

Pre-Board Presentation

Co-operative Food Group Limited

Re-Application - 122-124 Broomhill Road, Aberdeen, AB10 6HU

New (Provisional) Application – 20 January 2015

INTRODUCTION

- Co-operative Food Group Limited have applied for a Provisional Premises Licence for the above premises.
- As the Board will appreciate a similar Application was previously considered by the Board at its Meeting in June 2014. By 4 votes to 3 the Board refused the Application, but a Direction was granted to permit a re-application after six months. This reflects that permission.
- There are objections, and much of our presentation on the day will deal with these so we considered that it might be beneficial to the Board if we provided a statement with regard to our clients, and their reasons for this Application which could be read by the Board beforehand. I would not intend to read this out at the Board, unless requested, but would be more than happy to answer questions on the day. Hopefully this will save some time.

THE APPLICANT

- Co-operative Food Group will be known to your honours. They are a well-known and well respected organisation. The Co-op had been “on the go” since 1844.
- Again as the members may appreciate, the Co-operative Food Group Limited is different from the other major supermarket operators. It is not owned by shareholders but by its members. They are not driven by profit, dividends etc in the same way as the other operators are.
- They consider one of their principal functions to be to provide facilities to local communities. They are not operated on a purely commercial basis and they have always had an under base of social responsibility, often providing facilities to areas which are not considered attractive to the other supermarket chains.
- They often provide a facility in small villages in rural areas, the Islands, and other outlying areas. If there is a supermarket in the village it will normally be the Co-op!
- My understanding is that there are around 10 Co-op stores in Aberdeen and again my understanding is that they have not caused any problems whatsoever.

WHY HERE?

- These premises will be leased by the Co-operative Food Group Limited. As the Board may appreciate, a Planning Application for Change of Use to Retail was submitted by the Landlord. This was refused by Aberdeen City Planning Committee. The Landlord then appealed and the Application was granted on Appeal. The original Application to the Planning Department attracted over 90 objections.
- These premises are commercial and there is no reason to think that they will not remain as commercial. When they were put up for lease apparently we understand that whilst many residents would like to see this residential, no offers in respect of that use were forthcoming. Indeed there was not a great deal of interest at all. Having said that the Landlord obviously wishes to have it leased out and would therefore have looked, potentially, to almost any commercial use within the permitted Planning usage.

- Accordingly the premises will be used for commercial purposes.
- Our clients entered in to a contract with the landlord, conditional on the obtaining of a Licence, at the beginning of last year. Following the refusal in April, the Landlord, who is obviously keen to have the Co-op as a tenant, indicated that they would allow the Co-op to apply again, so in other words the property has not been advertised since.
- At the first Hearing, there were three objections, one from the Community Council, one from NHS Grampian, and one from EC Young, which was late. That was all. Whilst it seems to have been considered that the Community Council were representing those that objected to the previous Planning Application, there was no indication that that was the case.
- This Application has attracted more objections. It has probably had a higher profile this time. Our clients contacted the Community Council prior to Christmas and requested a meeting and indeed offered to do a presentation before the Community Council and any concerned objectors. Many of the comments discussed at the last Hearing, and no doubt again, really do relate more to a Planning Application, and the use of the premises for retail, rather than in connection with the Licence. Our clients had hoped to clarify these issues at a meeting but the Community Council have not been forthcoming in this respect.
- Some of the comments, including the objection from the Community Council, has queried the commercial viability and advisability of this Application. With all respect, the Co-op, like other supermarket operators, conduct substantial viability studies prior to the opening of any store, including research into footfall and the type of operation and range of products which might be appropriate. Obviously they take into account the location of their own stores, and other similar stores nearby.
- As explained above, the Co-op target community areas where there is a large residential spread, but perhaps fewer commercial facilities, rather than the high street locations that Tesco, Sainsbury etc might frequent. Indeed there is no indication that any of these supermarkets would have been interested in this store. It would probably not be appropriate to their financial model, but it suits the Co-op.
- There would be hundreds of homes where this would be the closest shop and that is our clients market, not passing trade. They would anticipate the vast majority of their business to come from people on foot.
- The Co-op are proposing a store that will serve the immediate community and their sales projections are not based on picking up on passing trade or attracting customers from further afield. Their business model looks at the catchment population and their spending habits and while these cannot be a 100% accurate they have an extensive portfolio of stores and data and they do get this right the vast majority of the time. They have also factored in the parking provision and feel that there is a robust business case for the site.
- They are aware of the restrictions in terms of deliveries etc which form part of the Planning Consent. This would be complied with.
- There is a store in Holburn Street and obviously that was taken into account. They believe that there is an underserved population in this area and the proposed new store would have negligible impact on the existing store. The Co-op certainly don't take their customers for granted and accept that if they don't present a great offer people won't shop with them and it will fail but they are working hard to provide the best stores in a very competitive market and are confident in the proposition.

- They are confident that their business case works and they have extensive modelling and data to support this where others probably do not. The level of capital investment they would plan for this site is close to £900,000 between extensive refurbishment of the building, fabric and the fit out. Thereafter they will have a long lease commitment on the property and will employ 15 to 20 (probably local) staff and therefore they need to be confident in the success of the site. There have been past failures on this location and a different approach is required to bring the property back to life. The Retail Planning Consent can only be implemented if the significant costs are incurred since the building does not comply with current Building Standards for retail premises and much of the expenditure is required to meet these. Consequently the property needs a business of the scale of the Co-op and the financial resources to make it viable and to bring it back to life. Without this type of investment the property will revert back to garage use or whatever else that might be more applicable to the property at the moment which may result in further decay of the building and nuisance to neighbours.

DUE DILIGENCE

- The Co-op are rightly proud of their due diligence.
- Staff Training is well in advance of that required under the Legislation. As well as the two hours training staff receive training in other areas and this is updated at least annually. More frequently if required – for instance if there is a change of Legislation, as there was for the introduction of Challenge 25.
- There is always a Personal Licence Holder on duty.
- The till, like that of all supermarkets and many other stores now, responds to alcohol and other age related sales proactively, asking the server to answer a series of questions before permitting the sale, and recording the refusal if appropriate. The refusals are also recorded manually. Until confident the store manager will keep the colleague on till lock down meaning that any sale of a licenced product will need to be authorised by a member of management.
- Training will be given in a buddy store so the store will not open with colleagues with no prior knowledge of selling age related products.

ADDITIONAL INFORMATION

- In new Co-op stores such as would be appropriate in Broomhill Road, the Co-op have introduced Community Pioneers. Each store has a community board for posting local information and the Community Pioneer will be an allocated member of staff who will work with the local community. In practise this will involve some of the paid work time being utilised outside the store assisting with community projects. This could be to help promote local business, groups and projects. They will also have a budget and some resources to work with. Where this has been trialled, one example of the type of project promoted by our pioneer was a beach clean-up in Fife.