

The British Land Company Plc

Unit 2B,
Reading Gate Retail Park,
Reading

Planning Statement –
Sequential Test
Addendum

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Document control

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Contents

1.0	Introduction.....	2
2.0	Context	3
3.0	Planning Policy Context	5
4.0	Relevant Case Law	7
5.0	Other matters.....	11
6.0	Summary and Conclusion	12



1.0 Introduction

1.1 Background

- 1.1.1 This Addendum has been prepared by CarneySweeney on behalf of our client, The British Land Company Plc.
- 1.1.2 A planning application for the insertion of a mezzanine floor measuring 800 sq m into Unit 2B as well as revised and updated front and rear elevations was submitted on 31 January 2025 and registered under reference 25/0171. The mezzanine is required to allow the intended occupier of Unit 2B, Next, to display a greater range of its goods.
- 1.1.3 Following discussions with the case officer and internal consultation with the Planning Policy section, the applicant has been asked to expand upon the justification for not including Reading Town Centre in the sequential approach to site selection.
- 1.1.4 This note provides that expanded justification.



2.0 Context

2.1 The Application Site

2.1.1 The site is Reading Gate Retail Park, which occupies an out of centre location in sequential terms.

The Park is a mature retail destination with the following tenant line up:

1. B&Q
- 2a. Oak Furnitureland
- 2b. (proposed for Next)
3. Tapi carpets
4. TK Maxx
5. Smyths
6. Currys

As well as food and beverage provision in the form of Costa Coffee, Itsu and KFC.

2.1.2 The governing planning consent at the site allows for up to 5,571 sq. m of floorspace within units 2 - 5 (albeit limited to a maximum of three units) to be used for the sale of any non-food goods. The remainder of the floorspace can sell a restricted range of non-food goods.

2.1.3 At present, only TK Maxx utilises any part of the 'unrestricted' allowance. TK Maxx occupies 2,527 sq m in total. As such, 3,044 sq m of unrestricted (non-food) retailing remains available for unit 2B to accommodate Next. Unit 2B measures 955 sq m at ground and so, with the proposed 800 sq m mezzanine floor would come to a total of 1,755 sqm, well within the remaining allowance.

2.1.4 In summary:

- The unit exists and is empty;
- No permission is required to alter the range of goods at the site; and
- No permission is required to allow Next to occupy the unit.

2.2 The Proposed Development

2.2.1 In order to meet market interest, tenant requirements and deliver the beneficial reoccupation of the unit (and the associated economic benefits this will bring), Next require a trading mezzanine floor measuring 800 sq m as well as a revised and updated shopfront and rear elevation.



2.3 The Proposed Occupier

- 2.3.1 As noted above, Next is the proposed occupier of the refurbished unit. No permission is required to alter the range of goods at the site and no permission is required to allow Next to occupy the unit in its existing form.
- 2.3.2 Next currently occupy a 31,000 sq ft (GIA) store in the Oracle Shopping Centre within the Town Centre. This store opened in December 2018 and serves the central Reading/town centre catchment. Next do not require and are not seeing a second store to serve this catchment. While Next temporarily traded in the former Debenhams store in the Oracle Centre from December 2020 to August 2023, this was only ever intended to be a temporary store and was occupied without rent or service charge payments to help the landlord maintain vitality within the development for a short period. A planning application has been submitted to convert this to residential.
- 2.3.3 The central Reading/town centre catchment is a separate catchment from the south Reading area which the Reading Gate store is intended to serve. For this reason, Next do not consider that opening a new store at Reading Gate will affect the existing town centre store.
- 2.3.4 Next have previously attempted to serve the south Reading catchment, but without success. It occupied a store at Brunel Retail Park but the store closed in July 2021 due to difficult trading conditions during the covid era. It also had a store at Calcot near the Sainsburys off Bath Road which closed in March 2022 due to the landlord wanting a large rent increase, rendering the store unviable.
- 2.3.5 The proposed Reading Gate store is seen as a replacement for the former Brunel Retail Park and Calcot stores to serve the South Reading catchment. A store in the town centre simply would not meet this requirement.
- 2.3.6 The proposed store will sell elements of the full Next product range, including from the Next Home range, typically comprising bulky goods/furniture and furnishings. Bulky goods can take up a lot of space and this makes it difficult to viably display such goods on the ground floor of premises, which tend to be wholly given over to clothing (likely to comprise the womenswear and children's wear ranges). That said, the mezzanine will also be used for menswear and back-of-house areas in addition to the Home range.



