

**Addendum to application 2021/1800 - New Aldi  
Supermarket, 381 Croydon Road, Caterham**

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## Addendum

### Committee 09 June 2022

#### Item 5: 381 Croydon Road, Caterham, Surrey, CR3 6PN

- **Para 74** - The Tree Officer's consultation response states that in terms of retained trees, those few trees that are growing in close proximity to the development will be protected by the retaining wall as described within the Barrell arboricultural report. In that respect there are no concerns raised.
- **Para 75** - With regards to landscaping the only trees proposed are to be planted either side of the car park entrance, with no trees planted within the car park area itself, to provide both amenity, biodiversity benefit and shade. This could be secured by condition, as there is certainly space available for at least one further substantial tree if underground root cells are installed, and therefore no objections are raised, but it may be appropriate to inform the applicant that more work on the soft landscaping scheme will be required to discharge the condition.

No objections subject to the condition below, which you may wish to amend in terms of the hard elements:

Hard and soft landscaping

No development shall start until full details of both hard and soft landscape works have been submitted to and approved in writing by the Local Planning Authority and these works shall be carried out as approved. These details shall include:

proposed finished levels or contours

means of enclosure

car parking layouts

other vehicle and pedestrian access and circulation areas

hard surfacing materials

minor artefacts and structures (eg. furniture, play equipment, refuse or other storage units, signs, lighting etc.).

Planting of at least three trees with a minimum stem girth of 14-16mm. The new trees will be native cultivars and capable of attaining a minimum height of 10m at maturity. Sufficient soil volume must be provided to support the trees from establishment to maturity.

Details of soft landscape works shall include all proposed and retained trees, hedges and shrubs; ground preparation, planting specifications and ongoing maintenance, together with details of areas to be grass seeded or turfed. Planting schedules shall include details of species, plant sizes and proposed numbers/densities.

All new planting, seeding or turfing comprised in the approved details of landscaping shall be carried out in the first planting and seeding season following the completion or

occupation of any part of the development (whichever is the sooner) or otherwise in accordance with a programme to be agreed. Any trees or plants (including those retained as part of the development) which within a period of 5 years from the completion of the development die, are removed, or, in the opinion of the Local Planning Authority, become seriously damaged or diseased shall be replaced in the next planting season with others of similar size and species, unless the Local Planning Authority gives written consent to any variation. The hard landscape works shall be carried out prior to the occupation of the development.

Reason: To maintain and enhance the visual amenities of the development in accordance with Policy CSP18 of the Tandridge District Core Strategy 2008 and Policy DP7 of the Tandridge Local Plan: Part 2 – Detailed Policies 2014.

- **Para 38 –**
  - Difficulties for ....by trucks
  - The proposal would adversely affect the vitality and viability of the existing Waitrose store and the wider retail stores within Caterham town centre. The objection letters received from First Plan who act as agents for Waitrose Store are attached to this Addendum as in Appendix 1 and Appendix 2.
  
- **Condition 11.** - Prior to first occupation of the development hereby approved the Travel Plan (Aldi Stores Ltd dated March 2022) shall be implemented. The approved Travel Plan shall be thereafter monitored in accordance with the schedule set out in Section 5.3 within the said plan and thereafter maintained and developed to the satisfaction of the Local Planning Authority in conjunction with the monitoring undertaken by the Highway Authority.  
Reason: In recognition of Section 9 'Promoting Sustainable Transport' in the National Planning Policy Framework 2019 and in order that the development should not prejudice highway safety nor cause inconvenience to other highway users.
  
- **Condition 12.** - Prior to first occupation of the development hereby approved Delivery and Servicing Management Plan (dated 9 May 2022) (DSMP) shall be implemented. The approved DSMP shall be thereafter monitored in accordance with the schedule set out in Section 5.3 within the said plan and thereafter maintained and developed to the satisfaction of the Local Planning Authority in conjunction with the monitoring undertaken by the Highway Authority.  
Reason: In recognition of Section 9 'Promoting Sustainable Transport' in the National Planning Policy Framework 2019 and in order that the development should not prejudice highway safety nor cause inconvenience to other highway users.
  
- The Agent for this application have provided a response to the committee report and a letter clarifying further on matters related to the proposal and its impact on the viability of other existing retail units in Caterham and highways matters. Both these documents have been attached to this addendum as: Appendix 3 and Appendix 4.

## Appendix 1

### Objection 1 from Waitrose

Firstplan act on behalf of Waitrose & Partners, who operate a store at Station Avenue in Caterham-on-the-Hill town centre. We have been informed of the submission of the above application and, on behalf of our client, wish to make representations as we have significant concerns on the impact of the vitality and viability of Caterham-on-the-Hill ('Caterham') town centre. We have reviewed the information which has been submitted in support of this application, and in particular the Planning & Retail Statement ('PRS') which has been prepared by Planning Potential ('PP') on behalf of the applicant. We have a number of concerns over the robustness of this document, which are set out in full in this letter. Based on the information submitted, we do not consider the application satisfactorily demonstrates that the proposed development meets the requirements of national and development plan policy, particularly in respect of the potential impact of the proposed development.

#### WAITROSE IN CATERHAM-ON-THE-HILL

Waitrose operate a longstanding store in Caterham town centre. The store commenced trading in 1982 and occupies a prominent position in the town centre, on Station Avenue adjacent to the entrance to Caterham railway station. Caterham is a small town centre and, as is common with suburban settlements of this nature, is predominantly reliant on convenience goods shopping to support its overall 'vitality and viability'. The Waitrose store therefore acts as a clear 'anchor' store to the wider offer of the town centre. A Morrisons supermarket, which opened in 1990 (originally as Safeway) as part of the development of the Church Walk Shopping Centre, acts a second convenience goods anchor. Whilst the centre offers a limited range of comparison (non food) shopping, none of the retailers present can be considered to perform a similar 'anchor' role.

