From: Steven Roberts

Sent:15 August 2025 12:12To:localplan@york.gov.ukCc:Jenny Taylor-Smith

**Subject:** ASDA Stores Limited - Representation on CIL Statement of Modifications - York **Attachments:** ASDA Stores Limited Representation to City of York CIL Modifications Consultation

- Aug 2025.pdf

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Dear Sirs,

ASDA Stores Limited ('ASDA') submits this representation (attached) in relation to the Community Infrastructure Levy (CIL) Statement of Modifications Consultation been undertaken by the City of York Council in relation to regulation 11(1) of CIL regulations 2010 to inform amendments made to the draft CIL Charging schedule as revised in January 2024.

ASDA aim to promote effective use of brownfield land through our estate to facilitate development in sustainable locations, as supported by the strategic aims of the Local Plan and the NPPF. To facilitate such development, we implore the Council to re-consider the imposition of further development costs that will expand upon existing development barriers whilst failing to recognise site-specific viability requirements. We trust that the attached comments will be taken into account.

We would welcome the opportunity for further engagement on these matters.

Kind regards

Steve

# **Steven Roberts MRICS MRTPI CMI**

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Data classification: Asda Internal

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Strategic Planning Policy Team City of York Council West Offices Station Rise York YO1 6GA

15<sup>th</sup> August 2025 [Sent via Email to localplan@york.gov.uk]

Dear Sir or Madam,

# City of York Council – Representations to Community Infrastructure Levy (CIL) Statement of Modifications Consultation

#### Introduction

ASDA Stores Limited ('ASDA') submits this representation in relation to the 'CIL Statement of Modifications Consultation' being undertaken by City of York Council.

It is our understanding that the latest consultation is being undertaken in line with regulation 11(1) of the Community Infrastructure Levy Regulations 2010 to inform amendments made to the draft CIL charging schedule as revised in January 2024, and which is currently undergoing examination.

ASDA are a national grocery retailer founded in 1965 with roots in a 1920s Yorkshire family business. Our estate comprises approximately 1,200 sites UK-wide —including 610 superstores, supermarkets, and ASDA Living Stores—and employs over 140,000 colleagues serving 16 million customers weekly. We also have a growing presence in convenience and food service.

Like others in the sector, we face delivery challenges including rising construction costs, labour shortages, high interest rates, limited government funding, regulatory changes, and broader economic uncertainty. Retail-focused development also presents unique obstacles. While these representations reflect ASDA's perspective, the themes raised within are consistent with the challenges faced by other retailers and therefore require critical consideration.

### Representations

Whilst we support modification no.1 which seeks to reduce the CIL rate for new residential floorspace from £200 to £150 per sq.m, and modification no.8 which reduces the rate of new convenience floorspace (up to 450sq.m GIA) from £100 per sq.m to a £nil rate, ASDA wish to submit their general objection to the proposed adoption of a CIL charging schedule within the City of York.

We oppose the adoption of CIL, on the basis of conflict with the Council's strategic aims of promoting development opportunities to cultivate economic growth (as underpinned by the York Economic Strategy 2016) and meet identified needs, as a means of consolidating York as the regional economic hub for North Yorkshire. Strategic City of York Local Plan (2025) policy DP1 clearly references a desire for York to act as an economic driver for the region.

The revised National Planning Policy Framework (NPPF) (2024) increased the weight attributed to the redevelopment of brownfield and underutilised land, recognising the value of using previously developed sites to facilitate development and meet identified needs. The NPPF at paragraph 125c now affords substantial weight to such development. The adopted Local Plan through policy SS1 acknowledges the opportunity that previously developed land can play in facilitating development in sustainable locations to meet housing need over the Plan period.

In this context, we fail to appreciate how additional costs imposed on prospective development will aid in facilitating the Council's strategic economic or development objectives, or how additional development costs align with the Ministry for Housing, Community and Local Government's (MHCLG) recognition of the value of making effective use of land through development of under utilised sites.

ASDA possesses a substantial estate across the United Kingdom, including sites within the City of York, which present opportunities to create exciting mixed-use places with new residential units, or student accommodation, supported by commercial uses serving both new occupants and the existing community. Such developments ensure that new and existing needs are met for food shopping whilst promoting the vitality of the centre's within which the sites are located and thus supporting the local economy.

One of the major development pressures at both a national and local level is the acute shortage in both housing and purpose-built student accommodation (PBSA). A recent CBRE PBSA supply and demand report cited a capacity shortfall of at least 6,500 in student accommodation provision within the City of York<sup>1</sup>. The opportunity to bring forward mixed-use redevelopment comprising PBSA and retail convenience on well-located, previously developed sites therefore presents an opportunity to meet this growing demand and satisfy an identified need. To the contrary, the proposed imposition of a £150 per sq.m CIL charge on new PBSA floorspace, a development type typically requiring an accessible, central location, only serves to stifle developer demand for bringing forward proposals which seek to satisfy this need. ASDA cannot envisage how this approach will positively contribute to bringing an adequate supply of PBSA to market, which conflicts with the Council's strategic aims to deliver the right type and quantum of development which meets identified needs as to promote economic growth and retain York as a regional economic hub.

