suggests redevelopment and relocation of Asda is not financially viable.

#### **Town Centres Consultation (December 2011)**

- 3.19 We understand this consultation document was the forerunner of a more wide-ranging exercise to be undertaken later in 2012 dealing with more issues, including site allocations.
- 3.20 Each of the Borough's town centres are addressed in turn. Waterlooville is dealt with at paragraph 4.51 onwards. Paragraph 4.53 notes that Sainsbury's was recently granted consent to develop a new food store on the former Caetano Site on Hambledon Road (very close to the application site).
- 3.21 Paragraph 4.55 explains the importance of integration between the West of Waterlooville MDA and the town centre. Reference is made to the Urban Design SPG, although rather than the 2004 version referred to above this is the more recent work by Studio REAL on behalf of Grainger Plc. As we understand it this document has no planning status as SPG, and was prepared solely by the developer.
- 3.22 Of particular note is the proposal to extend Waterlooville town centre boundary to include the Wellington Retail Park on the north side of Maurepas Way (paragraph 4.57 and figure 4.14). The consultation document suggested this area may be extended further to include the site of the recently consented Sainsbury's.
- 3.23 Paragraph 4.64 onwards discusses various development opportunity sites in and around the town centre (see figure 4.14 in the document). These include the 'Blue Star' site on the west site of Maurepas Way as being suitable for a mixture of town centre uses such as leisure and a hotel. Of



relevance is the discussion regarding the Asda site, and that the proposed relocation of the store (to the Blue Star site) is not financially viable at the present time.

#### **Waterlooville Town Centre Urban Design Framework (2004)**

- 3.24 In so far as is relevant to the application proposal, the Urban Design Framework recommended a strategy that reflects the approach of Core Strategy Policy CS18. In essence, this is predicated on the relocation of the Asda store to the west of Maurepas Way, in turn freeing-up the existing Asda site for redevelopment. One of the potential uses suggested for the Asda site is a hotel, although this is not definitive.
- 3.25 It should be recognised that the Framework was, by its nature, a design-driven exercise. Moreover, so far as we are aware it was not based upon an assessment of commercial market demand, or development viability.
- 3.26 It is notable that some nine years since the preparation of the Framework few, if any, of its recommendations for the west side of Waterlooville town centre have been implemented, and its findings must remain to be regarded as a longer term, aspirational set of objectives

#### **Waterlooville: Integration of MDA and Town Centre (2009)**

- 3.27 As we understand it this document has not been formally adopted as supplementary planning guidance by the Council, and as such has no policy status. Nevertheless, it is referred to in the December 2011 consultation document (see above), and we therefore refer to it for completeness.
- 3.28 Of most relevance within the document is the apparent aspiration of Grainger Plc for a commercial leisure and hotel development on the Blue Star site. Not only is this at odds with the Council's own planning policies, it is predicated on Asda redeveloping their store in-situ. As we comment elsewhere in this report that outcome seems particularly unlikely for the foreseeable future.

#### **West of Waterlooville Forum**

- 3.29 Item 3 of the minutes of the Forum's meeting from 31 March 2010 states *"Asda has made clear, following detailed discussions, that they were not prepared to engage in any redevelopment or relocation process in the current economic climate. This might not be the position in the future, but it currently represented a constraint on achieving the best integration scheme, which was not in the power of the planning authorities to overcome at this time."* The minutes of the meeting are attached as **Appendix B**.
- 3.30 So far as we know, this remains Asda's up to date position on the matter.

#### Summary

- 3.31 The adopted Core Strategy recognises the likely benefits of hotel development to the Borough, that Waterlooville town centre's vitality and viability is founded upon its retail offer, and the very limited extent of the night-time economy and uses to support it.
- 3.32 Despite the relatively recent Core Strategy allocation via Policy CS18 it is clear that there is much uncertainty over the likely future development of that area on the west side of the town centre, and the uses that will be achieved. Asda, who is central to any progress with the policy aspirations, has made it clear that it has no intention to redevelop or relocate its store. It does not therefore appear that the future of the area will be resolved in the foreseeable future, and certainly not within a reasonable timescale in terms of determining planning applications within the surrounding areas of Waterlooville.
- 3.33 There should therefore be a presumption in favour of the NPPF, promotion of economic activity, and sustainable development.

