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Planning. Design. Economics.

**Proposed Marks & Spencer Simply
Food Store, Land South of A259,
Rustington, West Sussex**

**Statement on behalf of Marks and
Spencer plc**

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1.0

Scope of Statement

1.1

This Statement has been prepared by Nathaniel Lichfield & Partners (NLP) in liaison with Marks and Spencer plc (M&S). It accompanies a planning application which seeks to enable them to operate a Simply Food store from a new retail unit at land south of the A259, Rustington, West Sussex.

1.2

The statement explains the M&S Simply Food format, how it has evolved and M&S' requirements for new sites in general (Section 2.0) and in Rustington in particular (Section 3.0). It goes on to set out the likely level of job generation and M&S' approach as an employer (Section 4.0) and briefly considers M&S' commitment to sustainability in Section 5.0. Brief conclusions are summarised in Section 6.0.

2.0

M&S Simply Food Stores

The Simply Food Format

2.1

The Simply Food format is a specialist chain of small and medium sized foodstores selling predominantly a range of Marks & Spencer branded convenience products, as well as very limited other ancillary non-food goods (including flowers and plants, stationery and cards), within the Company's general merchandise (GM) range. Some stores may potentially include an in-store café operated by M&S. It has been developed to respond to local customer demand for Marks & Spencer food products at convenient, established shopping locations including in some cases in major railway stations, motorway service areas and petrol filling stations. The stores in these last 3 locations are run under franchise agreements.

2.2

The Simply Food stores are located within the catchment areas of Marks & Spencer's very much larger stores, which sell a wide range of comparison goods as well as their food range. As in Rustington which is somewhat served by Worthing (see Section 3.0), these larger stores are typically located in city, large town, or other purpose built centres. Simply Food stores are complementary to those larger stores. The Simply Food stores generally serve the convenience retail needs of more modest sized or populated catchment areas and enable Marks & Spencer to better meet their customer needs for food shopping at a local level.

2.3

The products on sale in the stores are the Company's core food lines with a focus on high quality food and an emphasis on fresh produce and pre-prepared foods and meals targeted at the premium end of the market. The proposed store would be likely to sell about 5,000 food lines in total of which up to 100 would be branded goods and the rest (about 98%) would be Marks & Spencer's own brand. The total number of lines is a small proportion of the 20,000+ lines that a food superstore might typically sell. The range of goods

limits the average basket size of the stores. Thus, while the stores can meet an element of main food shopping needs, and serve the needs of shoppers who wish to use trolleys and carry goods away by car, they do not meet the same requirements of a wide ranging bulky main food shopping trip as a food superstore.

M&S Simply Food Experience nationally

- 2.4 By the end of 2013 Marks & Spencer had 183 Simply Food stores operating around Great Britain (excluding the smaller franchise stores in e.g. railway stations and petrol filling stations). Whilst Marks & Spencer had opened some 24 food stores (known as Neighbourhood Foodstores) in the 1980s and 1990s, the Simply Food concept and chain only started in July 2001 and has expanded steadily since then to the current store portfolio. Thirty six stores opened between July 2001 and 2003, a further 74 opened between 2004 and 2007 and another 73 have opened in the period up to the end of 2013. There has been and remains an on-going programme targeting future store openings (of which Rustington is one).
- 2.5 The growth in the portfolio has been rapid and as well as the currently operating stores, M&S have closed a number of stores because of poor performance. These closures were predominantly in 2009 and included. The reasons for the closures were varied included having a weak retail location, a lack of footfall and/or a lack of convenient surface level car parking.
- 2.6 Marks & Spencer's experience derived from their rapidly evolving Simply Food chain has demonstrated to them the key factors to operating competitive and successful stores which are attractive to their customers and meet their needs, as well as factors that constrain trading levels. Their current strategy reflects these factors which include the following of relevance to their aspirations at this site in Rustington.
- 1 They require a catchment population with sufficient numbers of the higher socio-economic groups who form the majority of M&S customers.
 - 2 They require a catchment and a location where there is sufficient scope to increase M&S' market share without impacting significantly on the Company's own stores.
 - 3 They require stores with a floor area of about 1,400sq.m (15,000sq.ft) gross to enable them to provide the range of goods, and facilities and shopping environment that M&S customers seek and to enable them to compete with other supermarket/superstore retailers. Their required store size has grown since the chain initially started as their trading experience has shown that a number of the smaller stores were less successful. Thus while some of their portfolio comprises older smaller stores, they are generally no longer seeking such stores.
 - 4 They need good access to sufficient surface level or at grade car parking to enable shoppers to use trolleys. While M&S do not seek to meet bulk convenience shopping needs to the same extent as the major superstore

operators, they do cater for shoppers wishing to buy a range of products and transport them away easily by car and need to be able to compete successfully with other supermarket/superstore retailers in doing this.