Indeed, this 'anchor' role has taken on additional significance during the pandemic, where the vital role which foodstores play in supporting local communities has been amplified. The pandemic has resulted in fundamental shifts in shopping behaviour which include an increased proportion of spending for non-food goods online, with many non-food retailers now seeking a reduced physical store portfolio. The commercial leisure sector, which has been significantly affected by the pandemic with a number of closures and CVAs across the sector, will also take time to recover from the pandemic. Changes in the service sector have also taken place, with banks and other professional services consolidating their operations in many locations. The above sectoral trends emphasise the need for existing anchor stores to be afforded an appropriate level of protection, given the role they play in supporting wider town centre vitality and viability.

#### POINTS OF OBJECTION

As stated above, we have reviewed the PRS which has been submitted in support of the application and have identified a number of matters of concern which form the basis of our objection to the application. These can be summarised as follows:

- (1) The policy status of the application site
- (2) The qualitative 'need' for 'deep discount' foodstore provision
- (3) Technical inputs into the quantitative retail impact assessment

These matters are considered in turn below.

### Policy status of the application site

Section 5 of the PRS (and in particular paragraphs 5.19 to 5.24) consider that the application site is in a 'local centre', because it sits adjacent to a parade of neighbourhood shopping facilities. There are also references to 'local centre' made extensively elsewhere in the PRS. The Council will be aware that the application site benefits from no such policy designation as a local centre, and for the applicants to infer that the site does function as one is not appropriate.

The Council will review, identify and define the role and function of its shopping parades as part of its development plan, and it should therefore be for the development plan, not a planning application, to determine what role a particular shopping parade is playing within an authority's retail hierarchy. In this instance, the Council has clearly considered the parade of units which includes the application site to not perform a 'local centre' role. The application site is therefore out-of-centre (i.e. the least-preferred location in sequential terms) and needs to be fully assessed against national and development plan policies on this basis.

### Qualitative 'need' for a 'deep discount' retailer

The PRS identifies that the case for an Aldi store on the application is to meet a qualitative need for a 'deep discount' retailer in Tandridge District. Whilst 'need' is not in itself directly a consideration in the determination of a planning application, we nevertheless note that provision of this nature will be provided through the delivery of a new Lidl store in Caterham town centre. Accordingly, no weight should be given by the authority to this point in their consideration of the application.

### Technical inputs into retail impact assessment

Paragraphs 6.57 to 6.74 of the PRS set out the key technical inputs into the quantitative retail impact assessment which is set out in the data tables at Appendix 8 to the PRS. We have identified a number of fundamental concerns over the technical inputs which are discussed in the above sections of the PRS and we provide further details of these below. The concerns we have identified are fundamental to the overall outputs of the retail impact assessment exercise and mean that its findings cannot be considered to be a robust basis on which to assess the impacts of the proposed development. For the avoidance of doubt, we consider the catchment area of the proposed development to be robust (shown at Figure 6.2 of the PRS) and do not seek to challenge this.

#### i) Appropriate timeframe for assessment of development.

The assessment uses the findings of Tandridge Council's most recent retail capacity evidence base (Lichfields, 2018), which in turn uses household survey data (albeit in adjusted form) dating from 2015. The 2018 Lichfields study had assessment years of 2018, 2023 and 2028. PP have extrapolated this data for the purposes of their impact assessment to assess the impact of the proposed development at a 'design year' of 2026, i.e. five years from the date of application submission.

Guidance set out in the Town Centres and Retail PPG states (para 018) that '*The design year for impact testing will need to be selected to represent the year when the proposal has achieved a 'mature' trading pattern. This is conventionally taken as the second full calendar year of trading*'.

On this basis, the forecast year for the impact assessment should be 2024, assuming the store is constructed and operational by the end of 2022. By extending the forecast year to 2026, the quantitative impacts of the proposed development appear reduced as population and expenditure growth comes forward. To get a clear assessment of the impact of the proposed development, the Council should therefore require the applicants to assess the impact of the proposed development at the correct forecast year of 2024.

ii) Population growth

Paragraph 6.58 of the PRS notes that the 2018 Lichfields study models three different population growth scenarios, and that PP have used the 'baseline' population growth model to inform their retail impact assessment. Given the amount of time that has passed since the publication of the Lichfields study, the Council will need to be satisfied that the 'baseline' model remains the most accurate reflection of likely levels of population growth which are expected to come forward in the District.

iii) Expenditure growth and 'special forms of trading'

Table 2a-3b of Appendix 8 to the PRS identify the expenditure growth which is expected to come forward in the catchment area. This appears to have been again directly sourced from the 2018 Lichfields study and is therefore now three years out of date. Per capita expenditure data should be revised with updated 2021 based spending data provided by Experian or an equivalent data provider.

There is also a lack of transparency in Tables 2a-3b on how 'special forms of trading' such as online shopping has been accounted for in the impact assessment tables; the footnote to the tables simply states that the expenditure figures 'exclude special forms of trading'. This is a critical consideration, particularly in light of the changes to shopping patterns which have come about as a result of the pandemic and have resulted in higher levels of uptake of online shopping (both for food and non-food shopping). A higher level of online shopping reduces the spend available to support 'bricks and mortar' retail floorspace. Therefore, if PP have not used to up to date 'special forms of trading' discounts, the effect will be that the current turnover of existing retail stores in the catchment area may be over-stated. The authority should request clarification on this matter, and ensure that 'special forms of trading' rates reflect the latest guidance published by Experian.

iv) 'No development scenario'

We draw attention to Table 6.5 of the PRS which assesses the 'benchmark' turnover of existing convenience retailers within the catchment area of the proposed development. Crucially, this identifies that the two foodstores in Caterham town centre are already trading at below company average levels, even prior to any trade draw to the proposed Aldi store being accounted for. Table 6.5 of the PRS shows that:

- The Waitrose store at Station Avenue has a convenience goods turnover of £13.08m at 2021 (based on shopping patterns identified by the 2018 Retail Study), compared to a 'benchmark' turnover (based on operator average applied to sales area) of £16.64m, i.e. £3.56m lower than benchmark turnover.
- The Morrisons store at Church Walk has a convenience turnover of £23.76m at 2021, compared to a 'benchmark' turnover of £24.81m, i.e. £1.05m lower than benchmark turnover.