## 4. STUDY METHODOLOGY

- 4.1 In this section we set out the methodology to be employed in assessing the relevant elements of the proposal (the hotel, associated restaurant and drive-thru) in terms of the applicable policy tests (the sequential approach, and impact).
- 4.2 In so doing we also review the relevant evidence base that underpins the local policy framework. We also consider some recent, and relevant planning applications and decisions for main town centre uses around Waterlooville town centre. We also take account of pre-application correspondence with officers of the Council.

### The Evidence Base

- 4.3 The relevant documents comprise the Borough Council's 2008 hotel study, 2009 retail study, and also the PUSH-wide 2010 hotel study.

#### *Havant Hotel Futures (July 2008)*

- 4.4 This report was prepared by Hotel Solutions on behalf of the Borough Council, and also Hampshire County Council and Tourism South East. The report was underpinned by separate County-wide survey work (by Hotel Solutions) providing an in depth assessment of hotel performance, and prospects for the sector. The report for Havant sought to draw out the findings of the survey relevant to the Borough, assess current policy, test hotel developer interest, all at the local destination level.
- 4.5 Page 5 of the report set out data on current hotel provision in the Borough (see **Appendix C**). The data confirmed there were no hotels in or serving the Waterlooville area.
- 4.6 Page 6 of the report set out proposals for additional hotel rooms and facilities, such as they were in 2008 (see **Appendix D**). Again, it can be seen that there were no proposals for the Waterlooville area.
- 4.7 Page 9 of the report confirmed that for three star hotels in the Borough the driver of income is very much the business (weekday) traveller, as opposed to the leisure (weekend) market. The balance is approximately 80/20 in terms of revenue. Of the leisure market, the majority of trade is generated by guests attending weddings.
- 4.8 Page 11 of the report confirmed that for budget hotels in the Borough the picture is slightly different. Demand for rooms is generally stronger, with room occupancy rates for 2006/7 averaging in excess of 80%. On some days (Monday – Thursday) two of the Borough's budget hotels were reporting full occupancy, and regularly had to turn away customers. The main source of revenue for the budget hotels was confirmed as being about two thirds business / one third leisure.
- 4.9 Looking to the future, whilst page 15 of the report is pessimistic regarding the potential for growth in the leisure / weekend hotel market, it is much

more positive regarding the prospects in the business sector. The report states *"There is likely to be strong growth in demand, primarily for budget hotel accommodation, from the contractors market given the level of construction work planned in the area over the next 5-10 years."* An obvious example of this would be the West Waterlooville MDA where planning permission has been granted for about 3,000 new dwellings as an urban extension of Waterlooville.

- 4.10 Turning to developer interest, page 17 noted two specific operator requirements for new budget hotel/s in Waterlooville, namely Premier Inn and Travelodge. Page 18 went on to confirm there was interest in locations around the town centre, particularly if business uses are close by (such as the application site). There was also an interest by virtue of the food and beverage market, so use by local residents would be important.
- 4.11 Page 19 of the report set out an assessment of the need for new hotels in the period up to 2026 (see **Appendix E**). As can be seen these are split between the three / four star market, and budget hotels (such as that proposed via this application). Adopting the 'medium growth' scenario, by 2016 the report predicts a need for 123 new rooms. By comparison, this application proposes a budget hotel with approximately 60 rooms, indicating there would still be further scope for another similar hotel in or around Waterlooville over the next four or five years.
- 4.12 Section 9, page 44 of the report discusses the way forward, and how to meet identified needs. This part of the report notes policies aimed at protecting employment land, but says *"... a case can be made particularly where a beneficial use and/or unsuitability for the original employment purpose can be demonstrated... Hotels generally locate in close proximity to corporate users, so business parks and office clusters are natural locations for them. Co-locating also brings the benefit of minimising travel between hotel and office, and helps to support business uses by providing facilities on site."* These comments are particularly applicable to the circumstances of the application site.

