

South Hams Audit Committee



Title:	Agenda
Date:	Thursday, 23rd July, 2020
Time:	10.00 am
Venue:	via Skype
Full Members:	<p style="text-align: center;">Chairman Cllr Holway Vice Chairman Cllr Austen</p> <p><i>Members:</i> Cllr Brazil Cllr Spencer Cllr Pennington Cllr Taylor Cllr McKay</p>
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
Committee administrator:	Democratic.Services@swdevon.gov.uk

1. Apologies for Absence	
2. Minutes	1 - 6
To approve as a correct record the minutes of the Audit Committee held on 25 June 2020	
3. Urgent Business	
Brought forward at the discretion of the Chairman;	
4. Division of Agenda	
To consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;	
5. Declarations of Interest	
Members are invited to declare any personal or disclosable pecuniary interests they may have, including the nature and extent of such interests, in any items to be considered at this meeting;	
6. Devon Audit Partnership - Non-voting partner	7 - 14
7. External Audit Provision	15 - 20
8. Ivybridge Regeneration Project	21 - 110

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
 HELD VIA SKYPE ON THURSDAY, 25 JUNE 2020**

Members in attendance			
* Denotes attendance			
∅ Denotes apology for absence			
*	Cllr L Austen (Vice-Chairman)	*	Cllr J T Pennington
*	Cllr J Brazil	*	Cllr B Spencer
*	Cllr T R Holway (Chairman)	*	Cllr B Taylor
*	Cllr J McKay		

Members also in attendance:
Cllrs H D Bastone, J D Hawkins, N A Hopwood and J A Pearce

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Chief Executive; Section 151 Officer; Director of Governance and Assurance; Head of Strategy and Projects; Internal Audit Manager; Democratic Services Manager; and Grant Thornton Engagement Lead.

A.37/19 MINUTES

The minutes of the meeting of the Committee held on 6 February 2020 were confirmed as a true and correct record.

A.38/19 URGENT BUSINESS

The Chairman advised that he had agreed for one urgent item to be raised at this meeting that related to a recommendation arising from the Executive meeting held on 18 June 2020 (Minute E.89/19 refers) that read as follows:

*‘That the Audit Committee be **RECOMMENDED** to update its Work Plan to ensure that the Risk Management elements of the Ivybridge Regeneration Project be considered at a future Committee meeting.’*

Since there was to be a further report presented to the Council meeting to be held on 24 September 2020, the Chairman informed that, should the Committee be minded to approve this recommendation, then it would be necessary for this agenda item to be considered at the next Committee meeting to be held on 23 July 2020.

In debate, Members were supportive of this recommendation and it was therefore agreed that this matter should be considered by the Committee at its 23 July 2020 meeting.

A.39/19 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting, but none were made.

A.40/19 GRANT THORNTON AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Committee considered a paper from Grant Thornton that provided a progress update on delivering their responsibilities as the Council's External Auditors for the year ending 31 March 2020.

In discussion, the following points were raised:

- (a) In respect of Grant Thornton's Audit Fees, a number of Members sought assurances that there would be no variations in the Fees that would be imposed upon the Council this year. The Members expanded upon the point and reiterated their disappointment at the last minute requirement for the Council to pay an additional £4,500 in Audit Fees last year. Such were the budgetary pressures being faced by the Council, that Members advised that they would be very frustrated should there be any similar increase this year.

In his response, the Grant Thornton Engagement Lead advised that the organisation could not guarantee that there would not be any similar increases in audit fees until the Audit work had been concluded. Specifically regarding the Fee increase last year, the Lead informed that this had been approved by the independent PSAA (Public Sector Audit Appointments) body and was reflective of the additional (and previously unforeseen) statutory requirements that had been placed upon the External Audit function;

- (b) Having sought greater information on the role and representatives that served on the PSAA, the Committee requested that a short report be presented to its next meeting to be held on 23 July 2020.

It was then:

RESOLVED

1. That the contents of the Grant Thornton Audit Progress Report and Sector Update be acknowledged; and
2. That a short report on the role and representatives that served on the Public Sector Audit Appointments body be presented to the next Audit Committee meeting to be held on 23 July 2020.

A.41/19 INTERNAL AUDIT ANNUAL REPORT 2019/20

The Committee considered a report that summarised the work undertaken by the Council's Internal Audit Team during 2019/20; reviewed the performance of the Internal Audit service; and provided an audit opinion on the adequacy of internal control.

In particular, the report sought to inform Members of the principal activities and findings of the Council's Internal Audit Team for 2019/20 by:

- Providing a summary of the main issues raised by completed individual audits; and
- Showing the progress made by Internal Audit against the 2019/20 annual Internal Audit Plan (as approved by the Committee in March 2019); and
- Providing an opinion on the adequacy of the Council's control environment.

During the ensuing discussion, reference was made to:

- (a) the Commercial Property and Rents Audit. Whilst acknowledging the Audit findings, a Member still wished to emphasise that this Council function was of critical importance and would be a good indication of the extent of the economic downturn due to the COVID-19 Pandemic;
- (b) the number of management responses that had mentioned the availability of resources. A Member expressed his concern at the frequency of management responses that had mentioned a lack of resource availability and questioned whether there were any measures that could be put in place to mitigate these responses;
- (c) the Insurance Cover Audit. With regard to the Audit finding of 'improvements required', officers confirmed that the Council was in the process of considering the use of alternative external insurance providers in an attempt to review whether or not there were currently any areas in which the Council was over insuring. The Committee recognised the need to keep a close watching brief on this issue;
- (d) the Council Tax Audit. A Member questioned the audit finding around associated procedures to determine when a debt should be written off. For clarity, the Section 151 Officer informed that this finding related to those small value debts that were not deemed cost effective to pursue;
- (e) the Internal Audit Opinion being one of 'substantial assurance'. In light of the tone of some of the conclusions reached in some of the Internal Audit reports, a Member questioned whether the overall Opinion of 'substantial assurance' was appropriate. In reply, the Internal Audit Manager advised that a lower judgement of 'limited assurance' would constitute a significant disservice to the Council and he was firmly of the view that an Opinion of 'substantial assurance' was appropriate.

It was then:

RESOLVED

1. That overall and, based on work performed during 2019/20 and that of our experience from previous year's Audit, it be noted that the Head of Internal Audit's Opinion is of 'Substantial Assurance' on the adequacy and effectiveness of the Authority's Internal Control Framework; and
2. That the performance and achievements of the Internal Audit Team during 2019/20 be noted.

A.42/19

STRATEGIC RISK AND OPPORTUNITY MONITORING: BI-ANNUAL UPDATE

A report was considered that presented the bi-annual update on the Council's Risk and Opportunity Management Strategy.

In debate, the following points were raised:-

- (a) In terms of its presentation, some Members requested that those identified risks that were evaluated with a score of 25 were so significant that they should be separated out from the wider Corporate Risk Register. In response, officers gave an assurance that this would be implemented in future monitoring reports;
- (b) The Committee welcomed the inclusion of the additional risk that related to Health and Wellbeing Service Provision;
- (c) Such were the close linkages between the two Councils that a Member was of the view that the wider membership needed to be made aware of the financial impact being faced by West Devon Borough Council as a result of the COVID-19 Pandemic. In response, the Section 151 Officer informed that the Borough Council's Hub Committee meeting on 30 June 2020 was scheduled to consider a Budget Monitoring Report that would outline the latest financial position. Since this was to be a public report, it would be published on their Council website. To provide some comfort, the Committee was also advised that both the Council and West Devon Borough Council were felt to be well placed to deal with the financial pressures arising from the Pandemic;
- (d) With regard to those Capital Projects that were deemed to be very significant (e.g. Ivybridge Regeneration and the Dartmouth Health and Wellbeing Hub), a Member expressed his personal view that the risk elements of such projects should be considered by the Audit Committee as a matter of course. The Section 151 Officer proceeded to advise the Committee that a separate Risk Register was attached to individual Capital Project reports when they were considered by the Executive and/or Full Council.

It was then:

RESOLVED

That the Strategic Risk and Opportunity Register (as outlined at Appendix 1 of the presented agenda report) has been reviewed.

(Meeting commenced at 10.00 am and concluded at 11.40 am)

Chairman

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Report to: **Audit Committee**

Date: **23rd July 2020**

Title: **Devon Audit Partnership – Non-voting partner**

Portfolio Area: **Internal Audit – Cllr J Pearce**

Wards Affected: **ALL**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **N/A**

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance (S151 Officer)**

Contact: **Email lisa.buckle@swdevon.gov.uk
01803 861413**

Recommendations:

That the Audit Committee endorse the continued membership of the Devon Audit Partnership as a non-voting member.

1. Executive summary

- 1.1 Members of the Audit Committee requested if a report could be brought to Members outlining the benefits and impacts of being a 'non-voting' partner of the Devon Audit Partnership, in comparison to being a "full" partner.

2. Background

- 2.1 In 2014, South Hams District Council and West Devon Borough Council (the Councils) jointly procured the provision of management of the internal audit service. This followed the Councils' Joint Transformation Programme. The successful bidder was Devon Audit Partnership. This arrangement worked well and the Councils then explored the possibility to join the Partnership.
- 2.2 At a meeting of the Audit Committee on 21 March 2019 (and subsequently Council), it was agreed to join the Devon Audit Partnership as a Non-voting partner from 1st April 2019.
- 2.3 The option to become a full partner was considered, however the Councils' two internal audit staff would need to be TUPE transferred into the Devon Audit Partnership and be available to the Partnership to utilise on any of the audits of the Councils within the Devon Audit Partnership. The Councils also did not want to lose the knowledge and expertise built up by the Councils' two internal audit staff on the processes and procedures at South Hams and West Devon and to retain continuity of the internal audit staffing provision.
- 2.4 It was identified that being a full partner would cost the Councils more money for the provision of internal audit services (as a day rate would need to be paid for staff within DAP and the day rate currently exceeds the salaries of having staff in-house).
- 2.5 Instead the Councils voted to become a non-voting partner on the Devon Audit Partnership (DAP); this provides:-
- A seat at the Management Board of DAP (which consists of the s151 Officers of the Councils in the Partnership)
 - A seat at the Partnership Committee of DAP (two Councillors are invited from each Council to the Partnership Committee)
- 2.6 However, being a 'non-voting' partner means that the Council is unable to vote on:
- The Partnership (DAP) budget
 - The Partnership (DAP) Accounts
 - Admitting new Partners to the Devon Audit Partnership

3. Current position

- 3.1 The current non-voting membership of DAP has worked well. The S151 Officer has a seat at the DAP Management Board and is able to influence the direction of the Partnership and shape the delivery of internal audit and other assurance services.

3.2 Members (from both South Hams and West Devon) are invited to attend (and have attended) the DAP Partnership Committee, receiving reports on the performance and direction of DAP and have helped shape its future.

4. Options available and Consideration of Risk

4.1 There is an option to become a full partner, however the Councils' two internal audit staff would need to be TUPE transferred into the Partnership and be available to the Partnership to utilise on any of the audits of the Councils within the Devon Audit Partnership.

4.2 Being a full partner would also cost the Councils more money for the provision of internal audit services (as a day rate would need to be paid for staff within DAP and the day rate currently exceeds the salaries of having staff in-house). The extra cost would be around £5,000 to £8,000 per annum. Budgets are already under pressure from the impact of Covid19 on all Councils nationally.

4.3 As a non-voting partner the Councils enjoy the majority of benefits that partnership working brings;

- Access to wider DAP skills
- Access to a wider audit team should one of the auditors fall ill (albeit at extra cost)
- Ability to shape the direction of DAP and the internal audit service (but not vote)
- Dedicated internal audit staff to South Hams (and West Devon)

4.4 Being a full partner does bring benefits (but it is also more expensive by around £5,000 to £8,000):-

- Being able to vote on key DAP decisions
- Share of surpluses should they arise (but also possible share of losses)
- Potentially greater resilience in covering for absence of our auditors
- Potential for our staff to further develop by completing audits in other organisations (e.g. Devon County Council, Unitaries etc.)

4.5 It is recommended that the Council remains a 'non-voting' partner of DAP, which is the most cost-effective model, with only the management of the service being outsourced to the Devon Audit Partnership.

4.6 If the Council were to move to 'full partner status', this would also require the approval of West Devon Borough Council, due to the fact that the internal audit staff are part of the Councils' shared workforce.

5. **Proposed Way Forward**

- 5.1 It is recommended that the Council retains the internal audit service in-house and remains a 'non-voting' partner of DAP.
- 5.2 Devon Audit Partnership bring a number of benefits to customers. DAP provide a local service with senior management support available on site and also access to a wider resource pool and specialist skills.
- 5.3 Devon Audit Partnership can provide greater resilience and a more effective service through:-
- Economies of scale
 - Flexibility of resources
 - Specialism and experience in local government
 - Experience and expertise in delivering 'value added' work
 - Professional standards
 - Local presence
 - The opportunity to share operational knowledge and best practice
 - Access to a larger pool of specialist knowledge
 - Opportunity for partnering
 - Competitive cost per audit day
- 5.4 By being a 'non-voting' partner, South Hams and West Devon Councils can access these benefits, without the additional cost.
- 5.5 The amount paid to the Devon Audit Partnership is currently £17,900 for the financial year (SHDC share).

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council is required to have an internal audit function. An annual Service Level Agreement is signed to reflect the 'non-voting partner' status.
Financial implications to include reference to value for money	Y	There are no financial implications if the Council's 'non-voting partner' status is retained.
Risk	Y	There are no new risks from continuing with the current arrangements. An annual service level agreement is signed with the Devon Audit Partnership.
Supporting Corporate Strategy		The internal audit process supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change – Carbon / Biodiversity Impact		None directly arising from this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/a
Safeguarding	N	N/a
Community Safety, Crime and Disorder	N	N/a
Health, Safety and Wellbeing	N	N/a
Other implications	N	none

Background Papers

Audit Committee – 21st March 2019 – Devon Audit Partnership
Non –voting partner

Appendix A – Services provided by DAP

The below is a summary of the services provided by Devon Audit Partnership (DAP)

The purpose of the Service is to provide “internal audit management” for the internal audit function at the Councils. This will include the following:-

- Acting as line manager for the two Specialist staff currently employed by SHDC and WDBC
- Liaise with the Corporate Director for Strategic Finance (S151 Officer) over risk, control and governance issues.
- Audit Planning
 - Create a risk based 3/5 year plan
 - Update this plan regularly and translate it into an annual plan, considering emerging audit risks and impact on the annual audit plan;
 - Prepare the Internal Audit Charter in line with Public Sector Internal Audit Standards (as set out by the Chartered Institute of Public Finance and Accounting) (PSIAS) and present to the Audit Committee
 - Prepare an Internal Audit Strategy (in accordance with the PSIAS), setting out how the Audit Plan will be delivered;
- Audit Engagements
 - Match the appropriate Specialist auditor to individual audit engagements based on skills, and steer the scope of each audit.
 - Review the work of both Specialists to ensure professional standards (PSIAS) are upheld and the consistency of reports to clients and working papers (electronic or paper).

- Report progress to S.151 Officer/ Monitoring Officer;
 - Liaise over key issues and the risk, control and corporate governance with the S.151 Officer and Monitoring Officer;
 - Liaise with external audit colleagues, and ensure a smooth and effective interaction between their work and the work of external audit.

- Audit Committee
 - Attend the Councils' Audit Committees (estimated at 5 meetings per year) for the following:
 - Approval of the Audit Plans, Charter and Strategy, including any amendments for emerging risks;
 - Progress against the plan (3 quarters) and Opinion summary of key issues from audit engagements;
 - Annual audit report and opinion on the effectiveness of internal control;
 - Annual review of the effectiveness of the system of internal audit;

- To oversee production of the:
 - Annual report to Committee on counter fraud arrangements;
 - Annual letter for Audit Committee Chairman /S.151 Officer to the external auditor;
 - Review of the Systems of Internal Control and produce the Annual Governance Statement;

- Equipment and Audit Management System
 - Provide suitable and effective audit management software (e.g. Mki) for use by the Specialists

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Report to: **Audit Committee**
Date: **23rd July 2020**
Title: **External Audit provision**
Portfolio Area: **External Audit – Cllr J Pearce**

Wards Affected: **ALL**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **N/A**

Author: **Lisa Buckle** Role: **Corporate Director for Strategic Finance (S151 Officer)**

Contact: **Email lisa.buckle@swdevon.gov.uk
01803 861413**

Recommendations:

That the Audit Committee note the contents of the report on the provision of External Audit.

1. Executive summary

- 1.1 At the Audit Committee meeting in June 2020, Members requested that a report be presented to the next Audit Committee on the external audit arrangements and the background of the Public Sector Audit Appointments (PSAA).

2. Background

2.1 The Grant Thornton External Audit Plan was presented to Council on 30th April 2020. An extract of the Audit Fees section of the report is below. In 2018/19, in addition to the core fees, a further £4,500 was charged in additional audit fees for assessing the impact of the McCloud ruling (pensions), additional pension work on IAS19 and extra work on Property Plant and Equipment valuations.

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	Actual Fee 2017/18	Actual Fee 2018/19	Proposed fee 2019/20
Council Audit	£43,404	£37,821	£40,271

Assumptions:

In setting the above fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards:

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's Ethical Standard which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with staff of appropriate skills, time and abilities to deliver an audit to the required professional standard.

2.2 As detailed above, the proposed fee for 2019/20 is £40,271. The new scale audit fees for 2019/20 have been agreed by PSAA. Further details on PSAA are set out in Section 4.

3. Opting into the PSAA Audit arrangements

3.1 Following the demise of the Audit Commission new arrangements were needed for the appointment of external auditors. The Local Audit and Accountability Act 2014 required Authorities to either opt in to the appointing person regime (PSAA) or to establish an auditor panel and conduct their own procurement exercise.

- 3.2 At the Audit Committee meeting on 12th January 2017, the Council recommended to opt into the appointing person arrangements made by the PSAA for the appointment of external auditors (Minute A.27/16). The report set out that it was likely that a sector wide procurement conducted by PSAA would produce better outcomes for the Council than any procurement the Council undertook with a limited number of suppliers. Use of the PSAA would also be less resource intensive than establishing an auditor panel and conducting the Councils' own procurement (with West Devon).
- 3.3 The majority of Councils also opted into the PSAA audit arrangements. Nationally a total of seven bodies did not opt into the PSAA arrangements being two Essex police bodies, City of London, Cornwall, Isles of Scilly, East Hampshire, Newcastle, North Tyneside and Northumberland.
- 3.4 Appointments were for a five year period from 2018/19. The appointment started on 1 April 2018. The Council was notified by PSAA that Grant Thornton were the successful tenderer and were awarded the South Hams contract for external audit arrangements for five years.

