

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

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

RETAIL POLICY RESPONSE

**PLANNING APPLICATION
A/23/15/OUT**

June 2015

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1.0 INTRODUCTION

- 1.1 Planning application A/23/15/OUT was submitted jointly by Commercial Development Projects Ltd and Marks and Spencer PLC in February 2015 for proposals to develop land south of the A259 New Road and east of Brook Lane a foodstore to operate as "M&S Simply Food". The proposal also includes a family public house.
- 1.2 A Retail Statement was submitted in support of the application to address the retail policies issues raised by the proposed foodstore in accordance with the National Planning Policy Framework and the statutory development plan. This was prepared by Blue Sky Planning (BSP) who were the agents for the application. Montagu Evans took over the agency of the application in April 2015.
- 1.3 The Council's consultant (DPDS) responded to the BSP Retail Statement in May 2015. DPDS advised that a number of issues need to be considered further in relation to the sequential and impact tests. The issues principally arise from the decision of Waitrose to relocate from Littlehampton Town Centre to the former Co-op unit within Rustington Village Centre. This change in circumstances took place after the planning application was submitted and is therefore not reflected in the BSP Retail Statement.
- 1.4 Accordingly, this Statement is prepared in response to the issues raised by DPDS in relation to the proposal.
- 1.5 Firstly we reconsider the sequential test, principally in relation to the future availability of the Waitrose unit within Littlehampton and implications for the development of the wider St Martin's Car Park Site. Our assessment is to be considered alongside the letter from Marks and Spencer PLC to the Council dated 4 June 2015 which concerns the Waitrose unit.
- 1.6 Secondly, we reconsider the retail impact test. This includes consideration of the overall health of Littlehampton town centre post relocation of Waitrose; the anticipated impact of the M&S proposal on Littlehampton following relocation of Waitrose and the cumulative impact of the M&S Proposal and the approved development on land to the east of the application site (the Mill Lane Site) as recently varied by permission A/19/15/PL to allow Next at Home to occupy that site.

2.0 SEQUENTIAL TEST

Preliminary Matters

- 2.1 The BSP assessment sets out a number of preliminary matters concerning the sequential test. This included the NPPF requirement for developers to demonstrate flexibility and also the need for local authorities to be reasonable in considering operational requirements of the applicant.
- 2.2 Reference is also made to case law *Tesco Stores Ltd v Dundee City Council Supreme Court Judgment (March 2012)* which has clarified that the sequential test should be applied in the “real world” in which developers wish to operate. This has established that the operational requirements of retailers, in this case M&S Simply Food, are a significant material consideration in the application of the sequential test.
- 2.3 Additionally *Zurich Assurance Ltd v North Lincolnshire Council (November 2012)* provides more recent case law which assists in the interpretation of the sequential test when applying it to specific proposals. It is particularly useful in relation to this application case as it a) relates to a proposal by Marks and Spencer and b) concerns the availability of one sequentially preferable site (in that case a vacant TJ Hughes unit within Scunthorpe Town Centre).
- 2.4 Paragraph 58-62 of the Zurich vs North Lincolnshire case relates specifically to a proposed Marks & Spencer store. The Judge’s ruling recognises the viability issues facing M&S and the need to provide a compliant store - particularly in a commercially challenging location. The case refers to the ruling of the Dundee case as follows:

“61 It is also important to mark that developers, and planning authorities, work in the real world. Marks & Spencer had assessed the only available town centre alternative to the Site, and had concluded that a development that was smaller than that proposed, or one with a more restricted range of goods, was neither commercially viable nor suitable for their commercial requirements. On the basis of that assessment, emphasised by their representative who spoke at the planning committee hearing, the officer and committee knew that, if this planning permission was refused, then Marks & Spencer would not locate into Scunthorpe town centre. As Lord Reed said in Tesco v Dundee, at [29]:

Provided the applicant has [given consideration to the scope for accommodating the development in a different form and to have thoroughly assessed sequentially preferable locations]... the question remains... whether an alternative site is suitable for the proposed development, not whether the proposed development can be altered or reduced so that it can be made to fit an alternative site”

to which Lord Hope perceptively added, at [38]:

"[T]he context indicates that the issue of suitability is directed to the developer's proposals, not some alternative scheme which might be suggested by the planning authority. I do not think that this is in the least surprising, as developments of this kind are generated by the developer's assessment of the market that he seeks to serve. If they do not meet the sequential approach criteria, bearing in mind the need for flexibility and realism to which Lord Reed refers..., they will be rejected. But these criteria are designed for use in the real world in which developers wish to operate, not some artificial world in which they have no interest doing so.

