Applications for Planning Permission

12/00104/SC planning application comprising full application for the erection of home and garden centre, retail units, drive thru restaurant, gatehouse, lakeside visitor centre, restaurants, boat house, together with proposals for access outline application for the erection of a hotel, crèche and leisure club, with some matters reserved (appearance), plus removal of ski slope and associated site levelling, landscaping, habitat management, and improvement works, vehicular access and servicing proposals together with the provision of a car and cycle parking and a bus stop for LXb RP (Rushden) Ltd

Background
The application has been submitted to East Northants District Council as the local planning Authority for Rushden and Corby Borough Council has been consulted.

The application is ‘hybrid’ with the major part of the scheme being for detailed approval and the Hotel, crèche and leisure club in outline. The application is supported by a range of information, plans and studies and is subject to Environmental Impact Assessment (EIA).

The Site
The site comprises an area of 29.8 hectares although only approximately 12.5 hectares is developable area. The remainder is lakes and woodlands designated as a site of Special Scientific Interest (SSSI).

The site is located to the North East of Rushden with the A45 separating it from the main built up area. It is currently vacant but was formerly occupied by leisure activities including a ski slope.

Description of Development
The scheme is mixed use but largely retail dominated. The total floorspace is 50,821 sq metres with 43,289 being for retail. For members information Table 4.1 Proposed Areas Schedule from the submitted Design and Access Statement is reproduced here as Appendix A.

Access is proposed from the sites existing access and onto the adjacent roundabout at the A45. A pedestrian footbridge over the A45 is shown to link the site to Rushden.

The retail buildings are arranged in three terraces grouped around a car park for 1300 cars. A home and garden centre is shown to the West with lakeside visitor centre and two restaurants adjacent to the South side of the lake. The hotel, crèche and drive thru restaurant together with more parking are proposed to the East of the shops at the entrance to the site.

Consultations
East Northants Council will carry out the statutory consultation exercise. In Corby the planning policy team has been consulted and comments received are: -

The main commercial elements which comprise the retail components, the restaurant uses and the hotel/leisure elements are considered as ‘main town centre uses’ in terms of the National Planning Policy Framework.
As the proposed site is out of centre, Government policy and the policies of the Development Plan indicate the need to apply a sequential approach and impact assessment.

In support of the application, a detailed assessment has been submitted which provides a retail impact analysis and sequential assessment.

(1) Retail Impact

Significant concerns have been expressed by retail specialist that the retail impact analysis is deficient in a number of respects:

- Advice from GVA Grimley Ltd and Drivers Jonas Deloitte suggests that the applicant has significantly underestimated the potential turnover of the proposed development;
- The capacity to support the additional retail floorspace at Rushden Lakes has been overstated because the analysis does not take account all of the relevant retail commitments and other developments likely to come forward, in particular the Evolution Corby scheme and planned redevelopment in Northampton town centre;
- Advice from GVA Grimley Ltd and Drivers Jonas Deloitte suggests that the applicant has understated the impact of the proposed development on the existing town centres;
- GVA Grimley Ltd suggests that the assessment fails to take into account the cumulative impact of the convenience and comparison elements of the scheme.

Overall it is considered that applicant's retail impact assessment is flawed and underestimates the impact on nearby town centres. The analyses undertaken by GVA Grimley Ltd and Drivers Jonas Deloitte indicates there is significant development potential for new comparison shopping floorspace in the existing town centres which is likely to be capable of coming forward over a short timescale, subject to viability and retailer demand. Approval of the planning application would potentially prejudice planned investment in the existing town centres and threaten to redistribute retail spending away from the defined town centres to an out of centre location. This is inconsistent with national policy, the Core Strategy and the evidence base which influence the review of the Core Strategy.

(2) Sequential Assessment

The sequential analysis only assesses sites within a limited area of search – within or on the edge of Rushden town centre. This is based on the applicant assumption that the proposal is primarily to serve the needs of Rushden.

However the characteristics of the proposed development and excellent accessibility to strategic road network mean that the catchment area of the proposals is likely to extend across North Northamptonshire and beyond. The GVA Grimley Ltd retail report states that the proposed development has potential to function as a higher order retail destination, with a stronger retail offer than any of the existing North Northamptonshire centres, and likely to compete directly with Northampton and Bedford.

To be robust, the sequential analysis should include sites within or on the edge of the Growth Towns and Northampton where significant development potential has been identified through Action Area Plans and Town Centre Master Plans. The applicant’s failure to consider any sites beyond Rushden is sufficient reason for refusal in accordance with the National Planning Policy Framework and Policy 12 of the Core Spatial Strategy.
Policies
The development Plan comprises the Core Spatial Strategy and “Saved” Local Plan Policies.

