

Your ref: 2019/0366/FUL

Our ref: 47840

5 December 2019

Mrs H Leamey  
Planning Department  
West Lancashire Borough Council  
52 Derby Street  
Ormskirk  
L39 2DF

Dear Mrs Leamey

**RE: PLANNING APPLICATION REF. 2019/0366/FUL – PROPOSED ALDI FOODSTORE AND ASSOCIATED RETAIL UNIT, PENNYLANDS HOUSE, HIGH STREET, SKELMERSDALE**

We write on behalf of the Co-operative Group [Co-op] to raise an objection to planning application ref. 2019/0366/FUL, which is currently being considered by the Council.

The application scheme proposes the erection of a foodstore of 1,786 sq.m gross and an associated retail unit of 372 sq.m gross, at Pennylands House, High Street, Skelmersdale. Co-op operates a Co-op Food convenience store within the defined boundary of Sandy Lane Local Centre. The Co-op store has a sales area floorspace of 238 sq.m and is currently the main convenience goods 'anchor' within an underperforming Local Centre. The Co-op store is located approximately 200 metres north of the application site. The Co-op store is considerably smaller than the proposed Aldi store, but is of a suitable scale to provide top-up shopping facilities to local residents of Sandy Lane and employees of employment uses to the south of the local centre.

The current planning application is supported by a Planning and Retail Statement [PRS] that has been prepared on behalf of the applicant by Avison Young. The PRS has considered the compliance of the application proposal with relevant local and national planning policies. Of specific concern to Co-op is the conflict between the proposed development and planning policies that seek to protect employment land and town centres. We address these issues further below.

### **Employment Land Policies**

According to the Council's Local Plan proposals map, the application site is classed as 'EC1.2(b) Other Significant Employment Site'.

Policy EC1 of the Local Plan states that on 'other significant employment sites', the Council will permit industrial, business, storage and distribution uses (B1, B2 and B8).

Policy GN4 states that the Council will seek to retain existing commercial / industrial (B1, B2 or B8) premises, unless it can be demonstrated that one of three tests can be met:

- a) The continued use of the site / premises for its existing use is no longer viable. In these circumstances and where appropriate, it will also need to be demonstrated that there is no realistic prospect of a mixed-use scheme for the existing use and a compatible use; or



- b) The land / premises is no longer suitable for the existing use when taking into account access / highways issues (including public transport), site location and infrastructure, physical constraints, environmental considerations and amenity issues.
- c) Marketing of the land / property indicates that there is no demand for the land / property in its existing use.

In relation to marketing, Policy GN4 states that the application will need to include evidence demonstrating that:

- i. The marketing has been undertaken by an appropriate agent or surveyor at a price which reflects the current market or rental value of the land / premises for its current use and that no reasonable offer has been refused.
- ii. The land / premises has been marketed for an appropriate period of time, which will usually be 12 months.
- iii. The land / premises has been regularly advertised and targeted at the appropriate audience.

As part of the planning application, the applicant has submitted a letter from Mason Owen (dated 7 December 2018) setting out the marketing efforts for the site that have taken place and enquiries received. A marketing brochure (not dated) has also been submitted as part of the planning application.

It is important to note that the existing offices at the application site were occupied by Co-op as recently as 2016.

Co-op considers that the marketing evidence is insufficient because:

- There is no pricing information provided, so the decision maker is unable to ascertain whether the price reflects the current market or rental value of the land / premises for its current use. It is also unclear whether any reasonable offer has been refused.
- The letter from Mason Owen states that various parties expressed interest in the site, but that '*most interested parties ultimately discounted the opportunity on receipt of the details on grounds of [various factors including] price level...*'. That statement could suggest that the site was over-priced although it is not possible to establish that, for the reasons outlined above.
- The letter from Mason Owen sets out the various marketing efforts for the site, but no actual evidence has been submitted. In the absence of such evidence, there is no way of knowing whether the land / premises has been marketed for an appropriate period of time.
- There is also a lack of evidence which shows that the land / premises has been regularly advertised and targeted at the appropriate audience.

Assuming the applicant is able to submit such evidence, Co-op considers that, due to the significant departure from policy that is proposed, the Council should seek to independently verify the submitted evidence.

In the absence of sufficient marketing evidence, the planning application should be refused on the basis of the loss of a 'significant employment site'.

## **Retail and Town Centre Policies**

### Impact Test

Co-op is aware that its existing convenience store at Sandy Lane Local Centre is protected, in planning policy terms, from the trade impacts of the proposed development. Co-op anticipates significant trade impacts on its existing store, which is currently the main foodstore provision and anchor of Sandy Lane Local Centre. The Co-op store has an established role, serving local

residents of Sandy Lane and employees of employment uses south of the local centre. The proposed development would threaten the viability of the existing Co-op store and therefore the range of other main town centre uses within Sandy Lane Local Centre. The proposed Aldi foodstore would perform a different role to the existing Co-op store, serving a much wider catchment area. Co-op considers that the proposal is of a scale that would be incompatible with the functioning of Sandy Lane Local Centre. Co-op also considers that the prospect of linked trips between the application proposal and the local centre are minimal due to the existing very poor pedestrian linkages between the site and the Local Centre.

