

LESS MILES...MORE TASTE



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14th May 2013

Dear Mr Oliver,

We write following the publication in the Herald Express on 9th May 2013 of an article concerning the proposed refund of £285,000 of Section 106 contributions to Tesco and the associated report of Kevin Atkinson of the TDA.

Like many small businesses in Torbay, we have had to make very significant Section 106 contributions to develop our business. Unfortunately, as we are local people and not an outside investor we received no help what-so-ever from the Council or the TDA.

As a result for a £500,000 development our Section 106 payment was £28,000 in cash, same representing 5.6% of invested capital. This contrasts extraordinarily with the Section 106 payment which was being asked of Tesco. On a £20million investment their £285,000 Section 106 is a mere 1.4% of invested capital.

You are now being asked to indemnify Tesco for even these modest Section 106 monies, so Tesco pay nothing what-so-ever. The assertion which purports to justify this action is that this already small sum will have the binary effect of making the whole development unviable. This assertion is extremely implausible.

However, at section 4.3 of Mr Atkinson's report he discounts the option of asking Tesco to justify this implausible assertion for reasons of needed to rush through the development.

We find this extraordinary. What does our Council and the TDA have against home-grown businesses that come from the bay itself? Why should we fail to properly scrutinise the plans of large business whilst raking over the finest detail in applications submitted by businesses already resident in the Bay.

What is good for the goose is good for the gander. Co-incidentally we have ourselves for some time now been considering expansion plans. However, at all previous decision points the existence of likely required Section 106 payments has made same expansion plans unviable.

Hence, please could you give us the same assurance that Tesco are asking for that we will not have to pay any Section 106 monies. We presume we will not be asked for justification of our assertion of the unviable nature of the expansion plans as Tesco have not been asked this question either.



South West of England
Regional Development Agency



Partially Funded and Supported by the SWRDA and RDPE

We would point out that treating ourselves or any other business differently would likely be in direct contravention of European State Aid legalisation thus making the entire Council Section 106 policy completely non-credible and unenforceable. You have before you no legal advice on the European State Aid legalisation position and this is not an area of law which we understand Council Staff are in a position to provide proper specialist advice on.

Yours sincerely

Richard & Caroline Haddock