#### *South Hampshire Hotel Futures (July 2010)*

- 4.13 Although this report was not directly prepared for the Council, it was prepared for PUSH and the Borough Council are a member of that group.
- 4.14 The report provides a useful update on the 2008 study. It confirms the only change in hotel provision in the general area was the opening of the Premier Inn (24 rooms) on Portsmouth Road, Horndean (east side of A3M) in 2008. As will be noted below this is just beyond the periphery of the study area for this assessment.
- 4.15 Page 51 of the document confirmed that the budget hotel sector was generally very positive about future business prospects, with most expecting to maintain high levels of occupancy (and to turn away business as a result of renewed demand from contractors and a recovery in corporate business).

- 4.16 Two specific operator requirements were noted for Waterlooville (appendix 11), namely Express by Holiday Inn (upper tier budget) and Travelodge (Budget).

*Havant Retail and Leisure Study (March 2009)*

- 4.17 This document reviews and assesses the composition and health of Waterlooville town centre at section 7. In summary, the main findings are:

- The town centre's primary function is as a retail centre;
- The centre has an above average provision of comparison retailers, both national multiple and independents, particular those selling bulkier goods, china, glass, gifts / fancy goods;
- The report notes the presence of three food stores (Asda, Iceland and Waitrose). Of these, it is clear that Asda and Waitrose are important anchors for the centre;
- The centre performs well in terms of retail service uses, such as financial services, estate agents, hairdressers etc.;
- The centre has only a limited number of restaurants, cafes and takeaways;
- Vacancy rates were below average (albeit data for 2005);
- Public perception for the centre's appearance and character was low; and
- The centre had shown significant rental growth (33%) between 1999 and 2004. This appears to have coincided with the opening of the Dukes Walk scheme in 2001.

- 4.18 It is clear, therefore, that Waterlooville town centre functions as a retail and retail service centre. Non-retail uses, such as restaurants and leisure, play only a very limited role in contributing to the centre's vitality and viability.

- 4.19 Turning to bars and restaurants, the report sets out some very brief analysis at paragraph 10.46 onwards. The analysis noted:

- The rise in the number of coffee shops;
- The number of branded bar/restaurants has risen, whereas the number of pubs and bars has declined;
- Themed bars have seen growth, with some confirmed requirements for either Havant or Waterlooville; and
- A small number of requirements from fast-food outlets.

- 4.20 In conclusion, the report noted the limited range of commercial leisure, entertainment and cultural facilities, in general terms, is and will be limited by the Borough's proximity and resident access to higher order centres nearby including Chichester and Portsmouth. It was suggested however that there could be scope of a small cinema facility within the Borough.
- 4.21 Although the report considers matters relating to employment land, it does not address hotel use.
- 4.22 In section 11 of the document, the report identifies potential development opportunities in and around Waterlooville town centre. In pre-application correspondence (see **Appendix G**) officers have referred the applicant to these sites, for consideration. There are five sites identified for Waterlooville (sites WAT1-5), and appendix E to the report contains an analysis of each of the 'WAT' sites. A copy of the relevant extracts from that appendix is attached as **Appendix F** to this report. We address each of these sites in section 5 of this report.

#### **Pre-Application Correspondence**

- 4.23 Prior to the submission of this application a meeting was held with officers, and a letter of guidance issued on behalf of the Council (dated 7 February 2012) as to the likely stance on the proposals, and information required to be submitted with an application. A copy of the Council's letter is attached as **Appendix G**.
- 4.24 The starting point for consideration of the proposal is the status of the site as an employment allocation. This matter is dealt with by others. Town centre uses (such as a hotel and restaurants) were noted as having to address Core Strategy Policy CS4, and saved Local Plan Policy TC1 i.e. the sequential approach and impact assessment.
- 4.25 The letter took a pragmatic approach to the application of policy by considering what uses might enhance the adjacent business park offer (the proposal being discussed at that time also contemplating a modest size food store). It was stated that the hotel could be justified in policy terms as it complements the business offer at the Brambles, and the linked restaurant would in turn serve the hotel. It was, however, considered that the drive-thru (and food store – not now part of the proposal) would likely have an adverse impact on Waterlooville town centre.
- 4.26 In terms of the parameters for assessment, page two of the letter advised the search area for sites to cover the western part of the Borough including the Waterlooville sites listed in appendix E to the 2009 Retail and Leisure study. The (floor space) threshold for impact assessment was confirmed as the national policy threshold (2,500sq.m.), there being no locally defined alternate threshold.
- 4.27 We have taken this advice into account in preparing this assessment.

