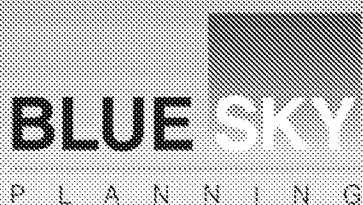


**COMMERCIAL
DEVELOPMENT
PROJECTS LTD AND
MARKS AND SPENCER
PLC**

**LAND SOUTH OF NEW
ROAD AND EAST OF
BROOK LANE,
RUSTINGTON**

RETAIL STATEMENT



FEBRUARY 2015

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1.0 INTRODUCTION

- 1.1 This Retail Statement has been prepared on behalf of Commercial Development Projects Ltd (“CDP Ltd”) who, along with Marks and Spencer PLC (“M&S”), are joint applicants for proposals to develop land south of the A259 New Road and east of Brook Lane to the north of Rustington, near Littlehampton (*“The Application Site”*) for a foodstore comprising 826sq m of food and drink sales potentially including a café of around 50 sq m plus around 10 sq m of general merchandise to operate as “M&S Simply Food”. (*“The Application Proposal”*).
- 1.2 This Statement addresses the retail policy issues raised by the proposed foodstore in accordance with the National Planning Policy Framework and the statutory development plan. Whilst permission is also sought for a public house this element does not need to be considered as part of the retail policy assessment.
- 1.3 The Application Site is undeveloped land bounded to the south by the South Coast railway line, to the north by the A259 New Road and the west by Brook Lane. Land to the east is also currently undeveloped but is subject to an extant planning permission dated 13 June 2014 for two retail units (including a food store) and a car dealership (LPA Ref A125/13).
- 1.4 M&S Simply Food forms a popular facility within the M&S store range and is described in Section 3 and the retailer’s separate Operator Statement. In summary, M&S Simply Food primarily sell food and drink products (predominantly own brand products); the sales floor must be on a single level and at ground floor near a supply of surface or at grade car parking, have dedicated serving facilities; have good commercial prominence and be accessible to its target catchment. In addition to the A1 retail sales space, the proposed M&S Simply Food store will contain a small ancillary café. It will employ about 50-55 people equating to some 32 Full Time Equivalent staff.
- 1.5 The Application Proposal has been subject to consultation with Officers of Arun District Council regarding the potential to redevelop the site for retail purposes. Initial discussions were held in 2013 with Totem Developments who formerly had the option to develop the site. These discussions were followed up with a meeting with M&S in January 2014. As experienced developers CDP Ltd acquired the option from Totem in August 2014 and commenced formal pre-application consultation in November 2014 with the full support of M&S. Officers considered that development of the site and associated benefits would be welcomed in principle subject to the full assessment of retail policy considerations. Other technical assessments in respect of transport, flooding/drainage, trees, ecology, ground conditions, lighting and archaeology would also be necessary.

- 1.6 The approved development on land to the east of the Application Site (“The Mill Lane Site”) is a material consideration in respect of the Application Proposal both in terms of the principle of retail development in this area and the technical analysis of retail policy matters which was accepted by the Council when granting permission. Accordingly, in preparing this Statement we have had due regard to the relevant aspects of the developer’s Retail Statements (prepared by CGMS) and the advice of the Council’s retail consultant (DPDS) in respect of the approved scheme.
- 1.7 Also of relevance is a more recent proposal for an M&S Simply Food store at Unit D1, Arun Retail Park, Bognor Regis which was approved by the Council on 31 July 2014 (LPA Ref: BE/37/14/PL). Whilst serving a different catchment to the Application Proposal the developer’s Retail Statement (prepared by Gerald Eave) included a range of technical information related to the M&S Simply Food format which was accepted by the Council when granting planning permission. Therefore we have adopted the relevant operational information for consistency.
- 1.8 We therefore review the site and surrounding area and application proposals in Sections 2-4. Details of the planning policy considerations, relevant background studies and the scope of the retail assessment are set out in Sections 5-6. The main retail policy issues comprising the sequential approach to site selection and impacts arising from the proposal are addressed within Sections 7-9.
- 1.9 In Section 10 we set out our conclusions that the proposed development is acceptable in terms of the National Planning Policy Framework and development plan policy considerations.

2.0 LITTLEHAMPTON, SHOPPING PATTERNS & THE APPLICATION SITE

The Littlehampton Area

- 2.1 The Littlehampton area is located along the south coast between the sub-regional shopping centres of Chichester, 24km to the west, and Worthing 15km to the east. The A27 provides the principal road connections in the area between Chichester and Worthing.
- 2.2 There are a number of settlements which are located south of the A27 road and north of the coast, some of which are effectively co-joined to each other. Littlehampton is located immediately east of the estuary of the River Arun, and is effectively co-joined with Rustington, West and East Preston, as well as Angmering on Sea. We hereafter refer to this as the “*Littlehampton Area*”. The A259 effectively provides a bypass around the Littlehampton Area.
- 2.3 Other settlements, such as Yapton, Ford and Climping to the west, Wick and Angmering to the north, as well as Ferring and Goring on Sea are separate from, but closely related to, the Littlehampton Area.
- 2.4 A plan of the catchment area for the proposed M&S Simply Food store based on a 10 minute drive time of the Application Site is enclosed at Appendix 1 which broadly covers the above area. We estimate that the population of this catchment is c.60,000 people. This catchment area is discussed in further detail later.
- 2.5 Proposals for a significant expansion of Littlehampton at the “Courtwick” site and “North *Littlehampton*” site have been granted planning permission for 600 and 1260 dwellings respectively. Additionally it is proposed to allocate land east of Angmering for 600 dwellings in the emerging Local Plan. Accordingly there will be a significant expansion of the residential population within the catchment area of the proposed development.

Existing Shopping Provision

- 2.6 The largest shopping centre in Arun District is at Bognor Regis, to the west of the Littlehampton Area. Bognor Regis is located closer, but is also subservient to, Chichester.
- 2.7 Within the Littlehampton Area, there are two main designated shopping centres; Littlehampton which operates as a minor Town Centre and Rustington which is a District Centre.
- 2.8 Both Littlehampton and Rustington Centres are reviewed in more detail later, but at this stage we note the following: -

- Littlehampton provides c.166 units within 28,670qm retail floorspace (Experian Goad Centre Report April 2014). It is anchored by Sainsbury and Waitrose supermarkets, and provides a reasonable mix of multiple and independent retailers, along with service uses.
- Rustington provides 115 units in 15,338sqm retail floorspace (Experian Goad Centre Report August 2013). It is well let, providing a good range of retail and service uses, albeit without any obvious large anchor traders. Existing food retailers include Iceland and Tesco Express along with independent green grocers, butcher and bakers. In November 2014 the Co-op closed its store within Rustington Village Centre which comprised 1,400sqm net retail area.

2.9 Out of centre, there are two retail parks in the Littlehampton area: -

- Broadpiece Retail Park to the north west, which provides units occupied by Currys and Wickes; and
- Rustington Retail Park which is located north of Rustington and provides units occupied by Halfords, Pets at Home and Dunelm..

2.10 Tesco operates an Extra store adjoining the Broadpiece Retail Park, and there is a large Sainsbury superstore adjoining the Rustington Retail Park which has recently been redeveloped. Permission for development of a new foodstore at the former Bodyshop headquarters in Wick has been implemented and is occupied by Morrisons. Permission was granted for the redevelopment of the former Country Fare garden centre at Ferring which has also now been implemented and is operated by Asda.

2.11 Planning permission for retail and car dealership development was approved on the Mill Lane Site to the east of the Application Site on 31 July 2014 (LPA Ref: A125/13). Detailed permission was granted for the car dealership on the basis that it has been designed to accommodate the specific requirements of the Chandlers BMW franchise who wish to consolidate their operations within the Littlehampton Area to the Mill Lane Site. Outline permission has been granted for two retail units to comprise no more than 3,365sqm gross and 2,868sqm net. The permission allows for a maximum of one unit no more than 1,400sqm gross to be used for food sales. The non food element has permission for bulky goods sales or use by a catalogue retailer. No operators have been confirmed for the retail element of the proposal and reserved matters approval has not yet been sought. As joint applicants M&S are committed to the current Application Site. This is discussed in more detail later.

- 2.12 Planning permission was granted on 28 January 2014 for redevelopment of the existing Chandlers BMW Mini Dealership on Ash Lane within Rustington Village Centre (“The Ash Lane Site”) to provide a small convenience store of 437qm gross (LPA Ref R/270/13). We are not aware that an operator has yet been identified for this scheme.

Existing Shopping Patterns

- 2.13 In April 2013, the Council published the Arun District Retail Study which was undertaken by DPDS. This assessed prevailing shopping patterns based upon a catchment plan and shopper’s survey that had been undertaken in December 2012 by NEMS Market Research Ltd following a 1,125 household telephone survey across 15 zones. This is considered to provide an accurate analysis of food shopping patterns for the residents of Arun District and is therefore a reliable source of data for this retail assessment.
- 2.14 The area relevant to this assessment falls within Zone 13 (covering Littlehampton), Zone 14 (covering Rustington) and Zone 15 (covering Angmering). The forecast population growth for these areas is as follows:

	2017	2021
Zone13 Littlehampton	29,907	31,230
Zone14 Rustington	23,446	24,483
Zone15 Angmering	7,887	8,236
Total	61,240	63,949

- 2.15 The Council’s Retail Study takes account of a number of new foodstores in the Littlehampton area including Waitrose who occupy the former Somerfield within Littlehampton Town Centre, Lidl on the edge of Littlehampton Town Centre, the Morrisons store at Wick, Asda at Ferring and the redeveloped Sainsburys in Rustington. It also has regard to foodstore development in Bognor Regis including extension of Tesco at Arun Retail Park, a replacement Morrisons store and a new Sainsbury’s. These developments have represented a substantial improvement in the foodstore provision within the Littlehampton Area and wider district. We summarise below the analysis of market share for “main food” and “top up food” shopping within the three zones identified by the Council’s Retail Study:

- **Zone 13 – Littlehampton** - Approximately 50% main food shopping takes place at Tesco, Broadpiece with the remainder distributed relatively evenly to Sainsburys, Rustington, Asda and Waitrose in Littlehampton. Morrisons at Wick pre-dates the survey but was identified at the application stage as likely to “rebalance” existing out of centre expenditure.

Around 26% of top up food shopping also takes place at Tesco, Broadpiece with other Littlehampton stores (Coop, Sainsburys, Tesco Extra and Waitrose) attracting between 10-15% each. Iceland within Rustington Village attracted approximately 9% whilst Tesco and Co-op attracted only 1.5% respectively.

- **Zone 14 – Rustington** – The majority of main food shopping takes place out of centre at Sainsburys Rustington (36%), Tesco Broad Piece (19%) and Asda (11%). The Morrisons at Wick will have redistributed the market share from these retailers. Co-op and Iceland within Rustington Village Centre accounted for 6.9% and 5.6% of main food expenditure. Waitrose in Littlehampton has a market share of only 4% with Tesco and Sainsburys 2.8% and 1.4% respectively.

Top up food shopping was recorded to take place mostly at Sainsburys, Rustington (27%) and Tesco Broadpiece (26%). Within Rustington Village Centre the market shares for top up shopping were Co-op (22%), Iceland (11%) and Tesco Express (9%). Local shops in Rustington and East Preston accounted for 10% and 4.5% respectively. The Waitrose in Littlehampton attracted only 1.5%.

- **Zone 15 – Angmering** – Sainsburys, Rustington attracted the vast majority of expenditure for main food shopping (56%) followed by Tesco Broadpiece (12%) and Asda (8%). We consider that the Morrisons at Wick will have adjusted the market share of these retailers although majority of expenditure will still take place out of centre. Tesco at West Dunnington attracts expenditure from this Zone (8.1%). Waitrose, Littlehampton and Iceland, Rustington attracted a small proportion of expenditure (1.4% each).

Top up food shopping was also taking place predominately at Sainsburys (32%). The Co-op within Angmering and other local shops attract around 23% of expenditure. Coop and Iceland within Rustington took account for 8.9% and 5.4% respectively. Tesco at West Dunnington attracts top up expenditure from this Zone (5.4%). Small proportions of expenditure are attracted to a variety of other locations including Asda (2.6%) and Waitrose (5.4%).

2.16 The Council Retail Study predates the recent approval of a small foodstore at the Mill Lane Site and closure of the Co-op within Rustington Village Centre. M&S Simply Food has also subsequently been approved at the former Comet Unit, Arun Retail Park, Bognor. We consider that these matters represent relatively small changes in the shopping patterns of Littlehampton Area as explained below:

- The closure of Co-op within Rustington is likely to result in a temporary shift in expenditure to other small food stores within the Village Centre due to the localised nature of the shopping trips that were generated by this store. Iceland, Tesco and the small independent stores within the Centre will therefore pick up most of the Co-op's trade. This will be rebalanced should the Co-op unit be re-occupied as a foodstore although we consider the viability issues faced by Co-op in this location would deter most other foodstore operators from the site (discussed later). A discount foodstore (such as Aldi) or a smaller local foodstore may be more appropriate. The approved local convenience store at the Ash Lane Site would also serve the localised catchment for top up shopping in the event that it is developed out. Accordingly, we do not consider that there will be a significant change in shopping patterns as a result of Co-op's closure.
- There are no identified tenants for the Mill Lane Site. Given existing foodstore representation in the Littlehampton Area and M&S's commitment to the Application Site, the demand is likely to be from the discount food sector. Aldi is the only other foodstore retailer not represented in the Littlehampton Area and would be a likely candidate for the site. Alternatively the site may appeal to a non-food retailer or the value discount sector (Homebargains, Poundland, B&M etc). Therefore, we do not consider that the take up of the approved scheme would significantly change food shopping patterns in the Littlehampton Area.
- The approved M&S Simply Food at Bognor will have minimal trade diversion from existing foodstore provision within the Littlehampton area. The Gerald Eave Retail Study for the scheme estimated that very small levels of expenditure would be diverted from Tesco at Broadpiece (£0.06m) and Waitrose at Littlehampton (£0.06m). Therefore shopping patterns within the Littlehampton Area are unlikely to be significantly affected when this store becomes operational.