Core Strategy Policies relevant to this application are:

1. Strengthening the network of settlements
8. Delivering Economic prosperity
9. Distribution and location of development
11. Distribution of jobs
12. Distribution of retail development
13. General sustainable Development Principles

The National Planning Policy Framework (NPPF) came into effect on 27th March 2012. This replaces previous Planning Policy Guidance and Statements.

Planning decisions need to be made in accordance with the Development Plan unless material considerations indicate otherwise. The NPPF is now a significant material consideration. Given that the scheme proposed at Rushden Lakes is for Town Centre uses, Section 2 of the NPPF – Ensuring the vitality of town centres is particularly relevant. This has now replaced Planning Policy Statement 4.

Report
Corby Borough Council has been consulted by East Northants District Council (ENDC) on the Rushden Lakes development. As the Local Planning Authority ENDC will deal with the application. Given the scale and potential impact of the development the application has been brought to the Development Control Committee for members to agree the consultation response.

The application is some distance from Corby and it is unlikely that there will be any significant direct impact for Corby Borough through, for instance, traffic generation. However there are potentially indirect impacts particularly relating to Corby Town Centre. The consideration of such impacts is also linked to the local and national policy approach to Town Centre developments particularly retailing.

The range of uses proposed, are main Town Centre uses. Accordingly Sequential Testing and Impact Assessment information has been submitted to support the application.

To assist in its review of the Core Spatial Strategy (CSS) the Joint Planning Unit (JPU), on behalf of the partner authorities has instructed GVA Grimley Ltd to provide an "Independent assessment of the retail strategy for North Northamptonshire and the implications for the Rushden Lakes proposals". Section 3 Part B – Critique of the Rushden Lakes proposals is reproduced here as Appendix B. This committee report uses the GVA Grimley analysis to assess and explain the implications of the application.

A fundamental element of the Councils local policy is Policy 12 of the CSS which seeks to strengthen the Town Centres of Kettering, Corby and Wellingborough and that “development of an appropriate scale that enhances the retail offer of Rushden town Centre will be supported”

In consideration of the Policy implications and potential impact on Corby the following are key issues. Given its potential impact the focus is on the significant retail elements of the Rushden Lakes Scheme.

(i) Sequential Testing
This requires applications for main Town Centre uses to be located in town centres, then edge of centre locations and only if suitable sites are not available should out of centre sites be considered.
The analysis submitted only assesses sites within or on the edge of Rushden. However given the scale and accessibility of the development, the catchment area is likely to extend well beyond the Rushden area and beyond North Northamptonshire.

The Sub-regional scale of the development means it is likely to provide a stronger retail outlet than any of the current North Northamptonshire Centres and will compete with Northampton and Bedford.

Sequential analysis should therefore be extended to include sites in towns where growth has been identified including Corby. As submitted the sequential assessment is flawed and by itself could be a reason to refuse planning permission.

(ii) Retail Impact

The Rushden Lakes scheme is over three times larger than Rushden Town Centre and larger than any of the existing comparison goods floorspace at Kettering, Wellingborough and Corby. The scale of additional comparison retail floorspace is similar to the total comparison goods floorspace identified in the Core Spatial Strategy up to 2021. That floorspace is currently intended to be met within the growth towns of Corby, Kettering and Wellingborough. To allow the Rushden Lakes scheme to be built would have the effect of absorbing all the defined comparison goods capacity in North Northamptonshire and in an out of centre location. This would be a radical change to local policy and contrary to national policy.

The GVA Grimley analysis concludes that the scheme’s potential turnover is significantly underestimated so the turnover could be 77% higher than identified in the application. Accordingly trade would be drawn from a much wider area than the application anticipates and its impact more widespread including onto Corby. GVA Grimley suggests that, at 2016 the impact on Corby will be to the deficit of over £4 million. The suggestion is that the Evolution Corby scheme could, if built, absorb most of this but the effect on investors confidence in Corby Town Centre is likely to be affected making large scale retail investment in Corby less likely.

Other Matters

Whilst there are other commercial elements proposed and that these are town centre uses they are unlikely to impact on Corby although the GVA Grimley analysis does raise some concerns about the acceptability of the supporting information

Conclusions

The Rushden Lakes application proposes a significant out of centre Retail Park with ancillary uses which is of a Sub-Regional Scale. Based particularly on the GVA Grimley report, the information included to support the application significantly underplays the potential impact of the development on existing centres including Corby Town Centre. The potential impact on Corby is significant to the extent it will effect investor confidence in the town. Further, the proposal would take up all comparison goods capacity in North Northamptonshire to 2021, at an out of town location. That is inconsistent with the Core Spatial Strategy and national policy. The sequential assessment submitted is too narrow in its scope.

