
Representations to NPF4 'Call for Ideas'

On behalf of Aldi Stores Ltd

April 2020

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Prepared By: Steve Robb

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1. Introduction

- 1.1 These representations to the NPF4 Call for Ideas are prepared by Avison Young on behalf of Aldi Stores Ltd.
- 1.2 As a successful retailer expanding across Scotland, Aldi continue to have ambitions to bring their award-winning retail offer to more communities in the country. With Scottish Planning Policy being incorporated into the new NPF, we believe this to be the correct time to submit comments about the success and problems caused by the current SPP and changes Aldi would like to see to national policy. These representations are prepared with those ambitions in mind to ensure that the national planning policy framework affords the potential for this scale of investment and job creation to be realised.

Structure and scope of representations

- 1.3 Our representations relate primarily to Choice 15 in respect of Protecting Our City Centre, Town Centres and Local Centres. Other comments are also made in respect of Choice 13 in relation to supporting economic growth. In doing so, this report comprises the following sections:
- Section 2: Background to Aldi Stores Ltd
 - Section 3: Aldi in the UK and Scotland
 - Section 4: Scottish Planning Policy Comments
 - Section 5: Summary and Conclusions.

2. Background to Aldi Stores Ltd.

Who is Aldi?

- 2.1 Aldi is one of the world's leading grocery retailers. The company has built a network of stores in Europe, the USA and Australia. Aldi first entered the UK market in 1990 and has now expanded to over 750 stores across England, Scotland and Wales. Within Scotland, there are now 91 trading stores.
- 2.2 Aldi stores offer the customer a carefully selected range of high quality, exclusive own label groceries at heavily discounted prices. These prices are guaranteed across the entire range of products. The aim is for goods to be sold with discounts of between 20–30% for a full shopping trolley.
- 2.3 Aldi regularly receives industry awards recognising the quality of its products and customer experience. Aldi won the award for Best Grocer 2019 and Best Own Brand Range/Product 2019 at the Retail Week Awards. Good Housekeeping readers also named Aldi their Favourite Supermarket 2019 and Moneywise voted us Best Value for Money Supermarket 2019.
- 2.4 For recognition of investment in people, Aldi is 3rd in the Times Top 100 List of Graduate Employers for 2019/2020, placing the business 1st amongst retailers. They are also the Times Top Graduate Employer of Choice for Retailing.

How Aldi is different

- 2.5 Aldi has a very different approach to food retailing than other food retailers based on simplicity and maximum efficiency at every stage of the business, from supplier to customer. This enables Aldi to sell high quality products, from a limited core range (compared to other supermarkets) of mainly exclusive own labels, at the lowest possible price consistently across the entire range. Aldi is a 'deep discount' retailer.
- 2.6 The main points of the trading philosophy include:
- Maximum operational efficiency and cost control;
 - Standard merchandising through the stores;
 - Displays in original shipping cases;
 - Efficient operation from supplier to customer;
 - Unique delivery system;
 - Efficient checkout system;
 - Carefully selected and limited core range of 1,500 products;
 - Own label high quality products;
 - High volume and turnover per product;
 - Heavily discounted prices providing an average 20-30% saving across the entire range, compared with similar quality products.