3.0 Planning Policy Context

3.1 Reading Borough Local Plan (adopted Nov 219)

- 3.1.1 Local Plan Policy RL2 (Scale and Location of Retail, Leisure and Cultural Development) is of key relevance to application of the sequential assessment. This policy notes that:

“Retail and main town centre leisure and culture development, where it would mean a net gain of over 2,500sqm, will take place in, or as an extension to, the centre of Reading, unless it is on a site allocated for such development.” (underlining added)

- 3.1.2 While the policy wording does go on to note that all development will comply with the relevant tests for retail, leisure and cultural development set out in national policy, the above quotation makes clear that the Development Plan policy in force is aimed at ensuring larger proposals are located within the town centre. Indeed, the explanatory text notes that

“The centre of Reading is the most accessible location in the Borough, and is among the most accessible locations in the South East, and therefore represents the best location for major development of this type.” (para 4.6.8) (underlining added)

3.2 National Planning Policy Framework

- 3.2.1 In respect of the location of development, paragraph 91 of the NPPF states *“Local planning authorities should apply a sequential test to planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan. Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered”*.
- 3.2.2 The Framework notes that applicants and local planning authorities should demonstrate flexibility (paragraph 92).

3.3 National Policy Guidance

- 3.3.1 National Planning Policy Guidance provides advice regarding application of the sequential test. Paragraph: 011 Reference ID: 2b-011-20190722 states:

“The application of the test will need to be proportionate and appropriate for the given proposal. Where appropriate, the potential suitability of alternative sites will need to be discussed between the developer and local planning authority at the earliest opportunity.”



3.3.2 Furthermore, Paragraph: 012 Reference ID: 2b-012-20190722 notes:

“Use of the sequential test should recognise that certain main town centre uses have particular market and locational requirements which mean that they may only be accommodated in specific locations.”

3.4 Summary

- 3.4.1 Section 38(6) of the Planning and Compulsory Purchase Act 2004 states that application must be determined in accordance with the Development Plan unless material considerations indicate otherwise. In this instance, the Development Plan principally seeks to ensure larger proposals (net gain of over 2,500 sq m) are located within the town centre.
- 3.4.2 The NPPF and NPPG are material consideration in the determination of this application. The NPPF does require the sequential test to be followed for all applications for town centre uses with no reference to floorspace thresholds. However, the NPPG (which provides finer grained guidance) notes that the application of the test needs to be “proportionate and appropriate” for the given proposal and recognises that certain proposals have “particular market and locational requirements” which mean that they may only be accommodated in specific locations. That is the case here, as set out in section 2.3, above. The proposal is required to serve the south Reading catchment area which a store in the town centre will simply not be able to do. Indeed, Next have no desire to open a second town centre store.



4.0 Relevant Case Law

4.1 Introduction

- 4.1.1 It is important that the sequential approach is applied in a policy and legally compliant manner and section 4 of the Planning Statement (CarneySweeney, January 2025) provides a high level summary of relevant cases. We do not repeat that summary here, but it is worth drawing out key points.

Catchment

- 4.1.2 The area within which to carry out a sequential site search comes down to the question of 'suitability'. The *Aldergate v Mansfield District Council & Anor [2016] EWHC 1670 (Admin)* Judgment considers a challenge against the grant of planning permission for a discount foodstore at Sherwood Oaks Business Park. There were four grounds for the challenge, including the manner in which the sequential test had been applied. In respect of the sequential test, paragraph 35 of the Mansfield Judgment addresses the requirements of paragraph 24 of the NPPF and finds that:

'... "suitable" and "available" generally mean "suitable" and "available" for the broad type of development which is proposed in the application by approximate size, type, and range of goods. This incorporates the requirement for flexibility in [24] NPPF, and excludes, generally, the identity and personal or corporate attitudes of an individual retailer. The area and sites covered by the sequential test search should not vary from applicant to applicant according to their identity, but from application to application based on their content.' (underlining added)

