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Dear Mr Grundy

**PLANNING APPLICATION FOR ALDI DISCOUNT FOODSTORE AT FINCHALE AVENUE, BILLINGHAM
LPA REF: 10/2144/FUL**

1.0 Introduction

Montagu Evans LLP acts as planning consultant to Stockland UK (SUK). We are writing in respect of the recently-submitted planning application by Aldi referred to above. Since 2007 SUK has been the principal private sector stakeholder in Billingham town centre and have worked closely with the Council and town centre businesses to develop a Town Centre Masterplan which was adopted by Stockton on Tees Council in February 2010.

- 1.2 The application for a discount food store with associated parking (80 spaces), servicing and access from Finchale Avenue is on cleared land on what was the old Stockton and Billingham Technical College, to the north west of Billingham District Centre. In 2006 outline planning permission was granted for a residential scheme by Yuill Homes on this site. The initial phase of this scheme has been implemented and a second phase will be located to the north and west of the proposed foodstore site. A planning application is currently with the Council for consideration and it is understood that this application seeks an amendment to the original residential layout, thereby, affording land for the foodstore development.
- 1.3 The subject site lies outside Billingham District Centre, whose accepted boundary is on the south side of The Causeway, a dual carriageway which runs in an east-west direction, north of the District Centre. SUK has major concerns that the proposed operation, if granted planning permission, will cause significant detriment to Billingham District Centre at a crucial stage in its planned regeneration by SUK. After approval of the town centre masterplan earlier this year SUK have commenced negotiating with national retailers with view to letting vacant units within the town centre. SUK would therefore consider provision of any retail floorspace in an out-of-town location as inconsistent with the objectives of PPS4 (Planning for Sustainable Economic Growth) and the recently adopted Stockton-on-Tees 2010 Core Strategy.
- 1.4 In particular, PPS4 seeks new town centre uses to be focused in existing centres. Although the guidance adds that local planning authorities should adopt a positive and constructive approach towards planning applications, it sets down impact considerations at Policy EC10 that should be applicable against all applications for economic development. Such considerations include whether the proposal has been planned to limit carbon dioxide emissions and provide resilience to climate change, the accessibility by a choice of means of transport, whether the proposal secures a high

quality and secure design, the impact on physical and economic regeneration in the area, and the impact on local employment.

- 1.5 Policy EC15 of PPS4 requires that a sequential assessment is required for planning applications for town centre uses that are not in an existing centre and are not in accordance with an up to date Development Plan. Policy EC16 of PPS4 meanwhile requires that similar planning applications for town centre uses that are not in an existing centre and are not in accordance with an up to date Development Plan, be assessed against a series of impacts on centres.
- 1.6 SUK do not consider that the Aldi proposal satisfies a number of the impact considerations for proposals for economic development set down at Policy EC10 of PPS4, or more specifically, meet the sequential and impact requirements required by Policies EC15 and EC16 of PPS4.
- 1.7 Policy CS5 (Town Centres) of the Stockton-on-Tees Core Strategy is quite clear in stating that priority will be given to regeneration initiatives in Billingham (and Thornaby). The objective is qualified by the suggestion that the regeneration exercise seeks to improve the vitality and viability of Billingham town centre and upgrade the retail offer in consultation with the local community.
- 1.8 The Core Strategy was informed by a number of background evidence documents. One of these was the Stockton and Middlesbrough Joint Retail Study. This was published in April 2008 and updated the previous 2004 version.
- 1.9 It is proposed that these representations will now address more fully why the proposal by Aldi currently is at variance with the above referred guidance particularly that of PPS4. The representations can also be seen as rebuttal to commentary within Sections 8 and 9 of the applicant's Planning and PPS4 Statement by Turley Associates which forms part of the application submission material.

2.0 Site Location

- 2.1 A significant factor in designating the site's location in terms of relevant Government guidance is a previous planning application by Morrison's in the late 1990's for a large foodstore, filling station and training centre. The application was refused, the decision appealed and dismissed by the Secretary of State in March 1999. In their supporting Planning and PPS4 Statement it is suggested that 'the proposed Aldi scheme is substantially different to the refused Morrison's scheme, and the relevance of the refusal is limited. Whilst it is clearly recognised that the two proposals are different, certainly in terms of scale it is notable that the Inspector at 10.12 of his report is quite clear in his rejection of the idea that the old Morrison's site is an edge-of-centre. He states:

'Overall it is my view that the site cannot be regarded as truly-edge-of-centre, because of the unattractive nature of much of the area through which the linked routes must pass. Considerable improvements would be necessary to achieve edge-of-centre status in PPG6 terms, such as an escalator served bridge across The Causeway and a segregated link through the service area beyond'.