62 Working in the real world, the committee were entitled (and, indeed, bound) to take into account the evidence that any arrangement in which Marks & Spencer used the T J Hughes unit (the only available unit in Scunthorpe town centre) would not be commercially viable, and that, because of that lack of viability, Marks & Spencer would not locate to Scunthorpe town centre in the event that this application for the Site was refused. On the basis of that evidence, in the committee's view, the applicant had demonstrated flexibility in terms of the sequential approach so far as the possible disaggregation of the Marks & Spencer operation was concerned. They were entitled to come to that conclusion on that evidence.

- 2.5 These matters are particularly relevant when we come to consider the future availability of the Waitrose unit within Littlehampton below which has, as set out in the letter from M&S to the Council, been thoroughly assessed in terms of its suitability for a Simply Food outlet.

Proposed Public House

- 2.6 DPDS have confirmed that it is not necessary to carry out the sequential test in respect of the proposed public house.

Former Co-op Store, Broadmark Lane, Rustington

- 2.7 Following the decision of Waitrose to relocate from Littlehampton to Rustington, the former Coop unit is no longer a consideration in respect of the sequential test as it is no longer available.
- 2.8 Notwithstanding the above, DPDS consider that there was a weakness in the case presented by BSP in respect of the suitability of the former Coop unit for a premium food retailer, given that Waitrose have now committed to the site (Paragraph 3.38). It is important to point out circumstances surrounding the relocation of Waitrose to Rustington are complex given that they are already operating in the local market area and the decision to relocate was based on a unique combination of commercial drivers.

- 2.9 Waitrose has clearly experienced significant trading difficulties at the Littlehampton site. The Council's 2013 Retail Study identified that it was under-trading to a significant degree against the Company's benchmark turnover. The BSP study assumed that trading would have settled as the store established itself in the local market (a common assumption for new store openings). However, it has become clear after a period of 4 years trading that the site/location is not viable for the Waitrose business model.
- 2.10 In normal circumstances we consider that Waitrose would have continued trading until the expiry of its lease in 2020. However, the company was presented with an opportunity to occupy an alternative site in Rustington where the profile of the Centre and its immediate catchment population is a better proposition than the poorly performing Littlehampton store. Furthermore, the owners of the Rustington site have taken an assignment of the Waitrose lease in order free the company of its financial obligations at the Littlehampton site.
- 2.11 Therefore, Waitrose have been provided with a commercially attractive opportunity to exit an underperforming site and relocate to a comparatively better one. Without the direct intervention of the owners of the Rustington site to free Waitrose from the lease at Littlehampton, we do not consider that the company would have committed to the former Co-op store.
- 2.12 The above factors relating to the viability of the Littlehampton store are relevant to the consideration of the site by M&S (discussed later).

Mill Lane Site

- 2.13 DPDS has confirmed that the Mill Lane site is not sequentially preferable to the application site. Accordingly, there would be no policy basis for this site to be favoured by the Council for the proposed M&S Simply Food unit.
- 2.14 In any event, it should be noted that the proposals for the Mill Lane Site have been altered substantially since the M&S application was submitted. Approval has been given for the sale of clothing and footwear to enable the site to be developed for Next. The focus of future retailing at the site will therefore be on comparison goods, rather than convenience as initially envisaged. The proposed M&S Simply Food would be complimentary to this non-food offer and there would be scope for linked trips between the sites.

Ash Lane Site, Rustington

- 2.15 DPDS accept that the Ash Lane site can be discounted from the sequential test on the basis that it has been considered previously in relation to proposals at the Mill Lane Site.

Waitrose Store, Avon Road, Littlehampton

- 2.16 The existing Waitrose unit is expected to become vacant in summer 2015 following relocation to the former Co-op unit, Rustington. As previously stated, the owners of the Rustington site have taken an assignment of the Waitrose lease at Littlehampton to facilitate the relocation.
- 2.17 The existing lease runs to 2020 and is being actively marketed by the landlord/leaseholder through commercial agents Colliers International (see Appendix 1). The site is therefore "available" for the purposes of the sequential test. Accordingly, it is necessary to consider the "suitability" of the site for the proposed M&S Simply Food.
- 2.18 Central to this consideration is the extent to which the site would be a viable site/location for the proposed M&S Simply Food store, allowing for a reasonable amount of flexibility. The above mentioned *Dundee* and *North Lincolnshire* cases are relevant to this consideration. *North Lincolnshire* is particularly relevant as it relates to an M&S proposal.