As we have identified above, these two stores act as the clear 'anchor' stores to Caterham town centre, and therefore underpin its overall vitality and viability, and therefore any adverse

trading of these stores has potential implications for the overall 'health' of the town centre. The fact that both stores are trading below average in a 'no development' scenario presents cause for concern as it means that this 'under-trading' will be exacerbated when allowing for trade draw to the proposed Aldi store. The Council will also be aware that both the Waitrose and Morrisons stores will also lose trade draw to the recently-approved in-centre Lidl store which is currently under construction.

Paragraph 6.64 of the PRS states that '*whilst this assessment considers the individual performance of stores in terms of convenience goods turnover it is recognised that the test set out in paragraph 90 of the NPPF is the 'impact of the proposal on town centre vitality and viability' i.e. the centre as a whole and not one individual retailer*'. Whilst this acknowledged, what the PRS has failed to identify is the implications of the impacts of the performance of individual retailers on the wider vitality and viability, in situations where such stores act as 'anchor' retailers, as is the case with Waitrose (and Morrisons) in Caterham.

v) Turnover of 'commitments'

The 'benchmark' turnovers of existing retailers are also set out at Table 8 of Appendix 8 to the PRS, albeit for the 'design year' of 2026 rather than the submission year. In addition to our comments above, we note that PP have used a noticeably low convenience goods sales density for Lidl (£8,661 per sq.m), which is stated as being derived from the 2018 Retail Study. This is not an up to date sales density and does not reflect the growth in market share which has been achieved by Lidl in recent years which has improved the sales density of their stores. This means the turnover of the approved Lidl store in Caterham town centre will in reality be higher than the £6.06m set out in Table 8. We note that a recent (March 2021) application for a new Lidl store at Holyhead Road, Coventry, adopted a convenience sales density of £10,103 per sq.m and we consider this to be a more robust convenience sales density.

vi) Turnover and trade draw of the proposed development

Table 9 of Appendix 8 to the PRS identifies the forecast turnover of the proposed Aldi store. PP have calculated the turnover on the basis that 70% of the floorspace will be used for the sale of convenience (food) goods and 30% for the sale of comparison (non-food) goods. We draw attention to the fact that this sales split is different from the floorspace split from which Aldi stores typically trade from, which is 80% convenience sales and 20% comparison sales. We note that the applicants have themselves recently submitted a planning application for a new Aldi store in Uttoxeter, Staffordshire, which identifies an 80/20 floorspace split. Other examples of recent planning applications for new Aldi stores which identify an 80/20 floorspace split include Lutterworth in Leicestershire, and Alcester in Warwickshire.

The assumption of 70% convenience sales is of critical importance when assessing the impact of the proposed Aldi store, as it means the convenience goods turnover of the store is under-reported - which in turn means the impact on existing convenience retailers within and surrounding the catchment area is artificially reduced. The table below shows the turnover of the proposed Aldi store if the 80/20 floorspace split adopted by the company in applications elsewhere is applied.

The table shows that if the typical 80/20 Aldi floorspace split is applied, the convenience turnover of the store is £1.3m higher than stated in the PRS. This will therefore be an additional £1.3m that is drawn from existing convenience retailers in the catchment area, the majority of which can be expected to fall on retailers in Caterham town centre, principally the Waitrose and Morrisons stores (together with the approved Lidl which is yet to commence



trading) – indeed, as Table 10 of Appendix 8 to the PRS shows, PP have forecast that 85% of the turnover of the proposed Aldi store will be sourced from zone 2 of the household survey area which covers Caterham.

	Net sales floorspace sq.m	Convenience sales floorspace %	Net convenience floorspace sq.m	Turnover density £ per sq.m	Total convenience turnover £m
PP assumption	1,165	70	816	11,145	9.09
Firstplan assumption (reflecting PP approach elsewhere)	1,165	80	932	11,145	10.39
Difference	-	-	+116	-	+1.3

Table 11 of Appendix 8 to the PRS shows the patterns of trade draw from existing retailers to the proposed Aldi supermarket. The figures shown in the table are inaccurate because of the discrepancy set out above regarding the proportion of sales area has been assumed for the sale of convenience goods sales.

However, notwithstanding this point, the patterns of trade draw which have been assumed require significant further justification and explanation than is currently presented in the PRS. In our view, it is apparent that the amount of trade draw from convenience goods retailers in Caterham town centre has been understated. For example:

- Despite the PRS making a number of references to the similarities in store format between Aldi and Lidl, the PRS only anticipates a trade draw of £0.5m from the Lidl store in Caterham town centre once it commences trading. This is contrary to the ‘like for like’ principle when identifying likely patterns of trade draw which is clearly set out in the ‘Town Centres & Retail’ PPG.
- The amount of trade draw from the Waitrose store is, in our view, also understated. For example, we note that the applicants have only forecast £0.9m trade draw from Waitrose, compared to £1.4m from Sainsbury’s in Warlingham, despite the latter being a further distance away (1.6miles compared to 1.1miles) and serving a different settlement (Warlingham/ Hamsey Green). The £0.9m trade draw from Waitrose is also noticeably lower than the trade draw from the nearby Morrisons store.

vii) Approach to cumulative impact

More broadly, we do not consider that the combined trading effects of the approved Lidl and proposed Aldi have been fully and robustly assessed in the form of a detailed cumulative impact assessment. As noted above the Lidl development appears to have simply been given an arbitrary trade draw figure of £0.5m, and no identification of the trade draw the Lidl will have on existing retailers is set out. The council should request this from the applicants in order for a full understanding of the combined impact of the two stores (and thus wider town centre vitality and viability) to be properly understood.

viii) Impact of the proposed development

Paragraphs 6.67 to 6.74 (inclusive) of the PRS set out a high level review of the potential impact of the proposed development on the network of centres including Caterham town centre. As set out above we have identified a number of concerns in respect of the inputs into the impact assessment which informs these conclusions and on this basis we are of the view that the conclusions on impact should not be given any weight by the authority in their assessment of the application.