- 5 They need sites whether town centre or retail park, where the combination of the prominence, location and proximity to other retailers provides a critical mass of attraction and the opportunity for M&S to benefit from linked trips to other retailers and 'pass by' trade.
- 6 They need good accessibility for customers to complement 5 above.

2.7 While there may be exceptions to elements of the above where the trading potential is strong enough, such that some compromise on these elements would be possible without undermining the viability of a store, these criteria are generally key to establishing a successful Simply Food store. Past experience shows that Simply Food stores with shortcomings in these factors perform more poorly and, as the closures demonstrate, are likely not to be viable.

2.8 The majority of their recently opened stores and their current programme of targeted locations fall within 2 broad categories of location: smaller towns where there is no existing M&S non-food or food representation and there is the potential for a successful Simply Food store; and the urban areas of medium and larger towns and cities where M&S already have one or more general merchandise stores. The current proposal is more akin to the second. It seeks to serve primarily the residents of this part of Rustington as well as Angmering, and to some extent Littlehampton and drive-by traffic from the A259.

2.9 The proposed store in this location would also draw trade from visitors already on the highway network, and from linked trips to the proposed facilities within the overarching development scheme (which includes a local family public house). For all these customers the store would provide convenient access to M&S' premium food range and reduce the need for existing M&S shoppers to leave the surrounding area to buy these goods.

2.10 M&S has a limited capital expenditure programme nationally for their Simply Food programme and strong competition from different locations for these moneys. This means that if a site that is being pursued proves not to be available or permission cannot be secured, the capital expenditure is likely to be reallocated to another location elsewhere in the Country where M&S are confident there are good prospects of a deliverable viable alternative.

3.0 **Marks & Spencer in the Rustington Area**

- 3.1 Marks & Spencer has a large store in Worthing Town Centre (with a gross floorspace of around 3,920sq.m) selling a wide range of non-food and food goods. The proposed store at land south of the A259 is intended to be complementary to their Worthing Town Centre store and, consistent with their operation in numerous towns across the Country, they propose to operate both stores.
- 3.2 The Worthing Town Centre store has a food hall of around 900 sqm (i.e. a similar size to the application proposal). This store was subject to significant investment in the autumn of 2012.
- 3.3 There are a number of franchise M&S Simply Food stores within the vicinity (including one at Worthing Road BP Petrol Filling Station, and Findon Valley BP Petrol Filling Station). As noted above these stores have different operational characteristics to the application store and are generally smaller. Both stores will remain open.
- 3.4 M&S has recently obtained planning permission for a Simply Food store in Bognor Regis which is due to open in September 2015.

The Application Site and Proposal

- 3.5 The application site at land south of the A259 meets the criteria set out in section 2.0 with the ability to provide a unit of the required size with associated surface level car parking. In addition, it will complement M&S existing network of stores by bringing the M&S food offer to a location convenient for local shopping for both residents of Rustington and pass-by traffic, as well as providing opportunities for shoppers already visiting the proposed facilities in this location to carry out linked trips.
- 3.6 The proposed store would have a total sales area of around 835 sq.m which may potentially include a café (the café is likely to have a floorspace of around 50 sq.m). The store would include a food sales area (incorporating flowers, plants etc.) of around 776 sq.m and a non-food area (e.g. for cards, stationery, household goods) of 9 sq.m.

4.0

The Provision of Jobs and Marks & Spencer's Employment Policies

Job Creation

4.1

M&S consider that the store will provide about 50-55 jobs in a mixture of full and part time positions, equating to some 29 full time equivalent (FTE) jobs.