Suitability/Viability of Site for Convenience Retailing Generally

- 2.19 Waitrose have occupied the site since 2011. Previously it was occupied by Somerfield. The site has therefore been occupied by two national multiple food retailers who have operated at different levels in the foodstore market. Somerfield operated at the lower cost end of the market. Waitrose provides a premium offer whilst also selling a range of branded mainstream products.
- 2.20 The site therefore has an extensive history of foodstore use and the viability of convenience retailing has been extensively tested over a number of years by a range of different formats. The previous foodstore operators failed to operate successfully which is a clear indication that there are critical underlying issues concerning the viability of convenience retailing from this location.
- 2.21 On this basis we consider that it is highly unlikely that that another foodstore operator will be able to trade successfully from the site. The failure of previous food retailers will act as a significant deterrent to future occupiers.
- 2.22 The site may prove to be more suitable for a more diverse operator, such as B&M or similar, who sell a range of food and non-food items and whose business model is not weighted heavily towards convenience retailing. Such occupiers are extremely active in the current retail market and will take assignments of existing leases. There is also a commercial imperative for the site owner/leaseholder to seek an occupier for the site as soon as possible. Accordingly, whilst the site is expected to fall vacant in the summer, it is entirely possible that an alternative type of retailer will take occupation of the space.

- 2.23 The commercial agents have confirmed to us that the lease is being actively marketed for food and non-food use. It is relatively early days in the marketing period (6 weeks) and Waitrose still occupy the building. However, a number of expressions of interest have been received and the agent is confident that an occupier will be secured for the unit. The agent has also confirmed that there have been discussions with B&M and similar retailers and that this sector of the retail market is most buoyant at the moment. This reinforces our view that this type of operator is most likely to take an assignment of the lease.

Suitability/Viability of Site for M&S Simply Food

- 2.24 Notwithstanding the above, the application proposal relates to an M&S Simply Food unit and, as clarified by case law, the particular nature of the proposal and the operator's viability requirements are significant material considerations.
- 2.25 As clarified within the BSP Retail Statement, the proposal has been carefully designed to meet the specific requirements of M&S for the target catchment area. Whilst the application site is capable of accommodating a much larger unit, the proposed floor area has been identified by M&S as necessary to ensure the viability of a Simply Food store in this market area.
- 2.26 Whilst the operational requirements of M&S are a significant material consideration, it is also necessary to adopt an element of flexibility when thoroughly considering sequential sites. This has been clarified in the *North Lincolnshire* case. In this regard, we refer the letter dated 4 June 2015 from M&S to the Council. This confirms that:
- 1) The Waitrose site was thoroughly considered by M&S in 2011 when the site was last available.
 - 2) This included a full feasibility study to consider how M&S Simply Food could be accommodated at the site.
 - 3) The company were flexible in terms of their consideration of the site. The appraisal was carried out on the basis of a larger trading area to that currently proposed and with a "fallow" area of more than 10% of the building.
 - 4) The viability of the site was considered in a robust and rigorous manner. This included full consideration by the M&S board.
- 2.27 Following presentation to the M&S board in spring 2011 it failed to gain approval due to viability considerations. This related to the both the size of the site and doubts in terms of the trading location for Simply Food.
- 2.28 The application proposal relates to a smaller floor space requirement for the area (1,487sqm) and a much smaller trading area than that considered in 2011 (835sqm). The net:gross ratios are critical to the Simply Food business model, as they are for all foodstore operators. On the basis that the Waitrose unit was considered to be unviable for a larger operation in 2011, it would be considerably less viable for the current proposal.

- 2.29 Furthermore, the viability of the trading location for a premium food retailer has been tested by Waitrose over that last 4 years. The failure of Waitrose has reinforced the concerns of the M&S board in 2011. Accordingly, it certainly would not be a viable proposition for the M&S board now.
- 2.30 It is necessary for application proposals to be considered in “*real world*” terms and the market in which M&S operates. As was the case in Scunthorpe, refusal of planning permission for the proposed Simply Food unit will not lead to M&S locating at the Waitrose site due to commercial viability reasons. The company has demonstrated flexibility in considering the site and the viability matters have been robustly tested by the M&S board.
- 2.31 Accordingly, the Council is entitled to approve the application proposal in accordance with the NPPF on the grounds that the Waitrose site is not suitable or viable for the proposed M&S Simply Food unit. The similarities with the *North Lincolnshire* case are very clear in this regard.

St Martins Road Car Park Site

- 2.32 DPDS has requested that the analysis of the St Martins Car Park site is reviewed within the context of the forthcoming relocation of Waitrose. DPDS have not questioned the analysis of the site by BSP. The site has also been considered by DPDS in relation to a number of other retail proposals in the area and been discounted from the sequential test on the grounds of availability and suitability.
- 2.33 The situation regarding the availability of this site has not changed since BSP carried out the analysis. It has been discussed as a potential development site for in excess of 8 years. The majority of the 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. The tyre centre is fully operational and in third party ownership. Accordingly the site is not currently available for development.
- 2.34 M&S has a current requirement for a Simply Food store which would be operational at the subject site within the next 12-18 months. This is a significant material consideration as the car park site could not reasonably be expected to be made available for development within these timeframes. We consider that the development potential of this site will be delayed further whilst the future of the Waitrose unit is being considered. The availability of the site for development is therefore even less certain now.
- 2.35 In any event, the Secretary of State's decision at Rushden Lakes, Northampton dated 11 June 2014 (referred to by DPDS) confirms that Paragraph 24 of the NPPF simply asks whether town centre or edge of centre sites are “available”. It does not ask whether such sites are likely to become available during the remainder of the plan period or over a period of some years (Paragraph 8.55). Accordingly the St Martins Road Car Park site can be discounted from the sequential test on the basis that it is not available for development.