We do however draw attention to the fact that Table 12 of Appendix 8 shows that, following the PP impact assessment, a significant number of foodstores will be trading at below benchmark levels, including all convenience goods floorspace in Caterham town centre (Waitrose, Morrisons and specialist / independent retailers). The difference to the benchmark and impacts identified in this table will be higher still once the correct convenience goods floor area (i.e. 80% not 70% of sales area) is applied to the impact analysis. However, even based on the information shown in Table 12 of Appendix 8, we have significant concerns about the potential impact of the proposed development on the vitality and viability of Caterham town centre on account of the impact arising on its foodstore anchors.

## CONCLUSIONS

To conclude, it is considered that the council should not determine the application until clarification on the above points have been provided by the applicants. Based on the information currently provided, it is considered that it has not been robustly demonstrated that the impacts associated with the proposed development will be acceptable.

Firstplan on behalf of Waitrose & Partners reserve the right to provide further comment on the application if additional information is submitted and we request to be kept informed in respect of this.

## Appendix 2

### Objection 2 from Waitrose

Firstplan act on behalf of Waitrose & Partners, who operate a store at Station Avenue in Caterham-on-the-Hill town centre. We have previously submitted an objection to the above application to Tandridge District Council (TDC) on 15th December 2021. Subsequent to this, TDC have instructed their retail planning advisers Lichfields to review the application and specifically the Planning & Retail Statement (PRS) prepared by the applicants, Planning Potential (PP), as well as the objection previously submitted by Firstplan. PP have not provided any further information by way of response to the Lichfields critique.

We wish to place on record our continued objection to this application on behalf of our clients. Indeed, we feel it is critical that these concerns are placed on record and highlighted to Members given that the officer's report for the application makes no clear reference to our original objection in the summary of objections, and summarises matters associated with retail impact - which will be critical to the long term success, vitality and viability of Caterham town centre - in a single paragraph in their report. On this basis, we request that a copy of our objections is provided to Members to review in advance of the planning committee on 9th June 2022.

By way of recap, our previous objection primarily concerned the following matters:

- The policy status of the application site, which is not in a town centre location as suggested by PP and is an out-of-centre location in sequential terms.
- The qualitative 'need' for 'deep discount' foodstore provision, which PP argue is pressing but will, in reality, be met by the approved planning application for new Lidl foodstore in Caterham town centre, removing any further qualitative need for any additional provision of this nature
- Technical inputs into the quantitative retail impact assessment, which are out-of-date and in particular do not have regard to up to date forecasts of expenditure growth and online shopping.

#### Summary of concerns

Whilst we welcome the acknowledgement by Lichfields that many points of our objection are robust, we are disappointed to note that Lichfields do not offer any clear conclusions on the acceptability of the proposed development in terms of its potential retail impact, despite acknowledging (para 2.52) that *'the likely impact on Caterham town centre is a complex issue'* and that (para 4.2) their review of the PP report *'has raised issues, particularly the absence a full update of information previously adopted in the TRLS 2018<sup>1</sup> and a transparent cumulative impact assessment of the proposed Lidl and Aldi stores.'*

To address this latter point, Lichfields have undertaken their own assessment of potential trading impacts, however this assessment has also been superseded by the publication of more recent retail planning data in January 2022. It is, in our view, of critical importance that a decision is made based on the latest available data in order to robustly and accurately

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<sup>1</sup> Tandridge Retail & Leisure Study, Lichfields on behalf of Tandridge District Council

assess the potential impacts of any proposed development. We return to discuss these in full below.

We are also disappointed to note that Lichfields have not, in our view, fully considered the potential qualitative impacts of the proposed development on the vitality and viability of Caterham town centre, for example the loss of footfall and linked trips spending with other businesses in the town centre as a result of trade diversion from the Waitrose and Morrisons stores which perform an 'anchor' role to the town centre. In the context of this, we note that Lichfields conclude that *'Lichfields estimates the Waitrose store is currently trading 17% below the company average. If the Lidl store is implemented, then the Waitrose store is forecast to trade 20% below benchmark. If both Aldi and Lidl stores are implemented, then the Waitrose store could trade 24% below average.'* In our view, and particularly given the role which the Waitrose store plays in supporting the wider vitality and viability of Caterham town centre, this should present cause for concern and may in the long term present potential challenges to the trading viability of the Waitrose store. Again, we return to discuss this further below.

We also are surprised to see that, despite Lichfields concluding (para 4.7) that *'There are several potential development sites within Caterham town centre that are physically capable of accommodating a discount food store'* and that *'their availability within a reasonable period of time is uncertain'*, that the sequential test is considered to be satisfied.

On the basis of the above matters, we continue to strongly object to this application and that scope clearly exists for a significant adverse impact to arise on the vitality and viability of the Waitrose store (and therefore the wider vitality and viability of Caterham town centre) as a consequence of the proposed development. Below, we revisit our original points of objection in full, drawing additional reference to Lichfields' assessment of the application where relevant.

#### (1) The policy status of the application site

We are pleased to note that Lichfields agree (para 3.1) with our view that the application site is in an out-of-centre. It is therefore in the least favourable location in sequential terms for new development.

#### (2) The qualitative 'need' for 'deep discount' foodstore provision

As we have identified in our previous objection, the PRS identifies that the case for an Aldi store on the application is to meet a qualitative need for a 'deep discount' retailer in Tandridge District. Whilst 'need' is not in itself directly a consideration in the determination of a planning application, we nevertheless note that provision of this nature will be provided through the delivery of a new Lidl store in Caterham town centre. Accordingly, it is reiterated that no weight should be given by the authority to this point in their consideration of the application.

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#### (3) Technical inputs into the quantitative retail impact assessment

Lichfields undertake a review of the key technical inputs into PP's retail impact assessment in Section 2 of their report, and identify several areas of discrepancy. Rather than asking PP to respond to their queries/ areas of uncertainty, Lichfields have undertaken their own 'sensitivity analysis' of retail impact, based on their own assumptions and views. Whilst we

do not set out a detailed step-by-step critique of these, we make comment/ draw attention to the following areas of particular concern.