Recommendation

East Northants District Council be advised that Corby Borough Council raises strong objections to the Rushden Lakes out of centre retail led development and requests that the application be refused. In particular the following concerns are raised: -

1. The sequential assessment is flawed as it is drawn far too narrow. The scale and location of the development suggests the area of search should be significantly extended to include other centres including Corby.

2. The amount of comparison floorspace proposed is comparable to that identified for the whole of North Northamptonshire up to 2021. To approve the development would amount to a radical change to Local Policy currently set out in the Core Spatial Strategy. That
significant change to policy approach should be pursued through the Core Spatial
Strategy Review. However Corby Borough Council would not support such a change to
Policy.

3. The sub-regional scale out of centre development does not accord with the Town Centre
first approach and is inconsistent with the Core Spatial Strategy and National Policy.

4. Based on the GVA Grimley report commissioned by the Joint Planning Unit the retail
impact information supporting the application is flawed and significantly underplays the
potential impact of this large scale retail based development on the other Towns including
Corby. If approved the proposals would prejudice future investment in Corby Town
Centre.
Table 4.1 Proposed Areas Schedule – gross internal and gross external

### AREAS SCHEDULE (Gross Internal Area) sqm

<table>
<thead>
<tr>
<th>Terrace A</th>
<th>Terrace B</th>
<th>Terrace C</th>
<th>Garden Centre</th>
<th>Other areas</th>
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<tbody>
<tr>
<td>Ground Floor</td>
<td>Ground Floor</td>
<td>Ground Floor</td>
<td>Mezzanine</td>
<td>Mezzanine</td>
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<tr>
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<td>B1 929</td>
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<td>C2 929</td>
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<td>A8 486</td>
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<td>A9 137</td>
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<tr>
<td>A10 140</td>
<td>Total Ground Floor - 6968</td>
<td>Total Ground Floor - 6510</td>
<td></td>
<td></td>
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<tr>
<td>A11 279</td>
<td>Total Mezzanine Floor - 6968</td>
<td>Total Mezzanine Floor - 6510</td>
<td></td>
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<tr>
<td>Total - 4546 sqm</td>
<td>Total - 13,935 sqm</td>
<td>Total - 13021 sqm</td>
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### AREAS SCHEDULE (Gross External Area) sqm

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<thead>
<tr>
<th>Terrace A</th>
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<th>Terrace C</th>
<th>Garden Centre</th>
<th>Other areas</th>
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<td>Total Mezzanine Floor - 7172</td>
<td>Total Ground Floor - 6666</td>
<td>Total Mezzanine Floor - 6666</td>
<td>Home and Garden Centre including covered plants</td>
</tr>
<tr>
<td>Total - 4715 sqm</td>
<td>Total - 14344 sqm</td>
<td>Total - 13332 sqm</td>
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<tr>
<td>Restaurant 2</td>
<td>486</td>
<td>Visitor Centre</td>
<td>329</td>
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3. Part B – Critique of Rushden Lakes Proposals

The Application Proposals

3.1 The LXB proposals are for a ‘home and garden centre, retail units, drive through restaurant, hotel, crèche and leisure club together with Lakeside Visitor Centre, restaurants, boat house, marina and lock and associated works’.

3.2 For the purposes of our review, the main commercial elements which would be defined as ‘town centre uses’ in PPS4 comprise the three retail ‘terraces’; the restaurant uses and the hotel/leisure elements. The retailing comprises a total of 31,506 sqm gross (which includes 13,480 sqm gross of mezzanine space). LXB estimate the retail element of the scheme will comprise 21,997 sqm net sales area excluding the garden centre, or 26,747 sqm net including the garden centre.

3.3 As a retail use, the garden centre is technically a ‘town centre use’ as defined in PPS4. However, we recognise that a traditional garden centre is a distinct business model which is difficult to accommodate in a town centre location. This could be controlled by appropriate planning conditions.

3.4 We understand there are no committed retailers at this stage, although a flagship variety store has previously been associated with the scheme. The Applicant’s Supporting Statement suggests the terraces will comprise home and garden type retailers, lifestyle/home/sports clothing retailers and clothing/general merchandise retailers. We have sought clarification of the likely tenant mix. However, we anticipate that this development, if permitted, would be targeted at mainstream A1 comparison multiple retailers.

3.5 The potential tenant mix could accommodate department and variety store operators, large unit shops, with a range of retailers typically found in other fashion retail parks, and in major town centres. While noting the intention for some elements of the development to be ‘themed’ to the garden centre and related uses, in practice, with the exception of the garden centre itself, it is difficult to regulate this through planning conditions.
3.6 The Supporting Statement indicates that the scheme would include up to 929 sq m net sales of convenience goods retailing, which at this stage is anticipated would be part of the variety store. This would be consistent with a Marks and Spencer type format, comprising a full line variety store with the retailer’s ‘Simply Food’ offer as part of a single unit, although at present there is no commitment from this or any other retailer.