2.17 This analysis shows that the vast majority of main food shopping takes place at out of centre stores and that these locations also account for a large proportion of top up food shopping due to their convenient locations for shoppers. This pattern of expenditure can be expected to have continued following the opening of Morrisons in Wick. Smaller convenience stores within the Centres perform a predominantly top up role and attract shoppers from a more localised catchments. There is only a small transfer of top-up expenditure across the zones which indicates the preference of residents to use local stores for day to day needs.

The Application Site

- 2.18 The Application Site is located outside the current settlement boundary between the railway line (the settlement boundary) and the A259 New Road. There is an existing access from the A259 via Brook Lane. It is broadly rectangular in shape and comprises approximately 2.6ha of predominantly grass land with vegetated boundaries. A Site Plan is attached at Appendix 2.
- 2.19 Whilst located outside of the settlement boundary, the Subject Site is sandwiched between two pieces of major transport infrastructure just north of Rustington urban area. The land does not perform a strategic function, such as to maintain a gap between settlements, nor would its development give rise to unrestrained “urban sprawl” given the limits imposed by the physical boundary of the road. The Mill Lane Site to the east shares these same characteristics and, as stated above, has planning permission for mixed commercial development. This has established the principle of commercial development in this area including retail uses.
- 2.20 The Littlehampton Area is a large urban area within the District, generally within the area south of the A259 and north of the English Chancel. The subject site forms a natural part of that area being located south of the A259 New Road, close to existing retail facilities provided by the Sainsbury superstore and Rustington Retail Park and adjacent to the above mentioned consented development.
- 2.21 The area surrounding the Application Site therefore has an established retail function including existing and committed development. It is however an “out of town” location as defined by the National Planning Policy Framework.
- 2.22 The nearest bus stops are located at the Rustington Retail Park and south of Mill Lane/Worthing Road roundabout both approximately 800 metres (10 minutes’ walk) from the site. The approved development at the Mill Lane Site includes a bus stop. When developed this will be within close walking distance (approximately 200m) of the Application Proposal.
- 2.23 The site is not presently connected to pedestrian footways or dedicated cycle routes. The nearest surfaced public footway crosses over the railway at the Mill Lane Bridge located approximately 600 metres east of the Application Site. Future connection can be made as part of the Application Proposal and development of the Mill Lane Site.

3.0 PROPOSED DEVELOPMENT

3.1 A plan of the proposed development is provided within Appendix 2. The application is to be submitted in hybrid format with detailed permission sought for the M&S Simply Food store and outline consent for the public house building. Only the food store element falls to be considered within this Statement. The planning implications of the public house are addressed within the Planning Statement.

3.2 The proposed M&S Simply Food store comprises a standalone unit of 1,022sqm footprint and 465sqm storage mezzanine (1,487sqm gross). Internally the unit will comprise 826 sq m of food and drink sales potentially including a café of around 50 sq m plus around 10 sq m of general merchandise. The floor area of the proposed store is to be broken down as follows:

Net Food Trading Area potentially including a cafe of 50sqm	826sqm
Net Non Food Trading Area	10sqm
Storage/Back of House	651sqm
Total Floor Area	1,487sqm

3.3 It is intended to access the site from Brooke Lane via an improved “left in left out” junction with associated acceleration and deceleration lanes and a mini roundabout. The development will be served by 196 car parking spaces, including disabled and parent/child spaces, a cycle parking facilities. A dedicated service yard will be provided to the east of the foodstore unit and the public house will be serviced from the car park. Provision will be made for pedestrian/cyclist access within the site and from the A259; and also to the planned development at the Mill Lane Site. Details of the proposed transport requirements and provisions will be set out in a Transport Statement and framework Travel Plan.

3.4 The application is submitted with the full support of M&S as joint applicants who are committed to opening a Simply Food store at the Application Site. Therefore this Retail Statement has been prepared on the basis of the Simply Food trading format. Arun District Council is familiar with the Simply Food operation following approval of a similar sized proposal at Arun Retail Park (LPA Ref: BE/37/14/PL). Details of the established business model and trading requirements are set out below. This is to be read in conjunction with the separate Operator Statement prepared by M&S.

Marks and Spencer Simply Food Business Model

- 3.5 Marks and Spencer is predominantly a town centre retailer. The majority of its stores are located within centres with the exception of those which operate under franchise agreements. However, as the retail market has evolved, Marks and Spencer has developed a number of formats which complement each other and seek to meet the requirements of its customers.
- 3.6 The M&S Simply Food format operates at the lowest tier of M&S's hierarchy below their larger stores which although selling food the larger proportion of floorspace is devoted to general merchandise (non-food) products.
- 3.7 The first Simply Food store was opened over a decade ago and by the end of 2013 there were circa 183 stores nationwide. During this period the business model has evolved. This has included M&S learning hard lessons about its customer shopping habits and in some cases having to close poor performing stores which failed to meet these.
- 3.8 Simply Food now comprises two main trading formats:
- 1) **M&S Operated Simply Food stores** - These comprise a specialist chain of foodstores selling predominantly a range of Marks & Spencer branded convenience products, as well as very limited other ancillary non-food goods (including flowers, stationery and cards), within the Company's general merchandise (GM) range. Recently opened stores generally include an in-store café operated by M&S. A significant proportion of these stores are located on retail parks. It is this format store proposed for the Application Site.
 - 2) **Convenience outlets** - These tend to be located at major railway stations, motorway service areas and petrol filling stations and are smaller than M&S Operated stores. These offer a more limited range of products sold to "passing" customers. These units are run under franchise agreements and the rationale for these differs from the normal site search criteria.
- 3.9 Typically, Simply Food stores are located within the wider reaching catchment of M&S's very much larger stores. This reflects the fact that Simply Food stores are complementary to those larger stores. In the case of Littlehampton the closest GM M&S stores within the wider catchment are as follows:

3.10

	GM (Sqm)	Food (Sqm)	Other (Sqm)	Total(Sqm)
Worthing	2,778	901	242	3,921
Shoreham	7,051	1,402	465	8,918
Chichester (split sites)	3,447	1,300	139	4,886

- 3.11 Both the Shoreham and Chichester stores were extended and refurbished in 2011 following significant capital expenditure. All three stores have recently been subject to the “Concept 11” store modernisation programme.
- 3.12 There are no comparable Simply Food Stores in the surrounding area although one is shortly to open at Arun Retail Park, Bongor Regis. This is expected to be opened in September 2015.
- 3.13 There is a franchise convenience outlet within a BP Petrol Filling Station on Worthing Road, Rustington. This is a small outlet which serves customers of the petrol station as the local “walk in” residential area.
- 3.14 The Simply Food stores tend to serve the convenience retail needs of more modest sized catchment areas and enable the Company to better meet their customer needs for food shopping at a local level. The products on sale in the stores focus on M&S’s core food lines with an emphasis on high quality food, fresh produce and pre-prepared foods and meals targeted at the premium end of the market.
- 3.15 Whilst historically M&S have only sold their own branded goods they have recently introduced a very limited range of other branded goods. Given the very limited range of goods involved (circa 2%), the more recent introduction of a very small amount of non M&S branded goods does not change the market sector and the needs the stores are aimed to meet. A store of the size proposed at the Applicant Site would tend to sell about 5,000 food lines of which about 100 would be non-own brand products. The strong emphasis on M&S branded goods is core to the Simply Food business model and central to the consideration of its place within the premium food market.
- 3.16 The total number of lines sold by M&S Simply Food is small relative to main stream foodstore operations. The 5,000 lines proposed to be sold by this store compares with circa 20,000 lines plus in a typical main stream foodstore. The Simply Food operates midway between a local convenience store and a larger supermarket. It will therefore meet an element of main food shopping needs, albeit not bulky main food shopping, and top-up shopping trips.
- 3.17 Simply Food stores sell a limited range of comparison goods that are ancillary to the main food offer. Typically, these comprise flowers, cards and seasonal products.

Marks and Spencer Simply Food Trading Requirements

- 3.18 Based on their experience of trading Simply Food stores over the last 10 years or so, M&S have identified the following key factors to operating competitive and successful stores which are attractive to their customers and meet their needs. Where the trading potential is strong enough, some compromise on these elements may be possible without undermining the

viability of a store. However, in the majority of cases these criteria are key to establishing a successful Simply Food store.

- A catchment with sufficient numbers of the higher socio-economic groups who form the majority of M&S customers.
- A floor area of at least 1,400 sqm gross and a single level sales floor to enable them to provide the range of goods, café facilities and shopping environment that M&S customers seek.
- Good access to sufficient surface level or at grade car parking to enable shoppers to use trolleys.
- Sites 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.

3.19 Past experience shows that Simply Food stores with shortcomings in these factors perform more poorly and are likely not to be viable.

3.20 Please see the M&S business model and search criteria within the Operator Statement.

4.0 PLANNING POLICY

- 4.1 In this section, we set out the planning policy context relevant to the determination of the application.

National Policy Context

- 4.2 On 27 March, the National Planning Policy Framework (NPPF) was published. This supersedes and replaces all existing planning policy guidance and statements. The Town Centre Practice Guide to former PPS4 has also been replaced by the Planning Practice Guidance in March 2014.

- 4.3 NPPF restates that the statutory context for the determination of applications (i.e. in accordance with the development plan unless material considerations indicate otherwise) remains but the guidance introduces a new *“presumption in favour of sustainable development”*. In relation to determination of planning applications, this is defined as:

- approving development proposals that accord with the development plan without delay; and
- where the development plan is absent, silent or relevant policies are out-of-date, granting permission unless:
 - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole;
 - or specific policies in this Framework indicate development should be restricted

- 4.4 There is a clear and strong presumption to supporting sustainable economic growth.

- 4.5 In relation the town centres, Paragraph x of the NPPF states:

“Planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. In drawing up Local Plans, local planning authorities should:

- *recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;*
- *define a network and hierarchy of centres that is resilient to anticipated future economic changes;*

- *define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;*
- *promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;*
- *retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;*
- *allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;*
- *allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;*
- *set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;*
- *recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and*
- *where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.*

4.6 Paragraph 25 states that local planning authorities should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. They should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale.

4.7 Paragraph 26 states that when assessing applications for retail development outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sq m). This should include assessment of:

- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
- the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time the application is made

4.8 Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused.

4.9 On 6 March 2014, the Department for Communities and Local Government (DCLG) launched the planning practice guidance web-based resource or NPPG.

4.10 With specific regards the sequential test the NPPG provides the following guidance:

“The checklist below sets out the considerations that should be taken into account in determining whether a proposal complies with the sequential test:

- *with due regard to the requirement to demonstrate flexibility, has the suitability of more central sites to accommodate the proposal been considered? Where the proposal would be located in an edge of centre or out of centre location, preference should be given to accessible sites that are well connected to the town centre. Any associated reasoning should be set out clearly.*
- *is there scope for flexibility in the format and/or scale of the proposal? It is not necessary to demonstrate that a potential town centre or edge of centre site can accommodate precisely the scale and form of development being proposed, but rather to consider what contribution more central sites are able to make individually to accommodate the proposal.*
- *if there are no suitable sequentially preferable locations, the sequential test is passed.*

4.11 With regards impact, the NPPG confirms:

- *The impact test **only** [our emphasis] applies to proposals exceeding 2,500 square metres gross of floorspace unless a different locally appropriate threshold is set by the local planning authority. In setting a locally appropriate threshold it will be important to consider the*
 - *scale of proposals relative to town centres*
 - *the existing viability and vitality of town centres*
 - *cumulative effects of recent developments*
 - *whether local town centres are vulnerable*

- *likely effects of development on any town centre strategy*
- *impact on any other planned investment*
- *As a guiding principle impact should be assessed on a like-for-like basis in respect of that particular sector (e.g. it may not be appropriate to compare the impact of an out of centre DIY store with small scale town-centre stores as they would normally not compete directly). Retail uses tend to compete with their most comparable competitive facilities. Conditions may be attached to appropriately control the impact of a particular use.*
- *Where wider town centre developments or investments are in progress, it will also be appropriate to assess the impact of relevant applications on that investment. Key considerations will include:*
 - *the policy status of the investment (i.e. whether it is outlined in the Development Plan)*
 - *the progress made towards securing the investment (for example if contracts are established)*
 - *the extent to which an application is likely to undermine planned developments or investments based on the effects on current/ forecast turnovers, operator demand and investor confidence*

Local Policy

Arun District Local Plan 2003

4.12 The Arun District Local Plan was adopted in April 2003 and covers the period to 2011. On 27 September 2007 the Secretary of State identified the policies within it that are saved, with all others ceasing to have effect.

4.13 The Application Site is an unallocated site adjoining the urban settlement boundary. There are no site specific policies that apply to it. However, the following (saved) general policies are relevant:

4.14 Policy DEV 26 sets out the general criteria for retail development. It states:

The District Council will seek to maintain the existing hierarchy of retail centres within Arun. Retail development which accords with this objective will be permitted provided that:

- i) it is of a high standard of design, materials and layout, and has due regard to the character of the site and its surroundings;*
 - ii) it is easily accessible by public transport;*
 - iii) it includes provision for access by cycle and on foot;*
 - iv) it includes appropriate provision to enable access for people with disabilities;*
- and*

- v) *the design incorporates crime prevention measures*

4.15 These criteria are considered in detail in the Design and Access Statement, and the Transport Assessment. They conclude that the proposed development will provide an attractive and safe development, well related to the character of the surrounding area, in a form that is accessible to all members of the community as well as by non-car borne transport. Accordingly, we consider that the proposed development accords with Policy DEV26.

4.16 Policy DEV 27 specifically relates to retail development in out of centre locations, and states that out of centre proposals for non food and food retail will be permitted provided that:

- (ii) *the proposal does not adversely affect the vitality and viability of the Principal Shopping Areas and local shopping areas, either as an individual development or cumulatively with similar existing or proposed developments;*
- (iii) *it is easily accessible by the highway network and public transport;*
- (iv) *it includes provision for access by cycle and on foot;*
- (v) *it includes appropriate provision to enable access for people with disabilities.*

Applications for major development will need to be accompanied by a full assessment of the potential impact on town centres and nearby centres. Applicants proposing retail development on out of centre sites will need to demonstrate that no suitable site can be found, firstly within the existing town centre or, secondly, on the edge of the centre.