Core Company Values

4.2

Marks & Spencer's core company values are Quality, Value, Innovation, Trust and Service. Service has the biggest impact on employees. The company has identified the following values as those most relevant to ensuring that employees are focused on delivering quality customer service:

- **Proud** – people are proud of the fact they work for Marks & Spencer, and of the products they work with. They take pride in everything they do;
- **Committed** – staff are committed to delivering great customer service;
- **Involved** – people are informed of new developments and kept up-to-date with the progress of the company;
- **Challenged** – all employees challenge each other constructively every day to ensure they reach our full potential;
- **Valued** – people are rewarded for their contribution to the business; and
- **Fairly Treated** – all people are respected and valued, whoever they are.

Marks & Spencer Career Programme

4.3

There is a defined career route available to all new starters which will allow them to progress through four Customer Assistant roles, with potential to progress to section or store management positions. There are many examples of senior Marks & Spencer staff that have progressed from store assistant to Director level.

4.4

The four customer assistant roles encourage progression to a level that is appropriate for the individual. The four roles are:

- **Trainee** - Initial role within which all new store employees join. Significant training and development undertaken;

- **Qualified Assistant** - Once satisfactory development has taken place pay and rewards are increased accordingly. This will usually be after a period of 26 weeks. To achieve the status of qualified assistant, employees undertake a detailed training programme. In order to reach this level the trainee is coached in all aspects of the role for which the particular qualification is sought. Coaching cards, which cover topics such as customer service, tilling, 'Plan A' and communication skills, are completed and assessed. These are then reviewed by the section and store managers before agreement is reached to progress an employee to 'Qualified Assistant' status. Topics are divided into generic skills (required by all staff) and then role specific technical knowledge aimed at improving product knowledge and, ultimately, customer service;
- **Coach** - Qualified assistant with the added responsibility of developing others; and
- **Section coordinator** - Qualified assistant with added responsibility for organising and managing day to day operations within the section in which they work.

4.5 Beyond the four customer assistant roles, employees have the potential to progress to section management, store management in local or national stores, or into head office roles.

4.6 The benefits package available to store customer assistants comprises a generous pay framework and several major benefits. Marks & Spencer's pay rates are regularly benchmarked against other retailers to ensure that the company is competitive. Extra performance awards are offered to recognise individual achievement.

Local recruitment

4.7 If planning permission is granted and implemented, Marks & Spencer would recruit as many of the new staff required to work in the store as possible from the local area. This is company policy with all new store openings; it meets both Marks & Spencer's operational requirements and is consistent with 'Plan A' Climate Change targets. A local targeted advertising campaign prior to the store opening will ensure that all potential employees from the local area are reached.

Pre-employment training

4.8 Marks & Spencer would work with the local authority and Job Centre Plus in agreeing pre-employment training for potential candidates. This would continue after the store has opened. Work shadowing and coaching would take place in nearby stores prior to store opening, and Marks & Spencer will interview these identified candidates along with all other candidates.

5.0

Sustainability

5.1

In January 2007, M&S launched '*Plan A*' which set out 100 commitments to address the key social and environmental challenges facing the company over a five year period. 94 of these commitments were achieved. This was subsequently extended to 180 commitments to be achieved by 2015. Plan A has now been refreshed and is now called Plan A 2020 and sets out 100 further commitments to be achieved by 2020.

5.2

Plan A demonstrates M&S' commitment as a company to making a difference. It has been underpinned by ambitious, social and environmental goals and aspirations for the communities in which the company trades. Through the Plan, M&S has worked with its customers and suppliers to combat climate change, reduce waste, use sustainable raw materials, trade ethically and help its customers to live healthier lifestyles. Plan A 2020 is a business plan that focusses on engaging with customers, employees and other businesses and aligning social and environmental outcomes with their business goals. Details, including the 100 commitments are contained in M&S' 'Plan A Report 2014'.

6.0

Conclusions

6.1

The proposed Simply Food store would complement M&S' existing food offer in Rustington and wider area and is focussed on providing their premium food offer in a location convenient for residents and pass-by traffic within this part of Rustington. M&S propose to operate this new store in conjunction with their existing Worthing Town Centre store.

6.2

It will also provide opportunities for shoppers already visiting the nearby proposed leisure facilities to carry out linked trips.

6.3

The store would provide about 55 jobs in a mix of full and part time positions with most being recruited locally. A clearly defined career progression route is available to all new starters.