- 4.1.3 The identity of the occupier is not, therefore, a relevant consideration for application of the sequential test. However, what the application is seeking *is* a relevant consideration in determining the area (and thus the centres within the area) to be considered.
- 4.1.4 To put this point specifically, it is plainly the case that a site in north Reading would be 'unsuitable' to serve the south Reading catchment. No one is sensibly suggesting that, for example, Emmer Green District Centre should form part of the sequential site search in the instant case. The same point can readily be made out in respect of Reading town centre, which is a separate catchment area to south Reading. It is pertinent to note that Reading town centre is already served by Next's large store in the Oracle Centre as that fact has influenced the catchment area that the new store is seeking to serve. Retailers seek to avoid 'cannibalisation of trade' and thus seek some degree of separation of stores in order to serve new markets when opening new stores. However, leaving the identity of the intended occupier to one side, the fact remains that the south Reading catchment is best served by stores located in south Reading. This is true regardless of the occupier and regardless of the existence of other stores within the occupier's portfolio. Accordingly, an application



by any retailer to serve the south Reading catchment would inevitably exclude Reading town centre from the sequential site search just as inevitably as it would exclude (eg) Emmer Green.

- 4.1.5 The Supreme Court decision in *Tesco Stores Ltd v. Dundee City Council* [2012] UKSC13 provides seminal advice on suitability which has been widely accepted and applied by the High Court, Secretary of State and Inspectors. The Dundee Judgment identifies that for a sequentially preferable site to be suitable, it must be “suitable for the development proposed by the applicant.” The “whole exercise is directed to what the developer is proposing, not some other proposal which the planning authority might seek to substitute for it ...” (paras 24 and 38). The application of the sequential test is “for use in the real world in which developers wish to operate, not some artificial world in which they have no interest doing so.” (para 38).
- 4.1.6 The application is seeking a store to serve the south Reading catchment. This is “the development proposed by the applicant” and this is “the real world” in which the developer is operating.
- 4.1.7 These facts were accepted at Reading Gateway (700m to the south) where variations to allow occupation of a unit was permitted under reference PL/22/1908 without undertaking a review of sites in the town centre. Officers accepted there that a site in the town centre would not be able to sever the south Reading catchment and that fact remains unchanged in this proposal. Furthermore, here we are seeking a mezzanine floor to an existing unit in order to improve existing, vacant, previously developed land for beneficial re-use. It follows, therefore that development of a store in the town centre would not serve the south Reading catchment, would not improve the unit in question and would not assist in re-letting this existing vacant unit. In short, it would not meet the identified need which is a key tenet of the sequential test (see case law above).

Mezzanines

- 4.1.8 Notwithstanding the above, other appeals have held that the appellant’s own commercial objectives are relevant to the question of suitability, even where these are site specific. An appeal proposal at Telford Forge Retail Park (Ref. APP/C3240/A/12/2172756) sought redevelopment without complying with conditions limiting floorspace, in order to allow a mezzanine floor to be included. The Inspector noted: “*The essence of the judgement of the Supreme Court in Tesco Stores Limited v Dundee City Council is that “It is the proposal for which the developer seeks permission that has to be considered when the question is asked whether no suitable site is available within or on the edge of the town centre”. In this case, the proposal does not seek to cater for any identified need... Rather, the appeal proposal derives from Sainsbury’s own commercial objectives, amongst which are competing with other existing stores, primarily Tesco at Wrekin Park and Asda at Donnington, and offering greater consumer choice in that perhaps more limited way.* (Telford Forge appeal, para 16).
- 4.1.9 “*In general terms, a proposal simply to reconfigure and improve an existing store could not reasonably be interpreted as being for, in practice, a new store; the sequential test would not be applied to such a proposal... following the Tesco judgement, there cannot logically be a more*



suitable site for such a proposal in or on the edge of the town centre or, therefore, a reason for applying a sequential test". (Telford Forge appeal, para 17).

4.1.10 Returning to the issue of the 'real world' application of policy, the Inspector noted that for a site to be suitable, it would have to be a genuine "real world" alternative for the development. If the appeal were dismissed, would the developer build the development on the sequentially preferable site is the relevant question *"the likely practical and financial ramifications of acquiring a site and building a new store, compared with extending the existing one, or simply improving what is already there, suggest that Sainsbury's assertion [that it would not build the development elsewhere] is not without force". (Telford Forge appeal, para 19).*

4.1.11 It is the case here that, should planning permission not be forthcoming, neither British Land nor Next are likely to develop a store in a site in Reading town centre. It is simply not a real world alternative.

