



Sadiq Khan (Mayor of London)
New London Plan
GLA City Hall
London Plan Team
Post Point 18
FREEPOST RTJC-XBZZ-GJKZ
London SE1 2AA

Lidl UK GmbH
19 Worple Road
Wimbledon
London SW19 4JS

2 March, 2018

Dear Sir / Madam,

Re: Draft London Plan – Car Parking Provision

I am writing on behalf of Lidl UK GmbH in order to comment on the Draft London Plan. GVA Planning have made a submission under separate cover addressing specific technical issues contained within the draft. The purpose of this letter is to reinforce and illustrate our concerns around proposed car parking policies contained within the Draft Plan. These policies are of major concern to Lidl and we believe that should they be adopted, investment into London would be significantly reduced, food prices would potentially rise and the lives of Londoners would be negatively affected.

Since opening our first store in 1994, Lidl has grown to over 700 stores nationwide with 80 of these stores located within the Greater London Area. The arrival of a new Lidl store has become synonymous with new jobs, investment, increased choice and lower prices for local residents.

Lidl plan to invest £1.45 billion in UK expansion throughout 2017 – 2018, with longer term plans to open over 250 stores within the London area. The opening of each new store creates 40 – 50 local jobs, with additional jobs created in our Head Office and Regional Distribution Centres. To cater for this ambitious level of growth, we plan to construct a new £70 million Head Office located in Tolworth in the Royal Borough of Kingston Upon Thames. This project alone is expected to employ 750 people when fully occupied and the decision to make such a huge long term commitment was taken in the firm belief that London would remain an attractive location for new investment.

The Draft London Plan indicates that car parking standards for retail users will be greatly reduced from what is currently permitted. In practice, this means that a standard Lidl store of 2,125 sq.m would be allowed a maximum of zero car parking spaces within PTAL 5/6 Areas, 28 car parking spaces within Inner London Boroughs and 42 car parking spaces within Outer London Boroughs. We do not understand the evidence base for this restrictive approach and believe that no consideration has given to the very real demand for easily accessible discount food stores (and for the varying needs of families, elderly and disabled customers).

The viability of each new Lidl location is dependent on a number of factors including local population size, unit size and quantum of car parking. Each of these factors influence the turnover generated and operational efficiency of a site; with both being required in order to justify development of a viable Lidl store. Experience has shown that without enough car parking, the vast majority of areas are simply not viable and will not generate sufficient revenue to justify opening a new store. The proposed maximum car parking standards are not sufficient and would significantly limit our expansion within London.

In addition to store expansion, Lidl have helped address London's housing shortage by delivering a number of mixed use developments. These developments typically contain a Lidl store and multiple residential units. In 2018, we expect to commence construction on projects delivering in excess of 300 residential units with the vast majority of these units being designated as affordable housing. The proposed car parking standards will prevent the re-development of our existing sites as any development would result in an unacceptable loss of car parking spaces for the associated store. This will serve to further limit the future supply of housing within London.

Competition within the grocery retail market will also be severely impacted by restrictions on car parking for new developments. Established supermarket majors typically enjoy the benefit of large, fit for purpose car parks developed under previous planning standards. The proposed new standards will act as a form of protectionism for these established supermarkets, giving them an unassailable advantage by severely limiting any new entrants ability to compete. As an example, Lidl currently have 80 stores within London, compared to 487 Tesco Stores, 315 Sainsbury's Stores, 43 Asda stores and 35 Morrison's stores. The proposed standards will lock the door to competition in areas not yet served by discount food stores, benefiting nobody but the incumbent majors. The inevitable result of reduced competition is rising food prices which will only serve to make London a less affordable place to live.

Like any successful company, Lidl make investment decisions and allocate expansion capital based on where we believe we can best develop a viable and sustainable business. In our case, being able to construct and operate successful discount food stores. Should car parking standards be reduced as proposed in the Draft London Plan, it will simply not be viable for Lidl to expand in London with our current ambitions. This will force us to revisit our expansion plans and allocate investment to other UK regions.

To summarise, we request that the proposed car parking standards are revised to remove the restriction on car parking numbers for discount food stores. This will help foster healthy competition, increase the supply of housing and enable large scale investment into London. Lidl have ambitious plans to grow in London and, as such, we ask that The Greater London Authority do not end these plans by enacting overly restrictive car parking policies. The result would otherwise be that our London expansion plans would be significantly reduced and investment diverted elsewhere.

Should you require any further information or require any clarification, please do not hesitate to contact me on the above number.

Yours sincerely,