In addition to our concerns regarding impacts in relation to Sandy Lane Local Centre, we have serious concerns over impacts of the application proposal on Skelmersdale Town Centre, which is already very fragile.

PBA produced the West Lancashire Retail and Leisure Study on behalf of West Lancashire Borough Council in 2018. The study assessed the performance of Skelmersdale Town Centre, and concluded that:

*'It is apparent that there has been no improvement in the performance of Skelmersdale Town Centre over the past 6 years. Indeed, the town centre's performance has declined in respect of a number of key indicators of vitality and viability, and from a relatively low base. The Concourse Centre suffers from a very high vacancy rate and provides an extremely poor comparison retail and leisure offer for a centre the size of Skelmersdale. There are also issues with the accessibility of the town centre and its poor quality and deteriorating environment. We consider that significant interventions are required to regenerate the town centre, such as the proposed St Modwen scheme which will introduce a range of new retail and leisure facilities as part of an extension to the town centre. These new uses will include foodstores, a cinema, food and drink and other mixed Class A uses.'*

According to Table 9 within Appendix IV of the PRS, Skelmersdale Town Centre is forecast by the applicant to have a convenience goods turnover of £65.50m in 2024, which Co-op considers to be an over-estimation of town centre turnover. The proposed development is forecast by the applicant to divert £5.2m of convenience retail trade from Skelmersdale Town Centre in 2024 and have a solus impact of 8.1 per cent on the town centre. A more conservative turnover for the town centre would mean that the application proposal would have an even higher solus impact. In considering convenience goods retail commitments and the proposed development, on a cumulative basis, it is forecast by the applicant that £9.3m of trade will be diverted from Skelmersdale Town Centre, which will have a cumulative impact of 14.4 per cent. On the basis that the health of Skelmersdale Town Centre is extremely poor, Co-op considers that a cumulative impact of 14.4 per cent will irrefutably have a significant adverse impact on Skelmersdale Town Centre. The planning application should be refused on this basis.

The existing Aldi foodstore on the ground floor of the Concourse Shopping Centre is a key anchor and attractor to Skelmersdale Town Centre and it is one of few convenience foodstores within the town centre. We understand from the PRS that the existing Aldi foodstore is to close, if the proposed development is delivered. The loss of the existing Aldi foodstore would reduce consumer choice in the town centre and is likely to lead to a reduction in trade amongst other retailers near to the existing Aldi foodstore.

There is also the very realistic prospect of the application proposal jeopardising and having a significant adverse impact on the committed private investment at Ingram Road / Northway by St Modwen, which includes a Lidl foodstore.

### Sequential Test

As part of the applicant's sequential assessment, the applicant has considered the suitability and availability of Unit 31, First Floor, the Concourse Shopping Centre (page 28 of the PRS and



Appendix I). According to the PRS, the unit has a floorspace of 1,390 sq.m gross. The applicant has stated that the unit is not suitable for the following reasons:

- The unit has a gross floorspace some 25 per cent smaller than the application proposal and even allowing for some flexibility, it would be unable to achieve Aldi's critical net sales area target of 1,315 sq.m alongside back-of-house provision.
- Pedestrian access to car parking at the Concourse Shopping Centre involves a lengthy walk through the mall (including potentially down one level).
- The Concourse Shopping Centre closes at 17:30 five days of the week and Aldi is seeking operational hours of 08:00-22:00.

It is clear that Aldi, in an ideal world, has aspirations for a foodstore of a certain floorspace, with at grade parking adjacent to the foodstore and with certain operational hours. However, it is rare that such town centre sites exist, particularly in Skelmersdale Town Centre. Paragraph 87 of the Framework sets out that '*applicants should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre sites are fully explored*'. Co-op considers that the applicant has not demonstrated sufficient flexibility on the format and scale of the application proposal.

It is not uncommon for Aldi foodstores to be located in shopping centres and retail parks and for customers of an Aldi foodstore to have to walk a certain distance to their car. Co-op does not consider that having to walk a little further to a car parking space makes Unit 31 unsuitable for the application proposal.

The existing Aldi foodstore opens until 19:00 on a Thursday and Friday. Any foodstore the size of the application proposal would not be able to open 08:00-22:00 on a Sunday, due to Sunday trading hours restrictions. As such, the existing Aldi foodstore is not unduly restricted in terms of opening hours. The PRS does not set out whether any discussions have taken place with the owner of the Concourse Shopping Centre to explore whether the opening hours of the shopping centre could be extended to meet the aspirations of Aldi.