Applicants will also be required to demonstrate that there is a need for additional facilities. Where these criteria are satisfied and permission is granted it will be made subject to planning condition or legal agreement, as appropriate, to:

- a) *restrict the range of products sold, and*
- b) *restrict the units' size to a minimum of 1,000 m² (10,764 ft²) with no further sub-division allowed.*

4.17 This policy is relevant to the proposed development, which seeks permission for retail uses in an out of centre location. However, following publication of the NPPF there is no longer a requirement to demonstrate a need for the proposed development. Accordingly, the relevant elements of Policy DEV27 which relate to this Statement are the need to demonstrate that no suitable site can be found within or on the edge of an existing town centre, or that the

proposal does not adversely affect the vitality and viability of the Principal Shopping Areas and local shopping areas.

- 4.18 As noted above, the Transport Assessment considers the proposed development in terms of the effect of it on the highway network, general accessibility and access to all members of the community.

The Emerging Local Plan

- 4.19 Arun District Council is in the advanced stages of preparing an updated version of the Local Plan. The publication draft was published in October 2014. This was the final stage of consultation prior to Examination which is anticipated to take place in mid 2015.

- 4.20 Policy RETSP1 sets out the hierarchy of centres within the district which accords with that of the adopted Local Plan set out above.

- 4.21 Policy RETDM1 concerns proposals for new retail development. Like the adopted Plan it states that the he Council will seek to maintain the existing hierarchy of retail centres and permit retail development that accords with it provided that:

- a. The proposal is of a high standard of design, materials and layout and has due regard to the character of the site and its surroundings, however this does not limit the potential for outstanding or innovative design to enhance the character of the area;
- b. It is easily accessible by public transport;
- c. It includes provision for access by cycle and on foot;
- d. It includes appropriate provision to enable access for people with disabilities; and
- e. The design incorporates crime prevention measures.

- 4.22 Out of centre development for non-food retail and food retail will be permitted provided that:

- a. The scheme meets the impact tests of the NPPF;
- b. The scheme is easily accessible by the highway network and public transport;
- c. The scheme includes provision for access by cycle and on foot;
- d. The scheme includes appropriate provision to enable access for people with disabilities.

- 4.23 Applicants proposing retail development on out of centre sites will demonstrate that no suitable site can be found, firstly within the existing town centre or, secondly, on the edge of the centre.

- 4.24 Paragraph 9.2.1 of the supporting text states that impact assessments will be required from a threshold of 1,000sqm. Whilst the Local Plan is not yet adopted, it would be appropriate to afford weight to the above emerging policies for the purposes of this application. The Application Proposal is substantially smaller than the NPPF default threshold of 2,500sqm for impact assessments. However, we have addressed the retail impact test given the emerging locally derived threshold of 1,000sqm.

Littlehampton Vision

- 4.25 The Littlehampton Vision is a document that was adopted in 2006. It does not form part of the statutory development plan but can be regarded as a material consideration. The introduction to the plan confirms that following the receipt of a £2.14m SRB3 funding granted in 2000 (spent on “easy, early impact” projects), that stakeholders in Littlehampton looked at a wider range of issues and initiatives to have a greater long term impact on the future regeneration of the town.

- 4.26 Under the heading Uses and Activities (4.2.5) the Vision states:-

The town centre, by definition, should contain the widest range of uses. Retail led, it should also comprise residential, small office units and leisure facilities (with the potential relocation of the leisure centre) onto the St Martin's car park site.

- 4.27 Paragraph 4.3 refers to “Areas of Opportunity” that were identified following assessment. Such sites were considered to be underutilised/ vacant sites (or sites with inappropriate uses) that were highlighted as having major development potential, or development potential.

- 4.28 Paragraph 4.5 stated that the 2.55ha St Martin's car park site was considered to be situated in the heart of the town centre, in close proximity to the High Street. The site (at that time) predominantly comprised surface public car parks, along with the town centre's major supermarket (now Waitrose), other businesses and the town centre's main bus stop. The site was said to be mainly in the ownership of the District Council and supermarket operator, although it was identified that there were also a number of additional private land ownerships.

- 4.29 The Vision considered that development rationale for the St Martin's car park site was a prime development location where there was scope to increase and broaden the range of retailing, up-grading of the town centre, encouraging investment and employment in the town.

- 4.30 The Vision recognised that it was doubtful in the short term that the town could attract major multiples, but considered that there is an opportunity to broaden the number and range of specialist shops. A new retail frontage could be provided to encourage and support better links with the High Street and supermarket within the town centre.

- 4.31 Furthermore, the Vision also acknowledged that St. Martins is a well-used public car park conveniently located for town centre shoppers, and therefore that it was important that re-development does not result in a loss of car parking. Indeed, it was proposed that the car parking provision would be increased through the development of a multi-storey car park as part of any development.
- 4.32 Finally, the Vision noted that there is scope for increasing the residential population of the town with new residential uses, social housing, on the site. Other uses, such as civic and entertainment uses were also promoted.
- 4.33 Option one proposed a mixed use development including retail, residential, multi-storey car parking and a new public square. The retail accommodation was to comprise an extension to the existing supermarket, and the provision for additional units retailing to create active shopping frontages to the High Street.
- 4.34 Option two proposes similar types of uses, including the relocation of the current Littlehampton Swimming and Leisure Centre onto the site, which would:
- Providing a leisure facility at an accessible location, benefiting the disadvantaged;
 - Promote the vitality in the town centre, including outside core retail hours;
 - Providing a new purpose built leisure facility.

St Martin's Car Park Development Brief

- 4.35 In 2008 consultants Knight Frank were appointed to prepare a Development Brief for the site. The site area had been reduced to the 0.78ha public car park, bounded by the rear of the High Street properties to the south, Duke Street to the east and Franciscan Way to the west and the north. Redevelopment was to create a high quality shopping environment that would extend and re-enforce existing shopping areas
- 4.36 The final version of the Development Brief was adopted in October 2009. It does not form part of the statutory development plan and is now superseded by subsequent advice regarding the viability of retail-led development. The document can therefore only be afforded limited weight.
- 4.37 The Brief put forward a single option for development which would require assembly of the car park, tyre centre and additional properties in third party ownership to provide additional retail units and better quality linkages through to High Street. Following adoption of the Brief the Council considered marketing of the site to secure developer interest. However, it subsequently became clear that there was significant and serious developer interest in several other large sites around Littlehampton for food retail development.

- 4.38 In June 2011 Waitrose announced its acquisition of the Somerfield store in the Town Centre, and Morrison's advised that it would be submitting a planning application for a new store on the former Body Shop site at Wick.
- 4.39 Two reports to the Arun Regeneration Sub-Committee set out the position in respect of the St Martin's Car Park site as follows:
- 1) 5 July 2011 – The committee report concluded that it was unlikely that an additional foodstore would be needed at (or willing to anchor) the St Martin's car park development, and that accordingly the way in which the site should be re-developed should be reviewed with other uses such as leisure considered.
 - 2) The "Littlehampton Regeneration Position Statement January 2012" was attached to the 14 February 2013 committee report. It states that in August 2011 consultants were appointed to assess which other uses may form part of a development now that a retail dominated scheme, with a food store anchor is not likely. Colliers International published a Strategy for Culture and Leisure Provision in 2012 which sets out a leisure based development strategy for the St Martin's Site.
- 4.40 Further details of the consultants' advice to the Council are set out in the following section.

5.0 RETAIL AND OTHER INFORMATION

Councils Retail Study 2013

- 5.1 The Council commissioned an updated Retail Study to form part of the emerging Local Plan evidence base. This was carried out by the DPDS and published in July 2013. It identifies shopping patterns having regard to a household survey, health checks of Littlehampton and Rustington Centres and retail turnover data for both central and out of town facilities within the catchment area of the proposed foodstore. The Councils Retail Study is therefore relatively up to date and relevant to the consideration of the Application Proposal.

Market Report St Martin's Car Park, Littlehampton, (Draft 2) GL Hearn Report October 2011

- 5.2 GL Hearn record that following the preparation of the Development Brief for the St Martin's Car Park site, pre-marketing in May 2010 considered the viability of development in the context of the current economic climate. This included direct discussions with a number of developers and, whilst there was a good level of interest, indicated that the development was marginal in viability terms. In light of Waitrose occupying the former Somerfield store and interest from major out of centre foodstore development, the GL Hearn report was prepared to consider the potential for incorporating a more diverse range of uses at the St Martin's Car Park development scheme.
- 5.3 GL Hearn reviewed all relevant commercial leisure uses including cafe and restaurants, pubs, hotels, cinema, health and fitness and bowling uses. It also included additional commentary on the retail and leisure markets in Littlehampton. GL Hearn concluded that there are a number of requirements from the restaurant and health and fitness operators, but they were concerned about the prospects of securing a commercial leisure anchor such as a cinema. In terms of retail, GL Hearn advised that it is difficult to quantify a precise level of interest for Littlehampton, but that if larger units could be provided within a scheme (and presumably pre-let) the *"future occupier interest would be uncovered"* (para 4.10).

Planning for Culture and Leisure Provision in Arun to 2028 Colliers International

- 5.4 Colliers International produced its summary report in December 2011 and a draft of its full report in February 2012. The draft full report address the St Martin's Car Park site at 11.1.1 notes the development brief of 2009, and the pre-marketing report of 2010. It notes that the latter found that developers said that the retail scheme needed to include a food anchor store to be viable which was no longer possible after the arrival of Waitrose. Colliers advised that from a regeneration point of view, a leisure scheme comprising a cinema and possibly a 10 pin bowling facility, with restaurants and retail units importing outdoor seating, and a multi storey car park would be the most suitable for Littlehampton.

6.0 SEQUENTIAL ASSESSMENT

6.1 The Application Proposal to which this Statement relates concerns retail development at an accessible, but out of town site. In accordance with the NPPF and the adopted and emerging development plan such proposals should be considered in terms of the sequential approach to site selection.

Nature of Assessment Required

6.2 The criteria to be followed when undertaking a sequential assessment are as follows: -

- Assessing sites in terms of the availability and suitability for the proposed development;
- Ensuring all in-centre options are assessed before less central sites are considered;
- Where there are no town centre sites, that preference is given to edge of centre locations;
- When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre;
- Demonstrating flexibility in terms of format and scale.

6.3 The sequential test seeks to encourage retail proposals to locate in sequentially preferable locations. Its purpose is not to turn away retailers or other occupiers from non-town centre locations. For this reason, local authorities should be realistic and only turn away proposals on the back of sequential testing where sequentially preferred sites are available and suitable. Both criteria need to be considered and found to be applicable.

6.4 The NPPF does not specifically require the consideration of “viability” as part of the assessment of sites. However, viability is closely linked to suitability and is therefore a relevant consideration.

6.5 In considering the potential of each site we have had regard to the advice set out in the NPPG, which states that applicants should demonstrate why sites are not practical alternatives with due regard to the requirement to demonstrate flexibility.

6.6 The NPPG sets out a checklist for undertaking a sequential test. It includes the following consideration:

“..is there scope for flexibility in the format and/or scale of the proposal? It is not necessary to demonstrate that a potential town centre or edge of centre site can accommodate precisely the scale and form of development being proposed, but rather to consider what contribution more central sites are able to make individually to accommodate the proposal.”

- 6.7 Additionally we have had regard to recent case law which has clarified to what extent developers can reasonably be expected to be flexible. The judgement handed down by the Supreme Court on 21 March 2012 in the Tesco Store Limited v Dundee City Council case [2012 UKSC 13] is now widely accepted as the basis on which the sequential test should be applied when a specific retailer is known. At Paragraph 37, Lord Hope Stated that:

“It is the proposal for which the developer seeks permission that has to be considered when the question is asked whether no suitable site is available within or on the edge of the town centre”.

- 6.8 Lord Hope goes on to state at Para 38 that:

“These criteria are designed for use in the real world in which developers wish to operate, not some artificial world that they have no interest in doing so”

- 6.9 In terms of the need for flexibility, Lord Read Acknowledges at Para 28, with reference to previous case law, that:

“...to refuse an out of town planning consent on the grounds that an admittedly smaller site is available within the town centre may be to take an entirely in appropriate business decision on behalf of the developer.”

- 6.10 This has established that it is not for local authorities to expect applicants to adapt their proposal beyond what would be reasonable having regard to established business models and the development for which planning permission is sought. The Application Proposal is specifically for an M&S Simply Food store of a particular size and format required to successfully serve the target catchment. Therefore, the above judgement is directly applicable to the sequential test in this case.

Area of Search

- 6.11 The Application Proposal has been subject to pre-application discussions with Officers. By letter dated 5 January 2014 Officers confirmed that the sequential test should look primarily at two sites within Rustington:

- 1) The former Co-op Unit within Rustington Village Centre;
- 2) The Mill Lane Site which has extant planning permission for a small foodstore.

6.12 We therefore consider these sites first followed by any other opportunities within on the edge of Rustington Village Centre.

6.13 Littlehampton is the other main centre within the catchment area of the proposal. Whilst the Council has recently determined that there are no sites within or on the edge of Littlehampton for a similar sized foodstore (i.e. in relation to the approval at the Mill Lane Site), we have reviewed any opportunities within or on the edge of the Centre for the purposes of this application.

Scope of Sequential Assessment

6.14 In undertaking the sequential test the following observations regarding the operational requirements of M&S Simply Food are central considerations:

Format: The proposals relate to specific tenant requirements. There is a requirement to provide a store of 1,487 sqm gross, with a trading area (retail and café) of some 835sqm at ground floor area.

Parking: Easy access to car parking, at surface level (or at grade) is required, so that customers can take away goods, including by trolley.

Servicing: Dedicated servicing facilities should be provided enabling goods to be delivered and dispatched in a safe and controlled manner.

