

Supplementary Advice: Retail & Town Centre Planning Policy

Proposed Retail Foodstore and Food/Beverage Unit, Burrows Yard, Afan Way, Port Talbot

Introduction

1. This Supplementary Advice note has been prepared by Nexus Planning ('Nexus') for Neath Port Talbot County Borough Council ('NPTCBC') in relation to a planning application (P2024/0339) for a retail foodstore and food/beverage unit at Afan Way in Port Talbot. It has been prepared at the request of NPTCBC officers in order to provide supplementary advice on retail and town centre planning policy matters and to assist NPTCBC with the determination of this planning application.
2. Nexus has previously provided advice on retail and town centre planning policy matters in February 2025 ('the February 2025 advice'). The February 2025 advice addressed the three main retail planning policy tests which are relevant to the determination of this application and concluded that:
 - a. There is a demonstrable quantitative need for the proposed foodstore, along with minor positive benefits associated with qualitative indicators of need.
 - b. The proposal meets the provisions of the sequential test.
 - c. There is the potential for the health of Taibach district centre to be undermined, leading to detrimental consequences for its overall vitality and viability. There is also the potential for a minor undermining / detrimental impact upon the health of Port Talbot town centre.
3. Avison Young ('AY') on behalf of the applicant (ALDI Stores Ltd) has submitted additional information in response to the contents of our February 2025 advice. This is contained within a 'Retail Addendum 2 – Further Update to Retail Impact Assessment' report (dated March 2025) (hereafter referred to as 'Addendum No.2').
4. Addendum No.2 provides additional information regarding the future of the ALDI Store in Taibach district centre, along additional analysis of the need and impact policy tests.
5. We deal with each of these matters in turn below.

The ALDI Store at Taibach District Centre

6. At present, ALDI operates a store located within Taibach district centre. Up to February 2025, the information submitted in support of this planning application was generally silent on the future of the Taibach store, although our February 2025 advice raised concerns over its future should permission be granted for the Afan Way store (and that permission implemented).
7. However, the Addendum No.2 has provided new information regarding the existing ALDI:
 - a. The store is held on a leasehold basis, with the lease understood to extend to June 2029.
 - b. The ALDI store property has now been sold to TJ Morris, who trade under the brand name Home Bargains. A letter from TJ Morris, attached to the Addendum No.2 document, indicates that they intend to open a Home Bargains store in the unit (after gaining vacant possession). The letter notes that: *"It is our intention to take occupation as soon as vacant possession can be secured from the tenant, ALDI Stores Ltd and we are happy to enter into negotiations with your company in respect to negotiations to meet with your operational*

requirements". Whilst the letter from TJ Morris does not state it, AY suggest that TJ Morris may wish to take vacant possession of the building ahead of the lease expiry.

8. We therefore agree with AY that it is likely that the existing ALDI store will close on or before June 2029. The available information indicates that this eventuality has no formal linkage with the current planning application by ALDI at Afan Way. In other words, a future change in the occupation / use of the existing ALDI store site will occur in any event, whatever the outcome of this current planning application.
9. As a consequence, the assessments of need and impact should be re-examined, as has been done in the Addendum No.2 document.
10. In relation to the sequential test, our February 2025 advice has already concluded that the Afan Way proposal complies with development plan and national planning policy on this particular policy test. However, the submission of additional information regarding the TJ Morris purchase of the existing ALDI store site, and the plans to re-occupy the site with a Home Bargains store, prompt us to update our advice on this issue. In particular, given the change in ownership and impending change in occupation to another retail, we can re-confirm that, in our opinion, the existing ALDI store site will not be an available alternative.

Need

11. As noted above, we have previously concluded that there is a quantitative need for the proposed foodstore at Afan Way. Given the change in circumstance regarding the ALDI store at Taibach district centre, we consider it useful to update that conclusion in the knowledge of the likely future closure of that store.
12. Based upon the likely closure of the existing ALDI store and its replacement with a new Home Bargains store (which is likely to sell a mixture of convenience and comparison goods, albeit a small amount of convenience goods than the existing ALDI), it is likely that additional convenience goods expenditure will be made 'available' to support new convenience goods floorspace. Therefore, it is our view that the quantitative need for net additional convenience goods floorspace, identified by AY's assessments, and in our own February 2025 advice, will be reinforced.