- 2.2 The definitions for an edge-of-centre site have remained largely unchanged since PPG6 and PPS6, the predecessors of the today's national guidance on town centre development, PPS4. Equally the Billingham District Centre boundary has remain unchanged since its inception running along the south and east of The Causeway at the point of the application site. The PPS4 definition for an edge-of-centre site refers to a location that is 'well connected to and within easy walking distance (i.e. up to 300 metres) of the primary shopping area...'
- 2.3 Although there is no primary shopping area (frontage) within the District Centre it is acknowledged that the Aldi proposal has a store entrance closer to the District Centre boundary than the Morrison's entrance. PPS4 however, like its predecessor PPS6, requires at Annex B, that account be taken of local circumstances. It suggests that '***local topography will affect pedestrians perception of easy walking distance from the centre***' and that '***Other considerations include barriers, such as***

crossing major roads and car parks, the attractiveness and perceived safety of the route and the strength of attraction and size of town centre. A site will not be well connected to a centre where it is physically separated from it by a barrier such as a major roadand there is no existing or proposed pedestrian route which provides safe and convenient access to the centre'.

- 2.4 The Causeway, a dual carriageway can be considered a major barrier to linked pedestrian trips. Whilst there is, as the applicant suggests, a safe crossing near to the entrance of John Whitehead Park, this, we would argue cannot be described as 'convenient' due to its distance from the proposed store entrance. Furthermore a smaller, non-signalised crossing, nearer to the store entrance cannot be described as either safe or convenient, especially for the elderly or those with children. It should also be noted that although a pedestrian crossing or priority area is shown on the plans, any shoppers wishing to move between the proposed store and the District Centre will have to negotiate the proposed store car park to reach the store entrance.
- 2.5 Reference is made by the applicant to the smaller size foodstore proposed than the old Morrison's scheme and the subsequent reduced impact on the District Centre. The applicant also states that the retail offer at Aldi will not compete directly with the town centre.
- 2.6 SUK would not challenge the fact that the foodstore is smaller but would still consider that there would be adverse impact on vitality of the town centre were the scheme to be allowed. The extent of retail impact will be examined more closely later in these representations. More generally we do not accept that the 'relevance of the refused scheme is limited' for the reasons set out above and would maintain that the site is out-of-centre and should therefore be subject to the relevant out-of-centre considerations.

3.0 PPS4 Policy EC10: Determining Planning Applications for Economic Development

- 3.1 This policy requires that all planning applications for economic development should be assessed against a series of economic considerations and that planning applications that secure sustainable economic growth should be treated favourably. We have considered the application against these criteria and provide the following response to the applicant's commentary contained in their PPS4 Statement.

Whether the proposal has been planned over the lifetime of the development to limit carbon dioxide emissions, and minimise vulnerability and provide resilience to climate change

- 3.2 SUK notes the accompanying Sustainability Statement which accompanies that planning application and does not wish to comment further.

The accessibility of the proposal by a choice of means of transport and the effect on local traffic levels and congestion

- 3.3 SUK acknowledge the relatively high number of bus services using The Causeway and the relative proximity of Billingham District Centre to the proposed store. However for the reasons outlined above, (ie. The Causeway presents) it is considered that there will be relatively few linked trips to and from the District Centre, especially by those shoppers that would choose to use their car to visit the application proposal to purchase convenience goods.

Whether the proposal represents a high-quality and inclusive design which takes the opportunities available for improving the character and quality of the area and the way it functions

- 3.4 We would wish to question one particular design matters notably the layout which features a service bay adjacent to what will be family dwellings. It is acknowledged that mitigation measures are proposed including landscaping and an acoustic barrier yet it would seem unlikely that future residents' amenity would be completely be unaffected by the operation of the store.

