

SOUTHERN PLANNING COMMITTEE UPDATE – 28th NOVEMBER 2018

APPLICATION NO: 18/3123N

PROPOSAL: Erection of a new foodstore (Use Class A1), access, substation and associated car parking and landscaping

ADDRESS: Land South East of Crewe Road Roundabout, University Way, Crewe

APPLICANT: Aldi Stores Limited

Update

A letter of objection has been received from an agent acting on behalf of the Cordwell Property Group which raises the following points;

- Cordwell and Peveril Securities have been selected as Cheshire East Council preferred development partner to deliver the £48 million Royal Arcade proposal and the plans are at an advanced stage.
- The Royal Arcade scheme (cinema, shops, restaurants and leisure uses alongside a new bus station and multi-storey car park) constitutes a vital step in the regeneration of Crewe.
- The proposed development poses as a threat to the ability to successfully implement the Royal Arcade development.
- The Royal Arcade scheme has been discounted as neither 'suitable' nor 'available'.
- The Royal Arcade could provide a unit of sufficient size given that it would be possible to amalgamate several of the proposed units to provide one larger store (in any event the current proposals for the scheme show a unit of over 2,000sqm which would be of a suitable size).
- In terms of a dedicated car park there are other instances where customers are required to use a shared parking facility. Dismissing the Royal Arcade on the basis that the sole use of a car park is not available is clearly not demonstrating a reasonable degree of flexibility on the part of the applicant.
- It is anticipated that the Royal Arcade development will be open for trading by late 2020 and this constitutes a 'reasonable period of time'. The applicant has not stated that the option of 'holding over' while waiting for a new unit to be delivered has been fully considered.
- The University Way scheme fails the sequential approach in relation to suitability and availability.
- The Cheshire Retail Study Update 2018 states that *'Anchor units are considered to represent units of 500sq.m and above in terms of convenience and comparison retailers and leisure uses. There are relatively few units of this size and to lose an occupier of that scale could have a significant adverse impact on the defined Principal Centre'* and that *'The health checks indicate that Crewe is particularly vulnerable to further competition'*

Two further letters of representation have been received from JLL (agent for Aldi) which raise the following points;

- There are no inaccuracies in the information provided by JLL
- Aldi has been proactive in identifying alternative sites across the retail park to retain a presence there. Savills have confirmed that there was no opportunity to relocate within the site. If the applicant was able to operate at a larger store from the retail park it would
- GJRP is not sequentially preferable for the proposed developer
- There is agreement that a store of the size required by Aldi can be accommodated on the GJRP in the corner location; because the site is 'available' does not necessary mean that it is also 'suitable'.
- Aldi cannot achieve a viable scheme as part of an extended store. Whilst the store is currently trading very well, it does not mean that it will continue to be a profitable store if extended.
- The problem with the GJRP is that the only 'available' site is located at the furthest corner of the retail park at its tightest corner with poor visibility from the highway.
- It is implausible that Savills would apply the car park survey to the whole of the car park. It is inconceivable that a shopper with a trolley would use empty spaces within the wider car park.
- The car park is 348m at its longest length from the store entrance to the furthest space fronting Frankie & Benny's.
- It is unrealistic to expect customers to make such trips.
- It is important that a supermarket customer can park as close to the store as possible and safely manoeuvre a full trolley through a busy carpark.
- Savills have ignored the significant queue s and congestion within the retail park.
- The Transport Assessment submitted by Savills is 4 year old and is out of date.
- The difference in rental levels between the current rent and that for an extended unit is £106,500 per annum; followed by an increase in rates of £72,028.80 per annum and an increase in service charge of £6,778.32 per annum.
- A store must be profitable. Aldi's stores have a very low margin at 2.4% for 2016/17.
- The additional costs of a new store as with the option to extend the GJRP means that additional turnover must be achieved to deliver a profitable store. Just allowing for the costs factored into the assessment means that an extended store would need an additional £7.72m of turnover per annum (£148,483.27 per week). This is an exceptional increase in turnover.
- An Aldi store cannot achieve these levels of increased turnover on an extended store. At best the extended store would achieve a 15% increase in turnover (a 20% increase would be exceptional and would not reach the additional turnover required).
- In order to achieve an uplift in turnover of £7.72m if all customers spent £45 per trip the retail park would need to accommodate an additional 3,300 additional trips per week (a lower spend of £15 would require an additional 9,899 trips and £30 would require an additional 4,949 trips). Each scenario would not happen as it would be impossible for an Aldi store to achieve such an uplift in turnover

- Cameron Rose Associates on behalf of Aldi have prepared a Transport note which concludes permission for an extended store would not be permitted on highways grounds if a new application was submitted now.
- WYG have concluded that the Royal Arcade site is not suitable for the proposed development.
- The proposal seeks to provide an upgraded store for its existing (and some new) customers who will require direct access to a surfaced car park. It cannot be expected that a separate car park on a separate level is suitable for the proposed development. The store will serve main food shopping trips and is not a small convenience store.

Officer comments

The second letter from JLL was received on 23rd November and WYG and the Highways Officer have not been able to provide comments before the update report was produced. A verbal update will be provided at the meeting.

There is no change to the recommendation