4. The Board of PSAA

- 4.1 PSAA has a Board of Non-Executive Directors supported by a Chief Executive and five members of staff. The Non-Executive Director who is to act as Chairman of the Board is appointed by the IDeA. The other Non- Executive Directors are appointed by the Chairman with the approval of the IDeA. The primary duty of the Board is to discharge the statutory objects and powers set out in its Articles of Association in accordance with the Companies Act 2006 and the company's founding documents. The Board is responsible for:
1. establishing and taking forward the statutory functions and objectives of PSAA consistent with its overall strategic direction;
 2. ensuring that PSAA operates within the limits of its statutory authority and in accordance with any other conditions relating to the use of public funds, primarily the principles of **Managing Public Money**;
 3. ensuring compliance with any statutory or administrative requirements for the use of public funds (including those within the principles of **Managing Public Money**);
 4. ensuring that it receives and reviews regular financial information concerning the management of PSAA, and is informed in a timely manner about any concerns about the activities of PSAA;
 5. approving the annual accounts and governance statement;
 6. demonstrating high standards of corporate governance and independence at all times;
 7. taking a balanced view of the company's approach to managing opportunity and risk; and

8. imposing no more than proportionate and defensible burdens on audit firms.
- 4.2 There are five Board members of PSAA and their details are shown in the link below:-
<https://www.psaa.co.uk/about-us/who-we-are/board-members/>
- 4.3 The Chairman of the Board Members is Steve Freer who was the Chief Executive of CIPFA (2000 – 2013) Chartered Institute of Public Finance and Accountancy. The Other Board Members are as follows:-
- Caroline Gardner – Auditor General for Scotland (accountable officer for Audit Scotland)
 - Dr. Clive Grace OBE – Director General of the Audit Commission in Wales
 - Councillor Keith House – Cllr House was first elected to Eastleigh Borough Council in 1991 and has been Leader of the Liberal Democrat led Council since 1994 (also a County Councillor for Hampshire County Council)
 - Stephen Sellers – Mr Sellers is a solicitor and a part-time consultant with Gowling WLG (UK) LLP.

5. Options available and Consideration of Risk

- 5.1 The audit arrangements which the Council has opted into are for a five year period from 2018/19 with Grant Thornton.

6. Proposed Way Forward

- 6.1 It is proposed for Members to note the contents of the report.

7. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	For audits of the accounts from 2018/19, PSAA is responsible for appointing an auditor to principal local government and police bodies that have chosen to opt into its national auditor appointment arrangements. South Hams chose to opt into these arrangements under the provisions of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015.
Financial implications to include reference to value for money	Y	The external audit fees are set out in 2.1 of the report. The external auditors, Grant Thornton, give an annual opinion on the Council's value for money arrangements.
Risk	Y	There are no new risks from continuing with the current arrangements.
Supporting Corporate Strategy		The external audit process supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change – Carbon / Biodiversity Impact		None directly arising from this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/a
Safeguarding	N	N/a
Community Safety, Crime and Disorder	N	N/a
Health, Safety and Wellbeing	N	N/a
Other implications	N	none

Background Papers

Audit Committee – 12 January 2017 – Appointment of External Auditor

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NOT FOR PUBLICATION

This report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial affairs relating to the business affairs of the Council or a third party)
(applies to Appendices A, B, D and F)

Report to: **Audit Committee**

Date: **23 July 2020**

Title: **Ivybridge Regeneration Project**

Portfolio Area: **Enterprise – Cllr Bastone**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Chris Brook** Role: **Director - Place and Enterprise**

Lisa Buckle **Director – Strategic Finance (S151 Officer)**

Contact: **Email: Chris.Brook@swdevon.gov.uk**

Email: lisa.buckle@swdevon.gov.uk

Recommendations

That the Executive notes:

- 1) the results of the public consultation on the proposals outlined in this report (69% were in favour and supported the development as detailed in Appendix C)
- 2) the business case contained in Appendix A

Recommends to Council:

- 3) to spend a further £65,000 from the Economic Regeneration Earmarked Reserve, on commissioning further work to provide advice in order to move the project forward in the following areas:
 - a. Planning
 - b. Ecology

- c. Automated Number Plate Recognition (ANPR) & car park lease structure to facilitate a pay on exit solution
 - d. Agreement to lease documents
 - e. Treasury management advice
- 4) Request that officers bring a subsequent report back to the Executive and Council in September with a recommendation for the project to move to the planning and tender stage, on the satisfactory conclusion of the work commissioned in Recommendation 3.

1. Executive summary

- 1.1. This report sets out the current position and makes recommendations with respect to the Ivybridge Regeneration Project at Leonards Road.
- 1.2. Following a report to the Executive, (March 14 2019 E.82/18) regarding the Ivybridge regeneration project at Leonards Road Car Park to boost footfall to the town, the following recommendation was made:
- 1.3. *That the principle of a supermarket development within the Council owned Leonards Road and Glanvilles Mill car parks be approved, subject to an acceptable detailed business case and agreement with third parties. (NB. These will need to be in place before a final decision on progressing a development).*
- 1.4. This report sets out a new layout for a food store entirely within land owned by the Council, the business case for its development based on project cost of £8.5m and the results of the public consultation on the proposals (69% in favour as set out in Appendix C).
- 1.5. The report gives consideration to the need to change the car parking operation to become 90 minutes free for Aldi customers, with a maximum stay of 4 hours across the entire car park. It also recommends the use of ANPR technology to operate the car park (pay on exit).
- 1.6. In light of the current Covid-19 pandemic, and the challenging financial picture that the Council faces, it is proposed to move the project forward in some key areas only, but delay the key decision to September 2020 when the financial outlook should be more certain.
- 1.7. It is also recognised that the challenges faced by businesses, highstreets and towns has become even more acute as a result of the pandemic and there will be a need for infrastructure spend to help support an economic recovery. This project is an economic regeneration and infrastructure development project so aligns well with that requirement.
- 1.8. It is recommended that the £65,000 for the commissioning of further work is funded from the Economic Regeneration Earmarked Reserve. This reserve has an uncommitted balance of £280,000

and is the remainder of the business rates pilot gain funding that the Council received in 2018/19, when the Devon business rates pool had pilot status. This money was specifically set aside for regeneration projects. Minute E.14/19 (July 2019) agreed expenditure of £50,000 for this project previously and all of this previous budget has been utilised.

- 1.9. A version of this report was considered by the Executive at its meeting on 18 June 2020 and is being presented to this Audit Committee meeting as a result of the following recommendation:

'That the Audit Committee Work Plan be updated to ensure that the Risk Management elements of the Ivybridge Regeneration project be considered at a future meeting.'

Committee Members will also be aware that parts 1 and 2 of the report recommendation were approved at the Executive meeting and parts 3 and 4 were subsequently approved by the Council at its meeting held on 16 July 2020.

2. Background

2.1. Why protect Ivybridge Town Centre?

- 2.2. Maintaining Ivybridge town centre as a retail and social destination is so important for the ever-growing community that live in the town.

- 2.3. To protect the town centre; South Hams District Council believes that it needs to be reinvigorated and strengthened and something needs to be done to ensure any decline is halted and reversed.

2.4. How does the Ivybridge retail offer rank against other towns?

- 2.5. In 2013 when the Town Council commissioned the Peter Brett town centre study, Ivybridge was ranked 2,420th, out of ~3000 under the Venuescore rankings (published by Accenture consultants). The town had dropped 232 places in three years since 2010.

- 2.6. The cause in part was due to the significant leakage of consumer spend outside the town – 83.5% of resident's Specialty shopping and 92.4% of their Commodity shopping was bought outside Ivybridge.

2.7. What challenges does Ivybridge face as a Town Centre destination?

- 2.8. With the low town centre ranking and low level of multiple retail offering (i.e. chain stores) there are only limited reasons for customers to visit the town centre. The result is that Ivybridge is not often thought of by retailers or leisure operators looking for new sites as there is very little published occupational retail demand (i.e. a public declaration of interest in opening a store in the town) and no hotel demand.

2.9. Ivybridge also suffers from very strong competition. There is an increased concentration of retail brands towards the larger city centres of Plymouth and Exeter, while independent and high-end boutique fashion operators have South Hams outlets in Dartmouth, Salcombe and Totnes.

2.10. Food shopping is dominated by the large Tesco Extra store at Lee Mill and finally there has been a perception that car parking is difficult in the town centre car park as it is often nearly full. The recent expansion into other services of Endsleigh Garden Centre south of the A38 also presents a challenge.

2.11. What are the challenges of the retail environment / landscape that all towns face?

2.12. The retail industry is facing very challenging times. The reduction in consumer expenditure and economic uncertainty surrounding Brexit has led to many retailer closures. This change is now being accelerated by the economic impact of COVID 19 as retailers – large and small struggle with a lack of cash flow combined with the future uncertainty of how they can operate and sustain their businesses. The result will be a further decline in the number of operators across all markets.

2.13. Prior to COVID 19 a research paper released by PWC/Local Data Company stated that 2,870 high street stores had closed in the six months to 30th June 2019. This corresponds to 16 such stores are shutting per day, which is the highest rate of closures recorded since 2010.

2.14. The change in customer habits and shopping patterns nationally has driven the process. Internet shopping has become established. It is projected that by 2025, 35% of all goods purchases will be online.

2.15. Customer requirements have changed to the extent that discount and budget retailers are seen as the norm. If these options are not available, consumers will simply shop elsewhere.

2.16. Key objectives of the Ivybridge Neighbourhood Plan 2017

2.17. Included "An enhanced and commercially thriving town centre." To be achieved by:

2.18. Increased retail floor space and diversity

2.19. New shopping, anchor businesses and mixed-use development

2.20. Improved occupation of town centre premises

2.21. Enhanced public realm and access to the river.

2.22. Why Aldi?

2.23. The Council's strategic objectives sets out our priorities; town centre regeneration, increased footfall, job creation and safeguarding, business rate growth and climate change mitigation.

- 2.24. An Aldi store will encourage some of the 93% of shoppers that currently leave Ivybridge to food shop back into the town centre.
- 2.25. A new Aldi store not only represents a multi-million pound investment into an area, but also brings associated benefits such as employment opportunities, improved customer choice and increased local competition.
- 2.26. The nature of Aldi's stores means that, unlike larger retailers, Aldi does not provide a "one stop shop" for all food produce. This means that residents are encouraged to continue using existing local or independent businesses, thereby helping deliver wider economic benefits through increased footfall and associated linked trips.
- 2.27. Aldi describe themselves as a supermarket operator that sells quality products at low prices. They currently operate 875 stores in the UK and are now Britain's fifth largest supermarket. The expansion shows no signs of slowing with plans to increase the number of stores to 1,200 by 2025. The target is to open at least 50 stores per year where we believe they have around 200 stores identified in the investment pipeline at various stages of development.
- 2.28. Aldi employs over 30,000 people across the UK and supports an extra 150,000 indirect jobs through its relationship with British suppliers.
- 2.29. Aldi's graduate training programme is nationally regarded: *We've had lots of incredible success with our Area Manager Programme. In fact, we're No.3 in the Times Top 100 'Best Graduate Employers', and many of our Directors (even our CEO) started out as Area Managers. To top it off, it's not only for recent graduates. It's also an amazing opportunity to change your career. You can certainly expect hard work, but you'll also experience all of the support, development and training to succeed. Once you get the keys to your own area, it will feel like you're running your own £multi-million business. Amazing.*¹
- 2.30. Aldi turnovers £11.334 Billion with a Gross Profit of £3370.2 Million and a Net worth in the UK of £2.666 Billion.
- 2.31. In 2017 the Centre for Economics and Business Research (Cebr) published an independent review of Aldi and their economic impact on the UK, the key findings are below:
- 2.32. ***Aldi's GDP footprint of over £8.5bn represented 0.5% of UK GDP in 2016.*** Growth in GDP achieved through job creation, spending with British-based businesses, tax contributions and capital investment
- 2.33. ***In 2016 Aldi supported 146,000 direct and indirect jobs across the UK, which is equivalent to a 0.5% share of total UK employment in 2016.*** This catalysed the generation of an estimated ***£4.3bn*** in employee compensation
- 2.34. ***By 2022, Aldi will support at least 205,000 direct and indirect jobs, which would generate an estimated £5.9bn in***

¹ <https://www.aldirecruitment.co.uk/area-manager-programme/>

employee compensation. Employment at Aldi grew by an average of 21% annually from 2005-2016, a period that coincides with the recession, during which unemployment hit 8% in 2011/2012

- 2.35. **Shoppers saved an estimated £2.2bn last year by going to Aldi instead of the Big 4 supermarkets.** Aldi's focus on local sourcing and efficient business model result in exceptional value
- 2.36. **In 2016 Aldi worked with more than 1,000 UK businesses,** representing over 77% of the cost of all goods it sold in the UK
- 2.37. **For every £100 of GVA generated by Aldi, an additional £720 of GVA contribution** was generated in the wider economy in 2016
- 2.38. From a climate change perspective, Aldi are a carbon-neutral² company as well as their shopping model encouraging more local shopping and therefore reduced vehicle use.
- 2.39. Better cycling and walking links around the car park area and public realm, provided as part of the development, will reduce road miles for those people using a town centre shop instead of travelling further afield.

3. Regeneration Benefits

- 3.1. Significant investment from the Council would align with Central Government's message to "get the economy moving" again. There may be opportunities to attract funding from Central Government for this scheme, although no opportunities have been identified to date.
- 3.2. Local Employment: Each Aldi store employs between 30- 40 people, in secure, well paid jobs. Aldi voluntarily enters into local labour Agreements, as they are committed to recruiting people locally. They do not use zero hours contracts.
- 3.3. Increased trips – an Aldi store of this size in this location will regularly have 100 shoppers at any one time, who in turn can then take advantage of the leisure centre and high street.
- 3.4. In a recently opened store (2016) in a town centre location, Aldi conducted a survey of their shoppers habits to demonstrate that Aldi drives "linked trips" into the Town Centre, and consider travel modes, the key findings were:
 - 3.4.1. 12% of customers walk to the store and 9% travel by bus
 - 3.4.2. Over 20% of customers travel by sustainable modes demonstrating the store's accessibility to the immediate community
 - 3.4.3. Most customers (63%) visit Aldi for main shopping, 16% for top-up shopping and 21% for both purposes

² <https://www.edie.net/news/6/Aldi-achieves-carbon-neutrality-for-UK-and-Ireland-operations/>

- 3.4.4. 92% of respondents also use other supermarkets including the Asda store in Billingham District Centre (30%) and the Tesco Store at Leeholme Road (54%)
- 3.4.5. 46% of customers also use other convenience stores in the District Centre, demonstrating continued support for other shops in the centre following the arrival of Aldi
- 3.4.6. 49% of customers were going on to, or had already been to, other shops in the centre, demonstrating linked trips following the arrival of Aldi
- 3.5. The car park changes will improve turnover and hugely increase capacity for visitors compare to the current tariff. This will ensure the leisure centre, Aldi and high street trading potential is not fettered by car park capacity.
- 3.6. Construction Effect - Multiplier effect - Using the "*GLEK Consulting Multiplier*" of £2.84 of economic activity investment for every £1 of construction cost means that the project represents £18.5m of economic activity in the local area.
- 3.7. Inward Corporate investment – opening / long term commitment from Aldi. Projected over a term of 25 years (without any increase/inflation) - c **£21 million**. This spend is in addition to the initial construction costs invested by the Council.
- 3.8. This development will increase the business rates received in the area, boosting the income to be received by local government (DCC / SHDC) as well as central government.
- 3.9. Summary of benefits³
- It creates a development on a brownfield site
 - It acts as a catalyst for regeneration in an underperforming area
 - It provides choice and accessibility for shoppers in local communities
 - Aldi is not a one-stop-shop so it forms part of a wider weekly food shop, therefore shoppers continue to support other convenience store provisions including niche and larger stores
 - Stores encourage linked trips to other convenience stores, services and other businesses
 - Stores are modest in scale therefore town centres continue to thrive and function side by side
 - It creates economic regeneration with jobs in stores, logistics and construction
 - Local contractors benefit from new stores
 - Customers can make shorter trips
 - Many customers live within walking distance of new stores
 - It is loyal to and committed to the development of its staff
 - Its efficient business format keeps costs down, prices down and contributes to improving the environment
 - Locally sourced produce benefits local suppliers
 - At design stage consideration is given to the local environment, residents and the highway network

³ Appendix E – Aldi Investing in your community

- It sells quality products at low prices, which is attractive to all members of our Communities
- Aldi stores serve local communities thus complying with national planning policy by encouraging local sustainable developments

3.10. PLACE benefits:

- 3.11. The project will see the relocation and provision of a new Skate park to replace the existing facility. A £100,000 budget is included in the business case.
- 3.12. River bank environmental benefits and improvement to the public realm.
- 3.13. Further conversations with Glanvilles Mill (the owner of the two foot bridges) and the Town Council are proposed, with the explicit intention of finding a solution for long term maintenance and access across both bridges.
- 3.14. Additional Tree planting to offset the loss of trees in the car park. There will be a significant net gain in the number of trees as a result of this proposal. It is hoped that a "local tree planting" scheme can be implemented that would see free trees given to local residents who have space in their garden, as well as specific tree planting on the scheme and on adjacent Council land.
- 3.15. Independent Local Businesses – increased town centre footfall and income benefits due to diversion of trade away from Tesco at Lee Mills.
- 3.16. Renewable energy options – Solar Power proposed on the roof of the building to be owned and operated by the Council – investment return to assist carbon footprint targets.

4. Background – Scheme layout evolution

- 4.1. The initial proposal taken to the Executive in March 2019 showed a larger development proposal that encompassed third party land. The proposals that were included in the public consultation incorporated feedback from local stakeholders including the Town Council, Fusion Leisure, Police, local businesses, Glanvilles Mill, PL21 and South Dartmoor Community Energy.
- 4.2. This revealed little support for a drive through or the pub / bistro and that it was not in the strategic interests of the Police to relocate.
- 4.3. The priorities that emerged through this engagement process were:
- Protecting the high street – support for generating more footfall into town
 - Car parking
 - Re-opening the closed footbridge
 - Keeping the existing facilities (scout hut, youth centre etc.)

- 4.4. The design of the scheme as it now stands, uses a much smaller footprint, but still increases car parking capacity by ~19 spaces through the use of a partial decked car park.
- 4.5. The smaller footprint ensures that the area of the site closest to the leisure centre is unchanged, including the toilets and youth building, addressing those concerns.
- 4.6. Other design priorities include:
 - 4.6.1. Incorporation of green technology (solar).
 - 4.6.2. Engagement with the river setting and public realm, specifically cycling and walking access across the site adjacent to the river
 - 4.6.3. A "green halo", increasing the number of trees on the site, including extensive off site compensation for the loss of existing mature trees on the site (3 No.), subject to planning.
 - 4.6.4. Use of ANPR (Automatic number plate recognition) car parking technology allowing "Pay on Exit" for customers and a change to the parking tariff to provide 90 minutes free for Aldi customers and a maximum stay of 4 hours.