The impact on economic and physical regeneration in the area, including social inclusion objectives and the impact on local employment

- 3.5 Billingham District Centre was subject to a Masterplan which was adopted in February 2010. The Council had previously recognised the need to address the economic problems of the town centre and in 2005 undertook a consultation exercise on regeneration proposals and other initiatives. The need to address these economic issues was recognised in the obligations placed on SUK upon acquisition of the town centre in 2007 with a requirement for SUK to develop and consult on a town centre Masterplan.
- 3.6 In November 2009 SUK undertook a full local public consultation exercise on a draft Masterplan which included suggested new locations for retail outlets and facilities such as toilets, play areas as well as improvements to the public realm. The masterplan envisaged a phased programme of development works which would have an amount of flexibility to respond to the market. The Masterplan was approved by the Council in early 2010. Potential development sites identified were the former Kwiksave unit on the south side of the East Precinct, a large new foodstore site within the west precinct with adjacent parking and taxi pick-up point, redevelopment of the existing foodstore at The Causeway entrance to the Town Square and a new retail outlet within the East Precinct adjacent to the Forum.
- 3.7 In January 2010 planning permission was granted to SUK (09/2847/COU) for alterations to external elevations of the former Kwiksave unit, allowing open Class A1 use of 1800 sq m over two floors. This, we would contend is a clear indication that SUK are intent on delivering the Masterplan's objectives, bringing into Billingham high quality retail floorspace for which there is need.
- 3.8 Further to this, SUK has submitted a planning application for a Class A1 foodstore amounting to 1540 sq m with associated car parking and landscaping. The application is the area identified as Phase 3 within the Masterplan. It can be seen that the store is the same size as the store which is the subject of these representations and SUK are in negotiation with operators.
- 3.9 SUK would therefore contend that the preparation and adoption of the Billingham Town Centre Masterplan together with the recent planning applications serve as a clear indication of the intent of key stakeholders to economically and physically regenerate Billingham. The economic regeneration it is hoped will be accompanied and assisted by a cultural renaissance in the form of the soon to be re-opened Billingham Forum. The Forum is sited within the eastern end of the District Centre.
- 3.10 A planning permission for an out-of-centre retail foodstore scheme, of similar scale to that which has recently been proposed in-centre would clearly have a deleterious impact on the Masterplan objectives. Potential investors and occupiers in the District Centre and in the opportunities that the Masterplan affords would detect uncertainty and ambiguity about the Council's intentions for Billingham District Centre whose regeneration is a stated aim of both the adopted Masterplan and the Council's Development Plan strategy. Billingham has suffered over the last twenty years from competition from higher order centres and particularly out-of-centre retail offer. Further encouragement to such competition, particularly the latter, will only result in reduced footfall, increased vacancies and further negative perceptions about the District Centre that have surrounded it during that time.
- 4.0 PPS4 Policy EC14: Supporting Evidence for Planning Applications for Main Town Centre Uses**
- 4.1 Under Policy EC14.3 a sequential assessment (Under EC15) is required for planning application for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date development plan where the gross floorspace of the proposed extension exceeds 200 sq m.
- 5.0 PPS4 Policy EC15: The Consideration of Sequential Assessments for Main Town Centre Uses that are not in Centre and not in accordance with an up to date Development Plan**

- 5.1 Policy EC15.1 of PPS4 states that local planning authorities should ensure sites are assessed for their availability, suitability and viability, ensure that all in-centre options have been assessed, before others are considered and that where it has been demonstrated there are no suitable town centre sites, preference is given to edge of centre sites which are well connected to the centre by means of easy pedestrian access. Crucially the guidance requires that in considering sites in or on the edge of centres operators have demonstrated their ability in terms of scale, format, car parking provision and the scope for disaggregation. EC15.2 adds that local planning authorities should take into account genuine difficulties which the applicant can demonstrate are likely to occur when operating the proposed business model from a sequentially preferable site.
- 5.2 The accompanying Practice Guidance for PPS4 ('Practice Guidance on need, impact and the sequential approach') offers extensive advice on sequential assessments. It is not intended to repeat that guidance within these representations rather SUK would wish to highlight where it feels the sequential approach taken by Aldi either conflicts with PPS4, or the relevant PPS guidance, or, more significantly, fails to fully address the requirements therein.
- 5.3 At 8.15 of Aldi's Planning and PPS4 Statement it is indicated that consideration has been given by Aldi in respect to flexibility of scale, format, car parking and the scope for disaggregation and that local authorities should take into account genuine difficulties which can be demonstrated are likely to occur in operating the proposed business model from a sequentially preferable site.
- 5.4 The Statement goes on to indicate that Aldi have been in discussion with landowners, including SUK about sites in the District Centre for 18 months and that none of these discussions that have taken place have identified a site that is likely to come forward for development which can meet Aldi's operational requirements. The key selection criteria in assessing the sites were that it had to visually prominent, provide a single floor footplate, be capable of accommodating a gross footprint of around 1500 sq m, be capable of providing at least 70 car parking spaces and be accessible to delivery vehicles. The Statement at 8.19 adds that that these criteria reflect the business model requirements to meet the operational efficiencies of a discount operator.
- 5.5 A list of potential in-centre sites is then provided and assessed. As already identified at 3.6 these sites are those which have been identified within the adopted Billingham Town Centre Masterplan as being able to accommodate new or additional retail development. They are the existing Asda on The Causeway; the former Kwiksave Unit; the proposed new superstore site at Queensway/Kingsway and the site off Moreland Avenue adjacent to the existing Argos Store. Each of these were, in accordance with PPS4, assessed in order to establish whether they could be practical alternatives to the application site in terms of availability, suitability and viability.
- 5.6 SUK acknowledge the relatively limited study area submitted put forward by Aldi in relation to sequentially preferable sites. Billingham is a discreet settlement with a localised catchment area and does not currently offer any 'deep discount foodstores'. The District Centre boundary and the built form beyond arguably provide no realistic 'edge of centre' sites.