Location: M&S require a location which has commercial prominence and is easily accessible to customers of the target catchment including those travelling by car. The ability to capture pass by trade and divert expenditure from the larger out of centre food stores are essential to the viability of the proposed store in this catchment area.

6.15 M&S Simply Food is an established retail format which operates from town centre and out of centre locations. Since its launch in 2001 and based on its trading experience since then, M&S has evolved a clear business model of the form and size that is required for a successful outlet. The Application Proposal accords with that business model and will enable M&S to successfully reach its target catchment thereby ensuring the viability of the store. By implication, material changes to the locational requirements, size (larger or smaller), form and layout will diminish that success. M&S have closed stores in the past where they have not been viable. The Company has therefore developed a rigorous understanding of what is necessary to ensure the success of its future stores.

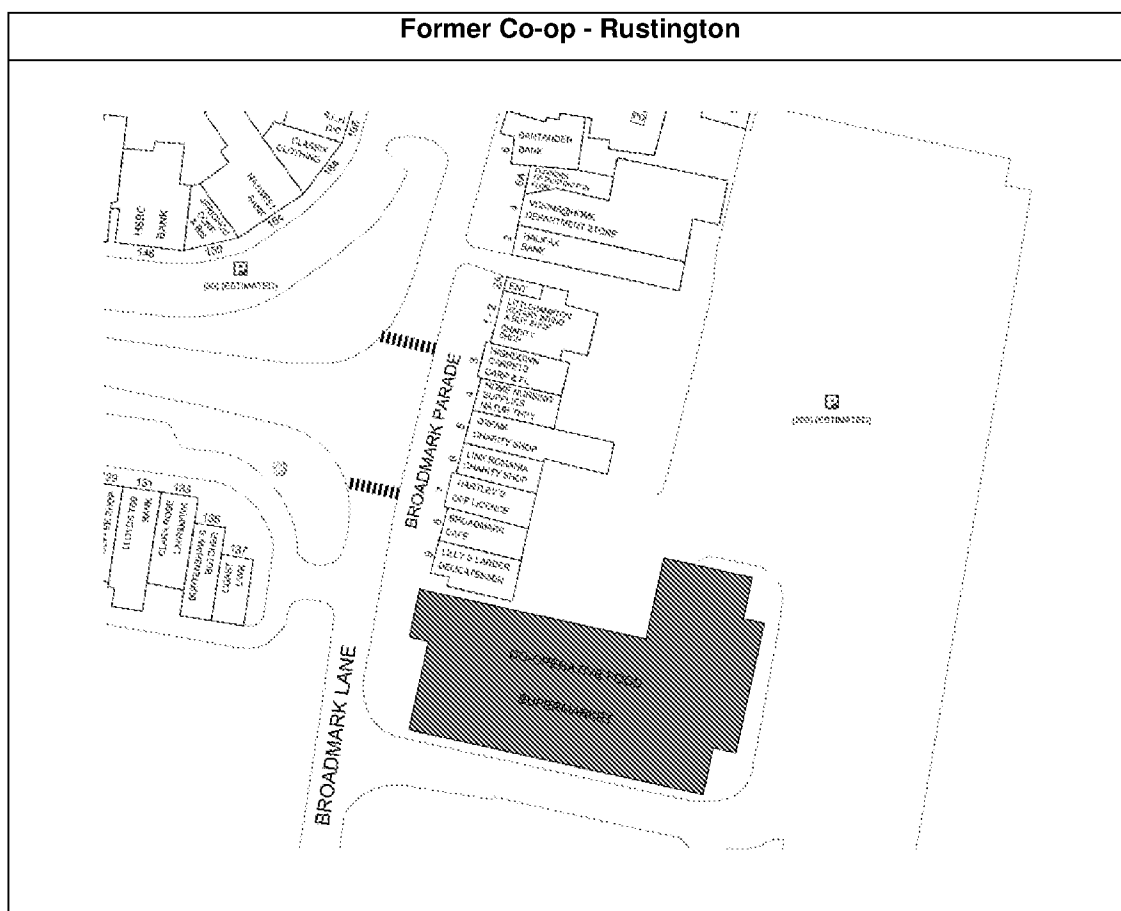
- 6.16 M&S have been looking for a suitable site to serve the Littlehampton Area for in excess of 6 years. The Application Site has been identified to be the only viable candidate as it meets all of the locational and operational requirements. It can also be delivered with confidence by one of the Company's established development partners (CDP Ltd).
- 6.17 The M&S Simply Food business model has evolved over more than 10 years and developed through experience and a sophisticated understanding of its customer base and the dynamics of the food retail market. Where the trading potential is strong enough, some compromise on the core requirements may be possible without undermining the viability of a store. However, in the majority of cases these criteria are critical to establishing a successful Simply Food store. In the case of the Littlehampton Area where existing foodstore representation and customer choice is extremely strong, there is limited opportunity to deviate from the optimum trading requirements. To do so would severely undermine the viability of a store and therefore not justify the investment.
- 6.18 The Application Proposal will result in a single store with a total floorspace of 1,487sqm including a trading area of about 836sqm at ground floor level. This will provide a compliant M&S Simply Food store of an appropriate scale to serve the Littlehampton Area. There are no distinct elements that can be disaggregated to different sites. Notwithstanding, to demonstrate a degree of flexibility we have adopted the following criteria for our sequential assessment:
- A 10% tolerance in the store size (i.e. between 1,338sqm and 1,635sqm gross);
 - A site size of circa 0.3 ha to accommodate a unit of the above size with surface level car parking and servicing.
- 6.19 It should be noted that whilst the Application Site is capable of accommodating a larger or smaller unit, the size of the proposed store has been carefully chosen to serve the Littlehampton Area having regard to specific circumstances of the target catchment. A different sized store at an inferior location would not meet the operational or commercial requirements of M&S for the Littlehampton Area.

Sequential Assessment

- 6.20 We set out below our sequential assessment. This should be read in conjunction with the Operator's Statement prepared by M&S.

1) Former Co-op Unit, Rustington

6.21 The former Co-op unit is located at No1, Broadmark Lane within Rustington Village Centre. It comprises 1,740sqm gross floorspace which was previously laid out to provide 1,400sqm net sales area. The unit is located adjacent to a terrace of retail units at the southern end of the Village Centre. The building has an “L” shaped layout which wraps around the rear of the adjacent terrace. It has shop frontages to both Broadmark Lane and the car park to the rear. The customer car park and service yard are located to the rear, both accessed via Broadmark Lane. The car park provides 200 surface level spaces. The service yard is located to the north of the unit within a compound accessed from the car park.



Availability

6.22 Co-op ceased trading from the premises in November 2014 due to longstanding trading difficulties. The unit is therefore vacant. The property is not currently advertised to let or for sale via the retail agency network. The site owner has erected its own “to let” board and advertised the property on its website. However, we understand that the owner’s usual commercial agents (Stiles Harold Williams and Hughes Ellard) have not been formally instructed to seek occupiers for the unit.

6.23 We understand that both Aldi and Iceland have expressed an interest in the property. The owners have not confirmed their future plans for the site but have obtained permission for refurbishment works to modernise the appearance of the building (LPA Ref R/231/14/PL dated 10 November 2014).

6.24 The site is not therefore subject of an active marketing campaign and the approved refurbishment works have not yet been implemented. It is possible that the site owners are already in discussions with potential tenants. However, the property is vacant and should be regarded as “available” or capable of being made “available” for the purposes of the sequential assessment.

Suitability

6.25 In terms of suitability, the physical aspects of the site and the viability of the location having regard to its trading history and the dynamics of the local food shopping market are core considerations. As previously stated, M&S have learnt by experience that the scale and location of new stores are critical to their success and the Company has been forced to close under-performing sites. M&S therefore has a sophisticated understanding of its Simply Food business model. M&S has reviewed the former Co-op store in some detail having regard to the above and rejected it on the grounds of suitability and viability. We explain the reasons for this below.

6.26 The existing retail unit provides 1,740sqm gross floorspace laid out over ground and first floor served by surface level parking and dedicated servicing. Therefore the store is materially larger than the current proposal. M&S consider that the unit does not lend itself to an appropriate and commercially sensible sub-division, for example allowing for customer access and servicing/storage for two stores, and a commercially viable “residual” unit. There are also significant costs associated with such a refit. However, the proposed Simply Food unit has been tailored to the specific circumstances of the Application Site and its ability to successfully serve the target catchment. Central to this requirement is the good level of accessibility and prominence afforded by the A259 New Road. This will enable M&S to capture pass-by trade and customers that currently undertake top-up and main shopping trips at the large out of centre foodstores in the vicinity of this route (i.e. Tesco Broadpiece, Sainsburys Rustington, Morrisons Wick and Asda Ferring). The same level of floorspace would not be viable within Rustington Village Centre as it would be too distant from the primary road network and the core food shopping activity of the target catchment area. The former Co-op unit would therefore be too large and inappropriately located for M&S to successfully operate the Simply Food model in this market area.

- 6.27 The viability issues associated with this scale of foodstore within Rustington have been clearly borne out by the demise of Co-op. Whilst the company has recently experienced difficulties at a corporate level, it remains a well regarded foodstore operator (by customers and landlords) and remains active in the foodstore market including new store openings. Co-op is the fifth largest retailer in the UK. It provides its own basic food groups sourced from British suppliers (milk, eggs, bread, meat) and “premium” range products. It also sells the branded groceries found at most other food stores. The company operates a competitive pricing programme and runs regular deals. Co-op is therefore well established in the food retailing market and appeals to a broad cross section of the population. Notwithstanding this position it was not viable for Co-op to continue trading from the Rustington store. The difficulties faced by Co-op in this location were well known for some time. The Council's 2013 Retail study confirmed that the store traded at less than 50% of Co-op's benchmark turnover. Clearly, it is not sustainable for a company to operate so significantly below its average turnover level and the decision was eventually taken to close the store. This is not a course of action taken lightly by such retailers due to staffing responsibilities and high exit costs. However, it was justified in this instance due to the significant viability issues. This clearly indicates that the former Co-op unit is too large to successfully cater for the type of food shopping which takes place within Rustington Village Centre.
- 6.28 M&S could not contemplate operating the proposed store from a location that has proved to suffer from such significant trading difficulties in the local market. M&S has a different and narrower customer base to Co-op due to its positioning at the premium end of the market and associated pricing. Even the M&S brand would not be strong enough to attract sufficient expenditure to support the proposed store in this location. The former Co-op unit is therefore not a viable proposition for M&S.
- 6.29 The existing site may be more suitable for a discount food operator such as Aldi who are not represented in the area and provide a niche discount food shopping offer to a localised catchment. We understand that they have expressed an interest in the site as it meets their trading requirements in terms of scale, layout, parking, servicing and location.
- 6.30 Alternatively it may be possible for the site owner to subdivide the former Co-op store to create a unit that would be more appropriate to serve the local top up shopping demand. As previously stated we do not consider that the building lends itself well to a successful subdivision. Notwithstanding, a food store unit in the order of 400sqm gross would be appropriate to the scale and function of the Centre. This would be comparable to the Tesco Express format which operates strongly within the Centre catering predominantly for “basket” shopping trips or the recently approved scheme on the Ash Lane Site (the intended occupier for this site is not known at present). M&S do not operate the Simply Food format at this scale and the location would not be appropriate for a franchise outlet as it is not part of a

transport hub or petrol filling station attraction. In any event it would not be reasonable to expect M&S to reduce the Application Proposal to this degree (as set out within the NPPG and the relevant case law). There are a number of other national retailers that operate local stores of this nature (Sainsburys Local, Morrisons Local etc) although the nature of any discussion between the site owner and other retailers is unknown at present. Therefore, whilst the former Co-op unit could be adapted for food store use, the scale of unit appropriate to the location would not be viable as an M&S Simply Food outlet.

- 6.31 Therefore, we have demonstrated that, whilst potentially available, the former Co-op store within Rustington Village Centre would not be a suitable alternative to the Application Site for the proposed M&S Simply Food store due to significant viability issues arising from its scale and location. M&S have experience of operating constrained stores in similar locations and this has led to the closure of a number of stores which were not viable. A smaller foodstore may be more viable on the site having regard to the localised nature of shopping trips that take place within Rustington Village Centre but this would be significantly smaller than the proposed M&S Simply Food store even when allowing for a reasonable amount of flexibility. Accordingly, the former Co-op store can be discounted from the sequential test on the grounds of suitability.

2. Mill Lane Site, Rustington

- 6.32 The Mill Lane Site is subject to an extant outline planning permission for retail development. The approval would allow for a small foodstore up to 1,400sqm gross. Whilst smaller than the Application Proposal it would fall within the 10% flexibility tolerance. The site is capable of accommodating a standalone retail unit, surface level car parking and dedicated servicing. It would also provide the degree of accessibility and prominence from the A259 New Road necessary to make an M&S Simply Food store viable in this area. Therefore, the approved scheme shares similar characteristics to the Application Site and would, in principle, be a suitable location for a development of this nature.
- 6.33 Notwithstanding the above, the purpose of the sequential test, forming part of NPPF and Local Plan policies, is to ensure that more central locations within and on the edge of centres are thoroughly assessed before out of centre options are considered. Where an out of centre location is deemed to be appropriate for a development, Paragraph 26 of the NPPF states that preference should be given to “**...accessible sites that are well connected to the town centre**”.

- 6.34 The Mill Lane Site is out of centre and, in accessibility terms, shares the same status as the Application Site.
- 6.35 Accordingly, whilst the Mill Lane Site may offer an alternative location for an M&S Simply Food store, it is not a sequentially preferable site. In the absence of any locational advantages over the Application Site in terms of connectivity to the Centre the NPPF does not afford it any priority in retail policy terms. The Mill Lane Site can therefore be discounted from the sequential test on the basis that it is out of centre and of the same status as the Application Site in accessibility terms.
- 6.36 As previously stated M&S seeks to work with established development partners that have strong track record of delivering new stores. CDP Ltd are one of these partners and there is a strong degree of mutual confidence between the parties. Accordingly the Application Site provides a deliverable and reliable proposition for M&S. M&S have confirmed that following an extensive site search over a considerable amount of time that they would only locate at the Application Site.
- 6.37 Whilst we are not aware of the site owner's intentions we understand that Aldi has expressed an interest in the Mill Lane Site. There is also interest from the non-food retail sector which would be further enhanced in the event that the proposed M&S Simply Food unit is delivered.