#### Recent Decisions

- 4.28 During the course of pre-application discussions officers directed the applicant's consultant team to the application (since granted consent) by Sainsbury's (ref: APP/10/00793) to redevelop the former Caetano Coach Builders site immediately to the northwest of the Wellington Retail Park, and to the southeast of the application site and Hambledon Road. This reference was made in the context of the sequential approach and impact assessment for this application. In so far as those assessments are concerned, we do not consider the methodology employed for the Sainsbury's application of relevance, since that proposal was for a different use and on a far bigger scale than this application proposal. That said, the general circumstances of that decision are relevant to this application, at least in so far as the development will result in the establishment of new town centre uses effectively linking the 'core' town centre with the existing employment and leisure facilities at the Brambles. This application proposal is therefore logical in that context.
- 4.29 Of more relevance to this application proposal is the recent decision by the Council to grant consent for the construction of a new coffee shop on the Wellington Retail Park (ref: APP/12/00369, dated 31 May). We note the application was approved despite not having been accompanied by either a sequential study nor impact assessment (the latter deemed not necessary by the Council), and that it was the subject of objection from the both the Planning Policy, and Regeneration Teams at the Council. We consider the approach to, and outcome of that application of relevance to the determination of this application, particularly the drive-thru element of the proposal.

#### Assessment Parameters

- 4.30 Having regard to all of the above we set out below the essential parameters for scheme testing in terms of the sequential approach and impact assessment of this application:
- *Study area:* that part of the Borough to the west side of the A3M, and focusing on Waterlooville town centre (see **Appendix H**);
  - *Disaggregation:* the hotel (2,250sq.m.) and associated restaurant (650sq.m.) to be considered as an integrated package. The drive-thru restaurant (240sq.m.) to be considered separately;
  - *Flexibility:* size of units configured and tailored to match anticipated operator requirements, therefore little flexibility possible without making the units unattractive to operators (and thus any consent effectively redundant);
  - *Site selection:* as directed by pre-application discussions, sites in and around Waterlooville considered within the Council's 2009 Retail and Leisure Study; and

- *Impact:* focus on Waterlooville town centre, based upon up to date assessment of existing occupiers.

4.31 We consider these assessment criteria to be consistent with the NPPF and (former PPS4) Good Practice Guidance.



## 5. SEQUENTIAL APPROACH

- 5.1 As acknowledged earlier in this report, for the purposes of sequential testing the site is considered to be 'out of centre'. It should nevertheless be noted that this definition (see Annex 2 of the NPPF) is different in terms of its applicability for retail uses as opposed to other main town centre uses, such as a hotel. Whereas for retail the relevant (distance) threshold is 300m from the edge of the primary shopping area, for other uses (except offices) it is 300m from the edge of the town centre boundary. Should the Wellington Retail Park be included within the defined town centre boundary (as proposed – see above) then that part of the application site proposed to accommodate the hotel would become 'edge of centre'. This would be even more so if Sainsbury's development site is included within the town centre boundary.

### **Hotel and Associated Restaurant**

- 5.2 We now consider these elements of the proposal in terms of the sites identified within the Council's 2009 Retail and Leisure Study, as directed via pre-application correspondence.

#### *Site WAT1: 308-312 London Road*

- 5.3 This site is located in the heart of the town centre fronting the pedestrianized part of London Road. It has previously been the subject of a planning permission for a four storey building comprising 954sq.m. retail floor space in three separate units, and 14 residential units above, although this permission has since lapsed. We understand the owner of the site (London and City Land Limited) did not consider the scheme to be viable. It is understood that a new application may be forthcoming in due course. Whilst the timing of any application is not certain, such does suggest that the owner has aspirations for the site, and that it is not available.
- 5.4 The 2009 Retail and Leisure study concluded the site had good potential for a medium scale retail development i.e. up to 1,000sq.m. gross at ground floor level (a discount food retailer springs to mind), perhaps with two or three storeys of residential or office space above.
- 5.5 Whilst we agree that the retail potential of the site is good, particularly as the site has the benefit of rear servicing via Curzon Street, the potential for hotel use is less promising, especially as there would not be sufficient room within the site curtilage for patron car parking (an essential prerequisite for a successful hotel development of this type). We therefore consider the site is not suitable for the proposed use.
- 5.6 In any event, the site continues to be marketed by joint agents on the basis of the lapsed planning permission (see large agents' board attached to the front elevation of the building). We therefore conclude the site is not available.