- 2.36 In any event the site would not be a suitable or viable for the proposed M&S Simply Food development. The availability of the Waitrose unit for alternative forms of retailing (which we consider is the most likely future for it) does not automatically make the car park site a viable proposition for a foodstore. The site occupies an inferior location to the Waitrose unit in terms of accessibility from the highway network and connectivity to the core shopping area of Littlehampton. The options are therefore relatively limited in terms of its potential for both food and non-food retailing. The potential is also limited by the scale and nature of the Centre, its position within the hierarchy of other Centres in the region (larger centres serving a wider catchment for higher order town centre retailing), and the profile of convenience shopping in the area which takes place mostly along the A259 corridor.
- 2.37 Furthermore, the concerns of the M&S board in 2011 related as much to the suitability of Littlehampton for its premium food offer, as to the suitability of the Waitrose building. These concerns have been realised by the failure of Waitrose in Littlehampton. Therefore whilst it may be theoretically possible to develop a compliant Simply Food store at the car park site in physical terms, it would not be a viable trading location for M&S. The “real world” principles of the *Dundee* and *North Lincolnshire* cases are therefore equally relevant when considering the St Martins Road car park site as a sequentially preferable alternative. Moreover, it is an even less viable proposition for M&S than the existing Waitrose unit on the basis that it is not readily available.
- 2.38 Finally, we note that neither the car park nor the Waitrose unit were reconsidered by the applicant when the variation to the Mill Lane permission to enable Next was sought. Presumably the Council, in granting planning permission, considered that the prospect of Next occupying these sites was remote. A consistent approach should therefore be adopted by the Council in respect of the M&S proposal.
- 2.39 Accordingly, the St Martins Road car park can be discounted from the sequential test on the grounds that it is not available for the proposed development and, operating in “real world” terms, would not be suitable or viable for an M&S Simply food unit in any event.

Sequential Test Conclusions

- 2.40 We have re-considered the sequentially preferable sites within Littlehampton following the decision of Waitrose to relocate to Rustington. We have demonstrated that the existing Waitrose building is not a suitable or viable location for the proposed M&S Simply Food. The St Martins Car Park is not available for the proposed development and would also not be suitable or viable. We have had due regard to the requirement to be flexible, for the sequential test to be applied rigorously and for the need to consider the commercial realities of the foodstore market within which M&S operate. On this basis we conclude that there are no sequential preferable alternatives to the application site for the proposed development.

- 2.41 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.

3.0 RETAIL IMPACT

- 3.1 DPDS have made a number of comments regarding the assumptions used within the BSP Retail Statement and the nature of the cumulative impact assessment having regard to the extant permission at the Mill Lane Site. Furthermore, it is also necessary to reconsider the health of Littlehampton Town Centre in light of the Waitrose relocation and the impact of the proposed development on the Centre when that happens.

Health Check Update

- 3.2 The Littlehampton health check carried out by BSP was undertaken with Waitrose in occupation of an anchor unit within the Centre. Such assessments are a snap shot in time as the churn of units within Centres is systematic of the retail market.
- 3.3 The exit of Waitrose from Littlehampton will have an impact on the vitality and viability of the Centre. Some of the trade will be shifted to other outlets within the Centre (Sainsburys, Morrisons Local and Lidl) whose turnover will increase. However, a significant proportion will be transferred to nearby Rustington when the new store opens. The convenience turnover of the Centre, and the attraction of the Centre for main food shopping, will therefore decline.
- 3.4 Notwithstanding, we consider that there is a strong prospect that the site will be re-occupied by an alternative retailer. This is likely to be predominantly for comparison goods given the history of trading difficulties for pure convenience goods retailing. The agents marketing the site have confirmed that there has been a number of expressions of interest from retailers over the short marketing period. There is also a strong commercial incentive for the new leaseholder to secure a tenant which is evident by the current marketing campaign.
- 3.5 Therefore, we consider that any detrimental impact on the vitality and viability of Littlehampton as a result of the Waitrose move will be short term. An alternative retailer will establish a different attraction to the Centre and make a different contribution to its diversity and general vitality and viability.
- 3.6 This analysis is based on reasonable assumptions in relation to market indicators. It is not possible to be more specific about the future health of the Centre at this stage as the future occupier of the Waitrose unit is not known. For instance the composition of retail uses within the Centre may change, but this will not necessarily be for the worse. A more viable retail operation would be a more sustainable solution for the site and provide a longer term contribution towards the attraction and health of the Centre.
- 3.7 This is evident by the situation in Rustington where the anchor tenant (Co-op) left the Centre in November 2014 and a new occupier has been secured for that unit six months later. The overall health of the Centre has not suffered in the meantime.