Figure 1 – Public consultation scheme layout - SE view



Figure 2 – Public consultation scheme layout – SW view



Figure 3 – Visualisation of proposed store

5. Background – Public consultation

- 5.1. A public consultation was carried out in Jan & Feb 2020 to ensure the views of the public both living in Ivybridge and the South Hams was captured. The public consultation had a good response rate, with 43% of the 2000 homes written to responding. A further ~1100 people also responded to the open online survey. The full results are contained in Appendix C.
- 5.2. The Public Consultation results showed that over two thirds (69%) of respondents support the new supermarket proposals and 66% of respondents telling the Council that they felt a new supermarket would improve footfall into the town centre.

- 5.3. There was strong support for a short stay car park with 87% in favour of changing from the current long stay. Residents also felt that they would increase their visits to the town centre if they were able to get an hour and a half of free parking to allow them to access the town's shops and businesses more easily. While 57% responded to say they would support out of centre parking for the 6% of people who work in the town.
- 5.4. The results revealed that most shoppers drive to do their main, or top up, shop during the day, suggesting there would be a marked improvement to the economy of the town by those who would take advantage of the free parking opportunities.
- 5.5. Respondents also felt that by improving shopping choice, it would drive down the cost of food shopping and would encourage people to shop locally within the town, rather than outside of it.
- 5.6. These results demonstrate that residents, and those living outside of the town, recognise the benefits of supporting regeneration and economic activity within Ivybridge's town centre.
- 5.7. This public consultation was undertaken before the pandemic and it is important to stress that in current times shopping habits have changed. Aldi and Lidl have seen an increase in trade and shopping in "local" stores has also increased. The implication is therefore that a local Aldi store would see even stronger demand than before, but it should be recognised that shopping habits may migrate back to pre-pandemic behaviour in time.

6. Background – Car Parking

- 6.1. Car parking capacity and duration of stay are fundamental factors to get this regeneration project to work. If the number of car parking spaces is reduced then fewer people will be able to come and use the high street, the food store, the leisure centre and other facilities.
- 6.2. If each space remains occupied for long durations (as now) then the car park will become "full" and remain that way, to the detriment of visitor numbers.
- 6.3. It is imperative that the length of stay and car parking tariff is designed to work for the intended user of the car park, which in this case is customers of Aldi, the high street and the leisure centre.
- 6.4. Each of these have different time requirements:
- 6.4.1. Aldi ~30mins
 - 6.4.2. High street ~ up to 2 hours, longer on occasion
 - 6.4.3. Leisure centre 1h15 for standard use, up to 4hours for destination pool.
- 6.5. One of Aldi's key attributes is the need for its customers to make linked trips, visiting other shops in town to complete their

shopping needs. A 90 minute free parking tariff for their customers is specific to ensure they can do that.

- 6.6. It is proposed that the indicative parking tariff for non Aldi customers is as follows:

Up to 90 mins	90 – 120 min	120 – 240 min
£1	£1.80	£2.80

- 6.7. In this way, a stay of 90 minutes will be cheaper than it currently is in either the short or long stay car park on the site, as a stay of up to 2 hours costs £1.60 at the moment or £2.10 all day. The final parking tariff will be proposed as part of the final report to the Executive in September.
- 6.8. To ensure that visitors do not “hurry back” to their cars mid way through visiting Ivybridge, a pay on exit system is proposed, using ANPR (Automated Number Plate Recognition) technology. The process would involve a ticketless system where you punch your number plate information into the car park machine prior to exit which will tell you what tariff you will need to pay.
- 6.9. As the car park would become a short stay facility, parking permits would no longer be valid. This is really important to ensure that adequate turnover of cars is achieved.
- 6.10. Long stay parking would be displaced from the centre of town and would relocate to the most convenient alternative. This includes the P&R car park to the east of the town, which is free all day. It is recognised that “the path of least resistance” will apply to long stay parking alternatives and that a free car park 15mins away may be some people last choice over on street parking more centrally.
- 6.11. The Council owns a smaller carpark at the top of the high street which is currently short stay. It is proposed to change the operation of this car park to long stay to mitigate in part the changes being implemented at Leonards Road.
- 6.12. This approach to long stay parking is consistent with the Councils declaration on climate change, which as part of much wider strategy seeks to push commuting traffic towards more sustainable modes of transport. It also includes reducing traffic in town centres so as to improve air quality – a particular issue in Ivybridge along Western Road.
- 6.13. A consideration for the Council is the potential for a loss of revenue from car parking charges if the proposed 90 minute free tariff is adopted, as the income supports the operation and maintenance of the facility.
- 6.14. To address this, a report has been commissioned from Town Centre Parking, a consultant in such matters, to assess the likely impact of the parking tariff on revenue, having first considered the likely trip demands from the proposed food store, leisure centre and high street.

6.15. It concluded that the model was very sensitive to assumptions and gave a wide spread of possible outcomes. However, the mid-point was close to the existing revenue position. The full assessment is contained in Appendix D.

7. ANPR (Automatic Number Plate recognition) and Servaco

7.1. So as to facilitate the advantages of ANPR to the users of the car park, the Council will need to use its existing wholly owned company, Servaco, to undertake the operation.

7.2. As Servaco is a wholly owned company by the Council, it is able to retain control over the company, which only contracts services from the Council and its staff, through the way that the company is set up.

7.3. Servaco was set up as a trading company for South Hams District Council and West Devon Borough Council and its articles of association will need updating to reflect this proposal.

7.4. Subject to the legal advice that the Council is seeking, the proposed model that would enable the Council to enjoy the benefits of ANPR is as follows:

7.4.1. The Council leases the car park to Aldi (along with the store)

7.4.2. Aldi commission Servaco to undertake enforcement for them and allows the income to flow to Servaco.

7.4.3. The Council control Servaco and utilise ANPR to do the enforcement.

7.5. Commissioning of the full legal advice required on this structure is a recommendation of this report and set out in Appendix F.

8. Business case

8.1. The full business case is set out in Appendix A, showing a scheme capital cost of just over £8.5m. This regeneration project projects a gross return at 5% in year one and a net return of 1.59%, when business rates are included.

8.2. In year 6, the tapering business rates income ends (due to business rates baselines being re-set), reducing the net yield to just under 1%. The project would entail the Council undertaking capital expenditure for economic regeneration purposes using the Localism Act. Such expenditure may deliver a positive contribution to the revenue budget, but it is not the primary purpose.

8.3. The scheme cost of £8.5m includes the following assumptions:

8.3.1. £100k budget for the skate park relocation

8.3.2. £20k for further offsite tree mitigation (above the onsite proposals)

8.3.3. Additional £20k towards riverbank nature renaissance

8.3.4. Professional services, planning, management and construction costs.

- 8.4. There is no certainty that the proposals will be granted planning approval. Appendix A sets out the predicted cash flow expended prior to a decision on the planning application (£450,000) and spend prior to that decision is therefore "at risk" if the project cannot proceed.
- 8.5. The risk register in Appendix B sets this out in more detail and if the project does not proceed to fruition, these costs cannot be capitalised and are abortive costs (revenue costs) which the Council would need to fund from the Business Rates Retention Earmarked Reserve which has a current balance of £5.1 million. An amount of £3.5 million of this Earmarked Reserve was ring fenced for Employment for the creation of local jobs (Council February 2018).
- 8.6. The current commitments against the £3.5m are for the acquisition of 10 acres of employment land at Sherford and to fund the cost of extending the lease of the starter units at Langage. There is sufficient funding for this cost to be met although the Council also has a great deal of uncertainty over the losses to its finances and income streams from Covid19 which will be clearer in a few months' time.
- 8.7. The recommendation in this report reflects this situation and it is proposed that the main decision relating to project and the significant costs associated with it is taken in September 2020 with the benefit of a better strategic view of the Council's financial envelope for capital projects and the impact that Covid19 has had on the Council's overall financial sustainability.
- 8.8. It is proposed however, to undertake some key work to move the project forward up to £65,000. The details of that spend is set out in the Appendix F - Proposed work streams for commissioning and associated cost.

9. Risk

- 9.1. A full project Risk Register is included in Exempt Appendix B. This will be reviewed on a monthly basis by the project team. Development and investment projects carry inherent risk. When the report to recommend proceeding with the project is brought back to Members in September 2020, the following should be considered by the Executive as part of its deliberations:
- Financial exposure during the construction phase prior to occupation by the tenant. This risk has been eliminated via the use of an agreement to lease. No construction contracts would be placed until this agreement was in place between the tenant (Aldi) and the Council.
 - Construction cost over-run. This risk needs to be managed. A reputable contractor will be selected from a regional

construction framework and employed using a standard design and build form of contract. Project management would be outsourced and client side contingency is built into the business case.

- Planning. There is no certainty that the proposals will be granted planning approval, although the work recommended to be commissioned in this report will significantly de-risk this position. Appendix A sets out the predicted cash flow expended prior to a decision on the planning application (£450,000) and spend prior to that decision is therefore at risk of being lost if the project does not proceed. The risk register sets this out in more detail as if the project does not proceed to fruition, these costs cannot be capitalised and are abortive costs (revenue costs) which the Council would need to fund from the Business Rates Retention Earmarked Reserve.
- Tenant covenant (strength / risk of insolvency). The tenant is of good covenant. The Council would not consider entering into a 25 year lease were that not the case. It is possible however that any business can falter over that time frame and the Council would need to seek other operators of a similar nature to take over the operation of the facility were that to happen.
- Maintenance and Insurance. The lease would include an obligation on the tenant to maintain and insure the building.
- Return on Investment. The borrowing structure proposed for the project is based on fixed interest and repayment of 50% of the loan over the term of 50 years. The Council would need to refinance the other 50% at the end of the 50 years.
- PWLB (Public Works Loan Board) Consultation – There is a current consultation paper on borrowing from the PWLB which seeks to rule out any borrowing from the PWLB for commercial schemes primarily for yield. It is the view of the S151 Officer that the primary purpose of this scheme is regeneration, which would be one of the four categories permitted for PWLB borrowing (the others being service delivery, housing and refinancing). The consultation ends on 31 July 2020.

10. Recommendations

That the Executive:

- 1) Note the results of the public consultation on the proposals outlined in this report (69% were in favour and supported the development as detailed in Appendix C).
- 2) Note the business case contained in Appendix A

- 3) Approves an extension of the budget with a further £65,000 so as to further work to move the project forward in the following areas:
 - a. Planning
 - b. Ecology
 - c. Automated Number Plate Recognition (ANPR) & car park lease structure to facilitate a pay on exit solution
 - d. Agreement to lease documents
 - e. Treasury management advice
- 4) Request that officers bring a subsequent report back to the Executive in September 2020 with a recommendation for the project to move to the planning and contract tender stage, on the satisfactory conclusion of the work commissioned in Recommendation 3.

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>Appendices A,B, D, and F to this report are exempt from publication because they contain information about the Council’s financial and proposed commercial affairs as defined in Paragraph 3 of Schedule 12A to the Local Government Act 1972. The public interest test has been applied and it is considered that the public interest lies in not disclosing this report at this time because it contains financial and commercially sensitive information which could prejudice the Council if such information was disclosed at this time.</p> <p>These proposals are consistent with the Council’s powers to borrow and invest under the Local Government Act 2003 and section 1 Localism Act 2011 (the general power of competence).</p> <p>Section 1 of the Local Government Act 2003 provides a power to the Council to borrow for the purposes of any enactment.</p> <p>There is an overriding duty toward prudent management of risk, and officers, including the Council's section 151 officer, owe a fiduciary duty in relation to given transactions.</p> <p>Legal due diligence will be carried out as part of the development process.</p>

		<p>Any future development will be subject to the normal Council planning process and any decision by Executive does not infer that planning permission for the proposed developments would be granted.</p>
<p>Financial implications to include reference to value for money</p>	Y	<p>For the recommendations put forward as part of this report, the total spend at risk is £65,000.</p> <p>It is recommended that the £65,000 for the further work to be commissioned is funded from the Economic Regeneration Earmarked Reserve. This reserve has an uncommitted balance of £280,000 and is the remainder of the business rates pilot gain funding that the Council received in 2018/19, when the Devon business rates pool had pilot status. This money was specifically set aside for regeneration projects.</p> <p>For future decisions relating to the full project the following financial considerations will need consideration:</p> <p>The financial considerations are contained within Exempt Appendix A.</p> <p>The full business case is set out in Appendix A, showing a scheme capital cost of just over £8.5m. This regeneration project projects a gross return at 5% in yr one and a net return of 1.59%, when business rates are included.</p> <p>In yr 6, the tapering business rates income ends (due to business rates baselines being re-set), reducing the net yield to just under 1%. The project would entail the Council undertaking capital expenditure for economic regeneration purposes using the Localism Act. Such expenditure may deliver a positive contribution to the revenue budget, but it is not the primary purpose.</p> <p>There is no certainty that the proposals will be granted planning approval, although that risk will have been reduced through the commissioning of early work in June, July and August. Appendix A sets out the predicted cashflow expended prior to a decision on the planning application (£450,000) and spend prior to that decision is therefore "at risk".</p>

		<p>The risk register in Appendix B sets this out in more detail and if the project doesn't proceed to fruition, these costs cannot be capitalised and are abortive costs (revenue costs) which the Council would need to fund from the Business Rates Retention Earmarked Reserve. Further detail is in Section 6.5. If the project does not proceed, the £450,000 is a sunk cost borne by the Council.</p> <p>The intention of the £65,000 being requested to be spent is to de-risk certain elements of the project (outlined in Recommendation 3).</p> <p>Minute E.14/19 (July 2019) agreed expenditure of £50,000 for this project previously and all of this previous budget has been utilised.</p>
Risk	Y	All development projects carry risk. Exempt Appendix B sets out a risk register.
Supporting Corporate Strategy		Commercial Investment Policy and Treasury Management Policy
Climate Change - Carbon / Biodiversity Impact		Aldi's UK and Ireland operation is carbon neutral. The council will utilise its procurement policy that allows the tender process to consider the carbon footprint of the supply chain when awarding contracts. Furthermore, the Council will challenge the design team to utilise best practice in the design of the project (including material choices) to minimise embodied energy in the construction phase.
Comprehensive Impact Assessment Implications		
Equality and Diversity		There are no Equality and Diversity implications
Safeguarding		There are no Safeguarding implications
Community Safety, Crime and Disorder		There are implications crime and disorder reduction
Health, Safety and Wellbeing		There are no implications on Health, Safety and Wellbeing
Other implications		There are no other implications

Supporting Information

Appendices:

Exempt Appendix A – Business Case

Exempt Appendix B – Risk Register
Appendix C – Public consultation results
Exempt Appendix D – Car parking operation report
Appendix E – Aldi Investing in your community
Exempt Appendix F – Workstreams to be commissioned

Background Papers:

Ivybridge Regeneration - March 14 2019 E.82/18

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes
SLT Rep briefed/sign off	Yes
Relevant Heads of Practice sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	Yes

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Ivybridge Aldi proposals – Survey of General Public

Summary Report on survey results (v0.3 – 4th March 2020)

Prepared by: Marketing Means (UK) Ltd

For: South Ham District Council

Contact: Chris Bowden, Director. Tel: 01364 654485, Email: chris@marketingmeans.co.uk

1. Research Aims and Objectives

South Hams District Council commissioned Marketing Means to conduct a survey to investigate public opinion regarding the proposed plans for a new Aldi supermarket to be built on part of a current car park site in central Ivybridge.

2. Method

2.1 Postal Approach

Marketing Means' primary research method was a postal survey using an 12-page consultation document/questionnaire, the first four pages of which presented the background to the Aldi development proposals and links to further information, the central four pages giving visual plans of the development in the context of existing buildings in central Ivybridge, and the final four pages setting out the survey questions.

Marketing Means printed and posted the questionnaire to 2,000 households in January 2020, 1,000 in Ivybridge and 1,000 across five surrounding wards. We selected a representative sample of addresses across each area after stratification of the relevant Postcode Address File lists of residential addresses by postcode and property number.

All non-responders were sent a reminder letter and another copy of the questionnaire in February 2020, leading to **802** postal responses being received by the deadline of 24th February 2020.

2.2 Online approach

All households that received a postal survey invitation were also given a web-link and unique passcode to submit their responses in an online copy of the questionnaire. In practice, a further 59 responses were received by this method, giving a total of 861 responses that were known to be from the original sample of 2,000 households, a very respectable survey response rate of 43%.

The online questionnaire, hosted by Marketing Means, was also available for anyone to complete via an open web-link at the South Hams District Council website, publicised from mid-January 2020. This version was cookie-protected to reduce the likelihood of multiple submissions from a single IP address.

In addition to reaching a wider audience outside the 2,000 households selected for the postal survey, we believe that it was inevitable that a significant proportion of those households, especially those with younger residents likely to be regularly viewing social media posts, chose to take part via this 'open' online method, and that this displaced some of the responses that would otherwise have been made by post or the passcode-protected online version.

The 'open' online version succeeded in drawing even more responses than the postal version, **1,097** in total from people claiming to live in Ivybridge or elsewhere in the South Hams.

2.3 Combining the datasets

Responses to the original address-linked postal sample were intended to be analysed completely separately to responses from the ‘open’ online, given the different methods used and the possibility of unknown duplication within the online data and between online responses and postal responses.

The demographic profiles of the two samples, however, showed markedly different age profiles. While the age profile for the postal sample was very much older than that of the most recent available population estimates for the area in consideration (see the table below), the age profile of the open online sample was lacking the oldest respondents while over-representing the younger age-groups. As age is often a key differentiator of views on topics such as local planning and development, we felt it important to avoid bias on that measure in either survey sample.

Age group	National Statistics Mid-Year Population Estimates	Postal survey results profile	Online ‘open’ survey results profile
16-34	21%	5%	20%
35-44	12%	8%	19%
45-64	38%	38%	41%
65+	29%	45%	18%

Given those differences, but also being satisfied that the general profile of results from each survey did not differ greatly, we felt that combining the results from the postal and online surveys would give a more representative sample of views that would either sample in isolation. For this report, we have therefore combined the datasets, and weighted them (a) by age and gender to the population profile of adults aged 16+ across Ivybridge and separately across the five surrounding wards, as well as (b) correcting the overall balance of the proportions living in Ivybridge to those living elsewhere.

2.4 Reporting of quantitative results

‘Valid’ responses

Unless otherwise stated, the results are given as a percentage of the total overall valid responses, with the small proportion or blank, ‘Not stated’, and ‘Don’t know’ responses excluded so as not to skew the findings.

Rounding

The percentage figures quoted in most of the charts and tables in the report have been rounded either up or down to the nearest whole number value. In some cases of questions requiring one answer only, these rounded values do not therefore total exactly 100%, although the underlying figures will in fact total 100%.

Single and multi-coded questions

Some questions asked were ‘single-coded’ requiring one answer only, e.g. a Yes/No response, or a level of agreement. Others were multi-coded, e.g. where a respondent does their top-up food shopping, and likely to record more than one answer per respondent. While the percentages selecting each option for a single-coded question total 100%, responses to multi-coded questions will usually add to well over 100%.