Are Sites Suitable, Available and Viable?

- 5.7 The PPS Practice Guidance at paragraph 6.36 clearly states that those promoting development:
- 'where it is argued that no other sequentially preferable sites are appropriate, should demonstrate why such sites are not practical alternatives in terms of their availability, suitability and viability'.*
- 5.8 SUK would wish to focus on one of those four sites dismissed in the sequential assessment as not being suitable, available and viable. This is the plot adjacent to Argos, adjacent to Moreland Avenue and The Causeway. It is identified within the Billingham Town Centre Masterplan as the Phase 3 site.
- 5.9 Within the Aldi Statement a summary of the potentially sequential sites is given at 8.21. It is stated that the Phase 3 site 'may not be acceptable in principle due to concerns about the impact on the

setting of the listed building'. This argument is repeated at 8.28 where it is alleged that during discussions with officers it was intimated that a foodstore '*may not be considered appropriate as it may affect the setting of a listing building (The Forum)*' and that as the area is currently public realm '*it is understood that officers would wish to see it retained*'.

5.10 At pre-application discussions relating to the recently submitted in-centre planning application clarification of this point was sought by SUK. Officers indicated that they did not see the setting of the building as being threatened by development of this site as the listing entry clearly acknowledges that only the internal auditorium is of any architectural significance and that the external facades of the building are of little or no interest. It can be noted that the facades have recently been replaced in the recent renovation works.

5.11 Consideration of whether the site is available, suitable and viable should now be made. PPS4 Practice Guidance defines availability at paragraph 6.37 as:

'Whether the sites are available now or are likely to become available for development within a reasonable period of time'

5.12 The Practice Guidance at 6.38 states that:

'A site is considered available for development, when, on the best information available, there is a confidence that there are no insurmountable legal or ownership problems, such as multiple ownerships, ransom strips, tenancies or operational requirements of landowners'.

5.13 The Practice Guidance at 6.39 suggests that it may be appropriate to assess availability of sites over a three to five year period.

5.14 Finally, the guidance when advising on site availability at paragraph 6.41 states that:

'When promoting a proposal on a less sequentially preferable site, it will not be appropriate for a developer or retailer to dismiss a more central location on the basis that it is not available to the developer/retailer in question'.

5.15 SUK can confirm that the Phase 3, in-centre site, is available for development with no insurmountable legal or ownership problems. Appendix 4 of Aldi's Planning Statement suggests Stockton Borough Council are the owners of the site. This is incorrect, SUK owning that land identified in the appendix plan. It can also be confirmed that SUK are more than willing to bring forward the site and that land around it for development and can point to a recently submitted speculative foodstore application for a site which includes the identified Phase 3 lands.

5.16 In terms of suitability, PPS4 guidance suggests factors such as policy restrictions, physical limitations, potential impacts and environmental conditions should all be held as relevant when assessing a location. The PPS4 Practice Guidance at paragraph 6.45 states that:

'Those promoting less central sites should not discount more central locations as unsuitable unless they are able to clearly demonstrate that a development on the site in question would be unable to satisfactorily meet the need/demand their proposal is intended to serve. They should not reject sites based on self imposed requirements or preferences of a single operator or without demonstrating a serious attempt to overcome any identified constraints'

5.17 Aldi has made clear the scale and form of development and what is required from a site they seek to operate from. It is our contention that the current application for a foodstore on the Phase 3 site meets all of the self-imposed requirements and operator preferences. The in-centre proposals are the same size as that which is proposed on Finchale Avenue. It has clear visibility from The Causeway, provides over 100 parking spaces and also a straightforward servicing arrangement. Class A use of the site is promoted in the recently adopted development plan and potential physical problems such as access, flood risk, pollution or contamination are not apparent. Similarly it is not considered there

will be any deleterious effect on the setting of nearby listed building, The Forum. This is largely because the exterior of the building is not seen as architecturally significant. The listing description makes clear that it is only the internal auditorium which is of architectural note.

