

Our ref: MA/SMDL/001-4/L002m

Your ref: 2019/0366/FUL



Date: 25 May 2020

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Dear Helen

SUPPLEMENTARY OBJECTION RE APP 2019/0366/FUL. PROPOSED ALDI STORE, SKELMERSDALE

We write on behalf of St Modwen Developments (Skelmersdale) Ltd to reinforce our objection to planning application reference 2019/0366/FUL, which seeks full planning permission for the erection of an Aldi store on land at Westgate/High Street in Skelmersdale. This letter is supplementary to the ATP letter dated 12/04/20 and also responds to the applicant's letter dated 26/04/20.

BACKGROUND

The applicant's letter dated 26/04/20 seeks to respond to multiple objections, which stem from the applicant's decision to relocate from a store within Skelmersdale town centre to a store located beyond a local centre. There is a dispute between various parties in regards to whether the new store would be treated as edge-of-centre or out-of-centre but nevertheless one of the key objections is raised by Co-Op which is the anchor occupier to Sandy Lane local centre (the closest centre to the proposed new store).

Another key objection is lodged by the applicant's existing landlord, extremely concerned about the adverse impact caused by the loss of their anchor tenant. St Modwen is the third key objector, delivering the town centre extension scheme which is being brought forward on a phased basis and the first phase is anchored by a discounter foodstore. The fourth objection is from LIDL. LIDL is anticipated to be the occupier of the new discounter foodstore in the St Modwen scheme but has highlighted that it will reconsider that investment decision if Aldi does secure consent for this much larger store which will compete with the LIDL.

SEQUENTIAL APPROACH

Co-Op argue that the subject site is poorly located in terms of linkage with the lower order centre and will both result in direct impacts upon the anchor Co-Op and result in negative multiplier effects by consequence of the loss of linked trips. This point is a matter of ongoing dispute between the parties, but we make no substantive points in this respect. Co-Op have also referred to the opportunity provided by a vacant unit in the Concourse, but this has very recently been occupied by another retailer so is not available.

The objections issued on behalf of the owners of the Concourse refer to a feasibility exercise which shows how specific units can be reconfigured to create a unit of the requisite size with the potential to deliver the trading platform and to meet the operator's hours requirements. The developer has commented that the reconfigured unit cannot be delivered without estate management (relocating existing tenants) and this will inevitably be more complex and time-consuming than would be acceptable to the applicant. It opines that parking provision is poorly configured for those undertaking larger shops (with trolley) that are more likely in the new store.

The applicant therefore argues that the purported sequential sites within the Concourse are variously unsuitable and/or unavailable.

Our previous representation was largely focused upon other matters but did highlight that the St Modwen site represents a far more accessible and central opportunity to accommodate the qualitative and quantitative requirement for a new discounter foodstore to serve Skelmersdale and outlying areas. The applicant has sought to argue that the St Modwen site is not available because it is to be occupied by LIDL. We would accept that it is our intent that LIDL would occupy the store in the St Modwen development, but that is on the premise that it can serve its planned function and that the intended occupier still chose to commit.

Whilst we of course accept that significant efforts are being made to accelerate the implementation of the St Modwen scheme, this is in reality a complex phased scheme and this investment is testament to the commitment of St Modwen and West Lancashire Borough Council (as a corporate entity) to deliver town centre regeneration that can provide positive multiplier effects for the wider town centre and (in time) catalyse the residual phases which will deliver the much needed evening economy boost.

We disagree with the applicant's assertion that the foodstore in the St Modwen scheme should be treated as being unavailable. If LIDL and St Modwen were submitting representations to declare that their investment decisions are unaffected by the ALDI proposals, then the applicant's thesis would have some merit. The reality is that this is the complete opposite of what is being clearly and consistently stated by St Modwen and LIDL.

The purpose of the sequential approach is to direct investment towards town centres, not to stymie Plan-led town centre regeneration in favour of a scheme for a single foodstore where the potential for any linked trips (to a local centre) is far from clear. The prejudicial impact upon the investor confidence of LIDL is palpable- their position is clear, and this will fatally impede the St Modwen development in the town centre which has been the cornerstone of the Council's regeneration plans for more than a decade.

IMPACT ON INVESTMENT

ALDI have sought to question Lidl's statement about their knowledge of Aldi's plans prior to late 2019. We are not privy to Lidl's approach to monitoring competitor activity, but it is fair to say that the application was not validated until early November 2019 and Press activity around the proposal also appears to date from November 2019.

Since the point that the ALDI interest has been identified by LIDL and St Modwen, they have made their conclusions clearly to the planning authority. The proposal was not deemed (by St Modwen) to be a serious threat given that it is antithetical to the objectives of Policy SP2 and should have been refused out of hand. However, we note that the application has moved beyond its target period and also that LIDL have made strong objections which undermines the deliverability of the St Modwen scheme.