- 2.7 The consequence of providing this value retailing concept and service, of high quality food at heavily discounted prices, is that the design of the store and the sales area are uniform, in order to accommodate bulk food displays and provide the operational efficiency that a discount foodstore requires. These efficiencies are found across the entire operation from supplier to retail store and result in an enviable cost structure which allows Aldi to sell quality food at low prices, and operate on much smaller margins than other foodstores.
- 2.8 As stated, Aldi stores offer a carefully selected and limited core range of good quality exclusive own labels at heavily discounted prices. Predominantly, the limited range of goods relates to a reduced range of variations on the same product line compared to most other supermarkets. These are the most popular items: the ones most used and needed in every household.
- 2.9 By limiting the core range, Aldi suppliers typically only need to produce one package size instead of multiple packages within the same category. With the higher volume of one item, Aldi achieve greater purchasing power. The limited core range further allows Aldi to apply its own label to most of its products (c.90%) which do not include costs that the national brands pass on through higher prices. This allows Aldi to gain a significant cost advantage over competitors without compromising quality.
- 2.10 The deliberate intention is to restrict the range of core goods to approximately 1,500 products in the interests of the consumer and operational efficiencies and pass these savings onto the customer. The restricted core range ensures a high volume and turnover of each individual item, resulting in a favourable cash flow with products effectively sold through the checkouts before they have been purchased centrally.
- 2.11 This is unlike the larger supermarkets which stock in the region of 20,000 - 40,000 product lines, and more modest sized operators, with floor areas of 1,000 – 1,500sq.m selling 2,500 – 4,000 products. Aldi do not sell cigarettes and tobacco products, stationery products and pharmaceutical products. The Aldi trading philosophy does not include a specialist butcher, fishmonger, in-store bakery, delicatessen or hot food counter which are commonplace in larger supermarkets. Aldi stores also do not accommodate in store cafes / restaurants or franchises such as photo processing, dry cleaning or opticians.
- 2.12 Whilst the core range of products is limited, Aldi offers a significant choice of locally sourced produce from Scotland. This is currently 30% of the overall product range in their Scottish stores. All of Aldi's fresh meat and produce is UK sourced. In Scotland, this includes 100% of pork, 96% of the total beef range and 100% Scottish lamb. Fresh fruit and vegetables are also sourced in the UK when in season and Aldi leads the way in supporting British farmers. In addition, Aldi works with a range of local businesses and suppliers in order to supply fresh bread, milk and other dairy products. All of the milk and cream in their Scottish stores are sourced from Scottish dairy farmers.
- 2.13 Aldi's stores dedicate approximately 20% of their floorspace to comparison goods. These goods are sold as 'special purchases' on a 'when it's gone, it's gone' basis. This approach is highly seasonal and there is a continued variation in the type of goods that may be on offer. This is a key difference for Aldi when compared to larger supermarkets that typically have 30-40% of their floor area for comparison goods, the majority of which is occupied by permanent product ranges.
- 2.14 How Aldi differs is demonstrated clearly by the trading philosophy. Aldi complement, rather than compete with, existing local traders, independent retailers and other supermarkets, as well as service providers, as Aldi

customers use other facilities to fulfil their grocery and local service needs. This generates a propensity for linked trips and associated spin-off trade which brings qualitative benefits.

Catchment

- 2.15 As Aldi stores are of modest scale and fulfil a neighbourhood shopping role, it means more than one store can be accommodated in a Local Authority area. The catchment for a new store is localised and often shoppers to a new Aldi store are existing Aldi customers who have been travelling to their nearest store, but with a new store opening close by, this can reduce the need to travel.
- 2.16 Aldi's local presence can assist in clawing back expenditure being spent elsewhere by providing a food store where perhaps such a facility was not available. This is most important in locations where shops and services are limited and access to stores elsewhere is difficult. A new store helps to retain expenditure within a given catchment area, to the benefit of the community.

Accessibility

- 2.17 The local nature of many of Aldi's stores encourages high levels of pedestrian shoppers and users of public transport. At new stores, cycle stands are provided, close to the store entrance for natural surveillance and mostly under the store canopy, to encourage cycling as a mode of transport.
- 2.18 Aldi requires new stores to have car parking adjacent to cater for customers who choose this mode of transport. Most car trips to new Aldi stores are not new to the network but rather transferred or linked trips.

Job creation and training

- 2.19 New Aldi stores generally employ up to 35 staff. It is Aldi's preference to recruit staff locally. The company's remuneration and training policy reflects Aldi's firm belief that a well-trained and highly motivated workforce is essential to the success of the business. All hourly paid wages for store employees exceed the Government's National Living Wage and the Living Wage Foundation's recommended national rate. Aldi offers full training for all its positions and the schedule and facets of the training are tailored to the individual.
- 2.20 Aldi has two of the most successful apprentice schemes and graduate programmes in the UK. Apprentices are trained to work in all parts of the business including at store, distribution, logistics and management level, as well as progression through to the Store Management Team.
- 2.21 Aldi's on-going graduate scheme secures an annual intake for the Area Management Programme. Trainee Area Managers spend a year shadowing an Area Manager before they take on three to four stores of their own to manage. The training covers the entire spectrum of running a retail operation and is a UK-wide programme.
- 2.22 The construction of a new store requires the services of local building trade contractors which provides employment opportunities during the build out period. 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.