Significance testing and “Statistically significant differences”

All of the % results quoted in this report, and calculated for the different sub-groups of respondents as set out in detail in the accompanying cross-tabulations, have been subjected to significance testing, based on two-sided tests with significance level .05 (i.e. 95% confidence level).

The **Confidence Level** tells us how sure we can be of a result. It is given as a percentage, representing how often the true percentage of the population who would pick a particular answer lies within the confidence interval. The 95% confidence level means we can be 95% certain; the 99% confidence level means we can be 99% certain. Most market research reports, including this one, use the 95% confidence level.

The **Confidence Interval** (often referred to as the ‘margin of error’) is the \pm figure often shown in the small print of published results from surveys or opinion polls quoted in the media. For example, if the confidence interval is $\pm 4\%$ and a particular answer is given by 55% of a sample, we can be “sure” to some extent (see next paragraph) that if we had asked the question of the entire relevant population then between 51% and 59% would have given that answer.

When we put the Confidence Level and the Confidence Interval together, we can say using the example above that we are “95% confident” that the true percentage results for the population would lie between 51% and 59%.

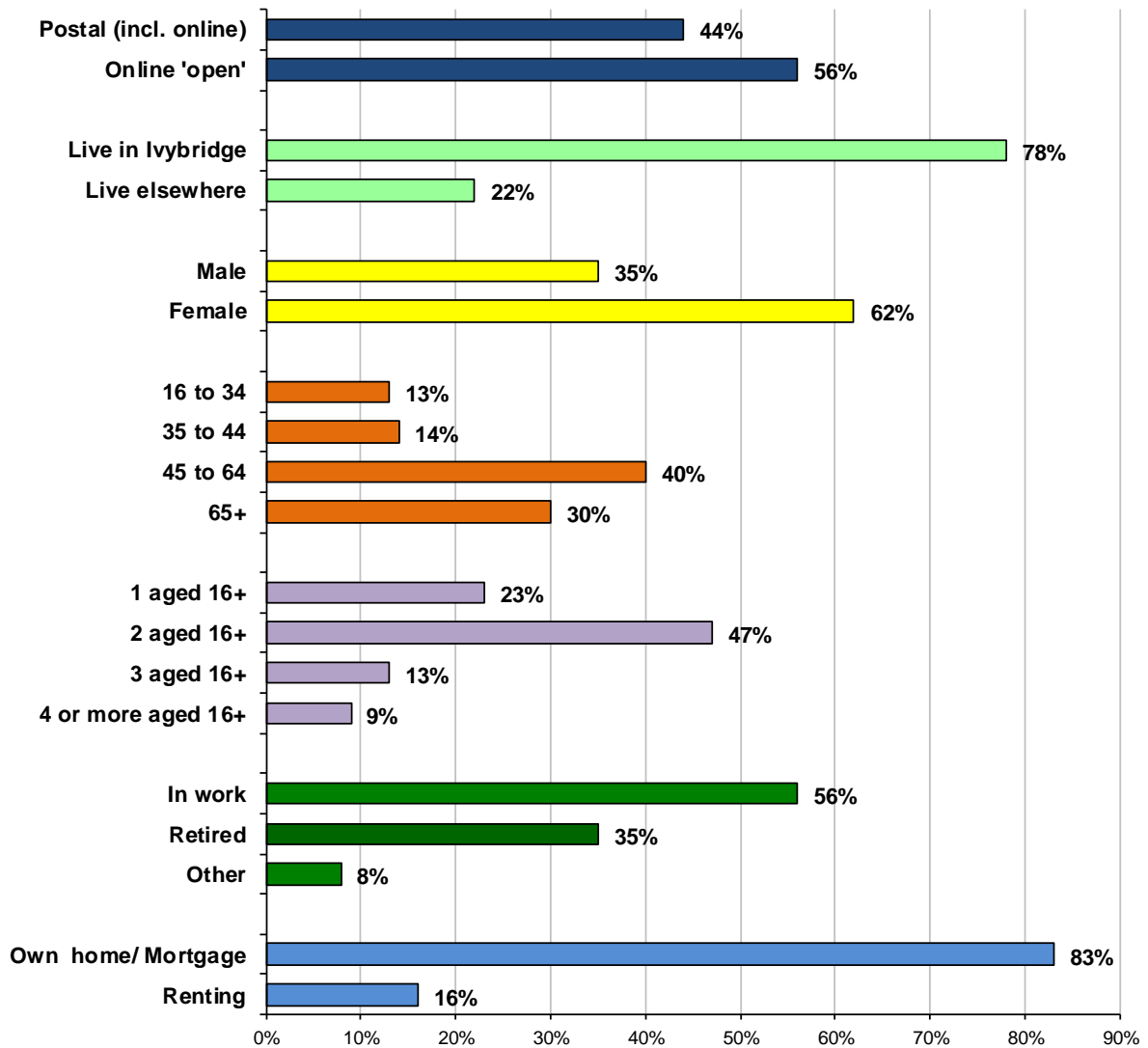
N.B. Quoted Confidence Intervals almost invariably refer to a situation where close to 50% of a sample has given a particular answer. In practice, where a result is much higher or lower than 50%, the Confidence Interval on that result is reduced (e.g. for a sample of 1,215, the 95% Confidence Interval is $\pm 2.8\%$ for a 50% result, but reduces to $\pm 1.7\%$ for a 10% result).

3. Survey Results

The two charts that follow summarise the profile of respondents and the proportion of responses through different modes and from different areas, as well as the effect of weighting on the demographic profiles.

First, we present the unweighted overall survey profile.

Demographics – Unweighted

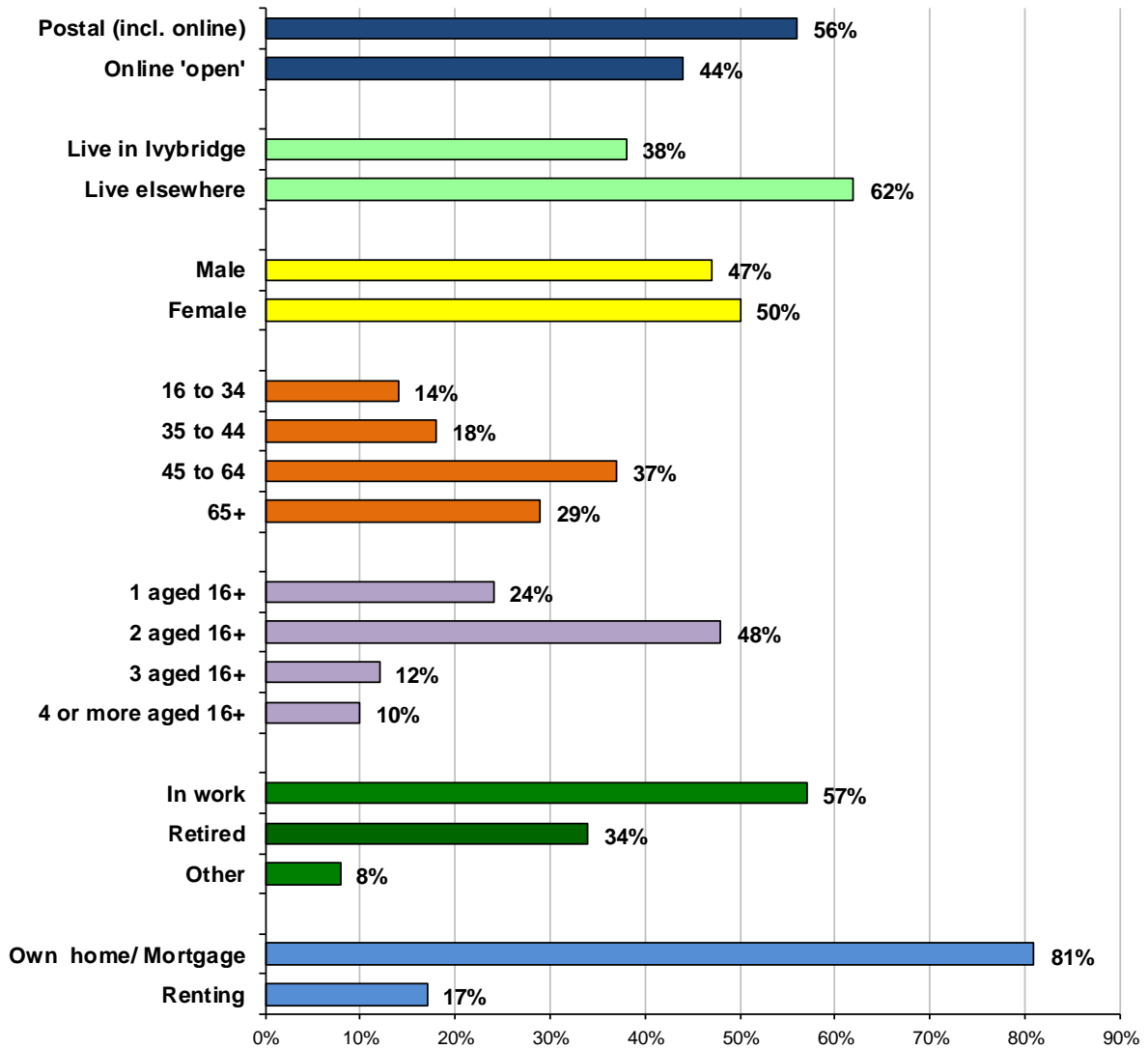


Source: Marketing Means 2020

Base: All respondents (1,958) - unweighted profile

The chart below shows the same data but now weighted to the correct age and gender profile for Ivybridge and the five surrounding wards.

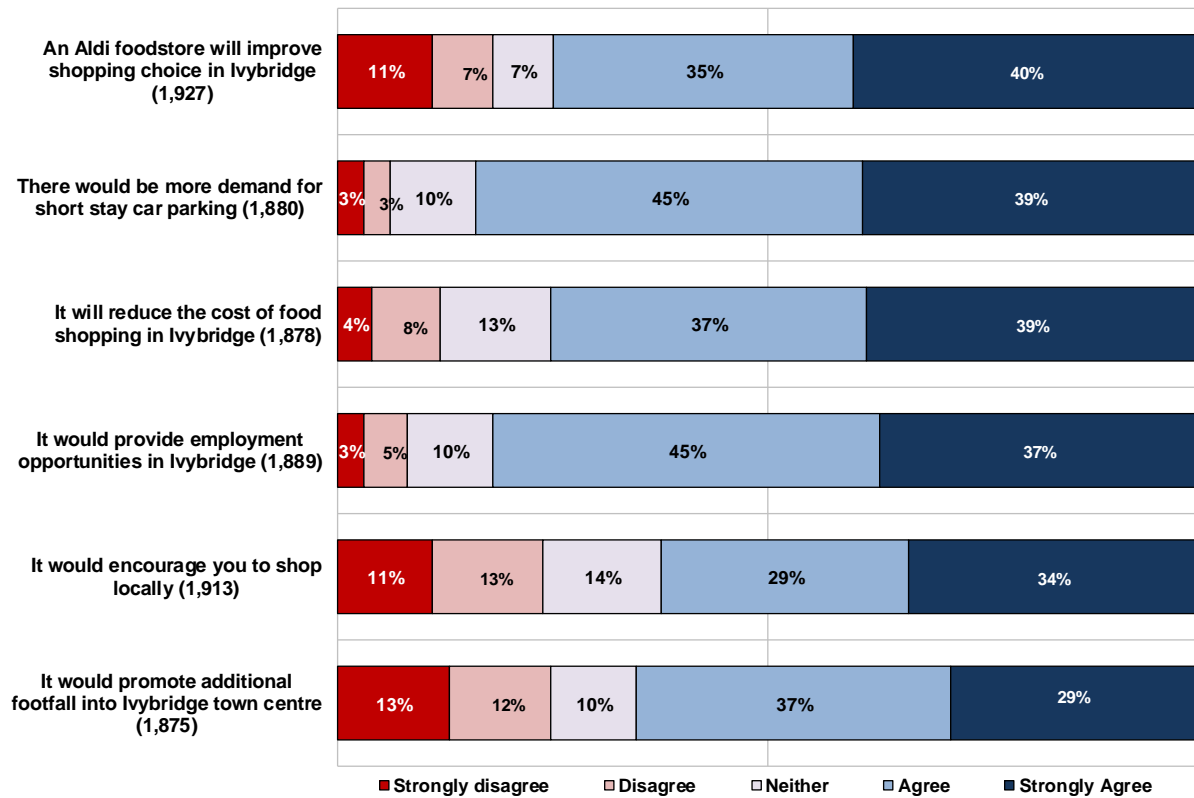
Demographics – Weighted to population profile of Ivybridge and surrounding wards



Source: Marketing Means 2020

Base: All respondents (1,958) - weighted profile

Q2a-f. Having read the information on the previous pages, how much do you agree or disagree with each of the statements below:

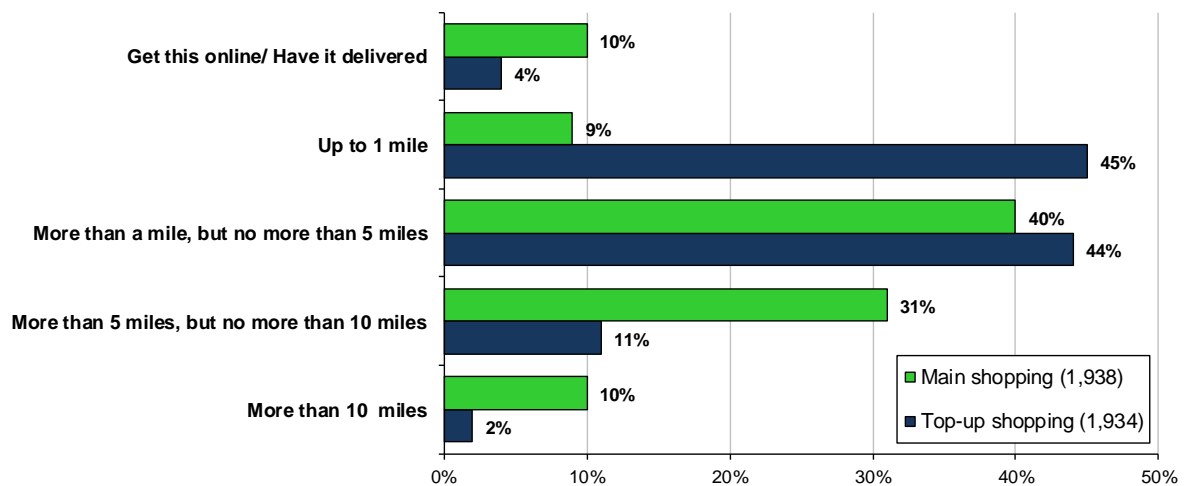


Source: Marketing Means 2020

Base: All respondents who expressed an opinion (number noted next to each statement)

- All of the six statements relating to the impact of the Aldi development were agreed with by the majority of respondents.
- The highest levels of agreement (more than 80% of respondents) were for the statements relating to greater resultant demand for short-stay parking, and providing employment opportunities in Ivybridge.
- Well over 60% of respondents agreed that a new Aldi store would encourage them to shop locally and would promote additional footfall into the town centre.

Q3. How far do you usually travel to do (i) your main food shopping, and (ii) any top-up food shopping throughout the week:

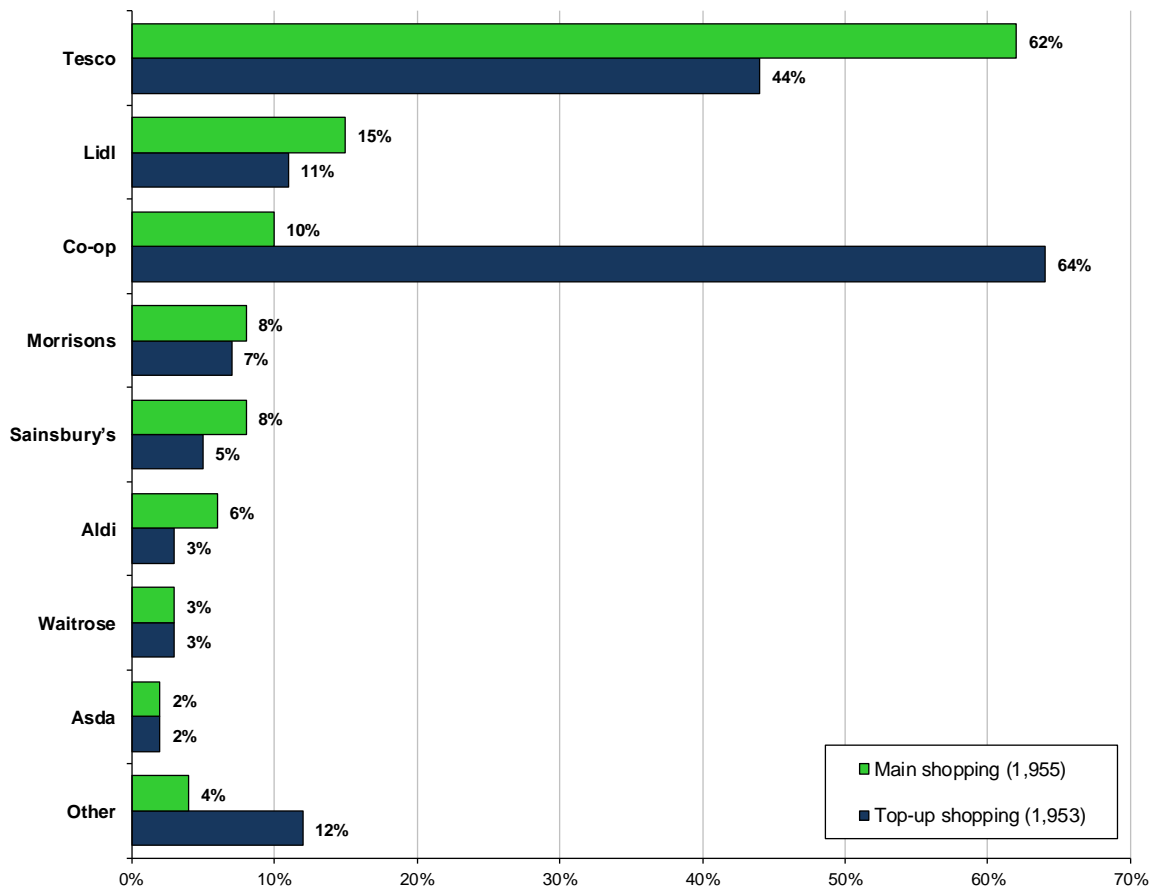


Source: Marketing Means 2020

Base: All respondents who gave an answer

- The great majority of respondents currently travel more than a mile for their main food shopping (81% overall, with 10% travelling >10 miles). Just under one in 10 (9%) currently travel no more than a mile, significantly higher among Ivybridge residents (15%) than those elsewhere (6%).
- Only 10% currently do their main food shopping online or have it delivered.
 - Among those who have their main food shopping online or have it delivered, nearly two-thirds (64%) have all or most of their shopping delivered, while 29% reported that this was about “half and half”.
- Top-up food shopping showed a slightly different pattern with nearly half (45%) travelling no more than a mile, and this was significantly higher among Ivybridge residents at 63%. A further 44% of all respondents travelled no more than 5 miles for their top-up shop.