3.7 To put the scale of retailing proposed at Rushden Lakes into context, based on the Applicant’s assessment, Rushden town centre currently comprises 11,734 sq m gross comparison goods floorspace (7,627 sq m net sales). The Rushden Lakes proposals are therefore over three times larger than Rushden town centre. The proposals are also larger than the existing comparison goods sales floorspace of Wellingborough (19,468 sq m net), Kettering (23,368 sq m net) and Corby (17,648 sq m net) town centres.

3.8 We consider the proposals would be regarded as being of sub-regional scale. In retail terms, they have the potential if permitted to function as a higher order retail destination, with a stronger retail offer than any of the existing north Northamptonshire centres. In commercial terms, the centre would be likely to compete directly with Northampton and Bedford, as the nearby higher order centres serving this catchment. Given the site’s main road accessibility, and the scale of retail floorspace and extensive parking proposed, we would expect the opportunity would be attractive to retailers if approved, as an opportunity to serve an extensive car borne catchment area.

3.9 The proposals include a number of other ‘main town centre uses’ including a drive through restaurant and two further riverside restaurants, a 112-bed hotel and a health and fitness club. We understand that no specific operators are identified at this stage, but LXB consider these uses would be consistent with supporting the function of the retail park and the wider visitor attractions of the area. In this respect it is not suggested that these uses are intended to meet any specific, current need, but would add to the overall ‘critical mass’ of the new development.

3.10 In addition to the main ‘town centre uses’ proposed, the application proposes a range of other highway and infrastructure works, and works related to the creation of a marina and lock, and access around and management of the adjoining lakes and nature reserve. It is unclear at this stage whether the retail and other commercial aspects are promoted as ‘enabling development’ for these works. We have not seen any clear policy justification for the requirements for these additional works, or to
suggest that the scale of retail and other commercial uses is the minimum necessary to secure any wider necessary policy objectives.

3.11 Based on our discussions with the Applicant, we understand the case for the retail and commercial uses is put forward on the basis of the existing Development Plan, and the relevant development management policies in PPS4 and draft NPPF. We have considered the proposals on this basis.

**Need/Capacity Issues**

3.12 There is no policy requirement in PPS4 for the applicant to demonstrate a need for the scale of retail and other key town centre uses proposed at Rushden Lakes. As such, a failure to demonstrate need would not in itself be a reason to refuse planning permission. However, as recognised in PPS4 and the accompanying Practice Guide, need is a material consideration to the application of the sequential approach, and to the consideration of impact.

3.13 Need is also relevant at the plan making stage. PPS4 requires consideration of need, including quantitative and qualitative factors, as a basis for establishing town centre strategies, and considering the allocation of sites. As such, the need for additional comparison retail development, and other key town centre uses, is a relevant factor in the ongoing review of the Core Strategy, and the future planning framework for the North Northamptonshire area.

3.14 It is evident that the scale of additional comparison retail floorspace proposed, at 26,746 sqm net, is similar to the total global comparison goods capacity identified within the North Northamptonshire area up to 2021 (see table 2.2) based on the 2010 RTP Study. For the reasons outlined previously, we consider the further deterioration in consumer spending suggests that these forecasts may be overstated. On this basis, the consequence of permitting the current Rushden Lakes proposals (which would be capable of coming forward over a relatively short period of time) would be to absorb all the identified expenditure capacity within the North Northamptonshire Area for the next 10 years.

3.15 In accordance with the adopted Core Strategy and the emerging policy position, this need is currently intended to be met within the three identified growth centres. The consequence of this, in policy terms, would therefore be a redistribution of current
market share away from the defined town centres, to an out-of-centre location. This is inconsistent with the Core Strategy, current and emerging national planning policy, the evidence base and other material considerations which influence the emerging Core Strategy.

3.16 This redistribution issue would also be likely to apply to retail employment. The Core Strategy aims to focus retail development into the defined town centres, which would be expected to create additional employment opportunities in those centres. Given the level of capacity identified, the creation of new retail jobs associated with the development would be expected to lead to some displacement of existing and potential jobs in other centres.

3.17 We acknowledge that the global capacity within the wider North Northamptonshire area is likely to continue to increase post-2020, in the period up to 2031. However, given the likely timescale for the Rushden Lakes proposals, and the presence of development opportunities within the defined growth centres, we consider it would be inappropriate to meet the ‘mainstream’ comparison retail needs at Rushden Lakes, at the current time.