3. Aldi in the UK and Scotland

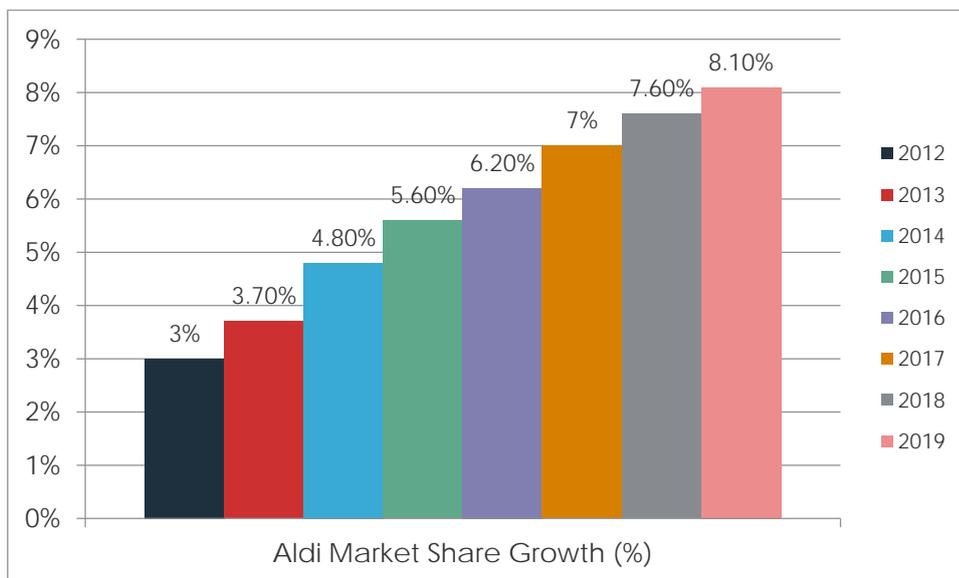
Aldi in the UK

- 3.1 Aldi's success in recent years has helped to re-shape the grocery market across the UK. For many years the sector was heavily dominated by 4 major retailers (ASDA, Morrisons, Sainsbury's and Tesco), however over the last decade expanding competition from others, including Aldi, has radically altered the food shopping landscape. This change was a result of a range of factors.
- 3.2 Firstly, there has been a trend over the past decade that has witnessed food shopping occur more regularly moving from one large shop a week, to regular visits across a range of conveniently located food shops within local vicinities. The retail landscape also witnessed shoppers becoming even more discerning about securing value from their food shop, with some of this brought about by the 2008 economic turbulence.
- 3.3 This change in shopping patterns is evident when market shares for the major supermarket retailers are considered as shown below.

UK Grocery Market Shares 2012-19								
	12 weeks to 19 August 2012	12 weeks to 17 August 2013	12 weeks to 18 August 2014	12 weeks to 16 August 2015	12 weeks to 14 August 2016	12 weeks to 13 August 2017	12 weeks to 12 August 2018	12 weeks to 11 August 2019
Tesco	30.9%	30.2%	28.8%	28.3%	28.1%	27.8%	27.4%	27%
Sainsbury's	16.4%	16.5%	16.4%	16.3%	16.1%	15.8%	15.5%	15.4%
Asda	17.5%	17.1%	17.2%	16.6%	15.7%	15.3%	15.2%	14.9%
Morrisons	11.5%	11.3%	11%	10.8%	10.6%	10.4%	10.4%	10.1%
Aldi	3%	3.7%	4.8%	5.6%	6.2%	7%	7.6%	8.1%
The Cooperative	6.8%	6.6%	6.4%	6.4%	6.6%	6.3%	6.6%	6.6 [^]
Lidl	2.8%	3.1%	3.6%	4.1%	4.5%	5.2%	5.5%	5.9%
Waitrose	4.6%	4.8%	4.9%	5.1%	5.1%	5.1%	5%	4.9%
Iceland	2%	2%	2%	2%	2.1%	2.1%	2.1%	2.1%
Other	1.9%	1.9%	2.1%	2.8%	3.1%	1.4%	1.8%	1.9%

Source: <https://www.statista.com/statistics/300656/grocery-market-share-in-great-britain-year-on-year-comparison/>

- 3.4 Focusing more specifically on Aldi, the bar chart below demonstrates the business' exponential growth over this period, indicating their increasing popularity with shoppers.