Q5a/b. Which of these does your household USUALLY use for the [(i) main/ (ii) top-up] food shopping (regardless of whether that’s in-store or online)?:

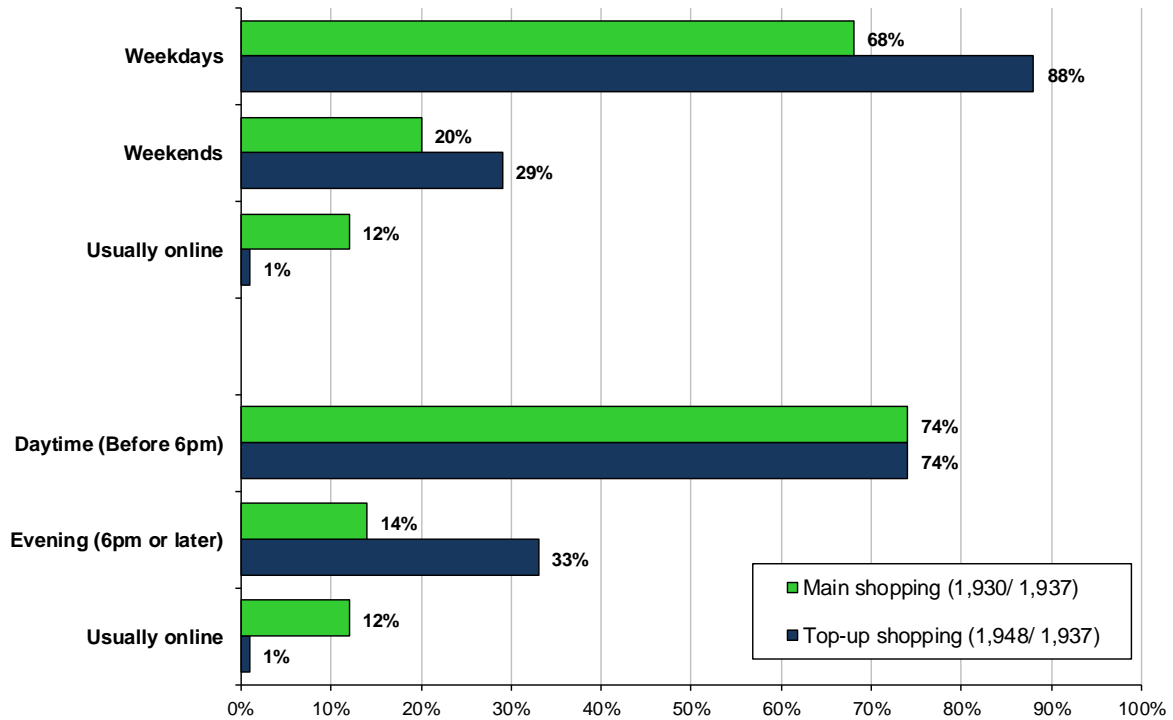


Source: Marketing Means 2020

Base: All respondents who gave an answer

- Tesco was by far the most likely choice for the main shop, used by 62%, with only Lidl (15%) and Co-op (10%) of the others attracting as many as one in 10 shoppers.
 - Most respondents (64%) use Co-op for their top-up shopping, though Tesco also attracts a significant amount of top-up shoppers (44%).
- Using Tesco for top-up shopping was significantly more likely for Ivybridge residents than those elsewhere (55% vs 37% respectively), likely due to the Tesco Express store in central Ivybridge.
- Both of these questions have responses that add to >100%. This is because many respondents, especially for top-up shopping, named two or more retailers as their likely preferences.

Q6a/b. When do you usually do the [(i) main, (ii) top-up] household food shopping??

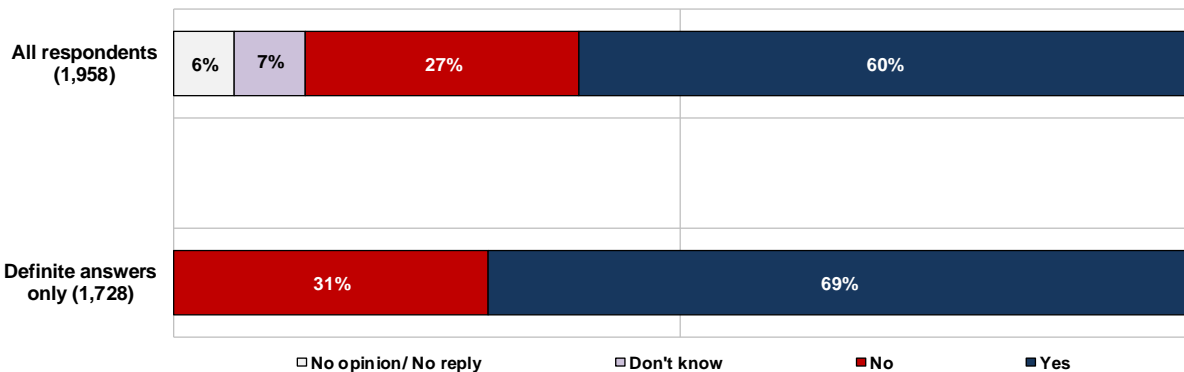


Source: Marketing Means 2020

Base: All respondents who gave an answer

- Just over two-thirds (68%) do their main food shopping on weekdays, with three-quarters (74%) doing so in the daytime.
- Top-up shopping was also most likely on weekdays (88% doing so then), and while 74% did top-up shopping by daytime, 33% did so in the evenings.

Q7. Overall, would you like to see an Aldi on the proposed site in Ivybridge?



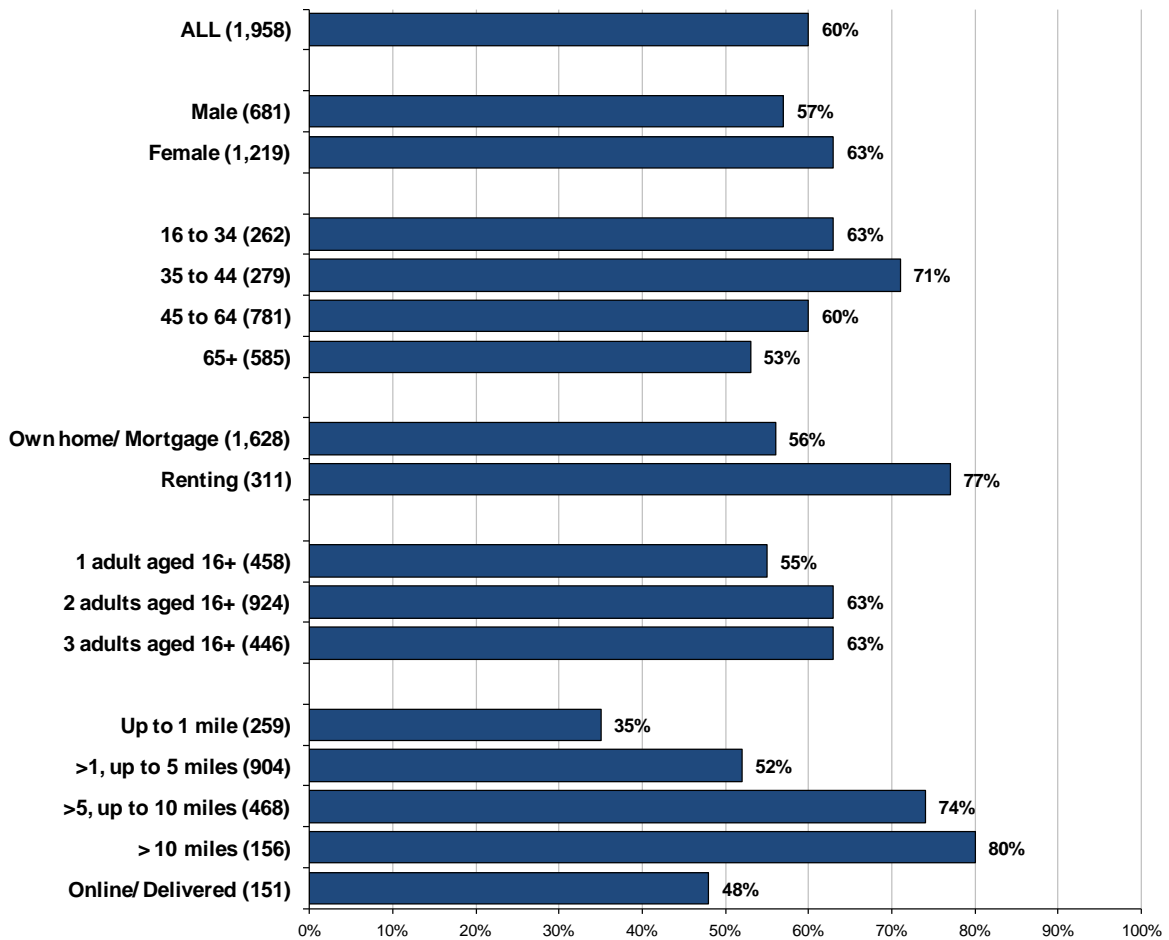
Source: Marketing Means 2020

Base: (i) All respondents/ (ii) All who gave a definite answer

- Overall, 60% of respondents stated that they would like to see an Aldi on the proposed Ivybridge site, with only 27% disagreeing, though 13% gave no definite view.
- Among only those who expressed a view, 69% supported the development.

The chart below show statistically significant differences among all respondents in the proportion answering Yes, they would like to see an Aldi on the proposed site.

Q7. Overall, would you like to see an Aldi on the proposed site in Ivybridge? – SIGNIFICANT DIFFERENCES BETWEEN SUB-GROUPS – ALL RESPONDENTS



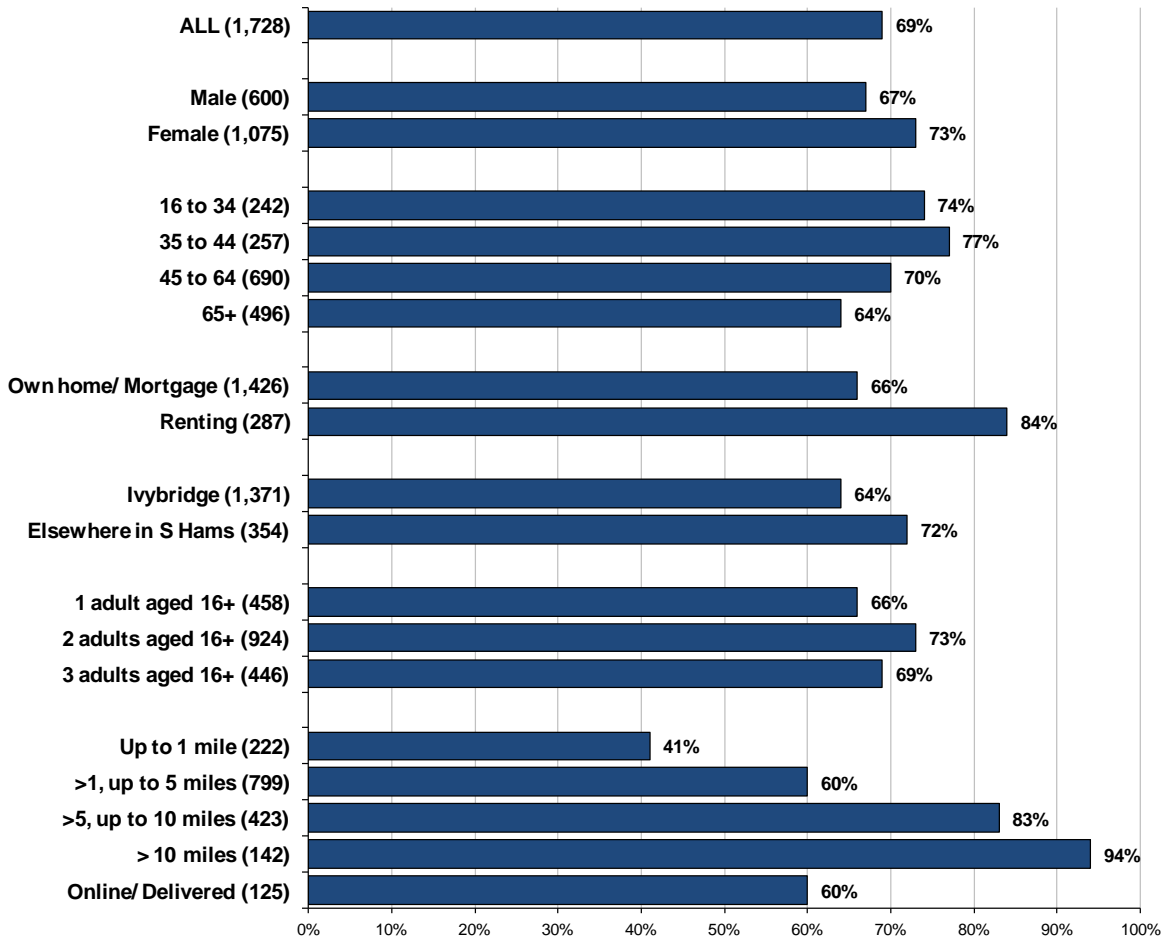
Source: Marketing Means 2020

Base: All respondents

- The sub-groups showing significantly higher support for Aldi on the proposed site were:
 - Females (63%)
 - Those aged 35-44 (71%), while support was only 53% among those aged 65+
 - People living in rented property (77%)
 - People in households with more than one adult (63%)
 - People travelling greater distances for their main shop (74% of those travelling more than 5, up to 10 miles, and 80% of those travelling >10 miles.

The chart below shows, similarly, the statistically significant differences among only those respondents who gave a definite Yes or No answer in the proportion answering Yes, they would like to see an Aldi on the proposed site.

Q7. Overall, would you like to see an Aldi on the proposed site in Ivybridge? – SIGNIFICANT DIFFERENCES BETWEEN SUB-GROUPS –RESPONDENTS WHO EXPRESSED A YES/NO VIEW

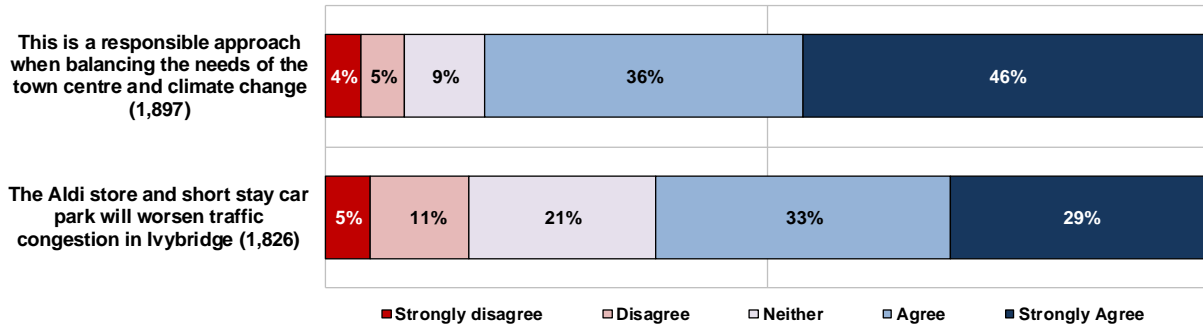


Source: Marketing Means 2020

Base: All respondents who gave a definite answer

- The sub-groups showing significantly higher support for Aldi on the proposed site were:
 - Females (73%)
 - Those aged 35-44 (77%), while support was only 64% among those aged 65+
 - People living outside Ivybridge (72%, vs 64% of those in Ivybridge)
 - People living in rented property (84%)
 - People in households with two adults (73%)
 - People travelling greater distances for their main shop (83% of those travelling more than 5, up to 10 miles, and 94% of those travelling >10 miles.

Q8/Q9. South Hams District Council aims to ensure that any new local shopping development is carbon-neutral and brings improvements to cycle and pedestrian links to the site. How much would you agree or disagree that:

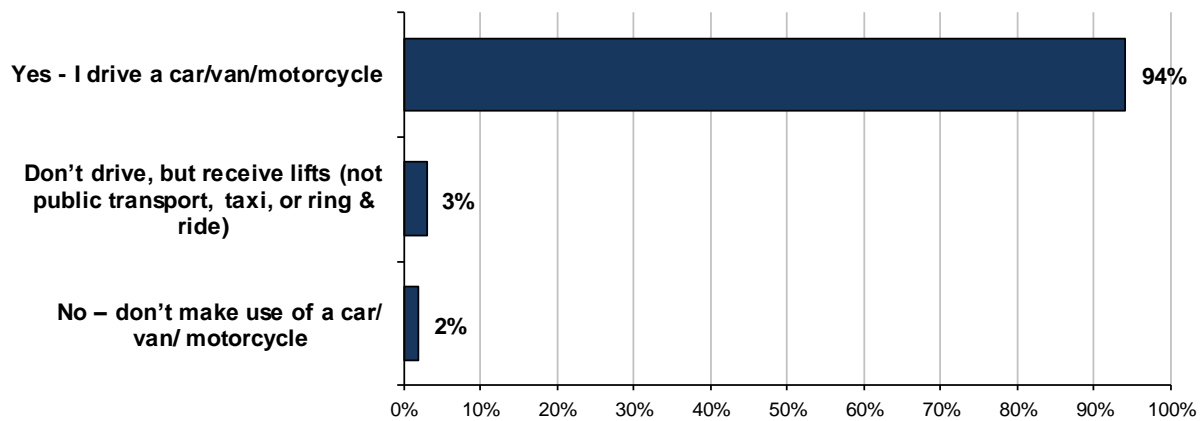


Source: Marketing Means 2020

Base: All respondents who expressed an opinion

- More than 80% agreed that the approach outlined for any new local shopping developments was responsible. A clear majority of 62% also agreed that the Aldi development would worsen traffic congestion in Ivybridge.

Q11 Do you drive a car/van/motorcycle or do you receive lifts from someone else who drives a private vehicle?