Availability

4.1.12 The Rushden Lakes appeal (Ref: APP/G2815/V/12/2190175) concluded that for a site to be available for the development proposed, it had to be 'currently' available and not available over a period of time – at some point in the future (para. 8.55). Subsequent appeals have provided alternative interpretations of the term, and later revisions to the NPPF have sought to provide further clarity by stating: "or expected to become available within a reasonable period". Notwithstanding this, the 2016 Exeter Secretary of State decision (Ref: APP/Y1110/W/15/3005333) makes it clear that the "NPPF test should not be used to prevent development unless a sequentially preferable site could actually deliver the proposal". In other words, there has to be certainty about a site's availability.

4.1.13 Next are seeking to fit out and occupy the store in a very short timescale, in order to be fully trading well in advance of Christmas 2025. While challenging, this is achievable given the existence of a vacant unit and the ability to commence shortly after receipt of planning permission.

4.2 Summary

4.2.1 The identity of the occupier is not a relevant consideration for application of the sequential test. However, the catchment area the application is seeking to serve is a relevant consideration in determining the area (and thus the centres within the area) to be considered.

4.2.2 The sequential test is a real world exercise and is accepted as being based on real commercial objectives.

4.2.3 Retailers seek to avoid 'cannibalisation of trade' and thus seek some degree of separation of stores in order to serve new markets when opening new stores. The application is seeking to serve the south Reading catchment, and the fact remains that the south Reading catchment is best served



by stores located in south Reading. Accordingly, an application by any retailer to serve the south Reading catchment would inevitably exclude Reading town centre from the sequential site search.

4.2.4 As set out in the Planning Statement, the following nearby centres, which lie within or at the very edge of the proposed development's catchment area were assessed in accordance with the sequential test:

- Whitley District Centre;
- Whitley Wood Local Centre;
- Three Mile Cross Local Centre (Wokingham Borough);
- Spencers Wood Local Centre (Wokingham Borough);
- Shinfield Road Centre;
- Shinfield Local Centre.

4.2.5 No suitable or available sites have been identified.



5.0 Other matters

- 5.1.1 We have been asked to consider if the applicant “would accept a condition limiting the additional floorspace to non-clothing or food sales”.
- 5.1.2 The proposed store is intended to sell elements of the full Next product range, including from the Next Home range, typically comprising bulky goods/furniture. Bulky goods take up a lot of space but are also less frequently sold and so ‘turnover’ at a lower rate. This makes it difficult to viably display such goods on the ground floor of premises, which tend to be wholly given over to clothing (likely to comprise the womenswear and children’s wear ranges). However, it is not the case that the proposed mezzanine would be used exclusively for the Home range. It is likely the mezzanine will also be used for menswear and back-of-house areas in addition to the Home range.
- 5.1.3 The fact remains, however, that the retailing of non-bulky goods (including clothes) is limited by an extant condition which would not be altered as a result of the current application (and which does not need to be altered to accommodate Next’s operation).
- 5.1.4 Condition 24 of permission 12/00661/VARIAT states:
- “Not more than three units within units 2a, 2b, 3, 4 and 5 and comprising no more than 5,571 sq. m of floorspace at ground and mezzanine level in aggregate may be used for the sale of any retail goods within Class A1. There shall be no sale of food and drink, other than (a) ambient food and drink goods (b) from and ancillary cafe or (c) on an ancillary basis. The remainder of the floorspace shall not be used for the sale of goods other than DIY, garden stock and equipment, furniture, floor coverings, household textiles, automotive parts and accessories, bicycles, bicycle parts and accessories, electrical goods (including personal mobile communication equipment and accessories), gas appliances, pets and pet supplies, office furniture and equipment or toys and indoor/outdoor play equipment/products, entertainment and educational goods and shall not be used for any other purpose (including the sale of food) within Class A1”.*
- 5.1.5 As set out above, even with Next in operation, only 4,282 sq m of the 5,571 sq m allowance would be used.
- 5.1.6 The impact of 5,571 sq m of open retailing at the Reading Gate site will have been considered by the LPA at the time of permission 12/00661/VARIAT. No alteration is sought or required to that position and there can be no justification for seeking to further restrict the floorspace being sought at this juncture.
- 5.1.7 While much of the proposed mezzanine will be used for back-of house and Homewares use, and while Next do not sell anything more than ancillary food items, an element of the mezzanine will be used for clothes display. As such, the applicant could not accept a condition limiting the additional floorspace to non-clothing.