- 3.5 It is therefore evident that over time consumer shopping patterns evolve and with that it stands to reason that the planning system should be sufficiently flexible to accommodate this and allow these trends to occur, given that competition is not a matter for consideration when exercising planning judgement in determining planning applications. Instead the key determining factor should be protecting city, town and local centres in accordance with the town centre first principle established by SPP.
- 3.6 It is the case that too often the focus is misplaced on deficiency or need for a development, which is a requirement peculiar only to retail development. This is considered unhelpful particularly as it is a barrier to competition, which actually benefits the consumer. The focus by planning authorities on such applications is rarely the benefits that can be realised and instead their perception of 'need/deficiency', despite cases where impact levels on protected centres are acceptable.
- 3.7 In light of the above evidence on the natural change that occurs in retailing trends, we do not consider the current SPP supports innovation, competition or consumer choice through its maintenance of the 'deficiency test'.
- 3.8 It is clear that when misdirected this strays beyond the intended role of the planning system, which has recently been re-established by the Planning (Scotland) Act 2019. This states that "*The purpose of planning is to manage the development and use of land in the long term public interest*". With this in mind, it is difficult to understand why limiting choice and competition is necessary for supermarket retailing, when not applied to any other sectors of land use and has unfortunate effects in terms of establishing monopolies and restricting competition. These themes will be revisited in latter sections of this representation.

Aldi in Scotland

- 3.9 Aldi have invested significantly across Scotland in the last 12 years, yielding significant benefits in terms of delivering investment, regeneration and sustainable economic growth to communities over the country. A number of these benefits will be described below.
- 3.10 Since opening its first store in Scotland in 1994, the grocer has expanded to 91 stores across the country, with plans to continue this growth in future years to reach new communities. As it continues to expand, Aldi

attracts millions of new customers and redefines attitudes to food shopping by offering the lowest prices without compromising on quality.

- 3.11 Aldi commissioned the Centre for Economic and Business Research (Cebr) in 2016 to quantify their contribution to the Scottish economy. At that point the research confirmed that in 2016 the retailer contributed £380 million to the Scottish economy. This included £169m from merchandise supply chain (exports), £127m for retail operations, £75m for the merchandise supply chain (domestic) and £9m from taxes on products.
- 3.12 Aldi contributed £27.4m in tax that year and supported overall 7,800 jobs in the Scottish economy, generating £214m in wages. Therefore for every £100 of GVA generated by Aldi they created an additional £375 of GVA for the Scottish economy.
- 3.13 In terms of employment, from 2005 to 2016, Aldi grew from 216 employees to 2,100 jobs in 2016 in Scotland. For every one job at Aldi, 3.75 jobs were supported in the Scottish economy. Furthermore, in terms of remuneration, Aldi pays staff above the living wage, with award-winning training and career opportunities available.
- 3.14 Beyond direct employment, Aldi also works closely with a number of food and drink producers across Scotland. Close-working and long-term partnerships with Scottish businesses are fundamental to Aldi's success. It enables Aldi and its suppliers to achieve fair and consistent prices, which translates into everyday value for consumers.
- 3.15 Transparent treatment of suppliers applies to both merchandise (what Aldi sells in its stores) and non-merchandise (what Aldi needs to run the retail operation itself) supply chains. In June 2017 Aldi topped The Groceries Code Adjudicator (GCA) supplier survey for the fourth consecutive year.
- 3.16 £244m in GVA to GDP was contributed to the Scottish economy by working with Scottish suppliers. £73m in GVA contribution to GDP was also generated through Scottish-sourced products in Scottish stores. £169m in GVA contribution to GDP was generated by selling Scottish-sourced products in Aldi's UK and Ireland stores. Indeed, in 2016, 22% of store sales in Scotland were generated from selling Scottish-sourced products. It is therefore clear that the business makes a significant contribution to the Scottish economy and these benefits have been realised as a result of their store expansion, which is so popular with shoppers, across the country.
- 3.17 In order to facilitate this growth a new purpose built extension to Aldi's Regional Distribution Centre in Bathgate was progressed in 2018-19, with this about to fully open. The planning ref. no. is 0082/MSC/18 and more information is available on West Lothian Council's planning portal. This £30m project will enable the expanded RDC to accommodate servicing for even more stores across Scotland and will also result in significant job gains for the local area. This considerable level of investment indicates Aldi's intention to keep investing in Scotland.
- 3.18 By providing up to 35 jobs per store, Aldi's expansion across the country has created large levels of new employment in local areas. However, as the business also supports Scottish suppliers, there are consequential gains for local businesses too, with these providing goods to Aldi ranging from soups, alcoholic beverages, biscuits and porridge to fresh meat and dairy products at the significant levels described above.