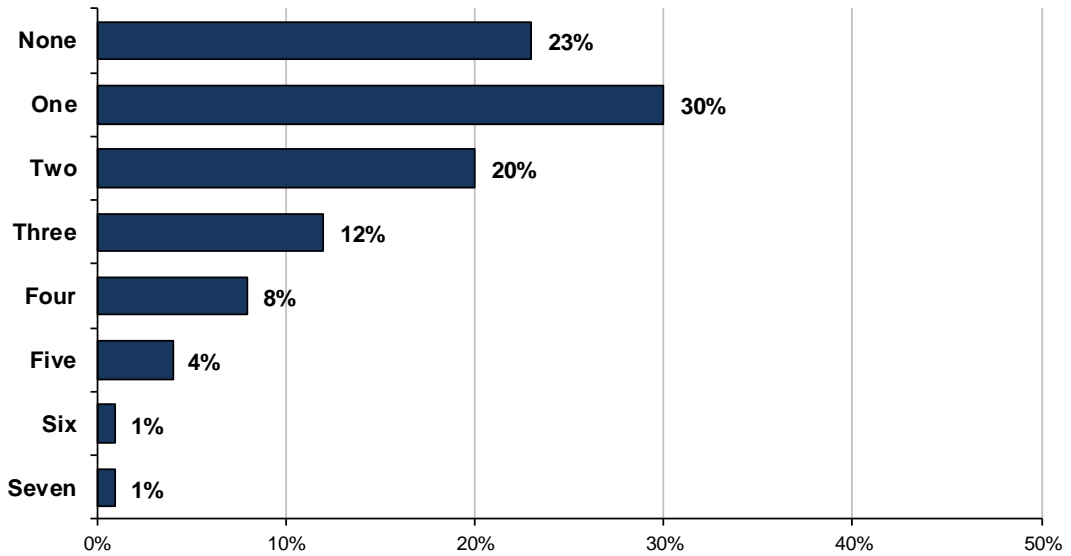


Source: Marketing Means 2020

Base: All who gave an answer (1,946)

- The vast majority of respondents (94%) claimed to drive a car, van or motorcycle. Combined with those who sometimes received a lift in a private vehicle, this group went on to answer a series of questions relating to parking in Ivybridge.

Q12. In a typical week, how many times do you park in Ivybridge town centre?

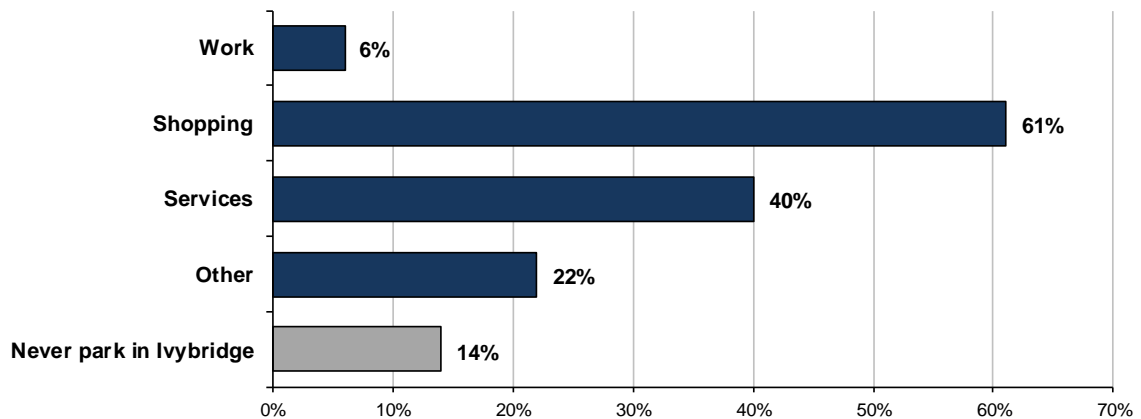


Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger, and gave an answer (1,863)

- Less than a quarter (23%) of those using a private vehicle do not park in Ivybridge town centre in a typical week. Half of all respondents using a vehicle park there one or two days a week with 27% parking there on three or more days.

Q13. Why do you park in Ivybridge town centre?

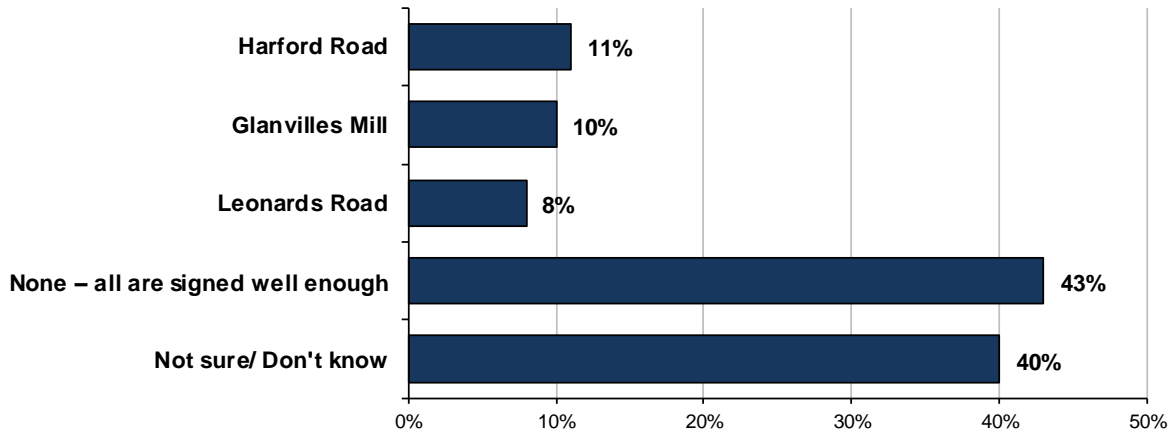


Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger and gave an answer (1,862)

- Shopping was the most likely reason for parking in the town centre, given by most respondents who use a private vehicle (61%). Services are the next most likely reason, giving by 40%, while only 6% park in the town centre to work in Ivybridge.

Q14. Which, if any, of Ivybridge’s car parks need better signage to help drivers find them?



Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger, and gave an answer (1,850)

- Most respondents felt either that all of the central car parks are signed well enough (43%) or didn’t feel able to give an answer (40%).

Q15. Would you use Ivybridge town centre more often if 90 minutes free parking were provided?

Would you use Ivybridge town centre more often if 90 minutes free parking were provided?

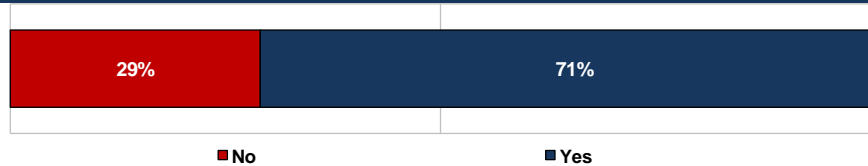


Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger, and gave an answer (1,864)

Q15. Would you use Ivybridge town centre more often if 90 minutes free parking were provided? (definite answers only)

Would you use Ivybridge town centre more often if 90 minutes free parking were provided?

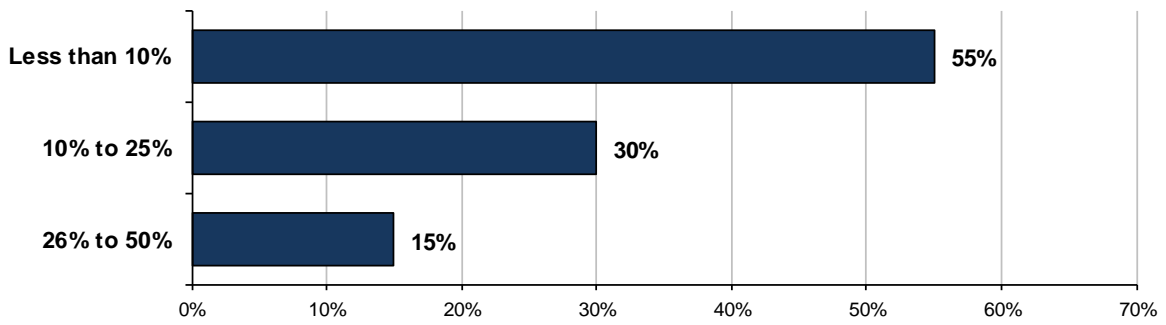


Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger, and gave a definite answer (1623)

- Most respondents who use a vehicle stated that they would use the town centre more often if 90 minutes’ free parking were provided (62% overall, rising to 71% of those who gave a definite answer).

Q16. What percentage of long-stay parking bays in Ivybridge town centre do you think should be allocated to permit parking only?

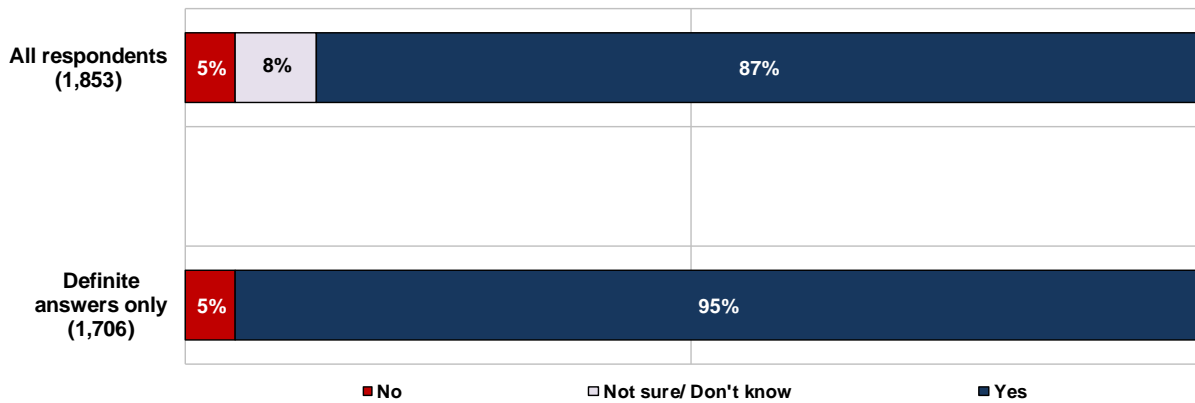


Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger, and gave an opinion (1,169)

- It should be noted that well over a third (38%) of respondent who used a private vehicle were unable or unwilling to answer this question. Among those who did, just over half (55%) felt that <10% of the long-stay parking bays in Ivybridge should be allocated for permit parking only.

Q17_1 - Should South Hams District Council develop a parking strategy that supports short-stay shoppers and visitors?

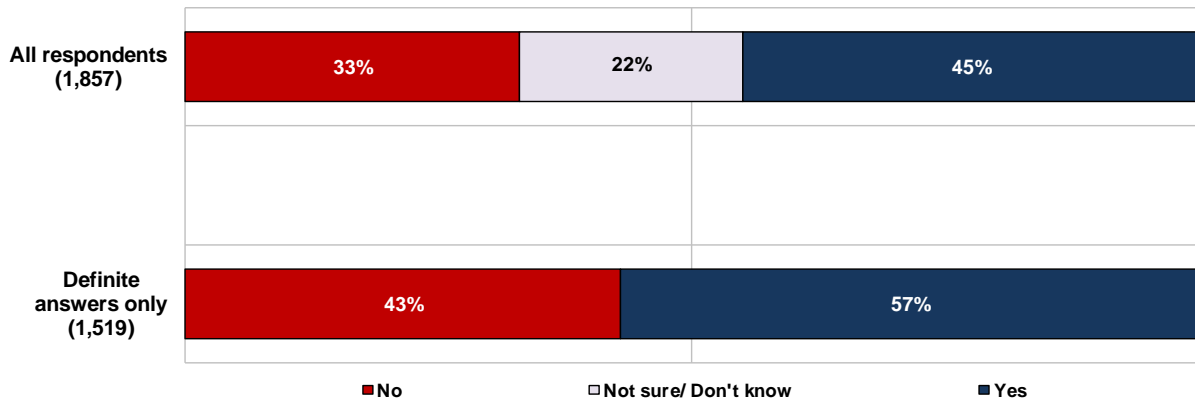


Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger and gave an answer

- The vast majority of respondents who use a private vehicle (95% of those who expressed a view) agreed that South Hams District Council should develop a parking strategy that supports short stay shoppers and visitors.

Q17_2. Should people who work in Ivybridge be encouraged to park further out of the town centre, leaving town centre parking more readily available for short-stay visits (maximum of four hours)?

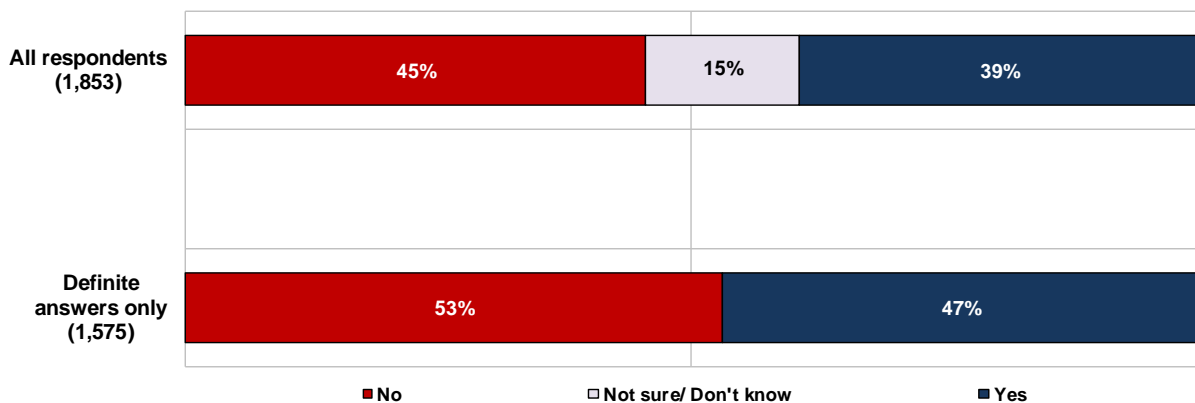


Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger and gave an answer

- Among only those vehicle-users who expressed a view, the majority 57% felt that people who work in Ivybridge should be encouraged to park further out of the town centre, though it should be noted that 22% of respondents could not give a definite answer.

Q17_3. If reduced-cost parking was available 5-10 minutes' walk away from the town centre, would you use it?

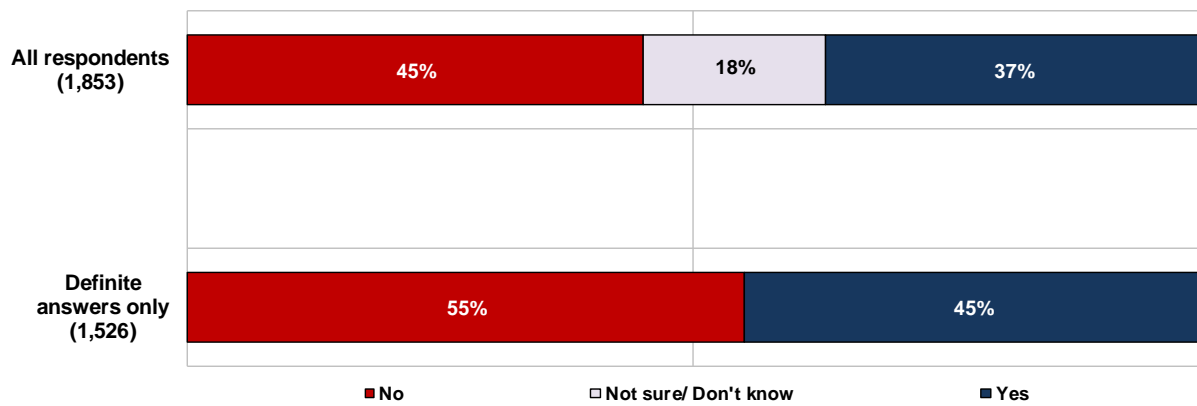


Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger and gave an answer

- There was a moderate likelihood of vehicle users making use of reduced-cost parking 5-10 minutes' walk from the town centre, with nearly half (47%) of those expressing a view saying that they would do so.

Q17_4. Would you support an increase in the cost of town centre long-stay parking if there was a cheaper option further out of town (5-10 minutes' walk)?



Source: Marketing Means 2020

Base: All who use a car/van as driver or passenger and gave an answer

- Most respondents who were vehicle users (55% of those who expressed a view) would not support an increased cost for town centre long-stay parking of a cheaper option existed 5-10 minutes' walk from the town centre.

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Investing In Your Community

Planning opportunities and benefits



**Aldi – Winner of
'The Best Grocer'**



T: 0844 406 8800
E: info@aldi.co.uk
W: www.aldi.co.uk

Registered in England 2321869

Prepared in conjunction with McCann Manchester and Jones Lang LaSalle.

Introduction

Aldi in the UK

Aldi is a supermarket operator that sells quality products at low prices. Based on the top 100 lines, Aldi is up to 26% cheaper than the UK's larger national supermarkets.

Aldi stores have a limited footprint and are of modest size, designed to serve local communities. Discount retailer Aldi opened its first store in the UK in 1990 and has now expanded to over 800 stores across England, Scotland and Wales.



“In 2018, Aldi became the fifth largest supermarket, ahead of Co-op, in addition to an increased market share against the ‘Big 4’ and other grocery stores in the UK.”

In 2018, Aldi became the fifth largest supermarket, ahead of Co-op, in addition to an increased market share against the ‘Big 4’ and other grocery stores in the UK.

Aldi experienced 10.4% growth in 2018, while achieving a market share high of 7.4% (Kantar Worldpanel for 12 weeks ending 20/12/2018).

Aldi leads the way on supporting British farmers. **100% of our fresh everyday meat and poultry in the UK is from British, Red Tractor approved farms** and more than 40% of the fresh fruit and vegetables we sell in the UK are also British.

The main attraction of Aldi for UK consumers is great value at low prices. Added to that Aldi also stocks an improved range and quality of products, and British-sourced fresh meat. All of this has combined to give Aldi a unique position within the grocery market.



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Purpose of this Document

The purpose of this document is to demonstrate to Local Authorities how Aldi meets the sustainable development objectives set out in Development Plans and in National Planning Policy.

The report sets out significant economic and community benefits which can be achieved through the opening of new Aldi stores within towns and communities.

A new store in a local catchment area can provide benefits such as:

- new employment opportunities

- increasing competition resulting in lower prices for consumers
- greater overall economic activity within that particular area
- reducing the distance required to travel
- increased retail choice
- regeneration of a local area

Aldi is aware however that each new site needs to be approached in an individual manner, with local planning policies and priorities taken into account. Aldi believes that the benefits outlined above are an integral part of any planning application.



Benefits and Advantages of an Aldi store

By addressing the objectives of local and national policies in planning applications for new stores, the benefits that Aldi brings to the wider community will be realised by more households.

These direct benefits include:

- Increased footfall to nearby businesses and centres
- A catalyst for future development in a local area including pump priming sterile sites
- Stimulating competition, which lowers grocery prices and offers greater choice
- Reducing travel costs for customers as they can shop locally
- Creating permanent, local retail jobs and training opportunities for the workforce
- Increasing business rates and other revenues for the local council
- Bringing multi-million pound investment into each site
- A sustainable business model

Investment

Not only do new Aldi stores create jobs but they trigger further investment. New stores often attract other retailers and businesses acting as a catalyst for regeneration, often by redeveloping failing or redundant sites. This encourages further development and improvements to existing businesses.

Many of Aldi's stores are developed on brownfield sites, which were underperforming or derelict. New stores bring life back to a community and provide security for local businesses and residents.