3. Other Rustington Sites

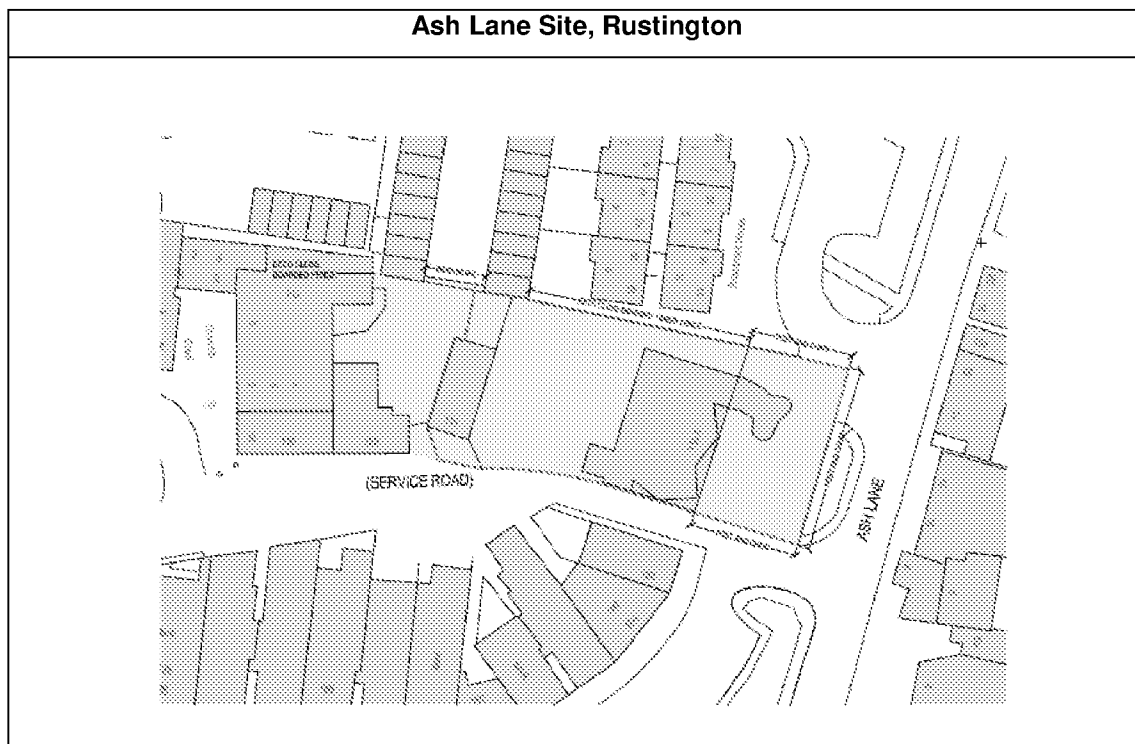
- 6.38 We carried out a review of the other sites within an on the edge of Rustington Village Centre.

Vacant Units

- 6.39 The Goad Plan for the Centre was updated in November 2014. This identified that, other than the former Co-op unit, that there are 4 vacant retail units within the Centre (see schedule and Goad Plan within Appendix 3). These range in size from 70sqm – 180sqm and are therefore significantly smaller than the proposed development. They would therefore not be suitable alternative locations for the proposed M&S Simply Food store even when allowing for a reasonable amount of flexibility.

Ash Lane Site

- 6.40 The Ash Lane Site has planning permission for a small foodstore (437sqm gross) following relocation of the Chandlers BMW Dealership to the Mill Lane Site.



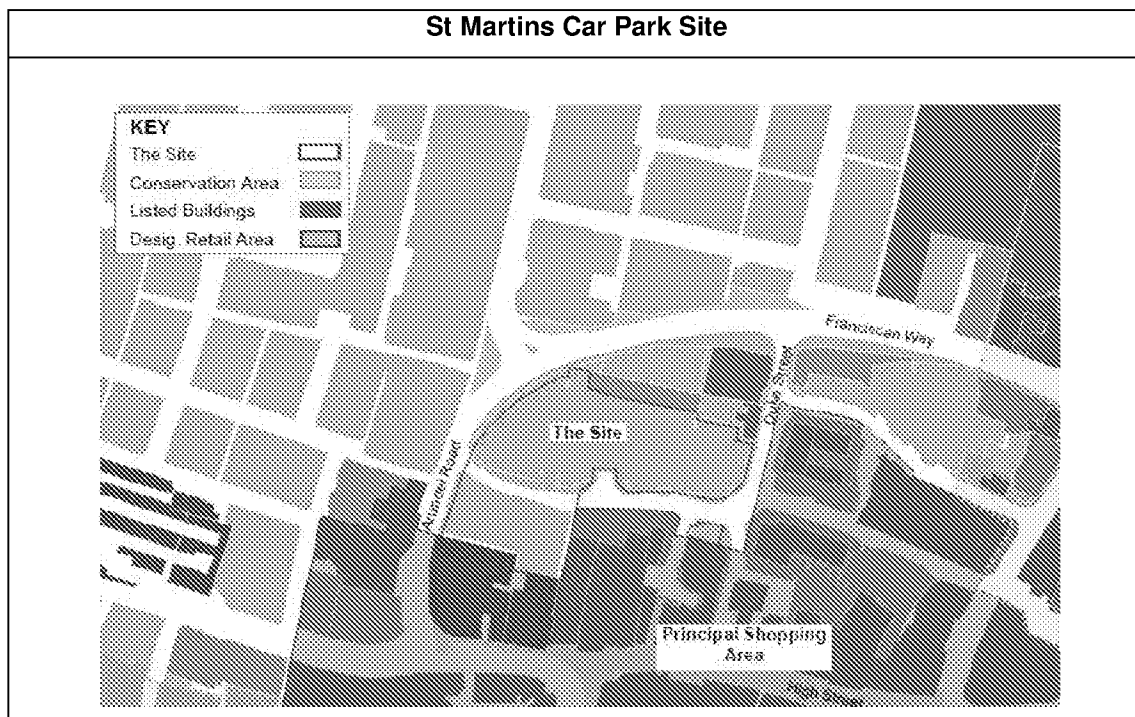
- 6.41 The approved foodstore would provide for only 30% of the proposed M&S Simply Food unit and would therefore be too small. As previously stated M&S do not operate food stores of this scale and the location would not be suitable for a franchise outlet as it is not part of a petrol filling station or transport hub. In any event, it would not be reasonable for the local authority to expect M&S to reduce its trading requirement for the area to this degree. Accordingly, the site can be discounted from the sequential test on the grounds of suitability.

Littlehampton1. Vacant Units

- 6.42 We surveyed the Town Centre for unoccupied units in November 2014, and identified 7 vacant units in total. The Goad Plan and vacant units schedule is provided within Appendix 4.
- 6.43 The vacant units all are relatively small, ranging in size from 40-370sqm and are therefore significantly smaller than the proposed development. The largest unit is only 25% of the proposed development and would not meet any of the other operational requirements (car parking, servicing etc). They would therefore not be suitable alternative sites for the proposed Simply Food store even when allowing for a reasonable amount of flexibility.

2. St Martin's Road Car Park

- 6.44 St Martins Car Park is the only development site within Littlehampton that would be of sufficient size to accommodate the proposed M&S Simply Food development. It occupies an edge of centre location.



- 6.45 The Littlehampton Vision Masterplan identified this site as extending to 2.55ha and comprising the St Martin's car park along with the town centre's major supermarket (now Waitrose) and other third party land. The Development Brief reduced the site area to 0.78ha by excluding the Waitrose and much of the third party land and focusing on the car park itself and the tyre centre. The scheme subject of the Development Brief includes some 6,300sqm of retail floorspace. Most of this is in smaller unit shops that are likely to be substantially below the floorspace threshold adopted for this sequential assessment. However, there could be potential to accommodate larger units at the site.

Availability

- 6.46 The majority of the Development Brief site comprises the car park itself which falls within the Council's ownership. The car park performs a strategic function within the Town Centre and would need to be re-provided as multi-storey facility. The tyre centre is in third party ownership. The owner would need to be incentivised to make the site available. The availability of the site is therefore dependant on the viability of a) developing a multi-storey car park and b) paying the third party landowner a premium for the tyre centre site.

- 6.47 The development potential of the site has been known for approximately 8 years and no proposals that could deliver the above measures have yet been identified. Accordingly the site can not currently be regarded as “available” for the purposes of this assessment. This position may change in the future should a viable proposal be identified. We have therefore commented on suitability considerations below.

Suitability

- 6.48 Whilst the Development Brief identifies the site as being suitable for retail development, the Council subsequently obtained independent advice that, following the opening of Waitrose on the wider site and other out of centre foodstores, the prospect of securing food store development at the St Martins Site is remote.

- 6.49 GL Hearn advised the Council that:

“during the soft market testing several developers expressed the need for a food store to anchor the [St Martin’s] scheme to improve the viability and fundability of the scheme” (paragraph 2.6).

- 6.50 Subsequently, Colliers International were more direct in advising the Council that:

“Developers said that it [the St Martin’s scheme] needed to include a food store to be viable. The arrival of Waitrose since then means that it is no longer a viable option” (paragraph 11.1.2).

- 6.51 Following this advice the Council’s aspirations are now for leisure led development. Such an approach would be consistent with the Littlehampton Vision and bring significant benefits to the Centre. However, we are not aware if the viability of leisure scheme has yet been tested.

- 6.52 We would concur with the advice provided to the Council by GL Hearn and Colliers International that a food store of a scale necessary to stimulate development of the St Martin’s Site would not trade in such close proximity to the existing Sainsburys and Waitrose stores which dominate convenience shopping in the Centre. This position was recently considered by the Council in reviewing sequentially preferable locations for the proposed food store at the Mill Lane Site. The Committee Report confirmed:

“...none of the sites considered would be suitable to accommodate any of the three elements of the proposed development”.

6.53 This was accepted by the Council in approving the development and planning permission for the Mill Lane Site was only issued on 13 June 2014. Accordingly, the Council's view that the St Martin's Car Park Site would not be suitable for a food store of the nature proposed remains valid.

6.54 Therefore, whilst there remain questions over the availability of the St Martin's site, it is clear that redevelopment based upon a retail led scheme will not be viable. It would therefore not be a suitable location for the proposed M&S Simply Food Store and can therefore be discounted from the sequential test on this basis.

Sequential Test Conclusions

6.55 We have considered sequentially preferable sites within and on the edge of Rustington and Littlehampton Centres in terms of their availability and suitability as alternative locations for the Application Proposal having regard to the established M&S Simply Food business model and what is required, in commercial viability terms, to serve the target catchment area whilst applying a reasonable amount of flexibility. We have demonstrated that there are no sites in sequentially preferable locations that that would be available or suitable. Therefore the Application Proposal passes the sequential test and accords with Paragraph 26 of the NPPF and Policy DEV 27 of the adopted Local Plan.

7.0 RETAIL IMPACTS

7.1 The NPPF requires that development proposals do not lead to significant adverse impacts. Where no significant adverse impacts are identified (and there are no suitable and viable sequentially preferable sites available) planning applications should be approved.

7.2 Paragraph 26 of the NPPF requires applicants to assess the retail impact of development proposals greater than 2,500sqm on the vitality and viability of existing centres. The Application Proposal is significantly below the national floorspace threshold and therefore is not of a scale that would generally be regarded as a significant threat in retail impact terms.

7.3 The adopted Local Plan requires impact assessments for major developments (i.e. in excess of 1,000sqm) although this supersedes publication of the NPPF. However, the emerging Local Plan contains threshold of 1,000sqm and can be afforded some weight. The gross floor area of the Application proposal exceeds this threshold although the net retail area falls significantly below it. It is also noteworthy that the proposed retail development will compete primarily with existing out of centre foodstores within close proximity to the site which are afforded no policy protection in terms of retail impact. The impact on centres within the catchment will therefore be negligible.

7.4 Notwithstanding the above, we have assessed the retail impact of the Application Proposal to assist the Council in determining the planning application. In accordance with the NPPF we have assessed:

- 1) the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal.
- 2) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area.

7.5 In carrying out the assessment it is important to first consider the vitality and viability of Rustington and Littlehampton Centres having regard to an updated “retail health check”. Health checks were carried out as part of the Councils Retail Study (April 2013) and the Mill Lane Site application (October 2013 and January 2014). We have treated these assessments as the basis for updating the health checks.

Rustington Village Centre Health Check

7.6 The updated “Health Check” for Rustington Village Centre is provided within Appendix 5. This demonstrates that the centre provides a variety of goods and services to a large and relatively affluent residential population within an attractive and well maintained centre which has a low level of vacancy and is very well used.

- 7.7 Accordingly, despite the recent departure of Co-op and the need for this unit to be refurbished and re-let, Rustington has a strong and robust Centre which is attractive and well maintained and used by a loyal local customer base. It is therefore has a very good level of vitality and viability.

Littlehampton Town Centre Heath Check

- 7.8 The updated “Heath Check” for Littlehampton is contained within Appendix 6. This demonstrates that that Littlehampton has a strong and attractive Centre, with a robust retail base including strong representation from food and non-food traders. The town centre area provides shopping and associated services in a safe and pleasant environment. The Centre has been subject to recent investment through the redevelopment of the former market site on Surrey Street and the opening of Waitrose. Redevelopment of the St Martin’s Car Park site to improve the leisure/entertainment offer provides an opportunity to improve the Centre further.
- 7.9 Littlehampton therefore has a vital and viable Town Centre which displays no obvious signs of weakness.
- 7.10 Having established that both centres are in a healthy condition, we therefore now turn to the two impact tests.

