

☒ London
☒ Glasgow
☒ Edinburgh



CHARTERED SURVEYORS

5 Bolton Street

London

London W1J 8BA

Tel: 020 7493 4002

Fax: 020 7312 7548

www.montagu-evans.co.uk

PD10102

30 June 2015

Neil Crowther
Planning Department
Arun District Council
Maltravers Road
Littlehampton
BN17 5LF

Dear Neil

**LAND SOUTH OF NEW ROAD AND EAST OF BROOK LANE, RUSTINGTON
PLANNING APPLICATION A/23/15/OUT**

This letter has been prepared following discussions with the Council and their retail advisors DPDS on 17 June 2015 regarding the assessment of retail impact in respect of the above.

At the meeting an approach to assess the impact of the proposed development was agreed. This made specific reference to the assumptions made in relation to the baseline trading position of Littlehampton and Rustington Centres following the imminent relocation of Waitrose.

We have assessed the impact of the application proposal taking account of the following:

- 1) Baseline turnover of the two centres recently accepted by the Council in relation to the determination of application A/19/15/PL relating to the Mill Lane Site;
- 2) Adjusted turnover of the centres having regard to the relocation of Waitrose from Littlehampton to Rustington and reasonable assumption of turnover when the existing Waitrose unit is reoccupied;
- 3) Cumulative impact of M&S Simply Food and the Mill Lane development approved by permission A/19/15/PL.

1) Baseline Turnover of Centres

In terms of determining the baseline turnover of the two centres it has been agreed that the figures most recently accepted by the Council in relation to the determination of application A/19/15/PL would be the most appropriate baseline position. This is set out in **Table 1** (below).

Table 1: Survey Derived Turnover

	Survey derived turnover	
	2015 £ million	2018 £ million
Littlehampton	37.06	39.90
Rustington	29.20	31.45

2) Adjusted Turnover following Waitrose Relocation

It is necessary to input the relocation of the Waitrose store from Littlehampton to Rustington which is expected to take place later this year. Further to discussions with the Council and their advisors we have agreed that it will be assumed that the Waitrose will still be in Littlehampton in 2015 and will have relocated to Rustington by 2018.

The survey derived turnover of the Waitrose store as identified in the Council's Retail Statement is £11.93 million. It was agreed with the Council and their advisors that 85% of the turnover of the store would be diverted from Littlehampton to Rustington following the relocation. The remainder of the expenditure would be redistributed to existing retailers within Littlehampton. Therefore the turnover of Rustington will increase by £10.14 million

Furthermore, it has been agreed that reasonable assumptions should be made regarding the future turnover of the existing Waitrose unit when it is reoccupied. Agents are currently actively marketing the existing Waitrose unit in Littlehampton, the net sales of the unit is quoted in the Council's Retail Study as being 1,356 sq m, whilst an occupier for this unit has not yet been identified. **Table 2** (below) sets out the potential turnover level for an operator that has a known interest in the unit.

Table 2: Turnover of Potential Occupiers of Waitrose Store in Littlehampton

Retailer	Turnover £ per sq m
B&M Retail	3,873

Source: Mintel UK Retail Rankings 2013

The existing Waitrose store in Littlehampton would therefore have a turnover of £5.25 million if occupied by B&M. This figure does not allow for VAT or annual floorspace efficiency and is therefore a conservative estimate. As already explained the Waitrose unit is being actively marketed and it is expected that an occupier for the unit will be identified in due course.

The effect of the Waitrose store relocating will therefore be an increase in the turnover of Rustington of £10.14 million and a decrease in the turnover of Littlehampton of £4.89 million. This is set out in **Table 3** (below).

Table 3: Turnover following Waitrose Relocation

	Waitrose Relocation	
	2015 £ million	2018 £ million
Littlehampton	37.06	35.01
Rustington	29.20	41.59

It can be seen that as a result of the Waitrose relocation the turnover of Rustington will increase between 2015 and 2018. The turnover of Littlehampton will decrease by £2.05 million, the decrease is lower than the amount of expenditure that will be diverted due to the growth in the turnover of the centre from 2015 to 2018.

3) Cumulative Impact Assessment

The impact of the approved Mill Lane development on the Centres was accepted by the Council in relation to application A/19/15/PL. We have adopted these figures accordingly.

It has been agreed that £1.97 million of the turnover of the proposed M&S Simply Food will be drawn from Littlehampton and Rustington. The main competitor to the M&S Simply Food has been identified as Waitrose therefore the trade diversion will depend on the location of Waitrose. It is assumed that 85% of the £1.97 million

will be drawn from the centre which contains the Waitrose store (i.e. Rustington) with the remaining 15% from the other centre. This has been agreed with the Council.

Table 4 (below) sets out the turnover diverted from the Centres by the two developments.

Table 4: Diverted Expenditure

	Store Diverted Turnover		M&S Simply Food Diverted Turnover	
	2015 £ million	2018 £ million	2015 £ million	2018 £ million
Littlehampton	1.60	1.64	1.67	0.30
Rustington	1.33	1.36	0.30	1.67

It is then possible to identify the impact of the two proposals on the adjusted turnover of the Littlehampton and Rustington. This is set out in **Table 5** below:

Table 5: Cumulative and Solus Impact

	Turnover 2018	Store and M&S Diversion	Turnover Post Development	Cumulative Impact	Solus Impact of M&S
	£ million	£ million	£ million	%	%
Littlehampton	35.01	1.94	33.07	5.54	0.86
Rustington	41.59	3.03	38.56	7.29	4.00

The cumulative impact of the two developments on Littlehampton at 2018 is predicted to be 5.54% which is not significant. However, it should be noted that the M&S Simply Food would account for only 0.86% of this impact.

The cumulative impact on Rustington is higher at 7.29% but also not significant. Again, it should be noted that approximately half of this impact will be derived from the M&S Proposal. Furthermore, the vitality and viability of the Centre will be boosted considerably when Waitrose take occupation.

We would emphasise the very limited solus impact of the proposed M&S Simply food on the existing centres. The LPA were content with the position reached in relation to the Mill Lane Site. Irrespective of the change in representation in Littlehampton and Rustington the very limited additional impact arising from the proposed M&S store would not make a previously acceptable position unacceptable.

We trust that the above provides the Council with reassurance that the proposed M&S Simply Food will not have a detrimental impact on the vitality and viability of either Littlehampton or Rustington individually or together with the Mill Lane development.

If you have any queries please do not hesitate to contact me.

Yours sincerely



EDWARD LEDWIDGE
Partner
Montagu Evans LLP