The investment an individual store brings directly to a site at development stage is considerable. The knock-on effects for suppliers, local contractors and the revenue

created for Local Authorities help to boost the local economy and bring additional benefits to the community.

Linked Trips

Aldi is not a one-stop shopping destination like large supermarkets. Its stores do not feature many of the amenities provided by larger supermarket formats, such as butchers, fishmongers, deli counters, pharmacies or cafes, thus reducing competition with small independent traders.

Aldi stores are modest in size, providing a discount food store choice within a given catchment area. The limited product line of circa 1,800 products means that, unlike a large supermarket format (which may sell up to 40,000 product lines), shoppers will often visit other local operators to complete their weekly shop. This means that shoppers typically supplement their shop at Aldi with additional trips to other shops in nearby centres and supermarkets therefore real linked trips occur.

Aldi's stores dedicate approximately 80% of their floorspace to convenience goods and approximately 20% to comparison goods made up of weekly specials. Given the short term, seasonal availability of the special lines, they have a negligible effect on town centres.



“Aldi's store concept means that shoppers are encouraged to continue to use other retailers and therefore **real linked trips occur.**”



“Multi-million pound investments are put directly into each new store at the development stage.”

Price and Choice

Aldi sells high quality goods at the lowest possible price. Discounted prices are usually achieved through bulk buying and economies of scale, specialising in the number of lines offered and maximising efficiency within the operation of its stores. The end result is that shoppers benefit by paying less.

The range and price of goods sold provide shoppers with an opportunity to choose to shop at Aldi in addition to the larger supermarkets.

Accessibility

Stores are conveniently located in town centre or neighbourhood locations thus they are accessible to communities. Where stores are located in out of centre sites, they are much closer to communities than Aldi's nearest stores. New stores usually mean shoppers can make shorter trips and continue to access local facilities, thus contributing to a sustainable shopping experience.

Benefits and Advantages of an Aldi store

Job Creation

Aldi currently employs over 34,000 colleagues in the UK, including over 24,000 within stores.

Aldi plans to recruit thousands of additional colleagues at all levels during the next few years to support its store expansion strategy. This means new opportunities in the stores and distribution side of the business. A vast percentage of these will be hired from within the local communities where Aldi is planning to open a store. Store roles range from Caretakers and Store Assistants to Deputy Store Managers, Assistant Store Managers and Store Managers.

Aldi employs between 30 and 50 colleagues in its new stores, and prefers to recruit colleagues locally as it voluntarily enters into Local Labour Agreements, demonstrating its commitment to a community. Aldi also offers one of the best working environments in the UK and one of the highest rates of pay in the supermarket sector, with the majority of Aldi colleagues now receiving a minimum rate of £9.10 per hour, regardless of their age, as of February 2019. All colleagues will benefit from rising salaries during their service, with Store Assistant salaries rising to £10.41 in year four. Store Assistants working within the M25 will receive £10.55 per hour, rising to £10.89 in year three.

Indirect Jobs

Construction:

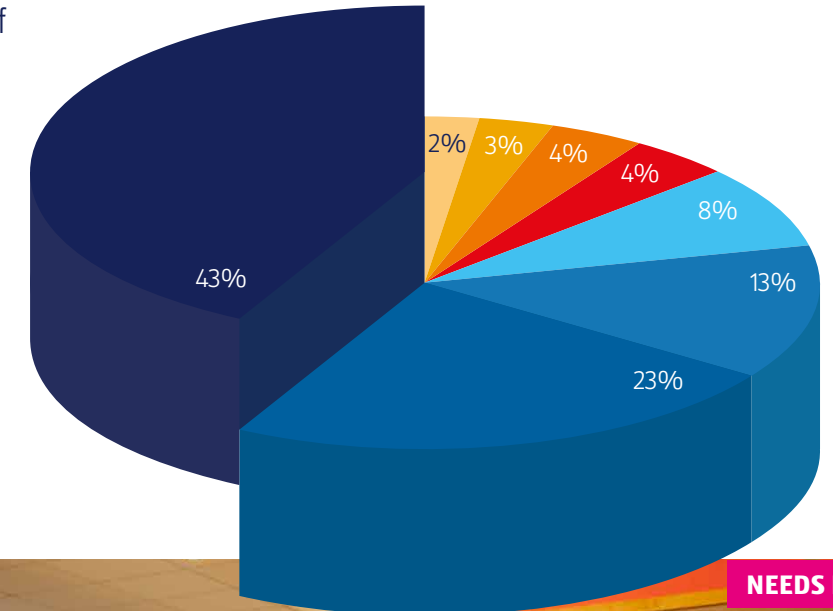
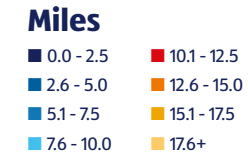
At construction stage, Aldi is willing to enter into Local Trade Agreements which ensure that local contractors are invited to tender for new development contracts.

Due to the scale of the projects for new Aldi stores, both local and national construction companies will subcontract large parts of their



“Currently the distribution centres including regional administration teams account for **400-700 staff per region.**”

Distance store staff travel to work (%)



“Aldi employs between 30 and 50 staff in its new stores.”

projects to local or regional companies. Usually a range of skills such as ground works, steel, brick and block work and shop fitting are sourced locally, as well as cleaners and labourers. Local or regionally based contractors are usually more competitive as travel and hotel costs aren't required, therefore keeping costs down and boosting the construction trade in a local area.

The expansion in store numbers is leading to requirements for new distribution centres and growth in existing distribution centres. This is resulting in further increases in jobs in the logistics part of the business, ranging from drivers to management. On average Aldi distribution centres account for the creation of around 500 jobs per region.

Aldi offers exceptional, market-leading salaries and offers full training for all colleagues which is tailored to each position and each individual. For example, all Aldi Store Assistants receive a structured training programme which typically lasts around six weeks and, where possible, the training will take place in their local store.

“Aldi offers market-leading retail salaries across all of its roles.”



Benefits and Advantages of an Aldi store

Career Progression

Aldi has two of the most successful Graduate and Apprentice Programmes in the UK.

Aldi demonstrated its commitment to employing young people even before the Apprentice Levy was introduced in April 2017 – having made a significant investment in the development and training of apprentices since it first launched its Stores Apprenticeship Programme in 2012. It then introduced the Logistics Apprenticeship in 2013 and further extended its Apprenticeship offering with the Drivers Apprenticeship in 2016. The three available Apprenticeship programmes have

created more than 1,000 jobs for young people since the initiatives began.

Aldi Apprentices are offered a permanent position at Aldi once they have completed their training successfully and gained the necessary qualifications. Depending on the programme applied for, this may include a Level 2 Retail Management Qualification, Level 2 Warehouse Operative Standard Qualification, Category C+E licence or a Level 2 LGV standard qualification.

There are more than 70 graduate places available for the 2019 Area Management Programme. Graduate Area Managers spend 12 months training and learning the ropes before they are given responsibility for four stores of their own. The training covers the entire spectrum of running a retail operation and is a UK-wide Programme.



NEEDS REPRO



“Over 1,000 apprentices hired by Aldi as part of a three-year programme across the UK.”



“Over 70 graduate places available for the 2019 area management programme.”



“Aldi employs over 34,000 people in the UK.”

Candidates with a 2:1 degree in any discipline and 96 UCAS points (or equivalent) are eligible to apply. Those with experience of managing a team in a previous role are able to join the Programme via the Career Changer route and start on a year two salary. Aldi also offers vast internal career progression opportunities across the business and provides additional training and qualifications to support colleagues to progress and develop.

Corporate Responsibility

Aldi has a comprehensive Corporate Social Responsibility (CSR) programme in place, covering three key pillars: simplicity, consistency and responsibility.

Aldi takes its responsibilities seriously and actively promotes its five areas of Corporate Responsibility, many of which are already mentioned throughout this document.

Aldi is responsible to its

- Customers
- Supply Chain
- People
- Community
- Environment

Customers:

In addition to ensuring customers only buy products of the highest standards and quality at the lowest prices, Aldi provides information so customers can make healthy choices when buying food and drink, including alcohol, by providing accurate and transparent information through clear product labelling.

Supply Chain:

Sustainable buying practices are essential to the long-term success of Aldi's business. Aldi's aspiration is that all their products are made in a sustainable way. Together with its suppliers, Aldi works towards increased transparency and continued improvement within the supply chain.

People:

Aldi's colleagues are the key to its success and the company employs over 34,000 people in the UK. It provides an appealing, efficient and supportive work environment and is committed to ensuring that each colleague receives the opportunity for individual personal growth.

Community:

Aldi seeks to make a positive contribution to the communities of which it is a part by applying its skills and resources beyond the core business operations. Aldi supports charitable organisations with donations of money and products as well as by using other resources available to the company, including the time and skills of employees.

Environment:

Aldi aims to minimise the ecological footprint of the entire business and strives to become a climate-neutral company. Aldi continues to increase energy efficiency across the business, minimising the impact of refrigerants, improving logistics efficiency, using renewable energies and supporting climate protection projects. Aldi aspires towards zero-waste business practices; reduce, reuse and recycle.

In cooperation with architects, planners, engineers and construction companies, Aldi implements innovative concepts to reduce the environmental impact of stores and distribution centres.



How we differ...



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Aldi's business model has proved ideally suited to take advantage of gaps within the current UK grocery market, by challenging the 'Big 4' supermarkets. Aldi's business model limits operating costs to ensure the lowest possible prices for its range of exclusive brands.

The evidence for this is Aldi's increasing market share, indicating that shoppers have been impressed with their overall experience.

Aldi offers a consistent familiar shopping environment, which resonates with consumers, compared to the confused formats and promotions which are used by competitors in order to increase or retain market share.

Aldi uses three key formats on its products; its **'Core Range'**, **'Specially Selected'** and **'Everyday Essentials'**, which are easily understood by consumers.

Aldi has a core range of around c. 1,800 products and only around 5% of these are

recognised brands, unlike the major superstores which stock between 15,000 and 40,000 lines.

Aldi stores do not feature in-house bakeries, butchers, pharmacies or cafes and so have a minimal impact on small, local businesses.

This format is backed up by a range of award-winning products, which have been endorsed by industry leaders. Aldi was awarded 'Grocer of the Year' in the prestigious 2018 Grocer Gold Awards and continually features within the Times Top 100 places to work, and the Guardian Best Graduate Employers lists.



"Aldi received a total of **16 gold accolades at the Grocer Own Label Awards.**"



"Where possible Aldi's fresh meat is UK sourced.

Fresh fruit and vegetables, such as strawberries, salads, carrots and potatoes are also sourced in the UK when in season."

Aldi offers a significant choice of locally sourced fresh meat and produce – Aldi sources its fresh meat and produce from the UK. Fresh fruit and vegetables are also sourced in the UK when in season, such as strawberries, salads, carrots and potatoes. In addition, Aldi works with a range of local businesses and suppliers in order to supply fresh bread, milk and other dairy products. As such, new Aldi stores provide a boost to the regional business community.

An Aldi shopping trip often forms one part of a wider shopping trip for convenience goods. This allows existing businesses within local communities, as well as the larger

supermarkets, to continue trading as they were.

In addition, Aldi's store format allows customers to spill over to local shops, as we don't sell tobacco and we don't have in store concessions such as a Post Office, a pharmacy or a café.

Aldi launched its Corporate Social Responsibility Policy (CSR Policy) in 2012, ensuring that responsibility is an integral part of our corporate decision-making processes, including within the supply chain.

Aldi ensures that its prices are affordable, so customers can be reassured that their grocery bill will remain consistently low over a sustained period of time.

Aldi does not operate a loyalty card scheme or gimmicky offers which result in price fluctuations for shoppers from week to week.

It is essential for Aldi that all products are made responsibly; they do not damage the environment or workers.

Aldi's CSR Policy is constantly evolving as an important component of Aldi's investment in local communities and is a strong offering compared to most other retailers.



Expansion

Aldi has an ambitious growth strategy for the next few years. Aldi is planning to open 60 new stores in 2019 and will operate 1,200 by 2025 across England, Scotland and Wales. It also plans to extend a number of stores in order to expand the available retail space.



“Aldi’s stores often provide a neighbourhood function which is reflected in the scale of development and relationship with the community.”

Over the next decade, Aldi hopes to double its store portfolio, offering significant development opportunities for Councils across the UK to enhance their communities.

“Aldi is planning to open 60 stores per year across England, Scotland and Wales.”

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All distribution centres have undergone significant expansion, a new RDC opened on the Isle of Sheppey in January 2019 and the East Midlands will have a new, dedicated distribution centre in Sawley in 2020.

Typical Site Requirements

Aldi is constantly on the look-out for new sites that can accommodate new stores. Aldi has a standard store format which is essential to minimise development costs which are otherwise reflected in prices for customers.

A typical site would be at least 0.7 hectares (1.7 acres) and can accommodate

- a store of circa 1,900m² gross
- at least 100 car park spaces
- provision for site access
- provision for servicing and deliveries
- landscaping
- Aldi’s stores are modest in size

- Aldi’s stores provide a neighbourhood function which is reflected in the scale of development and relationship with the community

New sites are identified by Aldi when it is a viable business opportunity in order to allow prices in store to remain consistently low.



The NPPF states that: ‘sustainable development can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs.’



“Aldi has a strong track record in delivering schemes which contribute to the needs of the local economy.”

It is about positive growth – making economic, environmental and social progress for this and future generations. The planning system should therefore seek to facilitate sustainable development.

Aldi supports the three overarching objectives of achieving sustainable development set out in the NPPF:

- an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth
- a social objective – to support strong, vibrant and healthy communities, including fostering a well-designed and safe built environment, with accessible services
- an environmental objective – to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, and mitigating and adapting to climate change, including moving to a low carbon economy

Most of Aldi’s sites are well connected to town centres or within the heart of communities, with many customers travelling on foot and by public transport.

National Policy recognises that to deliver sustainable development, Local Authorities need to:

- build a strong, competitive economy and ensure the vitality of town centres

Town Centre Locations

As a retail operator, Aldi recognises that town centres form an integral part of communities. Many of Aldi’s stores are located in town centres, neighbourhood centres and on edge of centre sites, supporting and encouraging new businesses. Many sites provide the opportunity to redevelop and regenerate centres which have suffered from high levels of vacant units and old building stock.

Community Site Locations

Increasingly Aldi is opening stores in the heart of communities, many in residential and mixed commercial areas. Often the local catchment areas that Aldi stores serve are outside of town centres and local authorities recognise that our supermarkets provide a local offer, keeping spend local and reducing travel costs.

Retail Assessments

Where Aldi’s new stores are located in out of centre locations, it is important we demonstrate that the proposal is Sustainable Development in line with the NPPF, thus addressing the two key tests of Impact and Sequential Sites Assessment.

An impact assessment is usually required for out of centre schemes, and in particular those of 2,500m² gross or more. Aldi stores sit comfortably below this threshold and many Local Authorities recognise that the modest size of our stores does not require a full impact assessment. Our impact assessments show



“Aldi contributes to positive growth, making economic, environmental and **social progress for this and future generations.**”

that the modest size of stores and moderate turnover has negligible impact on town centre convenience offers. Overall, the assessments show that the positive benefits on balance significantly outweigh any potential harm.

Competition Commission

During the investigations by the Government’s Competition Commission into the grocery sector, the Office of Fair Trading (J Fingleton, 2006) stated that **‘Legislation is to protect competition not competitors. In many scenarios consumers benefit from increased productivity and efficiency in terms of choice, wider availability, greater innovation and lower prices.’**

Aldi is a prime example of how increased competition provides customers with greater choice whilst not compromising quality. The key driver when choosing where to buy convenience goods is the quality and the price, thus keeping competition healthy with the larger supermarket operators and keeping more change in the purse.



Planning Compliance

Planning Policy encourages:

- a positive approach from decision takers
- approval of applications for **sustainable development** where possible
- Councils to work **proactively** with applicants to secure developments that improve the economic, social and environmental conditions of the area

Aldi's stores are modest in size, providing a complementary convenience retail offer to existing convenience shopping provision in their respective catchment areas. Aldi's stores are spread across a range of geographical areas.

Some are located in:

- town, district, local and neighbourhood centres
- edge of centre sites
- local communities
- retail and leisure parks

Out-of-centre

Aldi's edge of centre, community and retail park stores which are not attached to defined centres have been approved by Local Planning Authorities because each have demonstrated that they meet Development Plan objectives, do not harm the vitality and viability of nearby centres and provide Sustainable Development. Aldi chooses sites in local catchment areas which can serve local communities, therefore reducing the need to travel and providing a convenient offer without having to make a longer trip. The environmental, social and economic benefits of Aldi's locations provide a convenient and competitive shopping experience.

Choice

Aldi stores do not provide a 'one stop shop' due to their modest scale and limited product range including branded goods. This means Aldi's customers generally shop elsewhere as well, to complete a full weekly shop. Aldi's complementary offer therefore provides a balance for shoppers who want the freedom to choose where they shop in their local area to get best value for their budgets.



"The local nature of many of Aldi's stores also encourages high levels of pedestrian shoppers and users of public transport."



"Aldi wants to **invest in your community** to provide a new local supermarket with quality products at low prices in an accessible and sustainable location."

Community Engagement

Aldi engages in pre-application consultation with councils and the local community, involving meetings with local councillors, planning officers and members of the public. We hold exhibitions, provide letters to local residents and advertisements in the local press. At exhibitions, members of local communities, councillors and other stakeholders can visit Aldi's project team to discuss the proposals and get answers to any questions. Local engagement is important and allows Aldi to work with the community to provide the right scheme and establish support.

In-centre

Aldi's stores in town, district and local centres comply with Development Plan policies which meet the national 'town centre first' policy objectives.



Catchment

Aldi's modestly sized stores mean that many towns can accommodate more than one store, serving shoppers visiting a town centre and within local neighbourhoods. A new store often provides a shorter shopping trip, therefore reducing the need to travel as far, often to a store outside of the catchment area. This assists in clawing back trade which may otherwise be spent elsewhere.

Aldi's local presence helps to retain expenditure within a given catchment area and contributes to improving market share further demonstrating sustainable development.

Viability

Aldi's cost efficient concept means that often it has to avoid complicated sites with land assembly issues which are often located in town centre locations. In such catchments, Aldi will seek to identify less complicated sites further afield, to edge and out of centre locations. This is a positive response to consumer choice for shoppers as it allows Aldi to keep its prices low and therefore, combined with other benefits, offsets any perceived adverse impact on those centres.

Highway Compliance

Aldi considers highway matters within all its planning applications. Proposed developments are encouraged to promote accessibility by all modes of travel, specifically public transport, cycling and walking. Given that proposed stores are conveniently located, the majority of car trips are not new to the

network, but transferred or linked trips. The local nature of many of Aldi's stores also encourages high levels of pedestrian shoppers and users of public transport. Pedestrian shoppers are particularly common in residential areas.