1) Impact on Existing, Committed and Planned Development

Littlehampton

- 7.11 The Littlehampton Vision Masterplan highlights two sites within and on the edge of the Centre for development including retail facilities as detailed below:

Former Market, Surrey Street - The former market site is in the advanced stages of re-development to comprise a residential led mixed use development including 52 residential units and 477sqm retail uses. Once completed this will have a positive impact on vitality and viability by introducing additional residential activity to the Centre and improving its general appearance. The retail units are small scale shops with high street frontages. They are significantly smaller than the Application Proposal and would not be suitable for the proposed M&S Simply Food operation. It is clear, therefore, that approval of Application Proposal will not prejudice this scheme from coming forward or the prospect of the shop units being let.

St Martin's Car Park - St Martin's Car Park is located on the edge of the Centre and has been identified for development by the Council for a variety of uses over a long term period. We have outlined above why a retail led mixed use scheme will not be viable on the site, and this has led to the Council now considering a leisure based development.

The Arun District Leisure Strategy highlighted several opportunities for the development of the site, including relocation of the swimming pool to St Martin's Car Park. Discussions with Officers have confirmed that a scheme is not expected to come forward in the short term.

Given the nature of, and timescales for, the St Martin's Way Car Park development it is clear that the proposed development subject of this application will not prejudice the prospects of a long term development at St Martin's Car Park.

Rustington District Centre

7.12 The only committed or planned development in Rustington District Centre comprises redevelopment of the Ash Lane Site to provide a local convenience store of 437sqm following relocation of the Chandlers BMW dealership. An operator is not known at present by the scheme has been designed to meet the generic requirements of those companies which operate this type of store.

7.13 We have explained previously that the approved retail unit would not be large enough for an M&S run Simply Food store and would not meet the locational criteria of the smaller franchised outlets. It would serve a very localised catchment area providing for "basket" shopping to local residents and workers (similar to Tesco Express within the Centre). The proposed Simply Food store would serve a different shopping function and also appeal to a much narrower customer base due to the premium range on offer. Therefore, approval of the Application Proposal would not have an impact on the approved Ash Lane development coming forward as it would serve an entirely different shopping function.

2) Impact on town centre vitality and viability, local consumer choice and trade in the town centre and wider area.

7.14 To assess the impact of the proposed M&S Simply Food store we have adopted the following step by step approach:

- identify the catchment area;
- review the food shopping patterns within the catchment;
- identify which food stores within the catchment area are likely to be affected by the proposals;

- establish the level of expenditure to be attracted by the proposed store;
- consider expenditure to be diverted from each identified location within the catchment;
- assess the level of impact having regard to turnover of Centres.

7.15 The level of impact is then assessed for its level of significance having regard to the overall health of the Centres within the catchment area. The Retail Impact Tables are set out within Appendix 7.

Catchment Area

7.16 The catchment area for the proposed M&S Simply Food store is provided within Appendix 1. This relates to a 10 minute drive time area which is consistent with that adopted for the store at Bognor Regis. It is anticipated that the trade draw will be strongest closer to the site and weaker from areas some distance away and/or where there are competing opportunities.

7.17 The key centres within the catchment areas are Littlehampton and Rustington as shown on the plan with reference to the existing foodstore provision within them.

7.18 The smaller local centres of Angmering and East Preston are also marked on the plan but will not be affected by the application proposals as they serve a localised function providing basic top up shopping facilities.

7.19 As previously stated the vast majority of expenditure will be from existing out of centre facilities within the area and therefore the principal out of centre stores are shown on the plan (Tesco Broadpiece, Sainsburys Rustington, Asda Ferring and Morrisons Wick).

7.20 The only existing M&S Simply Food provision within the catchment is the small franchise outlet forming part of the BP Service Station on Worthing Road. This will not be affected by the application proposal as it will continue to serve local walk in trade from the surrounding residential area and visitors to the filling station.

Shopping Patterns

7.21 In Section 2 we have identified that the catchment area correlates broadly with Zones 13, 14 and 15 of the household survey which forms part of the Council's Retail Study. The analysis demonstrates that the larger out of centre stores are the principal destination for main food shopping and also cater for a large proportion of top up shopping. Smaller food stores within the Centres mainly cater for top-up shopping attracting customers from a localised catchment. This pattern of food shopping that take place already within the catchment area is relevant in predicting where the majority of expenditure to the proposed Simply Food store will be diverted from.

Proposed Food Store

- 7.22 Also of relevance to the impact assessment is the nature of goods sold by M&S Simply Food, the predicted turnover of the proposed facility and when it is likely to become fully operational.
- 7.23 The NPPG confirms that it is reasonable to assume that proposed retail development will impact mainly on similar facilities. As explained within Section 3, M&S Simply Food operates at the premium end of the food market, selling principally its own brand of goods. It does not include a lower cost product range or operate price matching with other food retailers in the market area. Furthermore, the M&S customer base will use the Simply Food store for main food shopping as well as top-up shopping. Accordingly a full range M&S Simply Food unit would compete principally with other full range M&S facilities beyond the catchment area and food stores within the main catchment area which offer a premium range.
- 7.24 In terms of timescales it is predicted that the proposed Simply Food store would become fully operational in mid 2016 assuming that planning permission is granted by mid 2015. It would be reasonable to allow for a period of 12 months for trading to become settled. The design year for the proposed store is therefore 2017.
- 7.25 The proposed foodstore will have a net food retail sales area of 826sqm. This includes the cafe floorspace as M&S require flexibility to use this area for retail trading. Every M&S store has a different level of turnover depending on its size, location, catchment profile and the level of choice available to shoppers. Given the very good level of choice within this catchment and the fact that many of the food store retailers within it trade below their company benchmark levels, it would be reasonable to expect the proposed Simply Food store to also trade below its average turnover. However, in order to assume worst case scenario for the purposes of the impact assessment we have adopted the trading density of £9,677/sqm published in the Mintel Retail Rankings Report 2013. The proposed Simply Food Unit would therefore have a predicted turnover of approximately £7.99m. Allowing for improved floorspace efficiency of +0.4% per annum we have estimated turnover of the proposed store to be £8.1m at 2017.

Trade Draw

- 7.26 Based on the above, it is reasonable to assume that the proposed Simply Food unit will draw an element of trade from the larger M&S stores in the wider catchment at Worthing and Chichester.

- 7.27 However, the majority of trade will be diverted from the out of centres stores within the immediate catchment areas which a) cater for top-up as well as main food shopping and b) offer a premium food range. These would be principally Tesco, Broadpiece; Sainsbury, Rustington; and Morrisons, Wick. There would be less diversion from Asda, Ferring which does not offer a premium range.
- 7.28 Littlehampton Town Centre has two foodstores, Sainsburys and Waitrose, which offer a premium range. Waitrose is often perceived to be more closely aligned with M&S Simply Food than other retailers. However, whilst Waitrose is known for its own premium offer it also provides a wide range of branded goods similar to those found in the other supermarkets. Waitrose also run a price match comparison scheme on such goods. Therefore the level of trade diverted from Littlehampton would not be exclusively from Waitrose. Furthermore the level of diversion from Littlehampton would be significantly less than from the out of centre stores given that it is further away from the application site and the Littlehampton foodstores will be a) used by those who work and live close by and b) used by those carrying out linked trips to the Centre. Iceland within the Centre provides an entirely different food offer to M&S and would not be affected. Similarly there would be no trade diversion from Lidl on the edge of Centre given that it is a discount food retailer.
- 7.29 Within Rustington Village Centre the main food retailers are Iceland and Tesco Express, neither of which offer a comparable range to M&S Simply Food. There are local butchers, bakers and green grocers who, whilst providing high quality food, serve a different shopping demand and a loyal customer base. The proposed Simply Food would not attract such shoppers away from these facilities. Accordingly, the trade draw from Rustington Centre would be minimal.
- 7.30 Angmering Local Centre includes a small scale Co-op which provides a very limited range of basic convenience goods to villagers. There would be no anticipated trade draw from this facility.
- 7.31 East Preston Local Centre does not have a significant food offer and therefore would not experience any diversion.
- 7.32 Wick Local Centre includes a small Coop which provides basic top-up shopping to the local residential catchment. The food range is not comparable to M&S and it performs a different role to the proposed store. Accordingly there would be no trade diversion.
- 7.33 Finally, given that the proposed Simply Food Store would be located on the primary road network being easily accessible by car and pass by trade, it is reasonable to assume that a proportion of expenditure will come from outside of the identified catchment area. This diversion would be spread across a wide variety sources and therefore would have a minimal impact on individual stores or centres.

7.34 On this basis, we consider that the level and pattern of trade diversion will be as set out in Table 4 of Appendix 7. In summary this is as follows:

Foodstore	% Trade Diversion	£ Trade Diversion
- M&S Worthing - M&S Chichester	15%	£1.21m
- Tesco Broadpiece - Sainsbury Rustington - Morrisons Wick - Asda Ferring	50%	£4.07m
- Sainsburys Littlehampton - Waitrose Littlehampton	15%	£1.21m
- Tesco Express Rustington - Iceland Rustington	5%	£0.41m
Outside Catchment	15%	£1.2m
TOTAL	100%	£8.1m

Quantitative Impact Assessment

7.35 The above exercise demonstrates that that the vast majority of trade will be diverted from out of centre foodstores within the catchment area which are afforded no policy protection. The diversion from existing Simply Food stores outside of the catchment will not affect the viability of those stores as they will continue to trade as part of the large scale M&S presence within Worthing and Chichester centres. The proportion of expenditure derived from outside of the catchment will be diverted from a variety of sources and therefore not give rise to discernible effects. Furthermore, the basic convenience stores within the local centres serve a different function to the proposed Simply Food unit and will not be affected. Therefore, the following quantitative assessment considers impact on the identified stores within Littlehampton and Rustington and how this would affect overall vitality and viability of the Centres.

Littlehampton

7.36 The Council's Retail Study estimates that the convenience (i.e. food) turnover of Littlehampton Town Centre at 2013 was £18.4m. Assuming the improved annual floorspace efficiency of +0.4% this can be expected to rise to £18.69m by 2017 – the design year for proposed Simply Food Store.

7.37 We have estimated that a total amount of expenditure diverted from Littlehampton Town Centre as a result of the application proposals would be £1.21m. The impact on convenience retailing within the Centre would therefore be only 6.4% which is not significant.

- 7.38 Whilst the requirement is to assess the impact on the Centre as a whole and not individual operators, the convenience turnover is derived essentially from four food retailers (Sainsburys, Waitrose, Iceland and Aldi). We have identified that Sainsburys and Waitrose would experience some trade diversion from the proposed store. Therefore, if one of these retailers were to close as a result the impact it may affect the attraction of the Centre for food shopping. We have therefore had regard to estimated trading performance of Sainsburys and Waitrose set out within Table 12 of the Council's Retail Study (see Appendix 8).
- 7.39 Waitrose is estimated to have a turnover of £12.1m at 2017. However, it should be noted that this turnover estimate has been derived from the Council's 2013 Retail Study published shortly after the store opened and trading is likely to have improved as the store has become more established. Assuming that 75% of the predicted trade diversion (£0.9m) is from Waitrose, the turnover would reduce by around 7.5% to £11.2. This would not be enough to damage the viability of the store or for the retailer to consider closing it.
- 7.40 Sainsburys is estimated to turnover £4.38m by 2017. Assuming 25% of the predicted trade diversion would be from Sainsburys (£0.3m) this would equate to a 6.8% impact which would also not be significant. Sainsburys have committed, through the Section 106 agreement associated with the new Rustington store, not to close the Littlehampton store. The store is therefore clearly viable for Sainsburys in this location and unlikely to close as a result of the proposed development.
- 7.41 It should also be noted that the comparison (non-food) turnover of the Centre is greater than convenience goods. This was estimated to be £22.17m in 2013 and would increase to £23.81m by 2017 allowing +1.8% annual efficiency. Littlehampton is also a tourist destination which generates considerable additional expenditure to that of the resident population. The total turnover of the Centre, excluding tourism, is estimated to be £42.5m in 2017. The level of impact on the Centre as a whole as a result of the proposed development would therefore be 2.8% which not significant.
- 7.42 The level of quantitative impact identified above should be considered against the general health of the Centre. Where a centre suffers poor vitality and viability, even small levels of impact may be regarded as significant. However, in this case the overall health of Littlehampton Town Centre is very good, as reflected in the Council's Retail Study and our update to it within Appendix 6. Accordingly, it can be concluded that the application proposals would not result in a significant adverse impact on the vitality and viability of Littlehampton.

Rustington

- 7.43 The level of food store provision within Rustington has reduced since the Council's Retail Study was published due to the closure of Co-op. As explained within Section 2, we consider that the level of expenditure will have redistributed to Tesco Express, Iceland and independent traders within the Centre due to the localised nature of shopping trips associated with the former Co-op unit. Rustington Village Centre is used by a loyal local customer base many of whom live within close proximity to it. The food stores within the Centre (including Co-op when it was open) catered mostly for top-up shopping and therefore we consider that this expenditure is unlikely to have transferred out of the Centre. Iceland provides for main as well as top up shopping. This is likely to be the case for Tesco Express, albeit to a lesser degree. However, some of the main food shopping that was carried out at Co-op may have transferred elsewhere.
- 7.44 The Council's Retail Study estimated the convenience turnover of Rustington Village Centre to be £12.14m of which £5.76m related to Co-op (split £2.1m main and £3.66m top up shopping); £5m to Iceland; and £1.38 to Tesco Express. Assuming that 50% of Co-op's main food and 25% of top up spend has transferred out of Rustington, the residual convenience turnover of the Centre would be £10.17m. Assuming +0.4% annual floorspace efficiency this can be expected to rise to £10.33m by 2017 when the proposed Simply Food Store has settled trading. In the event that the Co-op store is re-occupied by a food retailer and/or the approved Ash Lane foodstore is developed out the convenience turnover of the Centre would be considerably higher.
- 7.45 We have estimated that due to the type of food store offer available within Rustington and the nature of its patronage that the level of trade diversion to the proposed M&S Simply Food would be minimal (£0.41m). This represents only 4% impact on convenience retailing. Given the different retail formats, this level of diversion would not result in the closure of either the Iceland or Tesco Express.
- 7.46 Rustington Centre also benefits from strong comparison goods turnover (estimated £16.8m in 2013 rising to £18m in 2017 allowing +1.8% annual floorspace efficiency) which is far greater than convenience goods. This demonstrates that the Centre is not overly reliant on its food offer and would be able to withstand the loss of expenditure from Co-op and the small additional diversion resulting from the application proposal. Overall the turnover of the Centre is estimated to be £28.33 in 2017. The impact of the proposed Simply Food store would therefore be only 1.4% which is negligible. The turnover of the Centre will increase when the Co-op unit is re-occupied and the Ash Lane site developed. The impact is therefore likely to be less than estimated.