3.18 This would not preclude some element of complementary retail offer, such as a garden centre or other purely ancillary retail uses. Nor would it preclude further consideration of more significant retail options at Rushden Lakes post 2021, depending on the position of the defined town centres at that time.

3.19 The BPD report suggests (at paragraphs 2.92-2.94), that the Rushden Lakes proposals trade draw from zone 10 (the Rushden zone) can comfortably be accommodated within identified expenditure headroom within this zone, representing just 44% of headroom at 2016 and 36% at 2021. This analysis includes not only forecast expenditure growth, but also the assumption that 100% of expenditure generated within Zone 10 should be retained within this zone. We do not consider that this is plausible.

3.20 From our analysis in Part A, it is evident that, based on Rushden’s current market share, the level of retained expenditure growth in the period up to 2020, or 2031, is insufficient to support the scale of additional comparison retail floorspace proposed. It would be feasible to increase the share of spend retained in the Rushden zone, but this would
result in reducing the market share of the defined North Northamptonshire centres, which policy seeks to sustain and enhance.

3.21 In these circumstances, we do not consider there is any clearly defined quantitative need for the scale of additional comparison retailing proposed at Rushden Lakes. The basis advanced by BPD relies on a radical shift in the established retail hierarchy, and a change of policy direction from the town centres first approach, focused on growth in existing centres, to a strategy which relies on identifying a major new out-of-centre retail destination in Zone 10.

3.22 We do not consider that this approach is consistent with the evidence base, or in line with current or emerging national planning policy guidance. However, in any event, such a radical shift in the existing policy position would, in our view, need to be the subject of independent review through the core strategy process, including consideration of alternative options and examination in public. If permitted, the current LXB application would preclude the opportunity for this debate and pre-judge its outcome. Our view, supported by the Broxbourne case referred to earlier, is that a Core Strategy promoting a major out-of-town development of this nature is likely to be found unsound at examination.

3.23 BPD identify a number of ‘qualitative’ considerations to support the Rushden Lakes proposal. These include perceived deficiencies or gaps in the existing provision and limited consumer choice and competition.

3.24 The evidence base demonstrates that while Rushden town centre has a relatively limited, essentially local shopping provision, the catchment area is served by a network of centres. Zone 10, which BPD take to represent Rushden’s ‘core catchment’, is situated very close to Wellingborough, and there are clear functional inter-relationships between the two centres. Parts of this zone are also close to Bedford town centre to the south, which is an established higher order centre offering a range of employment and retail/leisure opportunities.

3.25 People living in Rushden are also close to, and within the existing catchment area, of Kettering town centre to the north, and the higher order centre of Northampton to the west. While the Rushden Lakes proposal would bring significant additional choice of comparison retail shopping closer to the existing residents of Rushden, they would form
only a small part of its customer base and this in itself does not constitute a clearly defined need for this scale of development in this location.

3.26 The Core Strategy identifies a network of centres, where growth is to be focussed in order to provide choice and improved retailing facilities in sustainable locations. Given the more limited capacity and demand indicated, the benefits of improved choice to those living close to the Rushden Lakes development would need to be balanced against the effects of adverse impact on existing centres and/or planning investment intended to provide more choice and better quality retailing in the defined town centres.

3.27 Much of BPD’s qualitative analysis relies on benchmarking the existing retail offer of Rushden with the other defined higher order strategic centres. Leaving aside Rushden’s current role within the defined network and hierarchy of centres, and that the scale of the LXB proposals is significantly larger than any of the three defined growth centres, this exercise seeks to correlate the deficiencies of Rushden town centre with the need for a major out-of-centre development.

3.28 BPD’s assessment acknowledges that there is limited retailer demand for Rushden town centre. We consider the commercial rationale for the LXB proposal rests largely on the ability to create a concentration of out-of-centre development in a highly accessible location (to the major road network), serving a much wider catchment.

3.29 In these circumstances we do not consider there is a need for the scale and form of additional comparison retail floor space proposed at Rushden Lakes. We consider the proposals are out of scale with the current hierarchy, and defined role of Rushden town centre. Any change in the adopted policy position, to support this scale of development in the Rushden area, would be a significant departure from the adopted Plan, and would run counter to the evidence base supporting the emerging Core Strategy. As such, we consider this would warrant careful scrutiny and testing at examination in public.

3.30 The Applicant’s Supporting Statement does not identify a clear need for the other main ‘town centre uses’, notably the restaurants and hotel. The principal case for these elements of the scheme appears to be to service demand generated by the wider development. There is no analysis undertaken to identify any specific need for
additional restaurants, or a hotel in the Rushden area; nor is there any evidence of existing operator demand for these elements of the scheme.