- 5.18 In regards to viability SUK particularly note paragraph 6.49 of the PPS4 Practice Guidance which states that:

'A key issue is the level of detail required to assess whether other locations are viable. Where alternative sites are being actively promoted for new development by a developer/retailer, this is a reasonable indicator that the location is viable.'

- 5.19 SUK would consider that recent speculative Class A foodstore development on what is largely the Billingham Town Centre Masterplan Phase 3 site, indicates the location is commercially viable. Furthermore SUK contend that insufficient detail in respect of viability has been provided by Aldi in their Sequential site assessment.

- 5.20 Appendix 4 of the Aldi statement suggests the Phase 3 site could not provide for the operational efficiencies required and is therefore not considered to be viable for a discount foodstore. Reasons such as the lack of private car parking, servicing deficiencies and a lack of a prominent frontage are put forward as reasons. These reasons can be clearly dismissed on the basis of the scheme outlined at 3.8 for the site which allows 105 car parking spaces immediately outside the proposed store, a separate service area which will not compromise the operation of the car park and prominent frontage on The Causeway, a busy dual carriageway, adjacent to the site.

- 5.21 Further validity to the argument that the in-centre, Masterplan Phase 3 site, is completely viable, is the fact that SUK can confirm that they have had met over the last couple of months with a number of discount foodstore operators including Aldi, to talk specifically about this in-centre development opportunity. SUK has received keen interest from the operators, who in pursuing interest, have clearly indicated that the store can broadly meet operational requirements.

- 5.22 The applicant in his sequential assessment at Appendix 4 offers little or no commentary under 'viability' about market factors, cost factors or delivery factors. Paragraph 6.47 of PPS4 Practice Guidance refers to all of these as being relevant in constructing any viability argument.

- 5.23 PPS4 EC15.1b asks that local planning authorities should, in considering sequential assessments, ensure that:

'all-in centre options have been thoroughly assessed before less central sites are considered'

- 5.24 SUK would contend that the applicant has not thoroughly assessed all in-centre options and would point to 4.12 to 4.15 above as evidence of this failure where inaccuracies in respect to matters such as site ownership, officers' comments on the impact on the setting of the listed Forum and 'loss of public realm' indicate a lack rigour by the applicant, especially in assessing the Masterplan Phase 3 site.

6.0 Policy EC16: The Impact Assessment for Planning Applications for Main Town Centre Uses that are not in a Centre and not in accordance with an up to date Development Plan

- 6.1 This policy identifies key town centre impact matters that should be considered in every impact assessment. It is regarded that at least two of these impact considerations should be assessed in greater detail particularly as the applicant has provided a response for a number of these issues within their Planning and PPS4 Statement.

The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal.

- 6.2 The applicant at 8.25 of their supporting Planning/PPS4 Statement acknowledges the Billingham Town Centre Masterplan approved by the Council in February 2010 and promoted by SUK. The applicant refers to the phased development objectives within the Masterplan including the redevelopment of the old Kwiksave/vehicle repair unit (Phase 1) (where permission has been granted) and the Phase 3 proposal to provide a new retail unit adjacent to Argos on the East Precinct.
- 6.3 At 8.16 the applicant also acknowledges the 2010 planning permission for the old Kwiksave unit and notes that redevelopment of Billingham District Centre is 'progressing forward'. It adds that a new large foodstore at the end of Queensway is, along with the Kwiksave building, a priority and listed as a Phase 1 objective. At 8.28 the applicant refers to the Phase 3 site adjacent to Argos mentioning discussions with officers prior to the Aldi application during which, it is asserted, officers had indicated that development of the East Precinct/Argos site would be inappropriate because of the adjacent listed building and its potential to deleteriously impact on its setting. Reference is also made to the fact that officers would wish to see existing public realm retained. At 8.29 it is somewhat spuriously claimed that the foodstore will complement the regeneration proposals for the District Centre 'enhancing the retail offer'.
- 6.4 In seeking to consider these claims we should turn to the relevant PPS4 Practice Guidance, particularly that guidance at Page 54, 'How to measure the effects on planned investment in nearby centres'. This is as follows:

