

4th December 2008

Our ref: R00072

Freedom of Information Request – Supermarket Subsidies

Please provide a full list of subsidies, incentives, inducements and any other payments made by the South East of England Development Agency since its formation to:

1. Supermarket companies, their subsidiaries, branches and outlets, or other companies involved in establishing superstore outlets or assembling the land required to accommodate them.
2. Also any money spent on land or the infrastructure required to allow a supermarket to establish itself in any location or to support the establishment or development of that outlet.

Information requested

SEEDA has not provided any direct subsidies, incentives, inducements or other payments to supermarket companies or other companies involved in establishing superstore outlets.

SEEDA has been involved in works that have enabled retail and/or food stores to occupy sites.

Background

SEEDA's interventions in the property market are designed to address directly the specific market failures associated with individual locations and are part of a holistic package of intervention, the objective of which is to lift those parts of the region that are subject to economic and social exclusion.

Action is targeted to the specific nature of the market failure, through bringing sites to market in various states of readiness, depending on the extent of the failure, and enabling the market to respond, and in turn creating attractive long-term investment opportunities.

SEEDA's approach has included the incorporation of retail elements into master plans and development agreements for strategic sites. Set out below are key sites with retail components. In many cases the detail of the provision has yet to be determined. However, where food stores have been part of the negotiations, details are provided. It is important to note that the transactions will have been through a competitive bidding process and that no subsidies will have been provided to supermarket companies or their subsidiaries.

RDAs as a matter of practice do not retrospectively monitor the occupancy of sites that we have provided support to relating to infrastructure works once that work has been completed. The RDAs cannot provide a guarantee that such sites have not been occupied by a supermarket or a related subsidiary, but we can confirm that where RDA support has been given in this manner, it is a stipulated requirement that any onward sale is conducted at open market value thus ensuring that no 'subsidy' to the purchaser is given by the RDA.

Specific schemes

1. North Kent and the Thames Gateway

Chatham Maritime, Medway, Kent

SEEDA sold the land and buildings known as the Ship & Trades building to the brewery company, Shepherd Neame in October 1999. Part of the property was then sublet with SEEDA's consent to Macs Neighbourhood Stores Ltd who operated a foodstore. The floor area of the foodstore was under 500sqm. The consideration SEEDA received was confirmed as Market Value by its independent valuer and no subsidy was provided by SEEDA. No other transaction involving foodstores have been entered into by SEEDA by the Chatham Maritime team.

Rochester Riverside, Kent

Rochester Riverside is a major mixed use development, part of Medway Waterfront in North Kent. SEEDA has a collaboration agreement with Medway Council, masterplanning and outline planning consent has been secured for the site. The Masterplan for the site has planning consent for inter alia 7,800 sq m of retail, food and drink (A1 & A3). There might be a small basket store included in the scheme, but nothing has yet been agreed. The size of the store will be probably no more than 1000 sq m. The site will be sold to a developer at open market value.

Queenborough and Rushenden, Isle of Sheppy, Swale

As part of SEEDA's investment in the Thames Gateway SEEDA is working with partners to regenerate Queenborough and Rushenden on the Isle of Sheppey. Partners are seeking to deliver comprehensive change, the initial stages of which have involved the development of an Area Action Plan, master planning and the acquisition of a number of strategic sites and properties. The master plan includes commercial and mixed use elements.

One of the sites being taken forward is currently owned by the Crown Estates who approached SEEDA to act on their behalf to open up the site for development through site preparation and infrastructure works. Crown Estates has negotiated an occupier for the site in the form of Aldi, with a regional HQ and distribution centre planned for the site. Whilst SEEDA is part of contractual agreements between SEEDA, Crown Estates and Aldi to deliver the site, SEEDA is providing no financial contribution to the scheme.

Dartford Town Centre and Northern Gateway

Dartford forms an integral part of the Kent Thameside strategy as a key existing town centre. Whilst strategically located and well connected, the town centres' reputation has been eroded over recent years with a lack of retail and leisure investment and a 'tired' physical environment. Again working with local partners, a SEEDA-led master plan and public consultation process has highlighted key issues and challenges facing Dartford, including a common view amongst residents and visitors that the town centre retail and leisure provision needed improving. The scheme is still at an early stage.

Northfleet embankment

A site at the heart of the Kent Thameside, offers the opportunity for a high quality mixed use scheme, including retail as part of the balance of uses. Again SEEDA is working with partners on the master planning process which has so far identified key zones within the embankment. SEEDA is currently developing a planning application for the Northern Embankment East.

2. East Kent and Ashford

Ashford

Ashford is identified in the Government's Sustainable Communities Plan as one of the areas within the South East targeted for major growth. The master plan for Ashford is based on a compact model for growth working on the principle that growth needs to come from the centre with improved links being created between the town centre and the international railway station. As a result, this is where SEEDA's attentions have been focused.

SEEDA has made a number of strategic acquisitions in the centre including the Dover Place/Tannery Lane redevelopment area which lies between the town centre and stations area. This development area which extends to approximately 4 hectares is capable of delivering some 70,000 sq m of mixed-use development in the medium-term. A further site is at the Elwick Road site that will be brought forward for mixed-use development including retail and leisure. SEEDA has selected its joint venture partner to deliver this scheme.

Margate, East Kent

As part of the Margate Renewal Programme, SEEDA and Thanet District Council are aiming to encourage significant new retail-led development within a key town centre site in Margate. This is a very fragile commercial location, more so in the current economic climate and partners are currently reviewing their strategy for approaching the market.

Dover, East Kent

In Dover SEEDA has provided grant aid to Dover District Council to support a major urban renewal programme for the town centre. This is a retail led, mixed use development comprising food and non-food retail, residential, new hotel and restaurants. Dover District Council procured a development partner who in turn has secured a pre-let to Asda as an anchor tenant for the scheme. No public subsidy has been involved.

3. Hampshire and the Isle of Wight

East Cowes, Isle of Wight

SEEDA has secured planning consent for a mixed use development, including a foodstore. Following a competitive process SEEDA have selected Waitrose as the preferred developer for the foodstore and are currently negotiating final terms on the agreement. The foodstore was selected through a competitive bidding process and no subsidy is involved.

Woolston, Southampton

SEEDA has secured planning approval for a mixed use scheme, including a foodstore and this will be taken forward as part of Crest's (CNR) part of the project. The developers have sought bids from the main retailers. CNR were selected as our preferred development partner through an OJEU tender process.

4. East Sussex

Hastings and Bexhill

SEEDA is a partner in Sea Space, which is the economic development company for Hastings and Bexhill. A core focus of the Sea Space programme is helping businesses to succeed - attracting new firms to the area, helping local companies to start and grow and working to ensure the overall local economy thrives.

Lacuna Place is an 82,000 sq. ft mixed use office/retail development in Hastings town centre, just completed.

Tesco has reached an agreement with Coastal Land LLP (a joint venture between economic development company Sea Space and The Land Group), to lease a 4,530 sq ft unit within the new Lacuna Place. This will be for a Tesco Express outlet – the company's convenience food store in a town centre location.