3.19 The popularity of the stores with the public when a new store is proposed is evident when considering the public consultation exercises undertaken with local communities prior to submitting planning applications. Although an Aldi store would never be described as a 'Major' scale development in the 'Hierarchy of Developments' they willingly engage with communities prior to submitting planning applications to capture local insights which allows them to respond to feedback. This information is gathered from the public events with the findings of some recent examples below.

ALDI FEEDBACK FROM PUBLIC CONSULTATION EVENTS ACROSS SCOTLAND

Store	Local Authority	Year	Number of Attendees at Exhibition	% of Support	% of Neutral	% of Not Supporting
Dock Street, Leith, Edinburgh	City of Edinburgh Council	2015	200	91%	9%	0%
Broughty Ferry	Dundee City Council	2019	60	100%	0%	0%
Cumnock	East Ayrshire Council	2019	126	99%	1%	0%
Bishopbriggs	East Dunbartonshire Council	2020	110	79%	3%	18%
Dalkeith	Midlothian Council	2020	70	95%	0%	5%

3.20 As can be seen from the table above, not only do Aldi's efforts to engage with the public about a new store development yield significant attendees at their exhibitions but these findings also reveal the substantial body of support they receive from communities.

3.21 Aldi wish to continue to reach further communities across Scotland through the development of new stores however there are often planning barriers to this. Our specific comments on issues with Scottish Planning Policy in its current form are provided in the next section to set these out.

4. Scottish Planning Policy Comments

- 4.1 The current SPP is clear in supporting the town centres first principle and enhancing this approach in a number of ways through policy. Aldi strongly support these intentions, recognising the wider social and specific planning benefits generated by successful, diverse and viable town centre areas, which offer a mix of uses and services for all demographics of society.
- 4.2 Aldi are proud of their efforts in supporting cities, town and local centres across Scotland, indeed they have successfully managed to open up new stores in a number of town centres over the last decade ranging from Greenock to Ellon and Kilmarnock to Motherwell. They have also followed the sequential test by opening 'edge of centre' stores, where town centre options weren't available in Edinburgh (Oxgangs/Portobello), Peterhead and Glasgow (Drumchapel), as further examples.
- 4.3 In certain circumstances though, where there are no town centre sites available it is necessary for Aldi to consider developing stores in 'out of centre' locations. Indeed in any location outwith a town centre, the current tests set out within Scottish Planning Policy relating to deficiency, impact and the sequential test must all be addressed. Whilst Aldi recognise the need to consider both the impact and sequential tests unfortunately, the deficiency test has increasingly become a major barrier to the development of new foodstores. This is anti-competitive and damaging for the consumer in terms of providing more choice for food shopping.
- 4.4 Significant academic and industry evidence from across the UK has highlighted that retail impact should be the key criteria when determining planning application proposals for new development rather than the more competition focused policy criteria of retail need/ deficiency. Aldi consider that this misplaced focus can encourage planning authorities to reach poorly evidenced conclusions on development plan policy concerning the range and quality of shopping provision within certain areas. Recent experience would indicate that such assessments largely consider quantitative data sources, which often do not reflect the trading performance of particular areas or the quality of existing provision.
- 4.5 Re-prioritisation of the key tests for new retail developments within the revised SPP, which focuses more on considerations of impact on centres, would ensure that high quality development proposals that can deliver sustainable economic growth are not unnecessarily neglected.
- 4.6 We note in the draft of the current SPP that was released in 2013, the deficiency test was removed and question why this was reinstated in the final version. The case for its removal is set out below.