- 3.9 DPDS speculate that the development of the Surrey Street Market site for residential use is an indicator that there may be an inherent weakness in the health of Littlehampton as it was not possible to generate sufficient interest from retailers in the site. Had there been demand for large scale retail development in Littlehampton, this would have come forward on the Surrey Street site. However, market drivers have established that residential is the most viable use for this core town centre location. As identified by the NPPF (Para x), residential development plays an important part in the overall vitality and viability of centres. Accordingly, we do not consider that the development of this site for residential purposes represents a weakness. It is simply a different type of use which contributes to diversity and activity and the general health of the Centre.
- 3.10 On this basis, whilst there may be a dip in the general vitality and viability of Littlehampton as a result of the Waitrose closure, this will be temporary and should not be regarded as an indicator that the Centre is in decline or of poor health.

Retail Impact Assessment Update

1) Impact on Existing, Committed and Planned Development within the Centres

- 3.11 DPDS suggest that development of M&S at the application site may deter potential investors in the Waitrose unit and the wider St Martins Car Park site.
- 3.12 For the reasons set out previously, we do not consider that the Waitrose unit is suitable for convenience retailing given the failure of three food store formats at the site. The sites are also not viable for M&S Simply Food.
- 3.13 Similar retail formats impact on each other. Unless a premium or mainstream food retailer is considering the Waitrose or St Martins Road sites, approval of the proposed M&S Simply Food will not have a bearing on decisions by others to invest in Littlehampton.
- 3.14 Given that only Waitrose and M&S operate at the premium end of the food retailing market and all other mainstream operators are already represented in the Littlehampton catchment area, the prospect of this type of convenience store locating at the Waitrose/St Martins Road site is extremely unlikely. A discount retailer (non-food and/or food) would not be affected by the proposed M&S Simply Food store due to the different retail formats.
- 3.15 Accordingly, we do not consider that the proposed development would have an adverse impact on existing, committed or planned development within Littlehampton.

2) Impact on Vitality and Viability of Centres

- 3.16 The various comments made by DPDS in relation to the BSP retail impact assessment are addressed below.

Store Turnover

- 3.17 Paragraph 4.6 of the DPDS Report notes that the turnover has been underestimated as an allowance for VAT at 7 – 8% has not been made. **Table 1** includes VAT at 8%. The convenience goods turnover of the store is therefore estimated to be £8.63 million at 2015 (2013 prices)

Table 1: Turnover of the Proposed Development 2015 and 2018

	Net Sales Area sq m	Turnover £ per sq m	Turnover £ million
Convenience	826	10,451	8.63
Comparison	10	10,451	0.10
Total	836		8.74

- 3.18 With regard to comments made by DPDS at paragraph 4.7 of their report and in accordance with guidance issued by Experian no allowance has been made for floorspace efficiency in this assessment. Note the previous assumptions made in relation to floorspace efficiency had been obtained from Pitney Bowes.

Trade Draw

- 3.19 With regard to comments made about the expected pattern of trade draw we have adopted the pattern of trade draw identified by DPDS at paragraph 4.14 of their report, and these figures are set out in **Table 2**. These percentages have been applied to the convenience turnover of the store as identified in **Table 1**.

Table 2: Store Trade Draw

	%	£ million
M&S Stores Worthing and Chichester	5	0.44
Main out of centre food stores in area	65	5.68
Stores outside of the catchment area	7.5	0.66
Littlehampton and Rustington	22.5	1.97
Total	100	8.74

Note: The comparison goods turnover has been included within the pattern of convenience goods turnover as the comparison goods stocked will be ancillary items to the main convenience offer.

- 3.20 With regard to the split in trade draw between Littlehampton and Rustington, it has been assumed that 85% will be diverted from Rustington (£1.67 million) with the remainder (£0.30 million) from Littlehampton. This is based on the representation of existing retailers in these two centres and the relocation of Waitrose from Littlehampton to Rustington.

Baseline Trade Draw

- 3.21 **Table 3** (below) identifies the turnover of Littlehampton and Rustington. These figures are based on Table 6 included in the submitted BSP Retail Statement and have been adjusted in line with comments made by DPDS.