'In the case of proposals which are not in accordance with an up to date development plan and not within an existing centre, their effects on a planned investment in a nearby centre may be highly material. The level of risk to planned investment and its significance, in planning terms. Will depend on, among other things:

- ***What stage they have reached e.g. are they contractually committed?***
- ***The policy 'weight' attached to them e.g. are they a key provision of the development plan?***
- ***Whether there is sufficient 'need' for both?***
- ***Whether they are competing for the same market opportunity, or key retailer / occupiers?***
- ***Whether there is evidence that retailers / investors / developers are concerned; and***
- ***Whether the cumulative impact of both schemes would be a cause for concern.***

Equally, any adverse impacts as outlined above should be balanced against the positive effects of the proposals, in terms of; investment; employment generation; social inclusion; and physical and economic regeneration.'

- 6.5 At 7.17 of the same Practice Guidance it is acknowledged that where;
- 'the LPA and/or the private sector has identified town centre development opportunities and is actively progressing them, it will be highly material to assess the effect of proposals on that investment. Key considerations will include, amongst other things, the stage at which the proposal has reached; the degree to which key developer/occupier interest is committed and the level and significance of predicted direct and indirect impacts.'***
- 6.6 The Billingham Town Centre Masterplan which was drawn up by SUK and approved by the Council after lengthy consultation with stakeholders, is being actively progressed with a number of town centre development opportunities identified and two of these subject to recent planning applications. This application for the Finchale Road Aldi foodstore comes at a critical time for the Masterplan. SUK are in preliminary discussions with potential occupiers on the Phase 1 Kwiksave/car repair unit. Significantly SUK have also held negotiations with operators in respect of the Phase 3, East Precinct Unit. A Council decision to approve a significant amount of out-of-centre retail space, less than 12 months after committing, through the Masterplan, to the regeneration of the town centre would completely undermine its own town centre strategy and lead to loss of confidence and demand by

existing operators, potential operators and investors. It is extremely likely that there would be negative repercussions relating to the current contractual negotiations for the proposed town centre retail units.

- 6.7 It can be noted that the main foodstore operator within the Town Centre is Asda. Currently operating from a unit which is too small and restrictive and unable to offer a full range of produce, they were consulted on the Town Centre Masterplan and welcomed the regenerative objectives that its implementation would bring. A large foodstore site was identified within the Masterplan at the western end of Queensway (Phase 1) and discussions commenced with Asda with view to occupation. The foodstore would effectively represent the District Centre's anchor store and negotiations between Asda and SUK continue. It is SUK's view that the prospect of Asda electing to invest in a new store in the town centre would diminish were the Council sanction a significant foodstore proposal in out-of-town location.
- 6.8 It can be seen that the relevant guidance also refers to policy 'weight' and whether, when assessing the risk that proposals not within a centre pose, the planned investment of a centre is a key provision of the development plan. Although the Town Centre Masterplan is not a statutory planning document it can be seen that in consultative terms, opportunities to provide comment and influence its shape were similar to consultation exercises associated with statutory supplementary planning documents. Notwithstanding the status of the Masterplan it can be seen that the existing development plan prioritises the regeneration of Billingham Town Centre.
- 6.9 Stockton Local Development Framework Core Strategy was adopted in April 2010. Billingham is identified as a District Centre under Policy CS5 which adds that priority shall be given to regeneration initiatives in Billingham. The justification commentary states that the upgrading of Billingham is vital, that regeneration of the District Centre is occurring in consultation with the local community and in conjunction with the refurbishment to The Billingham Forum. Under the saved Stockton-on-Tees Local Plan Policy S13(i) of the 2006 Alteration No.1, part of the District Centre has been allocated for mixed-use redevelopment which promotes the redevelopment of Billingham District Centre before any other retail proposals in Billingham.
- 6.10 The PPS 4 Practice Guidance refers to the significance of retailer/investor/developer concern when assessing the risk that out-of-centre proposals pose. Apart from their own obvious unease at the proposal and the fear that it would cause irretrievable harm to Billingham Town Centre SUK would point to objection letters already received by the Council in respect of the application. These include one on behalf of Asda by Thomas Eggar which highlights how the scheme conflicts with current national and local planning policy on town centre development. We are aware that the local MP, Alex Cunningham, also has objected to the Aldi scheme citing the adverse impact on the planned investment on the town centre. Perhaps most significantly we are aware that the Council has also received over 40 representations to date from local town centre businesses, traders and nearby residents all of which request the Council maintain their 'town centre first' position and resist the out-of-centre proposals by Aldi.