The Sequential Approach

3.31 It is evident from the Applicant’s analysis and our review of the scale and form of development proposed, that the Rushden Lakes scheme will serve an extensive catchment area, extending well beyond Zone 10. In this respect, we consider the Applicant’s assumption that 70% of the scheme’s turnover will be derived from Zone 10 is unrealistic. The site is located on the edge of this zone, and linked to the strategic road network. As such, the proposal’s catchment is likely to extend across the combined North Northamptonshire catchment area zones and beyond (up to a 30 minute drive time).

3.32 The Applicant’s Supporting Statement gives limited consideration to the sequential approach, and only considers sites within or on the edge of Rushden town centre. This is on the basis that it is suggested the need for the scale of retail and out-of-centre uses proposed is “locationally specific” and is derived from within this immediate catchment. For reasons outlined previously, we refute this approach.

3.33 It is evident from our analysis in Part A that there is significant development potential within and on the edge of the defined key growth town centres within the North Northamptonshire area, and potentially within Rushden itself. On this basis, we consider the Applicant’s failure to consider any sites beyond Rushden is contrary to Policy EC15 of PPS4 and represents a reason for refusal based on the Policy EC17.

3.34 In the case of Rushden town centre, the Applicant’s assessment does not directly consider the Palmbeach site, which is the key town centre development opportunity identified in the 2010 Regeneration Strategy for the town. We consider there may be limited retailer demand for this site, and viability and availability issues. However, this is based on limited demand and investor interest in Rushden given its role within the hierarchy. If, as suggested by the Applicant, there was a significant need and retailer demand for Rushden, which was not essentially related to a strategic out-of-centre location serving a much wider area, we consider this site could provide an alternative opportunity to accommodate such development.
3.35 Contrary to the advice in PPS4, the Applicant has not considered separately the scope to accommodate the other key town centre uses proposed in sequentially preferable locations. On the basis that we dispute the need for the scale of retailing proposed, we do not accept the suggestion that the additional restaurants and hotel could be regarded as ancillary or inextricably linked to this development.

3.36 Our analysis suggests that there are a number of town centre opportunities, both in Rushden and the defined growth centres, which are capable of accommodating restaurants and hotel uses in the event of an identified need and operator demand.

3.37 In these circumstances we consider the Applicant has failed to demonstrate compliance with the sequential approach, and the proposals are therefore contrary to national planning policy guidance, and to the provisions of the Development Plan.

**Impact Considerations**

3.38 BPD has undertaken an impact assessment which considers the effects of the comparison goods retail element of the proposals. Contrary to the requirements of PPS4, the assessment does not consider the impact of the convenience element of the scheme, or the impact of the other ‘town centre uses’ proposed.

3.39 The assessment considers impact at 2016 and 2021. On the basis that, if permitted, we anticipate the scheme will likely to be completed and open for trading before 2016, we consider this represents an appropriate design year for impact testing. As required by policy, the assessment considers the cumulative impact of the Rushden Lakes proposals, over and above other identified commitments.

3.40 The BPD’s assessment does not take into account the Evolution Corby scheme, on the basis that Land Securities indicated that it would not be taking forward this proposal. However, we understand that the new town centre owners, Helical Bar are actively considering bringing forward elements of the scheme which, subject to demand, could come forward within a reasonably short timescale. On this basis we consider this should be incorporated into the Applicant’s assessment. The assessment should also consider the effects of planned new development in Northampton town centre. Both will have an impact on Wellingborough and Kettering town centres.
3.41 The assessment estimates the scheme will achieve a total comparison goods turnover of £83 million in 2016. This implies an average turnover of £3,103 per sq m at 2016. Even taking into account the lower turnover likely to be associated with the garden centre element of the scheme, we consider the analysis significantly underestimates the scheme’s potential turnover. To put this into context, the analysis suggests that Rushden Town Centre comparison retailers are already trading at in excess of £5,000 per sqm, and the comparison retailers in the other three defined North Northamptonshire Centres are all trading at turnovers in excess of £6,000 per sqm.

3.42 Based on the likely commercial attraction of a large sub-regional out-of-centre retail park, as proposed, and the potential to accommodate flagship variety and multiple retailers (and even taking into account an element of mezzanine space) we consider the Applicant has underestimated the scheme’s potential turnover. We consider a more realistic estimate of average sales per sqm at 2016 would be circa £5,500 per sqm overall. On this basis, our expectation would be that the scheme could achieve a total comparison goods turnover of up to £147 million, i.e. 77% higher than the turnover modelled by BPD.