Table 3: Turnover of Centres based on Council's Retail Study

	2015 £ million
Littlehampton	40.31
Rustington	28.88
Total	69.19

- 3.22 As identified by DPDS since the household survey was undertaken there have been changes to the provision of convenience retailers within the local area, including the closure of the Co-op in Rustington, the opening of a Morrison's Local in Littlehampton, the opening of the Morrison's Store at Wick and an extension to the Sainsbury's store at the Rustington Retail Park. As these outlets are now open and trading the effects of their trading pattern have been applied to the turnover at the base year (2015) as set out in **Table 4**.

Table 4: Turnover of Centres based on Council's Retail Study

	2015 £ million	Trade Drawn to Morrisons Wick £ million	Trade Drawn to extended Sainsbury's Rustington £ million	Turnover 2015 Adjusted for implemented schemes £ million
Littlehampton	40.31	0.32	0.69	39.30
Rustington	28.88	0.30	1.25	27.33
Total	69.19	0.62	1.94	66.63

Source:-

1. Trade drawn to Morrisons Wick taken from Table 7.6 of the Retail Statement submitted in relation to LU/271/11.
2. Trade drawn to the extended Sainsbury's store at the Rustington Retail Park taken from Table 2, Appendix 2 of the Planning and Retail Statement submitted in relation to R/59/12

- 3.23 The recent announcement of the relocation of Waitrose from Littlehampton to Rustington, will have an effect on the respective turnover levels of the two centres. Therefore it is necessary to make an adjustment in the baseline position of the two centres.

Table 5: Effect of Waitrose relocation of Centre turnover

	Turnover 2013 Adjusted for implemented schemes £ million	Waitrose Turnover £ million	Updated Centre Turnover £ million
Littlehampton	39.30	-15.15	24.15
Rustington	27.33	+15.64	42.97
Total	66.63	0.49	67.12

Source:

1. Turnover 2013 Adjusted for implemented schemes taken from Table 4
2. Assumed benchmark turnover taken from Table 12 of the Council's Retail Study 2013, assumed that the new store will have the same percentage split between convenience and comparison goods and company average benchmark applied.

- 3.24 With regard to other assumed changes to the pattern of trade draw, no change has been assumed to the pattern of trade draw for top-up shopping, it is assumed that these trips will be reassigned to other convenience retailers in the centre.
- 3.25 Due to the fact that some of these store closures / openings have not yet taken place it is not possible to undertake an updated household survey to ascertain the new patterns of trade draw.
- 3.26 The main impact on the turnover of the two centres has been the relocation of the Waitrose store from Littlehampton to Rustington with circa £15 million of expenditure being transferred.

Cumulative Impact

- 3.27 There is an extant consent for convenience goods floorspace at Mill Lane adjacent to the proposed development site. This consent has not been implemented and it is unknown whether an occupier has been lined up for this floorspace. In order to assess the cumulative impact of the Mill Lane scheme and the proposed development we have made reference to the Planning and Retail Assessment Addendum submitted in relation to application A/19/15/PL and set out these trade diversion figures in **Table 6**.

Table 6: Mill Lane Trade Diversion

	Comparison £ million	Convenience £ million	Total £ million
Littlehampton	0.64	0.84	1.48
Rustington	0.53	1.00	1.53
Total	1.17	1.84	3.01

Source: Tables 11a and 12, Appendix A, Planning and Retail Assessment Addendum in relation to application A/19/15/PL

- 3.28 To reflect the relocation of Waitrose from Littlehampton to Rustington the convenience trade draw figures for the two centres have been switched to reflect the change in convenience provision. We have not gone into any further detail with regard to the assumptions for the Mill Lane scheme as these were accepted by the Council in approving application A/19/15/PL.

- 3.29 As set out in **Table 2**, the proposed development is expected to divert £1.74 million of expenditure from the centres of Littlehampton and Rustington. It is expected that 85% of this (£1.67 million) will be diverted from Rustington with the remainder (£0.30 million) being diverted from Littlehampton. **Table 7** (below) sets out the cumulative impact.

Table 7: Cumulative Impact

	Turnover 2018 £ million	Mill Lane £ million	M&S Simply Food £ million	Turnover 2018 post developments £ million	Impact %
Littlehampton	24.15	1.48	0.30	22.37	7.33
Rustington	42.97	1.53	1.67	39.77	7.45
Total	67.12	3.01	1.97	62.14	-

- 3.30 The cumulative impact of the proposed development and the extant Mill Lane consent will be less than 7.5% on Littlehampton and Rustington. This level of impact is not considered to be significant.
- 3.31 The impact on Littlehampton is also presented as a worst case scenario assuming that the Waitrose unit is vacant and does not contribute to the turnover of the Centre. As previously stated we consider that any vacancy will be short term and that a new occupier will be secured for the unit in due course. When this happens the impact of the proposed M&S Simply Food unit and the development at Mill Lane on Littlehampton will be significantly less at 7.33%.
- 3.32 Rustington will experience a significant boost in vitality and viability once Waitrose is established within the former Co-op unit. An impact of 7.45% will therefore not have a significant effect.