#### *Site WAT2: Former allotments, Maurepas Way*

- 5.7 This site is also known as the Blue Star site, and forms part of a site allocation within the Core Strategy under Policy CS18 (see above – this replaces the former Local Plan allocation via Policy WTC7). Whilst not entirely clear as to the required uses for the Blue Star site, the policy ‘aspiration’ appears to be for the relocation of the Asda store on to that site from its present location on the east side of Maurepas Way. Assuming that to be the case, the site will need to be reserved exclusively for that (food store) use. This is particularly following the grant of planning permission for Sainsbury’s on the Caetano site for a much larger store than the present Asda. If relocation is to be commercially attractive to Asda, then they would almost certainly require a larger store capable of competing with Sainsbury’s.
- 5.8 As has been noted earlier in this report there is considerable uncertainty over the intentions of Asda. The evidence suggests that they have no immediate plans to facilitate the Council’s aspirations by relocating. Indeed, this position appears reinforced by the recent grant of consent (ref: APP/11/01814, dated 17 April 2012) for the construction of a home shopping / delivery (dotcom) depot to the rear of the store.
- 5.9 We therefore conclude the WAT2 site must remain exclusively reserved for a food store (Asda), and thus is not available for the application proposal.

#### *Site WAT3: Asda and adjoining shoppers’ car park*

- 5.10 The site is covered by the same broad Core Strategy site allocation as site WAT2 (Policy CS18). Thus, the site is affected in the same way by the uncertainty regarding Asda’s long-term intentions. It is unlikely that the Asda store could be developed and extended in-situ whilst retaining continuity of trade, and availability of shoppers’ car parking.
- 5.11 The April 2012 planning permission does support the position that they are unlikely to vacate the store in the foreseeable future.
- 5.12 We therefore conclude the site is not available.

#### *Site WAT4: Caetano, Hambledon Road*

- 5.13 As noted earlier in this report Sainsbury’s has been granted planning permission to redevelop the site as a food store, and so the site is not available.

#### *Site WAT5: Household Waste Recycling Centre, Hambledon Road*

- 5.14 This site forms part of the area to be redeveloped by Sainsbury’s (as a petrol filling station for the new food store), and so the site is not available.

#### *Local Plan Saved Site Allocations*

- 5.15 There are three site allocations within Waterlooville town centre in the 2005 Local Plan. These are sites WTC2, WTC3 and WTC4.
- 5.16 Site WTC2 is a redundant access to the Albert Road car park. The allocation seeks a retail or service use (with offices above), along with retention of a public footpath linking the car park to Stakes Hill Road. Trees along the side of the road (and at the 'rear' of the site) should be retained.
- 5.17 In our view the site would be too small and unsuitable for the proposed development, and would not accord with the uses proposed in the allocation (at least so far as the major use – the hotel – is concerned). Moreover, this is a longstanding allocation made in more prosperous times, and even then the site has remained undeveloped, seemingly unattractive to the development community.
- 5.18 Site WTC3 sites comprises the access road immediately on the northeast side of Site WAT1 (see above). In our view the prospects of this site are governed by the similar comments as per WAT1 i.e. not big enough or suitable for the proposed development, and likely to be precluded by the redevelopment in due course of the adjoining vacant buildings.
- 5.19 Site WTC4 is a large site on the southwest side of Hambledon Road, and adjacent Asda and the police station. The site appears to be in a variety of different active land uses, and a significant number of different ownerships. Availability and site assembly is, therefore, almost certain to be a significant limiting factor in redevelopment of the area. This appears to have been recognised by Nathaniel Lichfield when preparing the 2009 Retail and Leisure Study, in that the area was not included as a "WAT" site.
- 5.20 Moreover, we note that all of this area is now included within the more recent Core Strategy allocation (Policy CS18, Site 4), and is therefore superseded by aspirations for the wider area.
- 5.21 Leaving aside the uncertainty regarding the redevelopment of this area (see above), clearly the site (either WTC4 or CS18) would be far too big for the area required for the proposed uses, and not an efficient use of this central site.
- 5.22 We therefore conclude that the 2005 allocations are neither suitable nor available for the proposed development, nor are any of the sites identified within Waterlooville via the 2009 Retail and Leisure Study.