(i) Population and expenditure growth

Lichfields correctly identify that PP used out-of-date forecasts of expenditure and online shopping ('special forms of trading') growth in their PRS, which were three years out of date at the time of submission of the planning application as it used data forecasts from Experian Retail Planner 15, which was published in December 2017. Lichfield update PP's analysis using equivalent forecasts published in Experian Retail Planner 18 (October 2020). However, it is critical to note that these forecasts have now again been superseded on account of the publication of Experian Retail Planner 19 (January 2022). There are important differences in the findings of Retail Planner 19 versus that of Retail Planner 18. For example, as shown in Tables 1 and 2 below:

- The amount of per capita spend on convenience goods is now forecast to reduce by -2% between 2022 and 2023 (note that these forecasts were published prior to the advancement of the current cost of living crisis)
- The proportion of convenience goods spend diverted to online shopping is now forecast to be 0.3 percentage points higher than was forecast in Retail Planner 18.

Table 1. Changes to per capita convenience expenditure growth, RP18 vs RP19

	RP18 (2020)	RP19 (2022)
2022-23	0.20%	-2.00%
2023-24	0%	0.10%
2024-25	0%	0.10%

Table 2. Changes to online shopping/SFT convenience goods expenditure 'claim', RP18 vs RP19

	RP18 (2020)	RP19 (2022)	% pt difference
2022	5.40%	5.70%	0.30%
2023	5.70%	6.00%	0.30%
2024	6.00%	6.30%	0.30%
2025	6.20%	6.50%	0.30%

The upshot of the above is that the amount of convenience goods spend available to the local catchment is likely to be reduced relative to the position assessed by both PP and Lichfields. This in turn means that any financial impact on existing stores within the local catchment will be higher, as their turnover will be reduced. In the case of foodstores which fulfil an anchor role such as the Waitrose and Morrisons stores in Caterham, this is a critical consideration.

(ii) Foodstore convenience benchmark turnovers

At para 2.22 of their report Lichfields acknowledge that '*it is not clear where the Lidl store's turnover will be diverted from i.e., trade diversion and impact on existing stores*'. Despite the absence of this information, Lichfields do not set out a request for PP to provide this information. Lichfields also agree with our statement that PP's '*approach in relation to cumulative impact caused by both the proposed Lidl and Aldi stores is not transparent*'. Again, however, there is no request for additional clarity in respect of this point, leaving Lichfields to make their own assumptions as part of their sensitivity analysis.

The information provided by Lichfields in respect of the sales density of Lidl stores in response to our previous comments in relation to this matter are noted and acknowledged.

(iii) Turnover of the proposed Aldi store

We welcome Lichfields' agreement of our view that the sales split in the proposed development is, at 70% convenience goods sales / 30% comparison goods sales area, untypical for an Aldi store. However, we do not agree with the solution put forward by Lichfields (para 2.28) to restrict the sales floorspace by planning condition (although we note this recommendation has been carried forward by the planning officer as draft condition 18).

As is well-documented, Aldi stores are designed to trade with near-identical layouts across all stores, with few differences in ranges of goods sold or internal layouts to floorspace. Whilst a 70% convenience sales restriction could, on paper, be applied, the reality is the store would likely trade in a highly similar nature to the company's existing stores and therefore the trade draw from existing retailers would be greater than tested by PP, with potential for greater financial impact on the existing network of stores including those in defined centres. The imposition of a 70% convenience goods sales restriction will ultimately be a condition which the authority will find it difficult to enforce.

(iv) Lichfields' sensitivity impact test

Given the identified shortcomings in the PRS, Lichfields have undertaken their own assessment of the potential financial impacts of the proposed development, which are set out at Tables 2.8 and 2.9 of Lichfields' report. These clearly show that the town centre foodstores in Caterham town centre will experience high levels of trading impact as a consequence of the proposed development, when considered alongside the previously-approved Lidl. The trading impacts identified are:

- An impact of between -15.3% and -16.5% on the in-centre Morrisons store;  
and
- An impact of between -8.9% and -9.5% on the in-centre Waitrose store.

These levels of financial impact are not, in our view, acceptable levels of impact given the anchor role which these stores both play in supporting the wider vitality and viability of Caterham town centre. The combined loss of trade from these two stores will be, based on Lichfields' analysis at Tables 2.8 and 2.9 of their report, between £4.90m and £5.32m. This in itself should represent clear cause for concern for the authority, and furthermore this analysis does not factor in any loss of associated trade/ footfall to other town centre businesses which would otherwise benefit from linked trips and spending. This loss of spend will not be fully offset by the opening of the Lidl store which occupies an edge-of-centre

location in an area of secondary shopping activity and does not benefit from the same prominence within the centre and potential to support its overall vitality and viability.

(v) Summary of impact and trading performance of Waitrose

Lichfields acknowledge at para 2.52 that *'The likely impact on Caterham town centre is a complex issue. The future scenarios involves the implementation of a proposed new Lidl store within the town centre, which is expected to enhance the town centre's overall retail offer, although there will be internal trade diversion from the Waitrose and Morrison's stores within the town centre'* (our emphasis).

For the reasons set out above, we consider it to be incorrect that any loss of trade from the Waitrose/Morrisons stores will be offset from the opening of Lidl, which does not offer the same scope to contribute to the wider vitality and viability of the centre. Lichfields go on to acknowledge (para 2.61) that the Waitrose store *'will be trading towards the lower end the range one would expect'* following the opening of the Aldi, and identify at para 2.63 that the Waitrose store would be trading at nearly 25% lower than its 'benchmark' (even prior to any trade diversion to the Lidl/Aldi stores, Lichfields identify the Waitrose store as trading at 17% below average). Given the store's town centre location and contribution to its wider offer, these findings should again present the Council with cause for concern. We also strongly contest the conclusion by Lichfields at para 2.64 that simply because the Caterham Waitrose store has, in their view, historically traded at below company average levels, the impact will be acceptable and the store will not close.