- 7.47 The above does not include any provision for additional spend generated by the tourism and is therefore the worst case scenario.
- 7.48 The level of quantitative impact on Rustington is low and the proposal is unlikely to result in the closure of any important retailers within it. Despite the recent closure of Co-op the Centre remains in good health and therefore the level of impact identified would not have a significant adverse influence on its vitality and viability.

Cumulative Impact

- 7.49 In assessing the effects of the application proposals it is relevant to consider any committed schemes that may result in a cumulative impact.
- 7.50 The Mill Lane Site comprises the only committed retail development within the catchment area which has an extant permission for a foodstore of 1,400sqm gross. At the time this application was submitted, the applicant's agent (CGMS) indicated that the foodstore element could be occupied by a discount operator or a premium retailer. For the purposes of assessing retail impact CGMS assumed a premium retailer with a similar turnover to M&S Simply Food as a worst case scenario.
- 7.51 Given that M&S are committed to the current application site there is no chance that the approved retail store would be occupied by a premium retailer of this nature. All other food stores operators are represented in the catchment area except for Aldi. Therefore, in the event that the foodstore element of the Mill Lane Site is developed out, it is reasonable to assume that this would be for a discount retailer such as Aldi.
- 7.52 The average sales density of an Aldi store is £6,227/sqm (Intel Retail Rankings Report 2013). Assuming a 55% net food sales area of 770sqm, the store would generate a turnover of £4.8m. Given the recent success of the discount food sector (dominated by Aldi and Lidl) in competing with the main four operators and the lack of any similar provision within Rustington, the vast majority of this turnover would be diverted from Tesco Broadpiece, Sainsburys Rustington, Morrisons Wick and Asda Ferring. There may be a small amount of diversion from Lidl on the edge of Littlehampton but discount stores tend to serve relatively small catchment areas (5 minute drive time). Other trade would also be captured from those passing on the A265 and the wider catchment. There would be no diversion from the smaller Local Centres.
- 7.53 On this basis, we do not consider that there would be any significant adverse cumulative retail impact on Littlehampton and Rustington Centres having regard to the extant approval at the Mill Lane Site.

Retail Impact Conclusion

7.54 We have carried out a retail impact assessment in accordance with the NPPF and associated guidance within the NPPG utilising information contained within the Council's Retail Study and with regard to other recent food store proposals in the District which have been approved.

7.55 We have demonstrated that the M&S Simply Food Store would not, on its own or cumulatively, have a significant adverse impact on:

- 1) Existing, committed and planned development within the Centres; or**
- 2) Town centre vitality and viability, local consumer choice and trade in the town centre and wider area.**

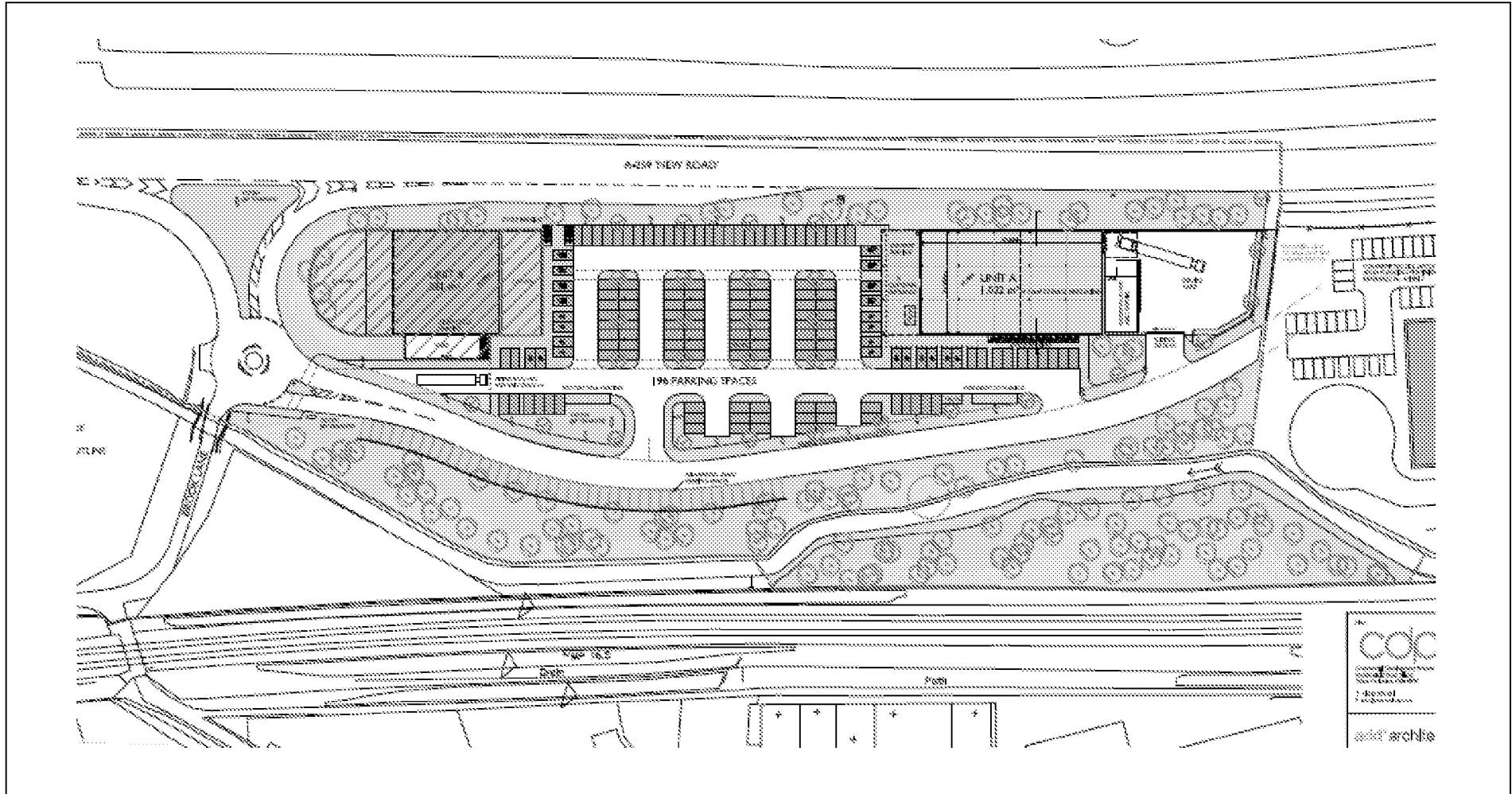
7.56 Paragraph 26 of the NPPF states that the planning permission should only be refused where the impact would be significant. The application proposal would give rise to minimal impact on Centres which have strong levels of vitality and viability. Accordingly the impact test set out within the NPPF and Policy Dev 27 of the adopted Local Plan has been passed.

8.0 CONCLUSIONS

- 8.1 This Retail Statement has been prepared on behalf of CDP Ltd and M&S in respect of land off New Road, to the north of Rustington, near Littlehampton. The Statement addresses the retail policy issues raised by the proposed development of the site for an M&S Simply Food store.
- 8.2 The proposed development has been assessed in accordance with the NPPF, associated guidance within the NPPG and adopted Local Plan Policy DEV27. Regard has also been had to the emerging Local Plan and the associated evidence base including the Councils 2013 Retail Study.
- 8.3 Taking into account the need for flexibility in terms of the scale of floorspace, format of stores, amount of car parking and disaggregation, we have considered all in-centre options, followed by edge of centre locations, and conclude that there are no sites which are available and suitable for the proposed development, and therefore that there are no sequentially preferable alternatives to the Application Site. . We therefore conclude that the proposed development accords with Para 25 of the NPPF and Local Plan Policy DEV27.
- 8.4 We have also assessed the potential effect of the proposed development on Littlehampton and Rustington Centres. We consider that both are vital and viable centres, that there is no planned investment in either centre that would be prejudiced by the proposed development, and that there will be no unacceptable trade diversion from them. Accordingly, we do not consider that the proposed development will result in a significant adverse retail impact, and therefore that it accords with Paragraph 26 of the NPPF and Local Plan Policy DEV27.
- 8.5 The proposed development therefore complies with national and development plan policy concerning out of centre retail proposals.

APPENDIX 1
CATCHEMENT AREA
(ATTACHED SEPARATELY)

APPENDIX 2
SITE LAYOUT PLAN



APPENDIX 3
VACANT UNITS WITHIN RUSTINGTON (GOAD PLAN AND SCHEDULE)



Vacancy Schedule

1 Broadmark Road (former Coop)	1,740sqm
7 Broadmark Parade	100sqm
1-2 Broadmark Parade	180sqm
124 Churchhill Court	70sqm
113 The Street	120sqm

APPENDIX 4
VACANT UNITS WITHIN LITTLEHAMPTON (GOAD PLAN AND SCHEDULE)



Vacancy Schedule

Vacant Post Office Arcade Road	370sqm
1 Arcade Road	80sqm
43A Duke Street	40sqm
Vacant Public House	220sqm
78 High Street	80sqm
1 Brayford Street	50sqm
36 Beach Road	60sqm

APPENDIX 5
HEALTH CHECK – RUSTINGTON

Rustington Village Centre

We have set out below an assessment of the vitality and viability of Littlehampton Town Centre having regard to findings of the Council's 2013 Retail Study, more recent data published by Experian Goad and our review of the Centres in November 2013.

Rustington Village Centre fulfils a District Centre role. Rustington provides 115 units in 15,338sqm retail floorspace (Experian Goad Centre Report August 2013). It is well let, providing a good range of retail and service uses, albeit without any obvious large anchor traders. Existing food retailers include Iceland and Tesco Express along with independent green grocers, butcher and bakers. In November 2014 the Co-op closed its store within Rustington Village Centre.

Diversity of Uses

The Goad Survey identifies that Littlehampton comprises the following:

- Convenience Goods 14% (UK average 8%)
- Comparison Goods 41% (UK average 40%)
- Service Goods 39% (UK average 36%)

The proportion of comparison, convenience and services provision is therefore above the national average.

The Council's Retail Study identified that the household survey had confirmed high levels of satisfaction with the range and choice of shops. An even higher level of satisfaction was outlined in terms of the choice and quality of service facilities.

Retailer Representation and Intention to Change

The Centre is focused on The Street, which is anchored by a Tesco Express and Iceland supermarket. Other national retailers with a presence in Rustington include Boots, Superdrug, Monsoon and WH Smith. There are a good selection of banks as well as restaurants and cafes.

Edge/ Out of Centre Provision

There is significant out of Centre provision within the wider Rustington area to the north. This includes the redeveloped Sainsburys store and Rustington Retail Park adjacent to the A259.

Potential Capacity for Growth

Due to the proximity of residential development on all sides, there is little opportunity for further expansion of Rustington. There is an extant planning permission for redevelopment of the Chandlers Mini Dealership on Ash Lane which, if built out, would expand the choice of convenience top up shopping within Centre.

Proportion of Vacant Street Level Property

We recorded 5 vacancies within the Centre in November 2015 which represents 4% of total units. This is well below the UK national average of 9% in terms of unit numbers. The majority of units are small scale shops ranging from 70-180sqm. However the former Co-op unit is a substantial vacancy within the Centre (1,740sqm). This has increased the vacancy level to 14% by floorspace which is above the national average of 10%. However, it is understood that a number of national multiple retailers including Aldi and Iceland have expressed interest in the unit. The proportion of vacant floorspace within the Centre will reduce substantially to around 3% when the unit is re-occupied.

Retailer Demand and Commercial Indicators

There is no published information for Rustington concerning commercial indicators of vitality (rental levels, yields, retail demand etc). As stated above, a number of parties have expressed interest in the former Co-op unit. The centre is also well managed by the owners and benefits from its own website which appears to be updated regularly.

Pedestrian Flows

From our own observations of pedestrian flows we found the centre to be extremely well populated with shoppers. There are good levels of footfall associated with the parades of shops along The Street. Pedestrian movement around the Centre is very good.

Accessibility to Centre

The Centre is accessible by bus and car. Public car parking is available via two public car parks at Broadmark and Churchill Parade providing easy access to the facilities. On the day of survey both car parks were well used and it is clear that in tandem both form a vital function in ensuring the vitality and viability of the centre.

Perception of Safety and Occurrence of Crime

Rustington appears to be and feels like a safe place to shop. The town centre environment is of high quality and provides pleasant pedestrian areas within which shoppers are segregated from vehicles. There is little sign of graffiti, damaged property or litter.

Environmental Quality

The Centre benefits from an attractive streetscene with no obvious environmental or safety problems. It has a 'garden village' feel with well maintained landscaping and trees between the shopping parades and the highway. The Centre is maintained to a high standard with good quality street furniture, signage and cleanliness which contribute to an attractive shopping environment. The owners have obtained planning permission to refurbish the former Co-op unit which would be an improvement when complete.

Conclusions on Health of Rustington Village Centre

The above demonstrates that the Rustington Village Centre provides a variety of goods and services to a large and relatively affluent residential population within an attractive and well maintained environment which has a low level of vacancy and is very well used.

Accordingly, despite the recent departure of Co-op and the need for this unit to be refurbished and re-let, Rustington has a strong and robust Centre which is used by a loyal local customer base. It is therefore has a very good level of vitality and viability.