#### **The Drive-thru Restaurant**

- 5.23 The essence, of course, of this particular business model is a highly visible location adjacent to a busy road, and with easy vehicular access. This is the basis on which the suitability of alternate sites, and the sequential approach must be applied. For obvious reasons there is no flexibility in this

business model, and it is a completely different market sector to a traditional 'dine in' restaurant that one may find in a town centre. The proposal would appeal to a completely different customer base. The business model is one that is well-understood, and established both on a national basis, and indeed locally (see, for example, Burger King on Park Road South, to the southwest of Havant town centre – planning permission ref: 00/61718/003, dated 23 January 2001).

5.24 Considering the sequential assessment on this basis, we consider the sites above as follows:

- WAT1: not suitable, being located within the pedestrianized area of the town centre;
- WAT2: not available, needing to be reserved for the relocation of Asda;
- WAT3: not available, as in use by Asda;
- WAT4 and 5: not available, as being redeveloped by Sainsbury's;
- WTC2: not suitable, as not located in prominent position on a busy thoroughfare;
- WTC3: not suitable (same reasons as WAT1); and
- WTC4: not available, as site in multiple active use and ownership.

5.25 We therefore conclude there is no more sequentially preferable location for the proposed drive-thru restaurant in Waterlooville town centre.

#### **6. IMPACT ASSESSMENT**

- 6.1 The pre-application correspondence indicated that both the hotel / associated restaurant, and drive-thru restaurant should be subject to an impact assessment as collectively the floor space would exceed the NPPF threshold of 2,500sq.m. gross.
- 6.2 In so far as the drive-thru element of the proposal is concerned we do not share the Council's view on the need for an impact assessment. Clearly, this element of the proposal is distinct and different from the other uses, and it is appropriate therefore to consider it on its own terms. At just 240 sq.m. the development would represent less than 10% of the national threshold for assessing the impact of proposed 'town centre' uses. We therefore cannot see the need for an impact assessment of this element of the proposal. This would be consistent with the approach taken with the recent permission for a coffee shop on the Wellington Retail Park (see above).
- 6.3 Nevertheless, and as requested by officers we have examined the class A3 (and A5) offer with Waterlooville town centre, and the likelihood of the proposal competing with that offer.

#### **The Hotel**

- 6.4 This element of the application proposal will have no impact upon Waterlooville town centre, or any other centre within the catchment area.
- 6.5 Our analysis has confirmed that Waterlooville currently has no facility of this type, either within the town centre or elsewhere. By definition there cannot, therefore, be any harmful impact. Indeed, any impact would be wholly positive in that the proposal would provide a facility not available to the general public in this location.
- 6.6 The NPPF does require any assessment of impact to also consider the effect of a proposal on planned public and private investment. This would include the Core Strategy allocation CS18. As noted earlier in this report there is considerable uncertainty over both the timing and final form of planned development. Progress with the implementation of Policy CS18 is, fundamentally, governed by the intentions and wishes of Asda; until that is resolved there can be no development on either side of Maurepas Way. Resolution of this matter appears to be sometime away, and unlikely in the foreseeable future; indeed, the matter has been discussed with Asda, and as recently as March 2010 they have clearly signalled that they have no intention of either relocating or redeveloping their store.
- 6.7 As a consequence it would be unreasonable to hold back development proposals elsewhere indefinitely.
- 6.8 In any event we note that Policy CS18 (Site 4) makes no specific mention of the incorporation of a hotel use. Even if it did, there is confirmed demand from two hotel operators (see paragraph 4.16 above), and capacity for at least 120 rooms (see paragraph 4.11 above).