The Deficiency Test

- 4.7 In order to understand the issues created by the deficiency test, it is interesting to firstly note why the 'need test', the English equivalent, was removed from that planning system and has not been brought back. The reasoning behind this is set out below, as it helps to explain why the current position within SPP requires review as it is fundamentally anti-competitive.
- 4.8 The first mention of removing the 'need test' in England was within the Barker review in 2006 (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/228605

- [/0118404857.pdf](#)). In this regard, the Barker review commented that *"This is particularly important as the current system of needs tests in town centre first policy also can have perverse effects: it protects incumbents and gives preference to operators that have lower sales densities. These incumbents may be operating in out-of-town shopping centres, leading to the effect that if need is demonstrated and there is no impact on the town centre, an existing out-of-town shopping centre could expand while there is no application for a sequentially preferable site in the town centre. Furthermore, incumbents may find it easier to expand incrementally while prospective local entrants fail at any one time to demonstrate sufficient need for a one-off increase of space. The needs test should therefore be removed."* (AY emphasis)
- 4.9 Barker's research identified that *"It is not the role of local planning authorities to turn down development where they consider there to be a lack of market demand or need for the proposal. Investors who are risking their capital and whose business it is to assess likely customer demand are better placed than local authorities to determine the nature and scale of demand."*
- 4.10 The above is a highly important point, as it relates to retail planning whereby current decision-making is based on a planning authority's judgment of the local market rather than the prospective operator of a business.
- 4.11 Furthermore, Barker concluded that the impact test and sequential test were sufficient in themselves to protect centres, in line with Government ambitions. She stated that *"The sequential and impact tests have roles to play here and should be maintained. But while there is a role for local authorities in assessing the likely future requirements (market demand) for more floorspace when preparing their development plans, it is not appropriate to turn down applications on the basis of there being no need. This is simply likely to result in more limited choice and higher prices of goods in stores – it restricts the expansion of stores beyond the town centre that could enter the market without harming the town centre itself."* (AY emphasis)
- 4.12 It is indeed unusual that the planning system only applies this 'need/deficiency' requirement to applications for new retail floorspace and no other land uses. For example, if another land use is considered such as office development or student housing, occupiers could both sell insurance/rent student accommodation and compete with one another freely. This in effect leads to better prices for consumers. The planning system doesn't control the expansion of these offices/ student accommodation as the UK, and Scotland, is a free market economy. Similarly, if two retailers want to open and compete, as long as there is no significant adverse impact on a town centre (as set out within current SPP), they should be permitted to do so. It is difficult to identify how the public interest is served by preventing this and why exclusively for retail land uses only.
- 4.13 To be clear, Aldi believe the impact test has an important role to play in ensuring the future protection of cities, town and local centres and this should be strengthened within the new national planning policy. But ultimately the deficiency test is in effect a barrier to new entrants into a local market and prevents innovation and changes to shopping habits.
- 4.14 Beyond the Barker review, Clifford Guy commented in 2007 on the issues surrounding the need test in the journal article 'Demonstration of Need' Necessary in Retail Planning Policy?, *Regional Studies*, 41:1, 131-137, DOI: 10.1080/00343400600990467. Guy concludes that *"It can be argued that the quantitative need*

criterion here acts to restrict competition between retailers, thus violating one of the main objectives of retail planning policy”.

4.15 Moreover, Guy agrees that *“The conclusion can be drawn therefore that policies relating to ‘need’ assessment could be simplified in future government guidelines on retail planning. Quantitative need appears to be in most circumstances a redundant criterion. While demonstration of spare capacity and/or outshopping may be a useful tactic to support a retail proposal, it seems unnecessary for the applicant to have to demonstrate quantitative need as a fundamental part of his/her case. Focusing simply on impact is consistent with long-established practice.”*

4.16 These points were in line with the Competition Commission’s analysis of the UK supermarket sector in 2009 when commenting on the benefits of a competitive supermarket sector.

(Link: https://webarchive.nationalarchives.gov.uk/20140402235650/http://www.competition-commission.org.uk/assets/competitioncommission/docs/pdf/inquiry/ref2009/groceries_remittal/pdf/final_decision.pdf).