3.43 BPD has assessed the trade draw pattern of the new development, and estimates that circa 69% of its turnover would be derived from Zone 10 which includes Rushden. They estimate that 11% would be derived from Zone 9 (Wellingborough), 9% from Zone 11 (to the south of Wellingborough), 8% from Zone 7 (Thrapston) and 3% from other undefined zones. We consider the proposal is likely to serve a materially wider catchment, based on the site’s strategic main road connections. In particular, we consider the scheme would draw significantly more trade from the Northampton area.

3.44 To put the Applicant’s assessment into context, based on what we consider to be a more realistic turnover estimate of £147 million, this would suggest the Rushden Lakes scheme would derive circa £101.4 million of its turnover from Zone 10 at 2016, representing a market share of 53.7%. Taking into account the existing comparison retailers in the town centre and the Asda/Waitrose, at an estimated circa £60 million, this generates a total combined spend from Zone 10 of £162 million, i.e. circa 85% of all the available comparison retail spend.

3.45 This combined retention level is materially higher than the estimates used by BPD for their “capacity” modelling, and is materially higher than the comparable market shares achieved by the other North Northamptonshire town centres within their immediate
zones. For a significant proportion of Zone 10, Bedford is the nearer, higher order town centre, which also calls into question this assumption.

3.46 Furthermore, the Rushden Lakes scheme is unlikely to be targeted at providing a comprehensive full comparison retail offer, including fashion, furnishings, electrical goods, china and glass etc, which account for total comparison spending. Based on other comparable open A1 retail parks the offer is likely to be more focussed on fashion goods and therefore target a particular sector of total spending.

3.47 On this basis, we consider the actual market share likely to be achievable from Zone 10 would be lower, and the amount of trade drawn from the other zones and beyond would be proportionately higher than BPD suggests. This would be consistent with a predominantly fashion retail park, drawing from a sub-regional catchment and competing more directly with the higher order town centres, in particular Northampton but also Bedford, Milton Keynes and Peterborough.

3.48 Based on the BPD trade draw assumptions and incorporating turnover estimate of £147 million, we have undertaken sensitivity testing of the Applicant’s cumulative impact analysis at Table 11A. This suggests that at 2016 the impact of the Rushden Lakes proposals and commitments would be £5.6 million (11.6%) on Rushden Town Centre; £16.6 million (15.5%) on Wellingborough Town Centre; £15.2 million (8.9%) on Kettering Town Centre and £14.8 million (5.1%) on Corby Town Centre, as demonstrated in Table 3.1 below.

<table>
<thead>
<tr>
<th>Centre</th>
<th>Pre-Diversion Turnover 2016 (£m)</th>
<th>Trade Draw to Commitments (£m)</th>
<th>Trade Draw to Rushden Lakes (£m)</th>
<th>Impact (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kettering</td>
<td>171.00</td>
<td>7.8</td>
<td>7.4</td>
<td>8.9%</td>
</tr>
<tr>
<td>Corby</td>
<td>93.60</td>
<td>4.1</td>
<td>0.7</td>
<td>5.1%</td>
</tr>
<tr>
<td>Wellingborough</td>
<td>107.50</td>
<td>0.1</td>
<td>16.5</td>
<td>15.5%</td>
</tr>
<tr>
<td>Rushden</td>
<td>48.50</td>
<td>0.0</td>
<td>5.6</td>
<td>11.6%</td>
</tr>
<tr>
<td>Northampton</td>
<td>185.00</td>
<td>2.9</td>
<td>50.5</td>
<td>28.9%</td>
</tr>
</tbody>
</table>

Source: Table 11A, BPD PPS4 Assessment / GVA

3.49 These are based on the Applicant’s assessment of commitments, which ignore the Evolution Corby scheme. Taking this into account, the cumulative impact on Kettering
and Wellingborough would be larger than indicated, although the impact on Corby would be offset by the Evolution Corby scheme.

3.50 The sensitivity testing is based on the Applicant’s assumptions about the proportion of the proposal’s turnover likely to be derived from each town centre. In practice, the precise impact would depend on the type of retailers represented and the extent to which they compete with the existing and potential offer of the town centres. For example, we consider a fashion park targeting mainstream multiple retailers would be likely to have a larger impact on ‘higher order’ centres like Northampton. To that extent, the results of our sensitivity test may overstate the impact upon Wellingborough town centre of a fashion based offer at Rushden Lakes. However, this does not affect our conclusion that the impact on the town centre, and its future potential, is still likely to be significant.

3.51 In the case of Northampton, based on our estimate of the scheme’s likely turnover, the cumulative impact on Northampton turnover derived from the study area would be £50.5 million, or 28.9%. Based on the results of the West Northamptonshire Study, which indicates Northampton town centre has a total turnover of circa £460.7 million in 2016, and assuming that 70% of the proposals trade diversion will be drawn from the town centre, this indicates an impact of £35 million (8%) at 2016.