The impact of the proposal on town centre vitality and viability

- 6.11 The Aldi Planning Statement refers at 8.30 to the health check which has been carried out on Billingham District Centre. A summary is provided by the applicant and SUK would largely concur with its findings. It can be noted that the applicant acknowledges the centre is in need of refurbishment. At 8.32 the applicant refers to the main convenience goods offer within the centre, that being the existing Asda store. It notes that discount retailers are not represented within the town centre and then questionably asserts that the Aldi proposal will not affect the 'viability' of the masterplan adding that the new store would improve consumer choice.
- 6.12 PPS4 Practice Guidance offers commentary on how to measure the effects of a proposal on the vitality and viability of a town centre. Notably at para 7.25 the guidance suggests that:

'Where there is a clearly defined strategy to promote the expansion of a centre through new development, the potential impact on operator demand or investor confidence, and the risk to the development plan strategy are likely to be the overriding concerns...'

- 6.13 The guidance then offers advice on how to judge the effects of a proposal on the vitality and viability of a centre. The guidance refers to a need for understanding the vitality and viability of the centre and, significantly, its vulnerability. It repeats the suggestion that any adverse impact on planned investment is likely to be of particular significance, particularly if it forms part of the development plan strategy. It adds that significant levels of trade diversion from the centre reducing footfall, increasing vacancies and creating a more 'down market' offer will undermine vitality and viability. The 'loss of demand from a prospective operator needed to reinforce the existing offer may be highly significant in some centres'.
- 6.14 SUK would assert that, in the face of this guidance, the proposals for an out of centre foodstore represent a significant threat to the vitality and viability of Billingham District Centre. Billingham within its masterplan and development strategy is at a critical point in terms of its regeneration. SUK, the Council and existing traders within the District Centre have all closely cooperated, since SUK acquired the District Centre, to reach a position where a robust development strategy is in place to allow quantitative and qualitative improvements. A significant out of centre retail proposal would be seen as fundamentally undermining a recently established development plan strategy, lead to levels of trade diversion from the centre and crucially, potentially lead to loss of interest from prospective operators needed to reinforce the existing offer.

Impact on turnover/trade

- 6.15 Within their supporting Statement Aldi provide a lengthy quantitative argument on the minimal impact that the store will have on the District Centre largely because of the proposed store's size and the predicted growth in consumer expenditure capacity within the catchment area.
- 6.16 SUK would wish to highlight Table 11 (what is assumed to be a typo allows two Table 10's) 'Impact on Centre/Stores Survey Turnover (£)' which sets out the predicted level of trade that would be diverted from the current stores to the new foodstore. The Table shows that the expected impact on stores turnovers within the District Centre at the design year of 2013 is between 5%-7%.
- 6.17 SUK would wish to note the following about Table 11. The 'design' or 'opening year' of 2013 is considered, too distant. For a store of this nature it could be expected that a design year of 2011 or at least 2012 may be more appropriate. This would allow a more accurate indication of how turnover within the District Centre Store's might be expected to change over that period.
- 6.18 It is noted that the Iceland and Heron Foods Stores are shown as likely to be undertrading in 2013, the latter significantly, and continuing to undertrade in 2015. With the offer and price base within these stores similar in kind to that of Aldi, the question that could be asked is how likely and for how long these two District Centre operators would countenance the undertrading situation especially given the long term forecast and the assumption that the market share figures provided are accurate.
- 6.19 SUK would wish to consider evidence of sensitivity analysis within the Table. Whilst it is acknowledged that in the 'Trade diversion' column the figures are 'Turley estimates' it would be useful to establish just how such figures have been reached. For example within the recent Middlesbrough and Stockton Joint Retail, the Household Survey for main shopping and top-up shopping in Billingham show the Tesco store as enjoying significantly less of the 50% market share attributed to it within the Table. An artificially inflated trade diversion share for the out-of-centre Tesco will obviously have ramifications in assessing any impact on the in-centre stores.
- 6.20 In summary we believe the Impact Survey to be imprecise and open to question. Additional information should have been included to qualify the impact figures of between 5%-7% on existing turnover of in-centre stores which appears rather low especially given the proximity and relative ease of access of the proposed store.