Impact

13. Within the Addendum No.2 document an updated financial impact assessment is provided. It contains the following updated information and analysis:
 - a. Updated data sources. The assessment provided by AY contains a number of welcome updated new data sources. These are:
 1. Updated base population and per capita expenditure data from Experian
 2. The use of Experian's latest economic forecasts, contained within their Retail Planner 22, published in March 2025.
 3. Updated grocery retailer sales density levels, provided by GlobalData.
 4. Updates in relation to the above areas are provided alongside a refreshed timeframe for the need and impact assessments of 2025-2030. This updated timeframe is considered to be reasonable.
 - b. Existing ALDI store, Taibach district centre. Based upon the new information provided in Addendum No.2, the updated analysis assumes that the existing ALDI store will close and all of its existing turnover will be transferred to the proposed new store at Afan Way. The assessment also assumes that the existing ALDI unit will be re-occupied by a Home Bargains¹. Whilst it is not explicitly stated by AY, it is important to note that the difference in turnover between the existing ALDI (£16.6m) and the new Home Bargains (£3.88m at 2025) is significant (circa £12.7m). However, for the avoidance of doubt and based upon the contents of the

¹ With no change in the amount of net sales area.

letter from TJ Morris, this change / drop in turnover at the district centre will not be dependent upon the outcome of this planning application.

- c. New ALDI store, Afan Way. In addition to the transferal of all existing ALDI turnover, AY's updated assessment models an uplift in turnover. This is based on the net additional sales floorspace achieving company average sales density levels. Given the trading performance of the existing store, we consider the principle of this approach to be reasonable. However, we do not agree that a density of £10,441/sq m is reflective of ALDI's latest company average convenience goods performance. We consider that a figure of £13,824/sq m is more appropriate².
 - d. Assessment of solus and cumulative impact. AY's updated impact assessment continues to include the closure of the Iceland in Port Talbot and the M&S in Neath. In addition, alongside an updated pattern of trade diversion to the Afan Way proposal, AY have included the impact of Home Bargains occupying the ALDI unit at Taibach district centre. As noted above, this impact is not directly connected with the current planning application, but is nevertheless a forthcoming change to the retail environment in Port Talbot. It is notable that the solus and cumulative impacts associated with these future events are not included in AY's Table 9.
14. In light of the potential under-estimate of the uplift in turnover associated with the relocation of ALDI, we have re-run our own financial impact assessment. This includes the following:
- a. Population and expenditure. We have adopted the latest 2025 and 2030 total available convenience goods expenditure estimates provided by AY³.
 - b. Uplift in turnover. We have, like AY, assumed that all of the convenience goods turnover at the existing ALDI is transferred to the Afan Way store. Our estimate of turnover uplift is based upon a net convenience goods sales area of 238sq m⁴ and a sales density of £13,824/sq m.
 - c. Trade diversion. Based upon the uplift in turnover (see (b) above) we have re-visited our forecast pattern of trade diversion. Like our previous assessment, our forecast pattern over diversion is based on existing shopping patterns, along with the location and retail offer of competing stores.
 - d. Home Bargains. For the purposes of our extended financial impact assessment, we have also included the re-occupation of the existing ALDI by Home Bargains in some scenarios. Where relevant, we have adopted AY's trade diversion estimates for the introduction of the new store⁵.
15. As a consequence of the applicant's updated impact analysis, and our assessment of it, we have reached the following conclusions:
- a. Taibach district centre. The loss of the ALDI store will see the convenience goods turnover of the district centre fall by 94%, although this loss should be adjusted to -83% following the opening of the Home Bargains store. We estimate that the overall effect on the Class A1 retail sector in the district centre will be a 69% drop in annual (convenience and comparison goods) turnover. Under normal circumstances, such a drop in turnover levels would lead to significant concerns being raised regarding the health of the district centre, although it is important to reiterate that this change in turnovers level have the potential to occur in any event, whatever the result of this planning application process. Therefore, whilst these future changes will no doubt be a source of interest to NPTCBC, the loss of turnover should not be a significant material consideration for this application.