Paragraph 2.65 of Lichfields' report states that *'The Waitrose objection letter submitted by Firstplan refers to the importance of the Waitrose and Morrison's acting as anchors stores benefitting the rest of the town centre. The objection letter suggests "any adverse trading of these stores has potential implications for the overall health of the town centre." However, it is not clear from the objection letter whether Waitrose considers their store could be vulnerable to closure, or whether the loss of trade will have a knock-on adverse impact on the rest of the town centre.'* Para 2.73 then states that *'In overall terms, customer choice and retail provision within Caterham town centre should improve following the successful implementation of the Lidl store, provided the Waitrose store is not forced to close.'* The inference in both of these statements appears to be that, because we have not explicitly stated that the Waitrose store will close in the event the application scheme is approved, it will be acceptable in impact terms. Paragraph 4.4 of the Lichfields report summarises that *'The key concerns in terms of impact would be the possible closure of the under-performing Waitrose store or the possible withdrawal of Lidl from the former Rose and Young site development. However, the available evidence does not suggest either scenario is likely'* (our emphasis).

For the avoidance of doubt, Waitrose monitor the trading performance of their network of stores carefully and would not seek to make any decision on the future of its Caterham branch until the trading impacts of the opening of the Lidl and (if approved) Aldi stores has been established 'on the ground'. However, it is confirmed that the Caterham store does trade below both wider company benchmark levels, and also regional benchmarks for stores of comparable size and locations, and Waitrose are of the view that the current 17% under-trading figure identified by Lichfields is in fact an over-estimate of its trading performance, with the gap to benchmark levels in reality being significantly wider than this.

Clearly, if both the approved Lidl and proposed Aldi stores commence trading, once loss of trade to these stores is factored in the performance relative to company/regional benchmarks will worsen which may present future challenges for the ongoing trading viability of the store.

In light of this, the risk to the store's continued trading is clearly going to be higher if the proposed development is approved than if it is not, and the Council should consider this eventuality in their determination of the planning application given the role which Waitrose plans in supporting the wider vitality and viability of Caterham town centre. Whilst any supermarket operator will have stores which trade above and stores which trade below average levels, the extent to which a store can sustainably trade at significantly below company average levels in the long term will be a matter which Waitrose will carefully monitor in the event the application scheme is approved.

### Conclusions

We continue to strongly object to this application on behalf of our client and do not believe a convincing argument has been made that the proposed development will not result in a 'significant adverse' impact arising on Caterham town centre on account of both the trading impact on its anchor foodstores, and the related impacts in terms of loss of footfall/trade to support linked trips spending.

On the basis of the above points it is requested that either:

- (i) the authority defer the application to allow an updated assessment of trading impacts to be undertaken, to which we reserve the right to provide further comment on; or
- (ii) the application is refused on the grounds that the impacts forecast will result in a significant adverse impact on Caterham town centre, both in terms of the quantitative impact of the loss of trade from the two anchor town centre foodstores (which will not be fully mitigated through the opening of the previously-approved Lidl foodstore); and also the qualitative impact on loss of linked trips and support for other town centre retailers as consumer confidence struggles to return in light of current economic concerns.

It is requested that a copy of these representations is provided to Members as part of late papers, given the officers' report into the application does not give mention to our concerns.



## **Appendix 3**

### **Agent's response to committee report**

#### 1.0 Introduction

1.1 Connect Consultants Limited is a firm of transport planning and highway design consultants who have been instructed in relation to the proposed new Aldi discount foodstore on the B2208 Croydon Road in Caterham, Surrey.

1.2 A full planning application was submitted to Tandridge District Council (TDC) on 16<sup>th</sup> September 2021, which was validated on 19<sup>th</sup> October 2021 (LPA reference TA/2021/1800).

1.3 This Technical Note (TN) has been produced as a response to paragraph 59 of the TDC committee report, dated 30<sup>th</sup> May 2022, in regards to parking:

“59. Both Tandridge District Council officers and Members need to be guided by advice from SCC as the highway authority whether the apparent significant reduction in proposed parking provision to serve the proposed development will adversely impact on highway safety for users of Croydon Road and this further advice is awaited and an update will be provided at the Planning Committee meeting.”

1.4 This TN has been produced at the request of Surrey County Council (SCC) to set out a brief summary of the methodology used to reach a conclusive agreement between Connect and SCC on the suitability of the proposed parking provision.

#### 2.0 Site Context

2.1 For the planning application, the proposed Aldi foodstore was assessed based on a Gross Internal Area (GIA) of 2,095 sq.m., of which 1,164.5 sq.m. is retail floor area, with a ground floor parking provision of 64 spaces.

2.2 It was noted in the Connect Transport Assessment (TA), dated September 2021, associated with the planning application, that 343 sq.m. of the proposed building will be occupied by 'vertical circulation', i.e. entrance block, travellators, stairs and lifts, that are ancillary to the retail, warehousing and back-of-house operations of the development and therefore not applicable to the determination of parking provision. The resultant floor area used in calculating the maximum parking standards equates to 1,752 sq.m.

#### 3.0 Parking Standards

3.1 The Connect TA assessed the proposed parking provision based on the Tandridge District Council parking standards, as set out in the TDC Supplementary Planning Document 'Tandridge Parking Standards' (September 2012), which were the standards that SCC confirmed should be used in their pre-app advice report dated 17<sup>th</sup> May 2021. These standards were deemed by SCC to be the most appropriate given the location of the site within the Tandridge region and the fact that the approved application for the nearby Lidl store in Caterham also made use of these standards.

3.2 For food retail developments, TDC prescribe two sets of maximum standards; one for food retail units between 500 sq.m. and 1,000 sq.m. retail floor area at one space per 25 sq.m. Gross Floor Area (GFA), and the other for food retail units above 1,000 sq.m. retail floor area at one space per 14 sq.m. GFA.