6.21 SUK notes Annex 5 of the PPS4 Practice Guidance which looks at quantifying impact. D33 of the Annex considers the consequences of impact on existing centres and facilities. In particular D33 states that:

'A key factor likely to influence the significance of indicated levels of impact is the current performance of existing centres (based on an up to date health check) and the extent to which any strategy or planned investment in a centre could potentially be prejudiced by the levels of impact predicted. It may be appropriate to take a different approach to proposals likely to lead to a modest impact on a centre which is currently performing strongly, compared with a vulnerable centre, or a centre where the strategy is to attract new development or which may be located in a deprived area. In some cases, factors such as the effect on retailer/investor confidence may have a key bearing on the acceptability or otherwise of the proposals'.

7.0 Policy EC17 – The Consideration of Planning Applications for Development of Main Town Centre not in a centre and not in accordance with an up to date Development Plan

7.1 SUK would wish to draw the Council's attention to EC17.1 which is unequivocal in indicating that planning applications for main town centre uses that are not in accordance with an up to date Development Plan should be refused planning permission where:

'a. the applicant has not demonstrated compliance with the requirements of the sequential approach (policy EC15); or

b. there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of any one of the impacts set out in policies EC10.2 and 16.1 (the impact assessment) ...'

7.2 SUK consider it has shown clearly that the application by Aldi has not demonstrated compliance with the requirements of the sequential approach set down at policy EC15 of PPS4 and also asserts that there is likely to be significant adverse impacts, principally that which is referred to at EC10.2 (d) which is the impact on economic and physical regeneration in the area.

8.0 Conclusion

8.1 There are a number of concerns regarding the impact of the Aldi foodstore proposals on Billingham District Centre and SUK are of the view that the proposals clearly conflict with the development plan. The concerns can be summarised as follows:

- The scheme would have a negative impact on economic and physical regeneration of Billingham District Centre and therefore conflict with Policy EC10 of PPS4;
- The proposals would severely impact on existing and proposed private investment in Billingham District Centre and also its vitality and viability. The evidence to support impact of the proposal on in-centre trade/turnover is regarded as lacking robustness. The proposals therefore conflict with Policy EC16 of PPS4;
- In overlooking at least one sequentially preferable site for the foodstore, the applicant has failed to demonstrate compliance with the requirements of the sequential approach set down in Policy EC15 and EC17 of PPS4;
- The proposal conflicts with Policy CS5 of Stockton upon Tees' Core Strategy which states that priority shall be given to regeneration initiatives in Billingham;
- As part of the evidence base which informed the Core Strategy the Middlesbrough and Stockton-on-Tees Joint Retail Study concludes 'there is a need to enhance the foodstore

provision within Billingham District Centre ...to strengthen its position relative to competing out of centre facilities.' The proposal is clearly at variance with this recommendation;

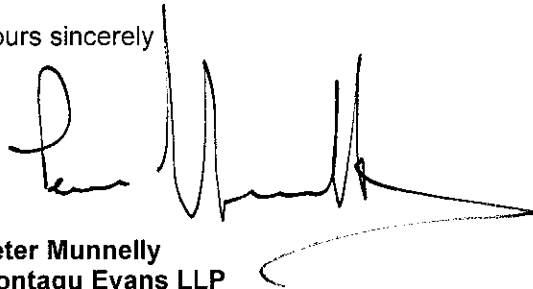
- Saved Policy S13i of the 1997 Local Plan and its Amendment No. 1 (2006) allocates Billingham District Centre for retail led mixed-use development. The foodstore proposal being outside of the District Centre does not comply with the saved policy.

Apart from the clear development plan policy contradictions set out above SUK would argue that a grant of planning permission would also:

- Wholly undermine a clearly defined town centre strategy developed alongside the local development framework which itself commits to the regeneration of Billingham District Centre;
- Threaten that regeneration of the Billingham District Centre which has reached a critical stage with the recent submission of an in-centre foodstore application by SUK who are currently negotiating with prospective operators for the store and other vacant units within the District Centre;
- Conflict with the wishes of the retailers and traders in the District Centre led by Asda who have unanimously opposed the out-of-centre foodstore whilst supporting the SUK in-centre foodstore;
- Conflict with the wishes of many local residents and the constituency MP who have made clear their opposition to the Aldi application and their support for the SUK proposal;

8.2 Therefore in light of the above we wish to formally object to the proposals made in the planning application and trust that you will acknowledge this objection in determining the application on the 17 November. If you have any queries or require further clarification of content please do not hesitate to contact myself at this office.

Yours sincerely



Peter Munnelly
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