APPENDIX 6
HEALTH CHECK – LITTLEHAMPTON

Littlehampton Town Centre

We have set out below an assessment of the vitality and viability of Littlehampton Town Centre having regard to findings of the Council's 2013 Retail Study, more recent data published by Experian Goad and our review of the Centres in November 2013.

Littlehampton is a medium sized town providing a range of shopping and other facilities. Shopping is primarily focussed on High Street, Surrey Street and the Beach Road. According to April 2014 Experian Goad survey, Littlehampton comprises 166 units within 28,670qm retail floorspace. The Centre is anchored by Sainsbury and Waitrose supermarkets.

Diversity of Uses

The April 2014 Goad Survey identifies that Littlehampton comprises the following:

- Convenience Goods 7% (UK average 8%)
- Comparison Goods 44% (UK average 40%)
- Service Goods 38% (UK average 36%)

Therefore the Centre is broadly in line with national average rate with marginally less convenience and comparison goods provision. Service uses are important in the Centre, again similar to (and slightly below) equivalent national average figures.

Within the centre, 38 outlets are operated by national multiple companies. This represents a rate of 28% compared to the national average of 28%. Only 5 of the 31 Experian “*Major Retailers*” are represented in Littlehampton Town Centre. The multiple traders include Boots, Sainsbury's, Waitrose, Superdrug and New Look. However, there is also a strong representation of independent retailers.

There are leisure uses such as the Inspire Leisure centre, hotels such as the East beach Guesthouse and Arun Sands Hotel, as well as private and public offices (including the Borough Council) places of worship and the Littlehampton Learning Centre. These all contribute towards, and enhance the mix of uses within the centre.

Therefore, there is a good range and diversity of uses within Littlehampton Town Centre.

Edge/ Out of Centre Provision

There is an edge of centre Lidl supermarket which has broadened the range and choice of food shopping in and around the town centre.

Out of centre retail floorspace is limited to Tesco, Currys and Wickes at Broad Piece. Further to the north east are Sainsbury's and the Rustington Retail Park (close to the Application Site) on the A259.

Potential Capacity for Growth

The B2185 to the north/ west, B2187 to the east, and New Road to the south restrict opportunities to further expand the centre offer. The Littlehampton Vision Document chose to focus on identifying existing sites within the town centre for redevelopment rather than identifying opportunities to further expand the town centre as a whole. The Development Brief for St Martins Car Park envisaged a retail led redevelopment of this area. However, following the opening of Waitrose within the former Somerfield unit, Consultants have advised the Council that a retail led scheme would not be viable and that the focus should be on leisure development.

Retailer Representation and Intention to Change

The Centre contains a good variety of land uses, including approximately 38 multiple traders. There has been considerable interest in the centre from supermarkets in recent years, with Sainsbury's, Waitrose and (on the edge of the centre) Lidl opening store. This highlights the confidence shown in Littlehampton Town Centre from this sector of the market. Other operators who have taken space include Costa, the coffee shop.

Confidence in the comparison goods sector is more difficult to forecast. Whilst expenditure on comparison goods is growing more quickly than for convenience goods many national multiple comparison goods retailers are focusing on larger centres at the expense of smaller centres such as Littlehampton. However, Littlehampton is a tourist destination and the Centre is able to attract more diverse visitation and expenditure than competing Centres. This is a particular strength.

Proportion of Vacant Street Level Property

Our survey of Littlehampton town centre highlighted only 7 vacant properties. This figure represents 4.25% of the total number of units within the town centre. This figure is considerably below the national average of above the national average of 12%. This represents an improvement since the Council Retail Study was published which recorded a vacancy rate of 5%.

The vacancies are relatively scattered in throughout the centre without any significant concentrations of void units.

The largest vacant unit in the city centre is the former Vacant Post Office on Arcade Road. It comprises 370sqm within a secondary location of limited appeal to most retailers. It would be better suited to a non-retail use, adding to the diversity of facilities in the Centre. Other vacancies are small scale shop units.

Therefore, the Centre does not have a problem of unduly high vacancy rates, or concentrations of vacant property.

Retailer Demand

There is limited demand from retailers wishing to locate in Littlehampton. The Council's Retail Study identifies that occupational requirements have diminished over the long term. The Focus database included only 3 published retailer requirements at March 2013. However, this should not be regarded as a particular weakness as Littlehampton also has a history of low vacancy rates. Therefore the limited scope to gain representation with the Centre will be well known within the retail industry.

Commercial Indicators

The Valuation Office produces bi-annual reports of yields for shopping centres across the UK. This began in 1994. The latest report was produced in July 2008; the report stated that prime shopping centre yields in Littlehampton stand at 8%. This figure has been consistent for the preceding 18 months. The figure is comparable with Shoreham by Sea (8%) and slightly higher than Bognor Regis (7.25%).

The Council's Retail Study reports prime Zone A retail rents in the town centre are circa £30/sq. Ft which have fallen from £45/sqft in 2008. Secondary rents in areas such as Beach Road are £18-£20/sq. The recession has placed downward pressure on rents with landlords keen to retain tenants and retailers pushing for lower overheads. There has been a greater focus from retailers on investment in larger centres, such as Bognor Regis, than smaller ones. Local agents have indicated that Waitrose has improved general confidence in Littlehampton and the Centre has performed well despite the recession.

An underlying weakness reported by local agents focused on the general absence of, and ability to attract new multiple retailers to the town in order to help to attract greater footfall and expenditure. The proximity of Littlehampton to the higher order centre of Worthing was identified as a key competitor when seeking to attract new retailer representation in the town.

We consider that the above factors are similar to pressures faced by many smaller towns located close to larger retail centres. The smaller Centres cannot compete with the critical mass and higher footfall of larger centres, and retailers will often not open multiple stores within the same catchment.

Pedestrian Flows

From our observation, Littlehampton appears to have a healthy pedestrian footfall through the town centre. Pedestrian footfall is at its highest on High Street. Pedestrian footfall is at its lowest towards on South Street, however this may be due to the poorer quality retailers located within this part of the centre.

Accessibility to the Centre

Littlehampton Town Centre is accessible by a choice of means of transport. By car the Centre is accessed via the A259 to and is in close proximity to the A27.

There are a variety of bus services providing access to and from the Littlehampton urban area, and nearby towns including Bognor, Wick and Worthing, to the town centre.

Littlehampton's main train station is located the west of the town centre. Train services are provided to London Victoria.

Currently there is excellent car parking provision servicing Littlehampton town centre including 19 car parks. The main car parks are located at -

- Manor House
- Surrey Street
- St Martins
- Anchor Springs

Specific allowance has been made for disabled access through the provision of disabled parking bays.

Perception of Safety and Occurrence of Crime

Littlehampton appears to be a relatively safe place to shop. The town centre environment is of high quality and provides pleasant pedestrian areas within which shoppers are segregated from vehicles. There is little sign of graffiti, damaged property, litter and so forth.

The centre has a CCTV system to help maintain security and to provide re-assurance to users of the centre.

Furthermore, as a vibrant centre comprising a variety of uses throughout the day and the evening, the Centre benefits from natural surveillance provided by users of it.

Environmental Quality

Littlehampton provides an attractive place for shoppers and other users. The High Street provides a positive shopping environment within a pedestrianised environment.

Redevelopment of the former market site on Surrey Street is well advanced and will make a significant positive contribution to the Town Centre environment when complete.

The Centre provides a mixture of traditional and new buildings. In addition, the development sites as identified within the Littlehampton Vision document offer the potential for the existing sites of poor quality within the centre to be redeveloped and further enhance the environmental quality of the centre.

We therefore consider that Littlehampton has an attractive and well managed town centre.

Conclusions on Health of Littlehampton Town Centre

The above demonstrates that that Littlehampton has a strong and attractive Centre, with a robust retail base including strong representation from food and non-food traders. The town centre area provides shopping and associated services in a safe and pleasant environment. The Centre has been subject to recent investment through the redevelopment of the former market site on Surrey Street and the opening of Waitrose. Redevelopment of the St Martin's Car Park site to improve the leisure offer provides an opportunity to improve the Centre further.

Littlehampton therefore has a vital and viable Town Centre which displays no obvious signs of weakness.

APPENDIX 7 – RETAIL IMPACT TABLES

Table 1 - Turnover of Proposed M&S Simply Food

Net Food Trading Area including potential Cafe Area	826sqm
Benchmark Turnover 2013*	£9,677/sqm
Predicted Turnover at 2017**	£8.11

*Mintel Retail Rankings Report 2013

**Floorspace efficiency at + 0.4% per annum for convenience goods

Table 2 - Benchmark Turnover of Existing Convenience Facilities within Catchment Area

Store	Turnover 2013*	Turnover 2017***
Asda Ferring	£23.92m	£27.03m
Local Shops Ferring	£0.4m	£0.4m
Sainsburys, Rustington	£33.35m	£33.88
Tesco, Broadpiece	£44.38m	£45.09m
Coop Rustington (Now Closed)	£3.66m	-
Tesco Express Rustington	£1.38m	£1.4m
Iceland Rustington	£5.00m	£5.08m
Local Shops Rustington	£2.04m	£2.07m
Sainsburys Littlehampton	£4.31m	£4.38m
M&S, Worthing Road BP	£0.08m	£0.08
Waitrose Littlehampton	£11.93m	£12.1m
Lidl, Littlehampton	£2.87m	£2.91m
Iceland, Littlehampton	£0.79m	£0.8m
Local Shops Littlehampton	£0.52m	£0.53m
Tesco Express Littlehampton	£1.04m	£1.06m
Morrisons Wick**	£24.53m**	£24.9m
Coop, Wick St	£1.35m	£1.37m
Coop Angmering	£0.74m	0.75m
Local Shops Angmering	£0.33m	0.43m
Local Shops East Preston	£0.66m	0.67m

*Sourced from Council's 2013 Retail Study

**Sourced from Quod Retail Assessment

***Floorspace efficiency at + 0.4% per annum for convenience goods

Table 3 – Estimated Convenience Turnover of M&S Food Stores in Worthing and Chichester

	Food Sales Area	Benchmark Turnover*	Turnover 2013	Turnover 2017**
M&S Worthing	901sqm	£9,677/sqm	£8.72m	£8.86m
M&S Chichester	1,300sqm	£9,677/sqm	£12.58m	£12.78m

* Mintel Retail Rankings Report 2013

**Floorspace efficiency at + 0.4% per annum for convenience goods

Table 4 – Estimated Trade Diversion – Town Centre Locations with Catchment Area Shaded

	Existing Store Turnover 2017	Trade Draw %	Trade Draw £	% Impact on Store Turnover
M&S Worthing	£8.86m	10%	£0.81m	-8.9%
M&S Chichester	£12.78m	5%	£0.4m	-3.5%
Tesco Broadpiece	£44.38m	10%	£0.81m	-1.8%
Sainsbury Rustington	£33.35m	25%	£2.05m	-5.9%
Morrisons Wick	£24.9m	10%	£0.81m	-3.2%
Asda Ferring	£23.92	5%	£0.4m	-1.6%
Waitrose Littlehampton	£12.1m	11.25%	£0.91m	-7.3%
Sainsburys Littlehampton	£4.38	3.75%	£0.3m	-6.8%
Iceland Rustington*	£5.08m	3%	£0.24	-4.5%
Tesco Express Rustington*	£1.4m	2%	£0.17	-12.1%
Outside Catchment	£122.43m**	15%	£1.2m	-1%
TOTAL		100%	£8.1m	

*Not adjusted to allow for re-distributed expenditure following closure of Co-op

**Total convenience turnover of Arun District (£293.58 at 2017) minus turnover of affected stores within Catchment Area (£171.15 at 2017)

Table 5 – Impact on Convenience Turnover of Rustington and Littlehampton Centres

	Turnover at 2013	Turnover at 2017**	Trade Diversion at 2017	% Impact
Rustington	£12.14m*	£10.33m***	£0.41m	4%
Littlehampton	£18.4m	£18.69m	£1.21m	6.4%

* Predating closure of Co-op

** Floorspace efficiency at + 0.4% per annum for convenience goods

***Assumes that 50% of Co-op's main and 75% of top up food shopping retained within Centre

Table 6 – Impact on Turnover of Rustington and Littlehampton Centres

	Turnover at 2013*	Turnover at 2017*	Trade Diversion at 2017	% Impact at 2017
Rustington				
Convenience	10.17m	£10.33m		
Comparison	£16.8m	£18m		
Total	£26.97	£28.33	£0.41m	1.4%
Littlehampton				
Convenience	£18.4m	18.69		
Comparison	£22.17m	£23.81m		
Total	£40.57	£42.5m	£1.21m	2.8%

**Floorspace efficiency at + 0.4% per annum for convenience goods and +1.8% for comparison goods

APPENDIX 8
TABLE 12 COUNCIL'S RETAIL STUDY 2013

Table 12: Trading Performance of Main Foodstores

	Net Sales Floorspace sq. m	Net Average Sales Convenience sq. m	Sales Density £/sq. m	Benchmark Turnover £m	Survey Based Turnover £m	Difference £m
Bognor Regis						
Iceland	630	588	6200	3.65	2.54	-1.11
Lidl	736	572	3099	1.77	2.87	1.10
Morrisons	1745	1463	12849	19.06	16.74	-2.32
Sainsbury	5202	3360	11153	37.47	25.04	-12.44
Tesco	4058	2841	14386	40.87	37.89	-2.98
Total						-17.75
Littlehampton						
Co-op Wick	538	441	6909	3.05	1.34	-1.71
Iceland	462	425	6200	2.64	0.79	-1.85
Lidl	1286	1029	3099	3.19	1.11	-2.08
Sainsbury	1239	1133	11153	12.64	4.31	-8.33
Tesco	4058	2841	14386	40.87	44.38	3.51
Waitrose	1356	1112	13625	16.15	11.93	-3.22
Total						-13.69
Rustington						
Co-op	1400	1148	6909	7.93	3.66	-4.27
Iceland	311	266	6200	1.77	5.00	3.23
Sainsbury New Road	3307	2811	11153	31.35	33.35	2.00
Total						0.97
Asda Ferring	6336	2600	17493	48.98	23.92	-25.06