3.3 The proposed retail floor area of 1,164.5 sq.m. lies on the cusp between the two sets of standards, but it was considered to be more appropriate to use the 500-1,000 sq.m. standards as the proposed foodstore is more akin to the types of stores these standards are targeted to, as opposed to the large-scale supermarkets the over 1,000 sq.m. standards are

aimed for. The Lidl application had a similar GFA with 1,569 sq.m. and was approved using the 500-1,000 sq.m. standards.

3.4 The TDC 500-1,000 sq.m. standards indicate a maximum provision of 70 spaces for the proposed development ( $1,752 \div 25 = 70.0$ ). The proposed parking provision of 64 spaces therefore accords with these standards. This approach is consistent with the guidance which stipulates “maximum” figures taking properly into account the operational characteristics of the specific proposal.

3.5 Although not included in the Connect TA because the pre-app advice stated that the Tandridge standards should be used, the SCC parking standards, as set out in the document ‘Vehicular and Cycle Parking Guidance’ (January 2018), have also been referenced. For ‘Food retail (above 1,000 sq.m.)’ developments, the maximum standards indicate one space per 14 sq.m. GFA, which equates to a maximum of 125 spaces for the proposed development ( $1,752 \div 14 = 125.1$ ). A 25% reduction on the standards should be applied for sites within suburban locations, which equates to 94 spaces ( $125.1 \times 0.75 = 93.8$ ). The proposed provision of 64 spaces is within this maximum standard, even assuming the applicability of the maximum figure for developments above 1000 sq.m.

3.6 Notwithstanding the fact that the proposed provision lies within both the TDC and SCC maximum standards, SCC had requested that a parking accumulation assessment be undertaken in order to confirm whether the potential demand could be contained within the proposed car park’s capacity and as such no overspill would occur. This is consistent with the approach which is set out at Section 4 of the TDC guidance.

#### 4.0 Parking Assessment

4.1 The first iteration of the parking assessment is presented in the Connect report ‘TN02 – TRICS Parking Assessment’ (25<sup>th</sup> May 2021), which was included in Appendix 6 of the Connect TA. The assessment was based on traffic data derived from the TRICS database using a methodology of site selection refinement to assess the TRICS Discount Foodstore sites deemed most comparable to the proposed development. The resultant TRICS data indicated that the average parking demands could be accommodated within the proposed parking capacity.

4.2 In their consultation response, dated 29<sup>th</sup> November 2021, SCC references use of parking accumulation surveys of existing similar sized stores in Surrey as a basis for the parking assessment. This was further discussed in a video meeting held between SCC and Connect on 13<sup>th</sup> December 2021 in which SCC advised that the Aldi stores in Guildford and Ewell should be considered as potential sites for comparison.

4.3 In response, a revised parking assessment was undertaken and the results presented in the Connect report ‘TN04 – Car Parking Assessment’ (7<sup>th</sup> January 2022). In TN04, all Aldi stores in Surrey and within the areas immediately surrounding the county boundary were evaluated for their comparability to the proposed development.

4.4 The assessment indicated that the existing Aldi in Selsdon was deemed most comparable and arrival and departure traffic data recorded across November 2019 was obtained from the store’s Parking Eye ANPR (automatic number plate recognition) system. Weekday, Saturday, and Sunday accumulation profiles were calculated from the parking data, which showed a maximum demand of 59 vehicles. This could be accommodated by the proposed parking provision of 64 spaces.

4.5 During a video meeting held between Connect and SCC on 1<sup>st</sup> February 2022, SCC suggested that the parking assessment in TN04 should not be limited to only the Aldi in Selsdon and that the number of sites should be expanded by widening the geographical scope of sites.

4.6 In response, a revised parking assessment was undertaken, the results of which are presented in the Connect report 'TN06 – Response to Highway Comments (Parking and Layout)' (22<sup>nd</sup> March 2022), which evaluated the viability of every Aldi store within the M25 corridor and 10 miles beyond that operates within Parking Eye.

4.7 The comparison assessment identified the following Aldi stores with compositional and locational characteristics which are considered to be broadly similar and/or relevant to the consideration of the proposed Aldi in Caterham:

- Anerley, Croydon Road (1,445 sq.m. GIA)
- Cheam, London Road (1,656 sq.m. GIA)
- East Barnet, Brockhill Road (1,345 sq.m. GIA)
- Ewell, Kingston Road (1,471 sq.m. GIA)
- Selsdon, Addington Road (1,516 sq.m. GIA)

4.8 Arrival and departure data was obtained for the Anerley, Ewell, and East Barnet stores from Parking Eye for the whole of September 2019; the Selsdon store used November 2019 data; and the Cheam store used February 2022 data with the half term break times excluded.

4.9 Average weekday, Saturday, and Sunday hourly arrival and departure trip rates were calculated from each store's data, based on their respective floor areas, and converted into hourly trips based on the proposed development's floor area to assess the trips of an Aldi in the local region with a floor area of the proposed. Accumulation profiles for each store were then calculated from these hourly trips, from which the average and weighted average accumulation profiles were calculated.

4.10 The resultant weekday weighted average maximum demand equated to 56 vehicles, the Saturday weighted average maximum demand equated to 61 vehicles, and the Sunday weighted average maximum demand equated to 65 vehicles. Therefore, the weekday and Saturday maximum demands could be accommodated within the proposed provision of 64 spaces, and the Sunday maximum demand was only one vehicle over capacity, which could be accommodated within the site's circulatory parking aisles.

4.11 Therefore, parking data from the selected sites within the local region indicate that their average maximum demands, scaled to the floor area of the proposed development, could be accommodated by the proposed parking provision and is unlikely to result in an adverse impact on highway safety on the B2208 Croydon Road.

4.12 The parking assessment was undertaken in accordance with Section 5.5 of the Tandridge Parking Standards, which states the following:

"For non-residential development this SPD defines the normal maximum standard for parking spaces and only in special circumstances at the discretion of the planning authority may they be exceeded. Where developers propose parking standards below the maximum standards these will be critically examined to ensure that there would be no adverse effect on highway safety, the free flow of traffic or parking provision in the immediate area generally. Staff Travel Plans and other measures such as car clubs should also be considered, to support lower levels of parking."