Design Compliance

Aldi recognises that design is a key consideration and takes great pride in their appearance. Aldi injects multi-million pound investments into its sites to provide modern buildings.

Moving forward, the design of each store is consistent across Aldi's portfolio, promoting modern, smart buildings with clean lines on main elevations and glazed frontages. In sensitive areas, such as conservation areas, bespoke detail is implemented. Aldi's maintenance programme ensures all buildings are reviewed and maintained to retain standards. This programme emphasises Aldi's attention to detail.

Residential Amenity

The form, scale, appearance and layout of the proposed developments are taken into consideration within all planning applications located close to residential areas. Aldi's project team works closely with residents to ensure they are informed of the development progress.



"Aldi's stores comply with development plan policies in town, district and local centres which meet the national 'town centre first' policy objectives."

Summary

Aldi is keen to demonstrate to Councils that Aldi considers all factors in preparing its development proposals for new stores.

In addition to its town centre stores, both edge and out of centre stores continue to provide benefits to shoppers and communities by providing economic, social and environmental benefits, therefore providing Sustainable Development in line with planning policy.

Aldi shoppers continue to shop in smaller, local shops, thus keeping competition alive in the convenience sector of local towns.

Benefits of Sustainable Planning

In line with national planning guidance, development should be sustainable.



“Wherever possible, fresh bread, dairy and meat products are sourced from the UK, therefore **UK suppliers benefit from the success of the Aldi brand.**”



“Aldi is not a one-stop-shop so it forms part of a wider weekly food shop, therefore shoppers continue to support other convenience store provisions including niche and larger stores.”



Aldi is sustainable in so many ways:

- It creates development on brownfield sites
- It acts as a catalyst for regeneration in underperforming areas
- It provides choice and accessibility for shoppers in local communities
- Aldi is not a one-stop-shop so it forms part of a wider weekly food shop, therefore shoppers continue to support other convenience store provisions including niche and larger stores
- Stores encourage linked trips to other convenience stores, services and other businesses
- Stores are modest in scale therefore town centres continue to thrive and function side by side
- It creates economic regeneration with jobs in stores, logistics and construction
- Local contractors benefit from new stores
- Customers can make shorter trips
- Many customers live within walking distance of new stores
- It is loyal to and committed to the development of its staff
- Its efficient business format keeps costs down, prices down and contributes to improving the environment
- Locally sourced produce benefits local suppliers
- At design stage consideration is given to the local environment, residents and the highway network
- It sells quality products at low prices, which is attractive to all members of our communities
- Aldi stores serve local communities thus complying with national planning policy by encouraging local sustainable developments

Case Studies

The Causeway, Billingham

(Stockton-on-Tees Borough Council)

Store opened April 2016
Town Centre Site

Decision Making Process
Approved by Delegated Decision.

Site Proposal
Erection of foodstore (1,540m² gross) with associated car parking and landscaping.

Store Size
1,540m² gross/900m² net

Site Description
The site is situated on the corner of Moreland Avenue and The Causeway, within Billingham District Centre. The site was previously occupied by Billingham Arms Public House, a car park and public realm.

Sequential Location
Town centre site.

Local Environment
The store is located within Billingham District Centre. Queensway (a pedestrianised shopping street) extends west of Moreland Avenue. The wider surrounding area is characterised by residential uses.

Planning Process
An application for the erection of a 1,540m² foodstore with associated car parking was originally approved in 2011. In 2014 an application for a non-material amendment was submitted alongside a detailed application for the demolition of the former

Public House and construction of a car park area. As a town centre scheme the proposals were policy compliant and it was recommended that the application be Approved.

Planning Permission
Planning permission was granted by Delegated Decision.

Policy Compliance
The proposals were in compliance with the development plan, as the site fell within Billingham District Centre. The proposal would not have any adverse impacts on the character of the area, amenity of neighbouring occupiers or access and highway safety therefore meeting town centre, sustainable living and sustainable travel objectives.

Public Response
The application for the food store was supported by local residents with a total number of 60 letters of support and 2 petitions supporting the application received during the formal consultation process carried out by Stockton Borough Council.

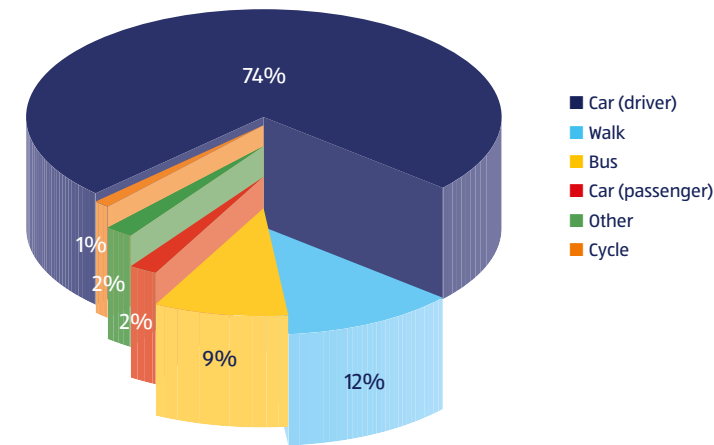
Customer Survey

- 12% of customers walk to the store and 9% travel by bus
- Over 20% of customers travel by sustainable modes demonstrating the store's accessibility to the immediate community
- Most customers (63%) visit Aldi for main shopping, 16% for top-up shopping and 21% for both purposes
- 92% of respondents also use other supermarkets including the Asda store in Billingham District Centre (30%) and the Tesco Store at Leeholme Road (54%)
- 46% of customers also use other convenience stores in the District Centre, demonstrating continued support for other shops in the centre following the arrival of Aldi
- 49% of customers were going on to, or had already been to, other shops in the centre, demonstrating linked trips following the arrival of Aldi

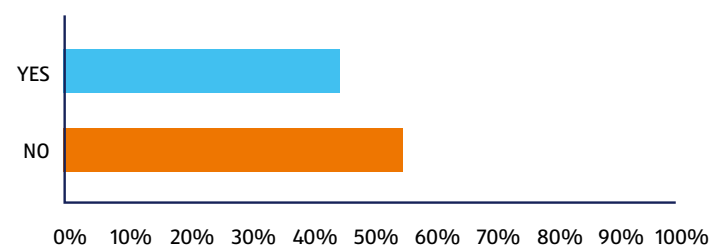
- 97% of respondents thought the store was an improvement on the site and considered the store has had a positive impact on the local area
- 69% of respondents live less than two miles from the store, exhibiting that the store is well used by people in the local area

- Benefits**
- The store attracts local people to shop locally and encourages linked trips within the District Centre
 - Some local businesses have benefitted from the new store
 - The store has increased footfall in the local area
 - Aldi's investment has aesthetically improved the area, following redevelopment of a brownfield site
 - Improved choice and low prices within an area served primarily by more expensive supermarket operators
 - High quality design and reduction in carbon emissions

Mode of transport



Do you do other food shopping in the town centre?



“Over 20% of customers travel by sustainable modes.”

25 jobs created

District centre site

1,540m²/900m² in size



Case Studies

3 Port Causeway, Bromborough

(Wirral Council)

Store opened July 2017
Out of Centre Site

Decision Making Process

Approved by the Council's Planning Committee following officer recommendation to approve.

Site Proposal

Demolition of existing buildings and the erection of a food store, car park, servicing, access and landscaping.

Store Size

1,812m² gross/1,254m² net

Site Description

The site is located at the junction of the A41 New Chester Road and Port Causeway at the entrance to Wirral International Business Park. The site was previously occupied by two office buildings.

Sequential Location

Out of centre site.

Local Environment

The store sits within a mixed-use area comprising commercial, community and residential uses, a park and fronted by a landscaped area on the A41.

Planning Process

As the site was designated as a Primarily Industrial Area, Aldi was required to prepare a

robust employment land assessment including marketing information to demonstrate the site was not viable or suitable for B1, B2 and B8 uses. A sequential test and a retail impact assessment were required and both tests were passed and accepted by the Council. It was also confirmed that Aldi would keep its existing town centre store at nearby Bebington. The scope and content of all assessments were agreed with officers before the planning application was submitted. The development was supported following consensus that the site was unlikely to attract interest from end users or developers for employment uses and the retail proposal was the most appropriate use including the creation of local jobs.

Planning Permission

Planning permission was granted by the Planning Committee.

Policy Compliance

The site is a departure from the Wirral development plan, as the proposed development was identified as a Primarily Industrial Area on the UDP Proposals Map and UDP Policy EM8. However, Aldi's Employment Land Study, including over 12 months of marketing, met the criteria for loss of employment land. Combined with a retail assessment which passed the sequential and impact tests, it was demonstrated that the proposal was compliant with the local plan and NPPF thus planning permission was granted.

Public Response

There was limited resistance to the proposal by members of the public with 91% of residents supporting the proposal as part of Aldi's public consultation. Supporters expressed their support for a new discount foodstore which would replace a brownfield site.



NEEDS REPRO

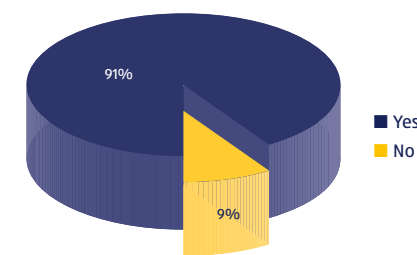


"91% of respondents find the store is an improvement on the site."

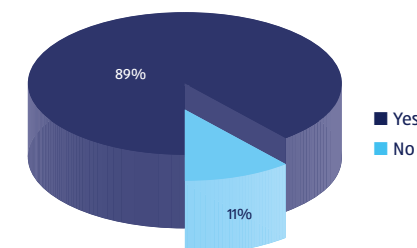
Customer Survey

- 91% of respondents find the store is an improvement on the site and has had a positive impact on the local area
- 89% of customers also use other supermarkets and shops in the area
- 24% of customers continue to shop in their local town centre for food and other shopping
- 67% of customers live within three miles of the store providing a local store and keeping travel costs low

Improvement in the area



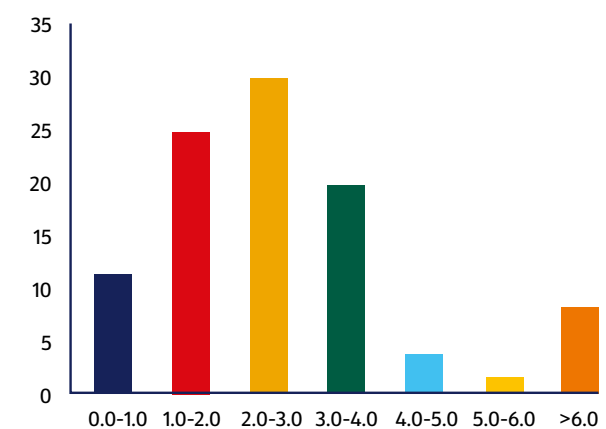
Visiting any other stores



Benefits

- Efficient use of a brownfield site which had otherwise attracted no market interest for employment use
- Improved choice and low prices within an area served primarily by more expensive supermarket operators
- High quality design and reduction in carbon emissions
- Complements the mixed use corridor along the A41
- Sustainable development in a mixed use area

Distance travelled (miles)



30-35 jobs created

Out of centre site

1,812m²/1,254m² in size



Case Studies

Chickerell, Weymouth

(West Dorset District Council)

Store opened September 2017
Out of Centre Site

Decision Making Process

Approved by the Council's Planning Committee following officer recommendation to approve.

Site Proposal

Hybrid application: Full application for the erection of a Class A1 foodstore with associated access, car parking and landscaping and outline application for up to 500m² of Use Class A1 to A5 floorspace.

Store Size

1,804m² gross/1,254m² net

Site Description

The store sits between the access road to Link Park 'retail' park and Cerne Villas residential park. The store is served by 126 car parking spaces with access from Chickerell Road.

Sequential Location

Out of centre site.

Local Environment

The store sits within a mixed-use area comprising commercial and residential uses.

Planning Process

As the site was identified as Key Employment site, Aldi was required to prepare a robust justification to demonstrate the proposal would provide supporting facilities and an economic enhancement over and above B1/B2/B8 uses. A sequential test and a retail impact assessment were required. Both tests were passed and accepted by the Council. It was considered that the retail use and complementary uses would provide an element of employment which on balance bring a benefit to the local community.

Planning Permission

Planning permission was granted by the Planning Committee.

Policy Compliance

The site is a departure from the West Dorset/Weymouth & Portland Local Plan, as the proposed site was identified as a key employment site. However, the submitted employment land assessment demonstrated that a real effort has been undertaken to achieve alternative employment uses on that site. Combined with a retail assessment which passed the sequential and impact tests, it was demonstrated that the proposal was compliant with the local plan and NPPF thus planning permission was granted.

Public Response

The local community and local members supported the development, highlighting the various benefits the store will bring to the local area.



"93% of respondents find the store is an improvement on the site."

NEEDS REPRO

Customer Survey

- 93% of respondents find the store is an improvement on the site and has had a positive impact on the local area
- 97% of customers also use other supermarkets and shops in the area
- 24% of customers continue to shop in their local town centre for food and other shopping
- 79% of customers visit the store at least once a week
- 67% of customers live within four miles of the store thus keeping shopping journeys local

Benefits

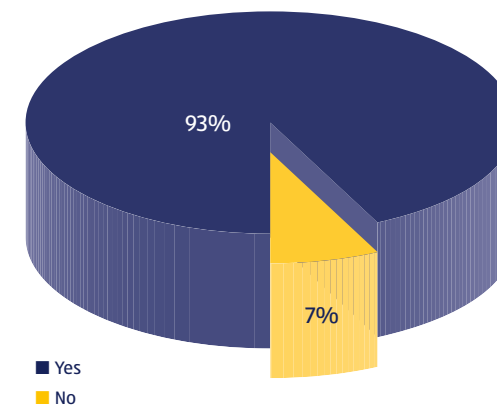
- The store has become an asset to Chickerell
- Improved choice and low prices within an area served primarily by more expensive supermarket operators
- High quality design and reduction in carbon emissions
- The site is accessible by various sustainable modes of transport
- Introduction of a new store to serve West Weymouth

30 jobs created

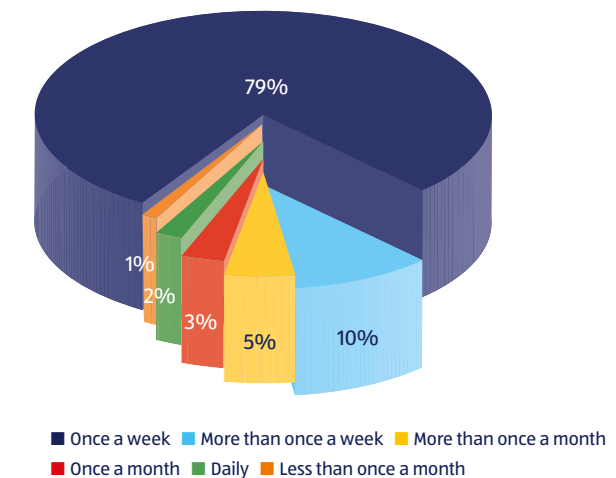
Out of centre site

1,804m²/1,254m² in size

Improvement in the area



Customer visits



Case Studies

4 Roman Way, Crayford

(London Borough of Bexley)

Store opened November 2016
Town Centre Site

Decision Making Process

Approved at Council's Planning Committee following officer recommendation to approve.

Site Proposal

Regeneration of the site through the construction of a Class A1 foodstore unit, together with 3 additional class A1 units and associated car parking and landscaping.

Store Size

1,834m² gross/1,266m² net

Site Description

The site is bound by Roman Way and is located west of Crayford High Street. The site had been vacant for over 10 years and was formally occupied by the Crayford BT exchange.

Sequential Location

District Centre site.

Local Environment

The site is located within Crayford Major District Centre and is situated on an 'island' site alongside three additional commercial units, two of which are occupied by Cancer Research and KFC. The surrounding area is characterised by further commercial uses.

Planning Process

As a mixed use development, officers wanted to see a higher density development and raised concerns regarding design. Aldi demonstrated that this was a deliverable scheme on a long term vacant site. Officers recognised the benefits of the scheme including the design. Issues including highways and flood risk were also raised which were overcome with appropriate transport and flood risk assessments. The principle of retail development at the site was accepted due to its district centre location.

Planning Permission

Planning permission was granted by committee decision on 20 November 2015. Unanimous support was obtained for the proposals at committee.

Policy Compliance

The proposals were considered to be in compliance with the Local Development Plan and were recommended for approval within the Officers Report. Subsequently, the application was approved by committee in November 2015.

Public Response

Aldi undertook extensive public consultation through a leaflet drop to local residents and also met key stakeholders. More than 90% of the local people that responded to the consultation expressed their support for the proposals.

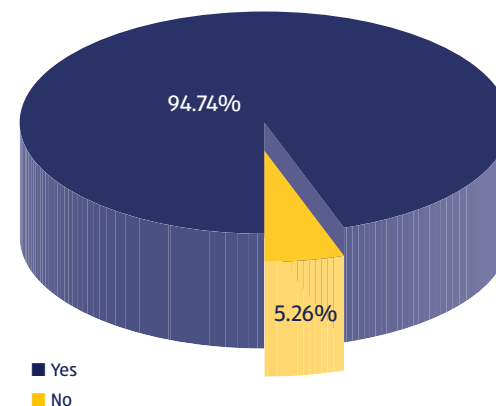


“87.5% of respondents shopped at the store at least once a week.”

Customer Survey

- Most customers (79%) visit Aldi for main shopping, 23% for top-up shopping and 20% for both purposes
- 91% of respondents also use other supermarkets including the town centre Sainsbury's (48%) and the Asda store (15%)
- 94% of respondents thought the store was an improvement on the site and considered the store has had a positive impact on the local area
- 87.5% visit the store at least once a week

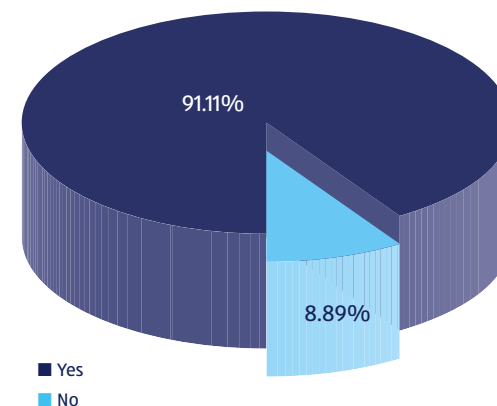
Improvement in the area



Benefits

- The store attracts local people to shop locally and encourages linked trips within the District Centre
- The store has increased footfall in the local area
- Aldi's investment has aesthetically improved the area, following redevelopment of a brownfield site left vacant for over 10 years
- Improved choice and low prices within an area served primarily by more expensive supermarket operators
- 43 jobs created at the store, employing local people

Visiting any other stores



43 jobs created

District site

1,834m² / 1,266m² in size



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