4.17 The Competition Commission observed at paragraph 4.4 of their report that *“the greater the degree of local competition faced by a store, the lower will be that store’s variable profit margin, since it will be incentivized to provide a better offer to consumers to avoid consumers switching. When local competition is greater, grocery retailers will also have an incentive to improve those aspects of their retail offers that are set nationally including, in particular, their grocery prices.” (AY emphasis)*

4.18 It also observed that the planning system can act as a barrier to this, as it is easier for an incumbent to extend their store and prevent new entrants into markets, thereby limiting competition. See paragraphs 4.5-4.7 of their findings for more detail.

Example Case Study

4.19 As a final example as to why the deficiency test is not successful, is a scenario where an operator wished to develop a store in an ‘edge of centre’ location, they will be required to still address the deficiency test. By locating a store in this area, there will be benefits in terms of generating linked trips with the centre, thereby supporting its vitality and viability. These benefits have been recognised in the Scottish Government’s report Town Centres and Retailing Methodologies from 2007.

4.20 However, due to the presence of a number of ‘out of centre’ competitors there could be no capacity/deficiency to accommodate an additional store. The planning application could therefore be refused on that basis even if there was to be no impact on the policy protected centre. This is clearly not a good outcome and not helpful for delivering many of the other ambitions set out within Scottish Planning Policy, concerning town centres or delivering sustainable economic growth. This is just one example as to why the deficiency test needs removed.

Proposed Re-wording of Policy Test

4.21 The removal of the deficiency test from SPP would also not significantly affect the main desire set out within Scottish Planning Policy to support and protect city, town and local centres. The main requirement to undertake an impact assessment, together with an analysis of sequential sites and ensuring scale if

appropriate would continue to protect these areas. The alternative wording of the test is set out below to demonstrate this:

“Out-of-centre locations should only be considered for uses which generate significant footfall where:

- all town centre, edge of town centre and other commercial centre options have been assessed and discounted as unsuitable or unavailable;*
- the scale of development proposed is appropriate, and it has been shown that the proposal cannot reasonably be altered or reduced in scale to allow it to be accommodated at a sequentially preferable location; and*
- there will be no significant adverse effect on the vitality and viability of existing town centres”*

4.22 We consider this to be an appropriate alternative in-keeping with the principal ambitions of Scottish Planning Policy and would welcome further discussions on the wording of the revised national policy within NPF4 as matters progress.

Conclusions

4.23 In short, Aldi believe that the deficiency test is an unnecessary requirement within the Scottish planning system and observe that were its equivalent, the need test, in England has been removed there has not been any adverse effects on the country's town centres, either in terms of their vitality or viability or indeed, vacancy levels.

4.24 Assessments of retail capacity within development planning is still a helpful tool as it allows for proactive planning to meet future needs as a result of residential expansion, however, as policy tool in development management it is considered unnecessary and prevents innovation and fair competition.

4.25 Indeed this can be damaging for consumers given that there can be many circumstances where a new proposal would be acceptable in local areas and have no impact on a town centre but could then be rejected for there being no deficiency or capacity, as solely judged by a local authority. Retail operators are best placed to determine the space available for their entry into a local market and not a planning authority, as was concluded by the Barker review. We therefore strongly advocate that this test be removed.

5. Summary and Conclusions

- 5.1 On behalf of Aldi Stores Ltd, we welcome this opportunity to submit representations to the NPF4's Call for Ideas.
- 5.2 Aldi have ambitious plans to expand further within Scotland in future years, bringing their award-winning and highly popular offer to more communities across the country. As a result it is important that the right policy framework is in place to help deliver this level of investment and creation of new employment.
- 5.3 The comments and evidence submitted within this representation demonstrate that a number of changes are required to SPP, in order to ensure future innovations in retail development and consumer choices can be embraced within the planning system.
- 5.4 We would be happy to meet with the Scottish Government to fully discuss these points if considered helpful.

Contact Details

Enquiries

Steve Robb
01314696014
steven.robb@avisonyoung.com

Visit us online

avisonyoung.co.uk

Avison Young

6th Floor, 40 Torphichen Street, Edinburgh EH3 8JB

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