4.13 It should also be noted that the planning application is adhering to paragraph 5.5.2 of the Tandridge Parking Standards with the proposed bus stop improvements on Croydon Road:

“Planning obligations may be used to achieve improvements to public transport, walking and cycling, where such measures would be likely to influence travel patterns to the site involved, either on their own or as part of a package of measures. Examples might include improvements to a bus service or cycle route which goes near to a site, or pedestrian improvements which make it easier and safer to walk to the site from other developments or from public transport.”

4.14 In summary, it has been demonstrated that the proposed parking provision of 64 spaces is in accordance with both the TDC and SCC maximum parking standards. Notwithstanding this, SCC, as the Local Highway Authority, had requested that a parking accumulation assessment be undertaken to confirm if potential demand would result in overspill into the local highway network. After reviewing multiple iterations of the parking assessment, SCC reached the conclusion that the proposed parking provision, and its ability to accommodate expected demand, would be contained within the proposed on-site parking provision, and would not have any significant detrimental impact on the operation of Croydon Road.

## Appendix 4 Agent's letter dated 7 June 2022

We write further to the publication of the committee report for the above application which is due to be considered at the Planning Committee meeting on 9 June 2022. We are pleased that the officers have recommended that the application should be approved, which follows a careful assessment of the issues during the application process. There are only two matters of clarification to refer to.

First, we would like to provide some clarification with regard to the conclusion reached in paragraph 40 of the report.

The application was accompanied by an impact assessment which was independently reviewed by Lichfields on behalf of the Council. This included the consideration of trading performance of stores and centres at the current time (without the Aldi store) and in the future (with the Aldi store) in order to determine the impact of the proposed development on the existing pattern of trade draw within the area.

In reaching this conclusion Lichfields noted that:

*“In overall terms the convenience goods turnover of Caterham town will increase marginally (+1.1%) between 2021 and 2025, because the impact of the proposed Aldi store will be counter-balanced by the implementation of the proposed Lidl store in the town centre. If this is the case, then no knock on significant adverse impact on other shops and services in the town centre is envisaged.”* (Paragraph 4.3)

The NPPF (paragraph 90) and the Planning Practice Guidance (paragraph ID: 2b-014-20190722) are both clear that the impact should be considered on the centre as a whole rather than individual retailers. Notwithstanding, Lichfields consider the position with regard to the existing Waitrose and Lidl (under construction) within Caterham concluding:

*“The key concerns in terms of impact would be the possible closure of the under-performing Waitrose store or the possible withdrawal of Lidl from the former Rose and Young site development. However, the available evidence does not suggest either scenario is likely. The applicant's impact assessment assumes the Aldi store will provide not more than 70% convenience goods sales (816 sq.m net). Given the concerns identified the maximum amount of convenience goods sales could be restricted via a planning condition.*

*The Lidl proposals appear to be proceeding and Waitrose's objection does not imply their store is vulnerable to closure. Lichfields estimates the Waitrose store is currently trading 17% below the company average. If the Lidl store is implemented, then the Waitrose store is forecast to trade 20% below benchmark. If both Aldi and Lidl stores are implemented, then the Waitrose store could trade 24% below average. This increase in under-trading is within the range food stores normally trade around their company average. The Waitrose store should continue to trade in Caterham.”* (Paragraphs 4.4 – 4.5)

In reaching their conclusion Lichfields advised that the amount of convenience goods floorspace at the proposed new Aldi store could be restricted by condition. The Council have taken this advice and proposed condition 18 which seeks to restrict the overall amount of convenience goods floorspace permitted (the applicant having agreed to this).

Thus:

- The submitted retail impact assessment has been independently reviewed on behalf of the Council;
- The independent review concluded that “the impact of the proposed Aldi store will be counter-balanced by the implementation of the proposed Lidl store in the town centre. If this is the case, then no knock on significant adverse impact on other shops and services in the town centre is envisaged.” (Paragraph 4.3);
- The under trading of individual retailers (Waitrose and Lidl) is not sufficient to result in the closure of Waitrose or the withdrawal of Lidl from the Rose and Young site development;
- Proposed condition 18 will restrict the maximum amount of convenience goods floorspace within the proposed development;
- The proposed development will not have a significant adverse impact on any existing centres; and
- On this basis the proposal is considered acceptable in principle and in accordance with Policy CSP22. Secondly, we note that notwithstanding Surrey County Council’s consultation response, the report anticipates further confirmation of Surrey County Council’s position in relation to parking and highway safety. We are confident that Surrey County Council will do just that. It is worth noting the following points with regard to the proposed level of parking provision:
  - Due to the retail floorspace being located above the parking area there is additional customer circulation space required, over and above that which would be required for a store at ground level. This area should not be included in the calculation for the maximum level of parking as they have no bearing on the productivity of the store and its ability to generate customers.
  - At pre-application meetings Surrey County Council confirmed that the Tandridge Parking Standards (2012) should be used to calculate the maximum level of parking provision.
  - The parking standards sets out in the Tandridge Parking Standards (2012) and the Surrey County Council Vehicular and Cycle Parking Guidance (2018) are maximum standards. The proposed level of car parking is below this maximum level and is therefore in accordance with the parking standard.
  - Connect Consultants undertook a parking assessment including additional sensitivity work which was discussed and agreed with Surrey County Council. This confirms that the proposed level of car parking is unlikely to result in an adverse impact on highway safety on the B2208 Croydon Road.
  - The further advice sought from Surrey County Council at paragraphs 59 and 68 is provided in Connect Technical Note 08 (attached), the contents of which have been submitted to Surrey County Council for review.

We would also take this opportunity to refer to the significant benefits of the scheme – as is reflected in the strong support given to it by local people. In summary they are:

- Enhanced and accessible local shopping choice at a time when it’s most needed;
- Major local investment;
- Redevelopment of a brownfield site and a modern building built to BREEAM Excellent standards;
- Electric vehicle charging provision;
- A bespoke contemporary design that respects the local character;
- Refurbished shop and apartment to restore the shopping parade to its original state; and
- Up to 50 new local jobs.