

JRH/19-00220/Let2

15 January 2020

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Dear Bethany,

Re: Response to Retail Audit of Planning Application 98127/FUL/19: Homebase, Altrincham Retail Park, George Richards Way, Altrincham, WA14 5GR

As requested, we provide our response to the retail audit of the above planning application. This response relates to points raised within the Nexus Planning audit (dated September 2019) in relation to the retail sequential assessment matters and supplements our letter of the 24 December 2019 addressing retail impact matters. Together, these letters form our composite response.

As with the letter of the 24 December, the points made in this letter in relation to the retail audit, equally apply to the representations made by Avison Young on behalf of Aldi. We discuss relevant the points in turn.

Proposed Catchment Area

We note and welcome that the broad extent of the proposed catchment area underpinning the sequential assessment is considered to be appropriate. We do not therefore need to comment further in this respect.

Disaggregation

We are concerned at the suggestion that the proposed unit to be occupied by Lidl can be disaggregated from the re-configuration of the Homebase unit.

As is evident in both the Rushden Lakes and Scotch Corner decisions, the National Planning Policy Framework (NPPF) does not require applicants to disaggregate components of a scheme. With reference to the Tollgate decision, Nexus recognise that the particular circumstances of that scheme - a significantly larger scheme which indicated three distinct zones some distance apart (paragraph 12.3.10 refers) - are materially different to this application proposal.

As is evident from the submitted Planning and Retail Statement (PRS), the ability to provide two retail units for occupation by Lidl and Homebase is completely dependent on the re-configuration of the existing unit, (i.e. part demolition and part-extension).

Furthermore the PRS (paragraph 1.3) makes clear that the existing occupier – Homebase – is undergoing trading format changes in this location as a consequence of their recent CVA. A smaller format store is now required to meet their needs and consequently it is incorrect to state that the existing Homebase unit can continue to viably trade in its current form.

Therefore without reconfiguration, Homebase would be forced to close the store and vacate the unit permanently. The only way to retain Homebase in a sustainable trading format – including retaining the existing local staff working at the store - is for the re-configuration to take place in association with accommodating Lidl.

For the reasons specified above, it is clear that the proposed development must be treated as a whole and that disaggregation is not required by local or national policy; furthermore it is self-evident (as Nexus recognise) that the Tollgate decision is not analogous to this proposal.

Altair Site

We note that Nexus consider that the proposal fails to accord with the requirements of the sequential test because there is a sequentially preferable edge of centre site ('the Altair site') which should be developed first, assuming that the discount foodstore element can be disaggregated from the downsized Homebase. At the outset we should make clear that the current Altair planning permission makes no provision for a discount foodstore, which was a point accepted by the Council in determining the planning application for a relocated Aldi foodstore at Atlantic Street.

Furthermore, Nexus suggest that no persuasive justification has been put forward to support a different approach.

In short, we do not accept this interpretation for the following reasons:

- This conclusion is on the basis that the Altair site is suitable for a disaggregated discount foodstore which would allow the *'DIY operation to continue to trade from the application site'*. As set out above, this is not a credible position as the creation of the two units is inextricably linked. The current Homebase unit must be 'downsized' to support their operational requirements at Broadheath. This can only be viably achieved through the reconfiguration of the existing unit into two retail units, one of which is to be occupied by a discount convenience retailer. We emphasise that there is no policy requirement to disaggregate in local or national planning policy and furthermore for the reasons outlined, it is plainly inappropriate to do so.
- As a corollary to the above, the proposed development (a reconfigured Homebase and discount foodstore) at Broadheath cannot be accommodated at the Altair site as it requires 5,470 sq.m of GIA floorspace, a surface level garden centre (1,231 sq.m GIA) and adequate associated surface level car parking adjacent to the stores. Consequently, the Altair site is not suitable for accommodating the proposed development.

Contractual Position

Since the submission of this planning application, Lidl is very close to entering into a legally binding contract with Nikal Developments for the provision of a 'metropolitan format' Lidl store within the Altair development. Specifically we confirm that contracts will have been formally exchanged prior to the end of January 2020 and prior to the determination of the Broadheath application.

To provide the Council with sufficient comfort in this respect, Lidl is willing to share details of the contract on a confidential basis and thus confirm this position.

In light of the aforementioned points, we provide further analysis in terms of the suitability of the Altair development to accommodate the planning application proposal.

Suitability of the Altair Site for the Proposed Development

As set out in the PRS, the Altair scheme is a residential led mixed use scheme, with leisure and office uses forming the other elements being proposed. Therefore, the current Altair planning permission does not allow for the provision of significant retail floorspace.

As noted above, planning permission will be sought for an amended Altair scheme which will incorporate a 'metropolitan format' discount foodstore as an integral element of the overall development. This includes a shared below ground car park. This is in contrast to the application proposal which comprises a standard format discount foodstore, DIY store and associated garden centre occupying a total of 6,701 sq.m GIA. Associated with this, is a requirement of a minimum site area of at least 1.2ha and directly adjacent car surface level parking of approximately 250 parking spaces.

This proposal simply cannot be accommodated on the Altair development as it would undermine the ability to provide the residential and leisure elements to the proposal, which are critical to its viability and deliverability. This conclusion similarly applies, even if just the proposed discount store and associated surface level car parking was being considered independently of the re-configured Homebase unit.

We also note that reference has been made to the Mansfield decision in relation to decision being made, on the basis of the 'broad type of development' and not the individual corporate identities of the retailer in question. We make the following comments in relation to this:

- The Mansfield case related to a speculative proposal by a developer without a specific named retailer. This is not the case in this instance, with Lidl being a co-applicant and the specified occupier.
- Whilst we name Lidl as the proposed occupier of the Broadheath development, our sequential assessment was undertaken on the basis of the broad form of development – a limited assortment discounter standard format foodstore and DIY store.
- We note that the recent planning application submitted by Aldi for a relocated store at Atlantic Street also sought to discount the Altair site as being unsuitable for a standard format limited assortment discount foodstore. This conclusion was recently supported by the Council in approving the Aldi application.

In sequential terms, it is not considered that the Altair site can be considered suitable for the development proposed.

Availability of the Altair Site

Notwithstanding the comments on suitability above, the NPPF is clear in paragraph 89 that sites must be 'available now' or become available 'within a reasonable period'.

The Altair site is not available for the proposed development as terms have already been agreed between Lidl and Nikal Developments for the provision of a metropolitan format discount foodstore in this location.

Notwithstanding the above point, and the fact that the site is not suitable for the proposed development, the ability for the site to become available is also dependent upon the following:

- The preparation of a planning application (6 months);
- The submission and determination of the planning application (at least 6 months);
- The discharge of relevant pre-commencement planning conditions (3 to 6 months);
- The tendering process to appoint contractors for the overarching Altair scheme (3 to 6 months); and
- Construction of the scheme on a phased basis to achieve a shell specification suitable for occupation (18 months to 2 years).

As is evident, the minimum time required for the retailers to occupy the units would be at least 3 years if not 4 years. This timescale goes beyond what a reasonable reader could construe as *available now* or within a *reasonable period*. This contrasts with application site where - if planning permission is granted in early 2020 - the scheme could be up and trading in late 2020.

For the aforementioned reasons, the Altair site is not suitable or available for the proposed development and therefore the sequential test is passed.

We trust the above fully addresses the concerns in relation to the sequential assessment and we would be grateful if you can confirm that the sequential test has now been passed.

Yours sincerely,

[Redacted signature block]