6.0 Summary and Conclusion

- 6.1.1 This Statement is submitted in support of a full planning application for the insertion of a mezzanine floor and external elevation alterations at Unit 2B, Reading Gate Retail Park.
- 6.1.2 Unit 2B is currently vacant, following the closure of Carpetright. The application seeks its beneficial reuse at a well-established retail location. The unit exists and is empty, no permission is required to alter the range of goods at the site and no permission is required to allow Next to occupy the unit. The principle of the development is considered acceptable, subject to the sequential approach to site selection.
- 6.1.3 Whilst a sequential test must be applied, this must be done in a way which is compliant with established judicial authority and policy. The sequential test is a real world exercise and is accepted as being based on real commercial objectives.
- 6.1.4 Retailers seek to avoid 'cannibalisation of trade' and thus seek some degree of separation of stores in order to serve new markets when opening new stores. The application is seeking to serve the south Reading catchment, and the fact remains that the south Reading catchment is best served by stores located in south Reading. Accordingly, an application by any retailer to serve the south Reading catchment would inevitably exclude Reading town centre from the sequential site search. This has been accepted in past decisions made by the LPA.
- 6.1.5 The development seeks a mezzanine floor to an existing unit in order to improve existing, vacant, previously developed land for beneficial re-use. The specific tenant requirement is for a replacement for the former Next stores at Brunel Retail Park and Calcot. A south Reading catchment area has therefore been used to define candidate designated centres for application of the sequential test. It follows that development of a store in Reading town centre (or north Reading or elsewhere) would not serve the south Reading catchment, would not improve the unit in question and would not assist in re-letting this existing vacant unit. In short, it would not meet the identified need which is a key tenet of the sequential test.
- 6.1.6 Section 38(6) of the Planning and Compulsory Purchase Act 2004 states that application must be determined in accordance with the Development Plan unless material considerations indicate otherwise. In this instance, the Development Plan (policy RL2) principally seeks to ensure larger proposals (net gain of over 2,500 sq m) are located within the town centre.
- 6.1.7 The NPPG is material consideration in the determination of this application. This notes that the application of the test needs to be "proportionate and appropriate" for the given proposal and recognises that certain proposals have "particular market and locational requirements" which mean that they may only be accommodated in specific locations. That is the case here, as the proposal is required to serve the south Reading catchment area which a store in the town centre will simply not be able to do.



- 6.1.8 The sequential search has identified no other sites considered available, suitable, and viable sequentially preferable alternatives. The proposed development is considered to fully accord with local and national policy and guidance as well judicial and appeal authority with respect to the sequential approach.
- 6.1.9 The NPPF advises that where an application fails to satisfy the sequential test, it should be refused. Notwithstanding this however, it is important to recall the case of Zurich Assurance Limited v North Lincolnshire Council judgment [2012] EWHC 3708 (Admin), where the High Court confirmed that the failure of the sequential approach is just one consideration which the LPA must balance against other considerations to see whether or not it is outweighed by other such considerations. The sequential test addressed is just one consideration. All material planning considerations need to be considered in reaching a decision.
- 6.1.10 As noted in the submitted Planning Statement (January 2025), the overall appearance and visual amenity of the Park and its surrounds will be enhanced as a result of the proposals. Changes are considered to comply with policy CC7 of the local plan. The proposed development will not cause a detrimental impact on the living environment of existing residential properties or unacceptable living conditions for residential properties in accordance with Policy CC8. The nature (refurbishment), location and specific fit out details of the development are highly sustainable and comply with Policy CC2.
- 6.1.11 The existing car and cycle parking provision has been held to be sufficient. The development proposal will not have a material impact on the operation of the road network, in accordance with policies TR1, TR3 and TR5 of the local plan.
- 6.1.12 The proposed development is not considered likely to give rise to a material adverse impact on local air quality in accordance with policy EN15.
- 6.1.13 New job opportunities will assist in the overall economic attractiveness of Reading and help to improve the economic well-being of residents. The reoccupation of the unit will provide employment for five full time workers and 38 part-time workers.
- 6.1.14 The reoccupation of the unit will also give rise to the beneficial reuse of an existing vacant unit on a previously developed site, in accordance with sustainability goals and planning policy.
- 6.1.15 While we hold that the application fully accords with local and national policy and guidance as well judicial and appeal authority with respect to the sequential approach, the development's accordance with planning policy at all levels provides an overall balance of consideration which weighs firmly in favour of permitting the proposals.