Conclusion Retail Impact

- 3.33 We have carried out a retail impact assessment in accordance with the NPPF and associated guidance utilising information contained within the Council's 2013 Retail Study and with regard to other recent proposals in the District which have been approved. We have also considered the recent decision of Waitrose to relocate from Littlehampton to Rustington and the approved retail development at the Mill Lane Site as recently varied.
- 3.34 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.
- 3.35 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 Rustington and Littlehampton centres. Accordingly the impact test set out within the NPPF and Policy Dev 27 of the adopted Local Plan have been satisfied.

4.0 CONCLUSION

- 4.1 This 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. It responds to issues raised by the Council's consultant, DPDS, in respect of the BSP Retail Statement submitted with the planning application.
- 4.2 We have re-considered the sequentially preferable sites within Littlehampton following the decision of Waitrose to relocate to Rustington. We have demonstrated that the existing Waitrose building is not a suitable or viable location for the proposed M&S Simply Food. The St Martins Car Park is not available for the proposed development and would also not be suitable or viable. We have had due regard to the requirement to be flexible, for the sequential test to be applied rigorously and for the need to consider the commercial realities of the foodstore market within which M&S operate. On this basis we conclude that there are no sequential preferable alternatives to the application site for the proposed development.
- 4.3 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.
- 4.4 We have carried out a retail impact assessment in accordance with the NPPF and associated guidance utilising information contained within the Council's 2013 Retail Study and with regard to other recent proposals in the District which have been approved. We have also considered the recent decision of Waitrose to relocate from Littlehampton to Rustington and the approved retail development at the Mill Lane Site as recently varied.
- 4.5 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.
- 4.6 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 Rustington and Littlehampton centres. Accordingly the impact test set out within the NPPF and Policy Dev 27 of the adopted Local Plan have been satisfied.

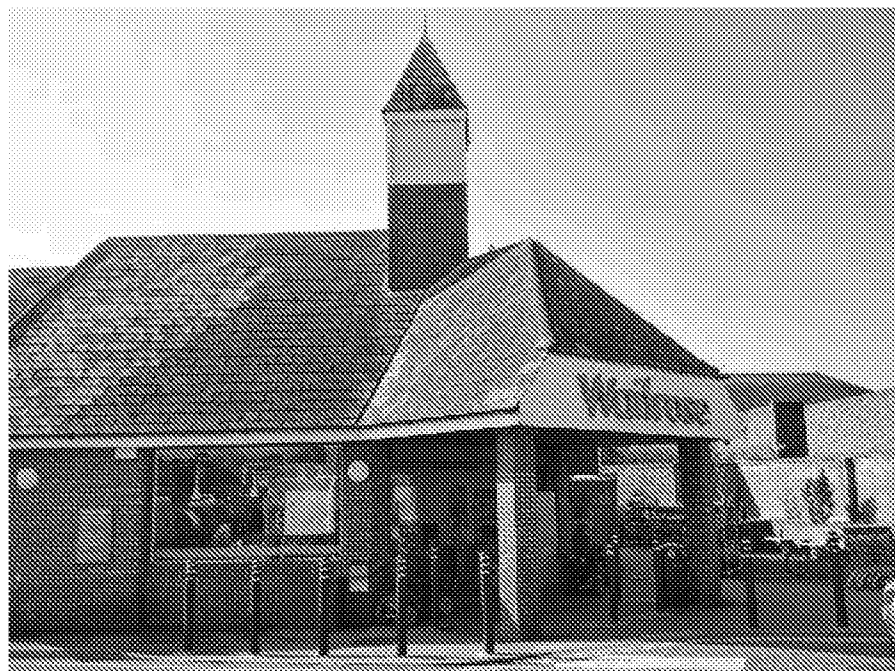
- 4.7 The proposed development therefore complies with national and development plan policy concerning out of centre retail proposals.

APPENDIX 1
MARKETING BROCHURE

FOODSTORE/LARGE RETAIL UNIT – LEASE FOR SALE



Littlehampton – Avon Road, BN17 6AT



> Prominent town centre
foodstore/large retail unit

> 95 car parking spaces

> Available August 2015

LOCATION

Littlehampton is located on the south coast approximately 50 miles south west of London, with a population of approximately 182,000 within a 10 mile radius.

The property is located immediately north of High Street in a prominent town centre location accessible from Franciscan Way and East Street.

