

Our Ref: KC/JLD0151
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Date: 4 October 2013Planning Services
London Borough of Lewisham
3rd Floor
Laurence House
1 Catford Road
London
SE6 4RU

Dear Sirs,

LEWISHAM - DEVELOPMENT MANAGEMENT PROPOSED SUBMISSION CONSULTATION - AUGUST 2013

This representation is submitted on behalf of Costco Wholesale UK Ltd (Costco) who operate a number of wholesale warehouse clubs throughout the country, typically located on employment/industrial land. Costco operate sui generis membership warehouses which serve the wholesaling needs of the small to medium sized business owner. At Costco, businesses can purchase products at wholesale prices, which are significantly lower than those of traditional sources of distribution. Businesses can obtain most of their inventory needs from under one roof. Each warehouse sells a wide range of products, although the variety within each product range is limited. This enables Costco Wholesale to serve a wide range of businesses, providing a core range of products at low prices.

Costco is a reputable employer and would assist Lewisham in achieving their economic objectives. The level of jobs provided by Costco compares favourably in employment density levels to traditional B Class Uses. The company provides local people with a broad range of quality jobs that reflect the unique nature of Costco's operations. In addition there would be indirect job creation through the support given to local businesses.

Overall in the UK, over 90% of the jobs created by a new Costco are filled by locally recruited staff. Throughout the company, staff are encouraged to undertake training and to improve their positions. 85% of Costco's current managers are home grown having worked their way up from hourly paid positions. Positions range from craft and operative jobs for which specialist training is given, to managerial and supervisory jobs and unskilled jobs, which provide a point of entry for those who have little or no qualifications or training.

The benefits of a warehouse club such as Costco are that the positive impacts spread throughout the local economy. Costco's target customer is small and medium sized businesses and many of these can be found in town centres. Costco's target customers include:

- Independent Retailers
- Food and drink outlets such as restaurants and sandwich shops
- Service outlets such as small estate agents, accountants, garages and professional firms
- Independently owned hotels, guest houses etc

Costco can therefore make a significant contribution to the health of the local economy and, particularly to businesses that are otherwise forced to pay a premium for small purchases from traditional wholesale sources. Costco's prices and its range of products are unique in this respect.

The potential positive benefits of a Costco were the subject of an independent report by CBRE in May 2011 – 'Costco Warehouse Clubs - An Assessment of Economic Impacts'. The report confirmed the substantial cost savings potentially available to local businesses as well as the significant penetration which Costco achieves of local business memberships. 73% of members questioned in the study agreed that Costco's low prices help them retain competitive and the study drew the conclusion that:-

"Overall Costco provides significant positive benefits to members and local businesses in areas where Costco warehouse clubs are located."

(Para. 6.73)

The construction of a Costco in Lewisham would bring a number of benefits to small businesses and the wider economy in terms of employment generation for both a skilled and unskilled workforce;

Promoting Economic Growth

The National Planning Policy Framework (NPPF) (March 2012) promotes sustainable economic growth:

"At the heart of the planning system is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan making and decision taking.

For plan-making this means that;

- **Local planning authorities should positively seek opportunities to meet the development needs of their area;**
- **Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless;**

any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or

specific policies in this Framework indicate development should be restricted."

There is a clear emphasis in Government guidance that local authorities should not be overly prescriptive regarding specific uses and should be seeking to positively promote economic growth. It is important for local authorities to provide sufficient flexibility in policies to promote a prosperous economy able to accommodate changing business needs. Markets and economies evolve and not all new businesses fit within traditional use class definitions. Specialist operations have an important role to play in the economy and it is helpful for authorities to recognise those uses that are appropriate on employment land within the relevant planning policy framework. Documents should provide clear guidance to operators and developers thus encouraging development.

The NPPF also promotes flexibility. It emphasises at Paragraph 21 that:

"Investment in business should not be overburdened by the combined requirements of planning policy expectations."

It goes on to indicate that local authorities should:

“Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policy should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.”

Representations

To comply with the NPPF it is considered that there should be flexibility within the emerging employment policies within the Development Management Document, to recognise that a wide range of employment uses including sui generis uses are considered acceptable on employment land.

This representation suggests the following amendment to DM Policy 10 'Local Employment Locations' to recognise that sui generis uses are considered appropriate alongside B Class uses:

1. The Council will support uses within B Use Class and closely related uses not falling within a use class i.e. sui generis (such as cash and carry businesses and builders merchants) but which are commonly found in industrial estates, within a Local Employment Location, subject to

If you wish to discuss this representation further, please do not hesitate to contact me.

Yours faithfully,


KAREN CALKIN
Planning Associate