The St Modwen scheme has developed over several years and at one point it would have included and indeed been anchored by ALDI. This was on the basis that Aldi would have opened a new store and continued to trade the old store. Nevertheless, the fragility of the Concourse meant that even the potential for the existing ALDI to close (notwithstanding the fact that a larger Aldi and other new retailers would come forward within the town centre) was enough to cause concern and result in the imposition of condition 5 on the St Modwen consent.

The decision to accommodate LIDL should mean that Skelmersdale shoppers secure the benefit of improved consumer choice without any adverse impact upon the vibrancy of the Concourse. That approach secures the relevant objectives of Policy SP2.

Aldi's new proposal fundamentally flies in the face of that approach and would result in the loss of the anchor tenant in the Concourse and serious adverse impacts upon its already fragile vitality, plus an unwelcome impact upon what could have otherwise been improved consumer choice.

Recent energy and resource by the St Modwen team to take forward the proposal in the town centre are a statement of intent and confidence in the town. They are also (fundamentally) a statement of confidence in the planning authority that they will consistently afford significant weight to the objectives of Policy SP2 and refuse this application which would completely undermine it. It assumes that the ALDI scheme will be refused which is the only logical conclusion that can be drawn when one considers the local context.

If a decision by ALDI to commit investment to Pennylands means that the old store closes and that the LIDL proposal is impeded, then the impacts to Skelmersdale will be fatal. It is impossible to argue how this proposal can be consistent with the requirements of Policy SP2.

IMPACT ON TRADE AND TURNOVER

The applicant has sought to contrive an argument to sustain a position to say that the cumulative effect of the proposal is acceptable. The relocation of ALDI to a new store outside the town centre is highly likely to rely upon the existing loyal customer base and then to tap into the more local catchment that may currently shop elsewhere and find this store more convenient. Logically, the sizeable majority of the old store's trade would go directly to the new store and a limited quantum might be redistributed to other existing stores such as ASDA.

The applicant has instead sought to argue that the majority of the trade from the existing store will be re-distributed to existing town centre stores which will serve to inflate town centre turnover. They then go on to add on the potential turnover from the St Modwen scheme to present a case that overall turnover will increase.

This of course neglects to build in the impact phase of the St Modwen scheme which would result in some trade diversion from ASDA. This omission serves to further inflate town centre turnover.

A crucial point which is missed by ALDI is that the rationale for the town centre scheme is to increase levels of trade retention in the town centre because leakage levels are too high. It has also been designed to ensure that it provides critical mass at the edge of the Concourse to provide the best opportunity to provide the necessary stimulus to secure new investment, new shopping choices and enhance consumer expenditure retention. Key to that is the expansion of the comparison goods offer, which will be delivered by St Modwen but only if the anchor foodstore is secured first.

St Modwen has worked with the Council since 2008 to deliver a town centre extension that is aligned to Policy SP2 and recognised through numerous investment strategies and evidence base reports as being the single-most important scheme across the borough in terms of economic performance and to support the quality of services and opportunity for local residents. All of this is at risk for an out-of-centre foodstore resulting in the loss of employment land and potentially fatal impact to the Concourse.

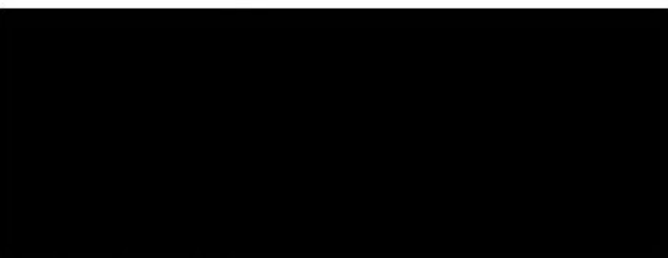
SUMMARY

The response from the applicant is detailed but reinforces the view that by removing the anchor store from the Concourse it will result in substantial trade diversion from an in-centre location which is very vulnerable in terms of vitality and viability. It will inevitably result in a magnitude of retail impact that considerably exceeds the threshold of significant adverse.

We have also highlighted (as have numerous other key stakeholders) that the proposal runs a very great risk of a cataclysmic impact upon the opportunity for Plan-led investment. The application is beset by numerous important conflicts with the requirements of the Development Plan and any approval would represent a completely inconsistent and erroneous decision. This application must be refused given the conflicts with the Development Plan.

We reiterate our intent to speak against the application should this be considered by Committee, so we would therefore request that you notify us of its consideration by Committee so that we can register to speak. If you do have any questions in the meantime please do not hesitate to contact me.

Yours sincerely



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