ACCOMMODATION

The property is arranged over two floors providing the following approximate gross internal floor areas:

Ground Floor	18,934 sq ft	1,760 sq m
First Floor	6,636 sq ft	617 sq m

The demise also includes the adjacent car park, currently providing 95 spaces.

TENURE

The property is held by way of a lease expiring 24th December 2020, at a rent of

RATES

We have been advised by the Local Authority that the premises are assessed for rating purposes as follows:

Rateable Value:	£277,500
UBR (2015/16):	49.3p
Rates Payable:	£136,808

EPC

An Energy Performance Certificate for the property is available on request.

COSTS

Each party is to be responsible for their own legal and all other professional costs incurred in the transaction.

CONTACT US

All viewings to be arranged with Colliers International, through:

Dan Simms

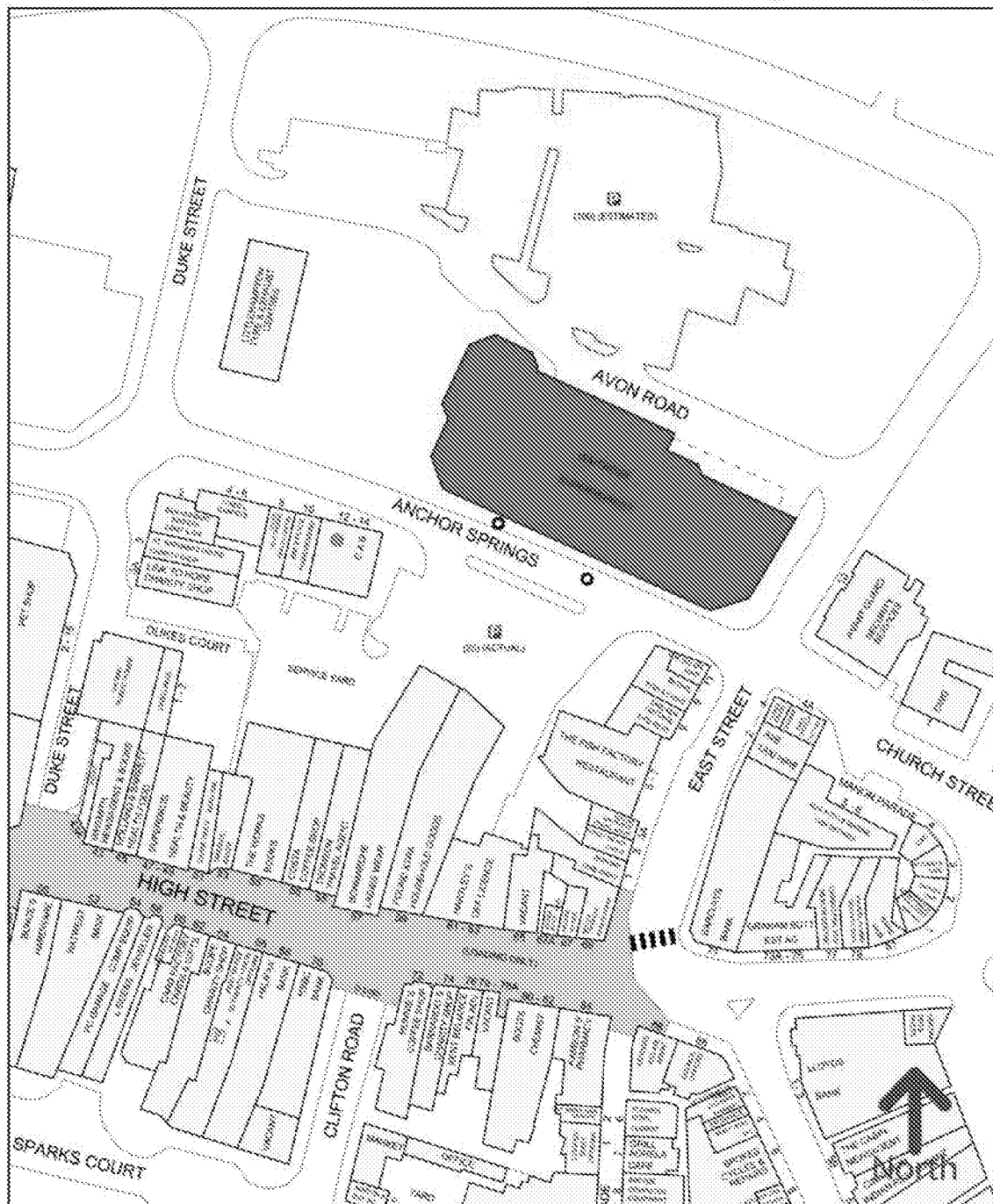


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Littlehampton



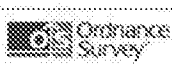
50 metres

Experian Goad Plan Created: 26/03/2015

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For more information on our products and services:

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