Beyond the proposed PBSA charge, we note the revised CIL schedule retains the provision for a charge of £150 per sq.m on residential development, albeit reduced from £200, observing that the CIL schedule proposes charges for the two most acute development pressures in the City of York. We also note that the reduction in the proposed residential CIL rate suggests the Council recognise existing viability constraints, with rising build costs cited within the Viability Study Addendum (June 2025). With due regard for the acknowledged rise in building costs, and with regards to the latest 5YHLS figure cited by the Council², and the requirement for a 20% housing need buffer, ASDA query how imposing further development costs aligns with the recognised challenges faced by developers, and how this mis-alignment aims to promote the development of a sufficient quantum of housing as to ensure that City of York are delivering against their mandatory housing targets?

Aligned to the above, we therefore suggest that the barriers to redevelopment are reduced to enable a more efficient realisation of the development potential offered by our estate, and to facilitate satisfaction of current PBSA and housing delivery undersupply with the City of York. To release the significant potential of redeveloping sites currently occupied by our, or other retailers supermarkets, it is vital that redevelopment prospects remain attractive and viable to both operators and prospective developers.

The optimisation of underutilised supermarket sites, whereby continuity of trade is a priority, creates sensitivities which can marginalise redevelopment viability given that the operator in-situ also needs to remain operationally and economically viable, outwith the potential gross development value, to be comfortable in bringing a site to market. This creates an additional benchmark and conditions to any land sale and/or developer partnership to which a prospective developer would need to carefully consider. Consequently, the scope to which redevelopment opportunities are deemed viable from both the disposal and/or developer perspective can differ vastly based on the circumstances of each site.

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<sup>&</sup>lt;sup>1</sup> York Student Accommodation Demand and Supply Report, CBRE, April 2024 (submitted to application 24/01077/FULM)

<sup>&</sup>lt;sup>2</sup> Housing Land Supply Statement July 2024, City of York Council

When redeveloping our stores, we incur a range of bespoke and abnormal costs that go beyond those typically seen in residential projects. These include:

- Fit-Out of Replacement Stores: Includes refrigeration, shelving, checkouts, lighting, signage, and back-of-house facilities—comparable in scale and importance to residential fit-out costs.
- Temporary Trading Arrangements: Leasing and fitting out temporary stores or pop-ups to maintain some level of trade during redevelopment.
- Phased Demolition and Construction: Staged works to allow partial operation during redevelopment, increasing programme length, complexity, and cost.
- Car Parking Reprovision: Interim and permanent solutions to meet planning and customer needs, including temporary structures or underground parking.
- Operational Disruption and Trading Performance Impact: Reduced footfall, constrained access, and customer inconvenience during construction can significantly affect store performance and scheme viability.
- Infrastructure and Servicing Upgrades: Reconfiguration of utilities, drainage, and servicing yards to support new layouts and increased density.
- Design and Engineering Complexity: Structural solutions to support residential or student accommodation development above retail floors, including acoustic separation, fire safety, and vertical circulation

We advance therefore that the introduction of a flat, inflexible CIL rate fails to recognise the sensitivities of each redevelopment site, thus potentially diminishing prospects of redevelopment on prospective sites which may otherwise have been brought forward for redevelopment. ASDA again maintain that an additional cost to such development being brought forward fails to respond to the Council's identified development needs or strategic aims outlined above. A flat CIL rate does not align with the site-by-site, marginal nature of estate optimisation.

## Conclusion

We aim to promote effective use of brownfield land through our estate to facilitate development in sustainable locations, as supported by the strategic aims of the Local Plan and the NPPF. To facilitate such development, we implore the Council to re-consider the imposition of further development costs that will expand upon existing development barriers whilst failing to recognise site-specific viability requirements.

We trust that the above comments will be taken into account as part of this consultation. ASDA is a keen promoter of sustainable development and seeks to ensure that strategic objectives regarding brownfield land and housing delivery, or other identified needs, are met, particularly where existing supermarket sites can facilitate that delivery.

We would be keen to discuss the above with you further and would welcome the opportunity to meet either as a business or alongside other retail operators, if you are able to provide availability of dates so we can review the representations concerning matters for retail and mixed-use space planning.

Yours sincerely,

Jenny Taylor-Smith MRTPI AIEMA

Head of Town Planning UK Property Team ASDA