3.52 We consider these re-worked impact figures may still potentially understate the full extent of the impact of the Rushden Lakes proposal. In particular, we consider that:

- The Applicant is likely to have overstated the level of expenditure growth available to support town centre turnovers in 2016, and as a consequence their turnover is likely to be lower and the impact of the scheme will be proportionately higher.

- Even adopting £5,500 per sqm may underestimate the full potential turnover of the scheme, depending on the type of retailers which it attracts. This figure is still lower than the current average turnover of comparison retailers in the existing North Northamptonshire town centres, and is below the turnover achieved by key variety store operators, such as Marks and Spencer.

- The analysis does not take into account all of the relevant commitments and other developments likely to come forward within the study area, in particular, the Evolution Corby Scheme and new development in Northampton town centre.
Both developments would be likely to compound the cumulative impact of the proposals on Wellingborough and Kettering in particular.

- Depending on the precise composition of the scheme, we consider it is likely to have a more widespread impact, focusing in particular on the fashion retail sector which could have a disproportionate effect on existing and potential retailer representation in neighbouring higher order town centres. This would also have a bearing on the proportion of the proposals turnover derived from nearby town centres and from existing out-of-centre retail locations.

- While the impact of the convenience element is unlikely to be significant beyond the immediate Rushden area, and is likely to be mainly felt by Asda and Waitrose, the assessment fails to take into account the cumulative impact of the convenience and comparison elements of the scheme.

3.53 Based on our assessment, we consider the Rushden Lakes proposal is likely to have a significant adverse impact on nearby town centres. In the case of Rushden, the centre appears to be trading successfully at its current level. The limited comparison retail offer of the centre, and in particular the absence of national multiple comparison retailers, suggests that the direct impact of the proposals will be more limited, and potentially mitigated in part through s106 obligations relating to any planning permission.

3.54 In practice we anticipate Rushden is likely to continue to perform a predominantly convenience and services based role, which the Rushden Lakes proposals are unlikely to affect. However, we consider the proposals would reduce the likelihood of attracting any significant additional comparison retail development, notably on the Palmest site as advocated in the 2010 Regeneration Strategy.

3.55 We consider the impact on Wellingborough and Kettering is likely to be more significant. Even ignoring the effect of new development in Corby and Northampton, and the other factors identified above, the impact on both centres is likely to be between 9%-15%. In addition to the direct effect on trade and turnover in these centres, we consider that the Rushden Lakes proposal would be likely to have a significant impact on investor confidence, and on existing and potential retailer demand from department/variety store and key multiple retailers for further representation in these centres.
3.56 Based on the level of capacity identified within the study area, and the extent of redistribution of current market shares required to justify the Rushden Lakes proposal, we consider the scheme would have significant consequences for the prospects for Wellingborough and Kettering achieving the level of retail growth planned in the current and emerging Core Strategy. While the scheme may attract some additional market share into the North Northamptonshire area (mainly from Northampton), the market share of the North Northamptonshire centres would be reduced.

3.57 We consider the direct impact of the Rushden Lakes proposal on Corby Town Centre would be more limited. However, we anticipate that this scale of opportunity, available to department/variety stores and other key town centre multiple retailers, may have a bearing on the level of retailer demand for the Evolution Corby scheme. We consider the proposal will have a much more marked and direct impact on the prospects on Northampton, given their greater proximity and the much more significant level of trade diversion from Northampton, which will be needed to justify a scheme of this size.

3.58 While the Applicant has not carried out an assessment for the other key town centre uses, we consider the development of a hotel at the Rushden Lakes scheme would be likely to compete for operator demand with nearby centres, including Wellingborough where there is a town centre opportunity identified for a hotel within the High Street/Jacksons Lane site. While we acknowledge that part of the demand for a hotel and for a drive through and restaurant relates to the site's strategic location on the A45 and for business and pass by trade, these uses would still to some extent compete with existing defined centres where further hotel and restaurant uses are currently being promoted and encouraged.

3.59 In summary, we consider the Applicant's retail impact assessment is deficient in a number of respects. We consider it is likely to have underestimated the potential turnover of the Rushden Lakes scheme and underestimated the impact, including cumulative impact, on nearby town centres. The proposal is likely to lead to a significant cumulative impact on a number of centres, notably Wellingborough and Kettering, and we are concerned that the development could potentially prejudice planned investment in Kettering, Wellingborough, Northampton and potentially Corby.

3.60 In these circumstances, we consider the proposals would be contrary to the adopted development plan and evidence base for the emerging core strategy, and to a
number of provisions of PPS4. We consider that the failure to adopt a sequential approach, and the significant impact likely to arise as a consequence of the proposals, would both constitute reasons for refusal under Policy EC17 of PPS4.