² Based upon GlobalData's latest research, converted to 2022 prices

³ Tables 2a-2d of Addendum No.2

⁴ To match Table 1b of Addendum No.2

⁵ Like AY, we have not included an assumption that the existing Home Bargains store in Port Talbot town centre will close as a consequence of the new store at Taibach district centre.

- b. Port Talbot town centre. Our updated assessment shows slightly lower solus and cumulative impacts for Port Talbot town centre (excluding the effects of the new Home Bargains store).
 1. The solus impact of the proposed ALDI on the town centre's convenience goods sector is expected to be -4%, which will rise to -7.4% when the impacts associated with the recent closure of Iceland are taken into account. The lower levels impact are as a result of the proposed ALDI effectively being a replacement store rather than a second ALDI in Port Talbot.
 2. Leaving aside the new Home Bargains store, the overall impact on the town centre's Class A1 retail sector is expected to be -1.9% solus impact and -3.6% cumulative impact.
 3. When the effects of the new Home Bargains store are taken into account, then the impact associated with the Afan Way proposal and Home Bargains rises to -7.4% (New ALDI and Home Bargains) and -10.7% (Afan Way, Home Bargains and Iceland).
16. Overall, the changes in circumstances associated with the ALDI unit at Taibach district centre lead to a slightly lower level of direct solus and cumulative impact on the Class A1 retail sector in Port Talbot town centre⁶. In addition, the significant changes in retail turnover at the district centre itself are unconnected with this application. As a consequence, whilst our conclusions at paragraph 4.12 of our February 2025 advice remain relevant, the conclusions at 4.11 should be superseded.
17. As an aside, it will be noted that TJ Morris already operate a Home Bargains store within Port Talbot: with the Aberafan Centre in the town centre. The correspondence from TJ Morris which is attached to Addendum No.2 does not provide any information regarding the future of the town centre store. As a consequence, any suggestion at this stage that the town centre store will close when the Taibach district centre store opens can only be speculation. However, whilst the opening of a Home Bargains store on the application site would reduce the impact on the health of the district centre, there would be effect on the town centre. This is not a material consideration for this current planning application but nevertheless an issue for NPTCBC to be aware of regarding future wider town centre health issues.

Conclusions

18. As noted in our February 2025 advice, we considered that there was a quantitative need for the proposed foodstore and that the proposal had complied with the sequential test. However, there were concerns over the impact of the proposal on 'town centre' health, particularly Taibach district centre.
19. The additional information submitted by the applicant, which has described a change in circumstances regarding the existing ALDI store in Port Talbot, has led us to an updated set of conclusions:
 - a. Need. It remains the case that there is a demonstrable quantitative need for the proposed foodstore, although there is not any significant additional support from qualitative need factors. Therefore Part 1 of Policy R3 of the LDP is met.
 - b. The Sequential Test. We remain with the conclusion that the proposed development does not conflict with sequential test and, as a consequence Part 2 of LDP Policy R3 is met.
 - c. Impact. The change in circumstances associated with the existing ALDI store at Taibach district centre prompt us to change our conclusions with regards to the impact on the district centre. In particular, it is our view that the provisions of this particular planning application are unlikely to lead to the health of the district centre being undermined. We also remain with our previously held view that this planning application proposal will have minor undermining / detrimental effects upon the health of Port Talbot town centre. These effects are of such a scale they will not lead to a direct conflict with Part 3 of LDP Policy R3.
20. Should the Council be minded to grant planning permission for the proposed development, we would recommend that the following conditions / controls are placed upon the permission (in order to protect the health of nearby

⁶ This conclusion excludes the impacts associated with the future occupation of the ALDI unit by Home Bargains, which is unconnected with this planning application.

‘town centres’ and to control the use of the development to the one which has been assessed as part of this planning application process):

- a. The use of the proposed retail unit should be restricted to Class A1 only, with the maximum net sales area of the store being 1,356sq m. No more than 20% of the net sales area should be used for the sale of comparison goods.
- b. There should be no sub division of the Class A1 retail foodstore unit.
- c. The use of the proposed food/beverage outlet should be restricted to Class A3.