#### The Hotel Restaurant

- 6.9 As we have explained elsewhere in this report the restaurant would be an integrated part of the hotel offer. Nevertheless, for the sake of completeness we have considered the class A3 offer within Waterlooville town centre. In so doing, we have also undertaken a comparison analysis with the other town centre within the Borough (Havant), and also a similar size freestanding town centre close to but outside of the Borough (Petersfield). The class A3 offer within these centres is set out in the table below:

**Table 6.1: Class A3 Provision in Waterlooville Town Centre, and Competing Centres**

Location and name of operator		
Waterlooville	Havant	Petersfield
<b>National operators</b>		
Costa Coffee	Burger King	ASK
McDonalds	Café Nero	Café Nero
	Costa Coffee	Pizza Express
	KFC	
	McDonalds	
	Pizza Hut	
<b>Independent operators</b>		
Blinkers (coffee house)	Agra (Indian)	Annie Jones
Butties (café)	Aroma (Oriental)	Eden Gastro Bar
Café Havana	Dipak (Indian)	JSW (British – 1* Michelin)
Café Moka	Heidi's (patisserie)	La Piazzette (Italian)
Cinnamon (Indian)	Nino's (café)	Poppins (British)
Pars Kebab & Pizza	Poppins (British)	Seafare (fish and chips)
Poppins (British)		Spice Lounge (Indian)
Royals (fish and chips)		Tai Tong (Chinese)
The Coffee Shop		The Folly
Winnie's (Chinese)		The Paradise (Indian)
		Zen (pan-Asian)

**Notes:**

1. Excludes purely takeaway outlets (the drive-thru would also offer a sit-down element);
2. Excludes public houses that serve food;

- 6.10 The table demonstrates a number of aspects of the catering offer in each centre, as follows:

- Waterlooville has a very limited offer from the national operators. This is likely to be the sector to secure representation within the proposed hotel restaurant;
- Havant, by contrast, has a stronger (though not strong) representation from national operators;
- Waterlooville has a more extensive (though not necessarily stronger) independent catering offer than Havant; and
- Petersfield has a stronger offer from both the national operators and independents.

- 6.11 In our view the focus for Waterlooville should be on enhancing the catering offer from national operators. We consider the proposal would be likely to

help achieve this objective. Moreover, the table indicates how little (if any) impact there would be from the proposal upon the town centre. Indeed, the proposal may help to begin to *"put Waterlooville on the map"* as far as it's class A3 offer is concerned.

#### **The Drive-Thru**

- 6.12 Based on our analysis of Waterlooville town centre, and Table 6.1, we do not consider the proposed drive-thru would have any "significant adverse" (the NPPF benchmark) impact on the town centre. One can anticipate some diversion of trade from McDonalds; it is likely the drive-thru would be operated by a comparable trader. Whether that would be sufficient to jeopardise the future of McDonalds is highly doubtful, and in any event impact on individual traders is not a planning consideration.
- 6.13 The test is whether the proposal would impact on Waterlooville town centre as a whole. Clearly, the town centre's vitality and viability is not founded upon the class A3 sector. It is based upon a strong class A1 convenience offer, and to a lesser extent comparison and class A1/2 service sector offer.

## **7. SUMMARY & CONCLUSION**

- 7.1 The application site is located within an area of mixed commercial activity (retail, leisure and employment) close to the town centre, and would be consistent and complimentary to that pattern of use (a hotel, restaurant, and drive-thru).
- 7.2 The recent NPPF is (most) supportive of proposals for economically beneficial development, especially where those proposals would not offend the Government's key policies for the protection of town centres (the sequential approach and impact).
- 7.3 The Borough Council's planning policies e.g. Policy CS5, are broadly supportive of new hotels around the Borough. The evidence base for those policies identifies a specific requirement from two hotel operators for the Waterlooville area, and scope (capacity) for at least 120 bed spaces. The application proposal would satisfy only half of that identified need.
- 7.4 The evidence base also confirms the basis upon which the vitality and viability of Waterlooville town centre is founded (retail), and the very limited offer in terms of the evening economy. The application proposal would only be beneficial in this regard.
- 7.5 As other documents submitted with the application confirm, the proposed uses (hotel, associated restaurant, and drive-thru) would help to make viable the regeneration of a prominent, important, and run-down business park within close proximity to the Council's 'flag-ship' major development area for the extension of Waterlooville.
- 7.6 We respectfully request that the application be approved.