According to Table 3, Appendix IV of the PRS, the applicant estimates that the existing Aldi foodstore at the Concourse Shopping Centre has a convenience goods turnover of £9.4m in 2019 in 2017 prices. Assuming that the existing foodstore has a convenience goods sales area of 701 sq. m net<sup>1</sup> and using the applicant's convenience goods benchmark sales density for Aldi of £11,147 / sq. m<sup>2</sup> (in 2019 in 2017 prices), if the existing foodstore was trading at benchmark levels, it would have a convenience goods turnover of £7.8m in 2019 in 2017 prices. On this basis, Co-op considers that the existing Aldi foodstore at the Concourse Shopping Centre is overtrading by £1.6m or 20.5 per cent above benchmark / average trading levels. Assuming the application proposal is not delivered, it is highly questionable whether Aldi would close an existing foodstore, trading at above company average levels, particularly when its main rival, Lidl, is due to open in a similar catchment area to the existing Aldi foodstore. It is clear that Aldi wishes to defend its position against Lidl; however, this should not be at the expense of the health of Skelmersdale Town Centre which, as we highlighted above, is already extremely fragile, having experienced continual decline over many years.

Unit 31 would provide a larger sales area than that of the existing Aldi foodstore within the Concourse Shopping Centre. It stands to reason that if Aldi were to close its existing foodstore and

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<sup>1</sup> According to paragraph 1.3 of the PRS, the existing Aldi foodstore has a floorspace two-thirds of the amount of sales floorspace that their modern format stores require (1,315 sq. m net), meaning the existing store has a sales floorspace in the region of 877 sq. m net. Aldi foodstores tend to have a convenience goods sales floorspace of 80% of the total sales floorspace. On this basis, 701 sq. m net of floorspace within the existing foodstore is for the sale of convenience goods.

<sup>2</sup> Table 1, Appendix IV of the PRS.

occupy Unit 31, its turnover and performance could be even better than it currently achieves in Skelmersdale. Accordingly, with a degree of flexibility, i.e. Aldi occupying a slightly smaller scale unit at Unit 31 than what is proposed at the application site, an Aldi foodstore at Unit 31 is likely to achieve an above average level of turnover and perform well.

There is no justification provided in the PRS for the associated retail unit. Such a unit may be being proposed to make efficient use of the application site. In Co-op's view, there is no reason why the associated retail unit has to be located directly adjacent to the proposed Aldi foodstore.

The applicant has said that Unit 31 is available and Co-op agrees with the applicant on the availability of the unit.

On the basis of the above, Co-op considers that Unit 31 is both suitable and available for the proposed development and as such, the application proposal has failed the sequential test, which is another clear reason for the refusal of the planning application.

### **Other Material Considerations**

Paragraph 4.9 of the PRS is misleading when it states that Aldi does not sell pharmaceutical products, nor does it have an in-store bakery. Co-op is aware of Aldi foodstores containing in-store bakeries and selling basic pharmaceutical products and health & beauty products sold in a typical pharmacy. As such, the application proposal could lead to the closure of the existing pharmacy located at Sandy Lane Local Centre.

Paragraph 4.12 of the PRS states that '*Aldi complements, rather than competes with, existing local traders, independent retailers and other supermarkets, as well as service providers, as Aldi customers use other facilities to fulfil their grocery and local service needs*'. The reason for Co-op objecting to the application proposal is because Co-op considers that the proposed Aldi foodstore will divert a significant amount of trade from the existing Co-op store and Sandy Lane Local Centre. Available expenditure is finite. Trade at the proposed Aldi foodstore has to be diverted from somewhere and trade will be diverted from existing supermarkets in protected town and local centres. Published statistics show that Aldi's convenience goods market share has risen rapidly over the past decade, taking market share from other leading supermarkets. So, Aldi does compete directly with other supermarkets. In recent years, Aldi foodstores have increased the variety of products that they sell and it is possible for customers to undertake a full main food shop within an Aldi foodstore, with no requirement to shop elsewhere.

Paragraph 4.23 of the PRS states that '*new Aldi stores generally employ between 30-50 staff*'. Assuming that the application proposal is delivered, the existing Aldi foodstore within Skelmersdale Town Centre will close, as set out in the PRS. This means that no 'new jobs' will be created – jobs will be relocated from Skelmersdale Town Centre to the proposed Aldi foodstore, meaning there is no 'net benefit' in terms of job creation.

### **Summary**

This application is inconsistent with a number of key local and national planning policies and with the development plan as a whole. Co-op considers that the material considerations put forward by the applicant do not outweigh the failure of the application to be in accordance with the development plan or with national policy guidance in relation to planning for town centres. On this basis, the application should be refused, for the reasons of loss of employment land, the failure of the sequential test and the failure of the impact test.

We trust that the Council will carefully consider this objection by Co-op, prior to the determination of the planning application. Please contact me on telephone 0161 245 8900 if you wish to discuss this objection further.

Yours sincerely



**TOM SMITH**  
Principal Planner

For and on behalf of  
**PETER BRETT ASSOCIATES LLP**