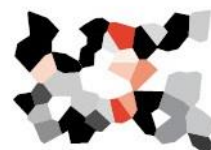
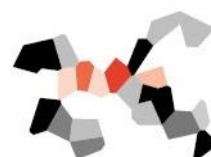


# **2<sup>nd</sup> Addendum Report**

**Land at Rustington Golf Centre, Angmering**

**On behalf of Arun District Council**

**Application A/84/17/PL**



**March 2018**

**C10291**

## **2<sup>nd</sup> Addendum Report**

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**On behalf of Arun District Council**

**Application A/84/17/PL**

**Client:** Arun District Council

**Reference:** C10291

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**Author:** DAM

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**March 2018**

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## 1.0 Background

1.1 DPDS prepared a report on this application (A/84/17/PL) for retail development in January 2018 on behalf of Arun District Council. The report concluded that the applicant had failed to satisfy the sequential because it had assessed sites only in relation to a named occupier and not on their suitability for retail development more generally and because the proposed condition would allow a much wider range of goods to be sold. The applicant did not present sufficient information to rule out the former Waitrose building in Littlehampton, the Oldlands Farm site at Bognor Regis and possible opportunities in the Worthing area. The report also concluded that the applicant had not met the impact test because its assessment was based on the narrow range of goods of the named user and not on the wider range of goods sought. The report also noted that this was not say to that the tests could not be met, but simply that they had not been met.

1.2 The applicant responded in February and we prepared an Addendum report. Our addendum concluded that with a no subdivision condition the sequential test would be met. The applicant also submitted a new impact assessment based on general bulky goods retailing. In relation to the retail impact on centres we commented that:

- The Arun town centres could not be regarded as robust or immune to trade diversion from the proposal as claimed by the applicant;
- The trade draw figures used by the applicant were not sufficiently justified;
- The trade draw figures gave rise to the impossible situation that, in some places, they gave rise to more trade diversion than the estimated turnover for the location;
- A lack of clarity about the impact of existing commitments which had be drawn from a much earlier report prepared by DWD; and
- The failure to present cumulative impact figures (that is the trade diversion from centres to both commitments and the proposal compared with the no-development scenario.

This 2<sup>nd</sup> Addendum assesses the extent that the latest response from the applicant responds to these points. It does not need to consider the sequential test further (subject to no-subdivision condition) or to operation of the retail unit by Go Outdoors or a similar retailer.

## 2.0 Retail Impact

- 2.1 In relation to our first point, RPS argues that the Arun Retail Study overestimates the turnover of the town centres derived from the sale of bulky goods. It has no evidence to support this contention other than its general assessment of provision of the goods on offer in the centres. The Arun Retail Study figures are based on a household survey and the proportion of bulky goods sales identified as a result are similar to proportion in most town centres. There have of course been retail developments outside of the centres and this is why the cumulative impact assessment is important. If RPS considered the household survey out-of-date, it should have commissioned its own. The estimates of the turnover of centres (shown in RPS App 1 Table C) are in fact based on the 2012 household survey. We note that if RPS considers the bulky goods turnovers of the centres shown in the table to be overestimated, it inevitably follows that its assessment of the percentage impact on town centres will be underestimated.
- 2.2 The applicant has submitted revised retail impact figures based on the general bulky goods turnover of £13.71m. The trade draw to the proposal by zone is shown in Appendix 1 Table A. There is no explanation of how the % trade figures have been derived, but in our view they are reasonably consistent with the available expenditure in the zones and the relative distance from the application site.
- 2.3 Table B distributes the trade draw from each zone to individual centres. Again there is no explanation of the % draw figures or that they are based on empirical evidence. Clearly the most significant percentages are for Rustington and Littlehampton town centres. In particular, we have examined the balance between Littlehampton town centre and out-of-centre to assess whether the RPS trade draw assumptions unreasonably load the trade diversion on out-of-centre locations. Overall existing shopping patterns for bulky goods (taken from the Arun Retail Study 2013 App Dii Table 20) indicates that the town centre turnover comprises about 33% of the combined Littlehampton Town Centre and Littlehampton Other turnover. The trade draw figures assumed by RPS indicate that the comparable figure for their trade diversion figure is about 20%. Allowing for trade diversion to be greater from other out-of-centre units, the balance of trade diversion between the town centre and other Littlehampton locations could not be regarded as unreasonable in overall terms. We agree that Rustington has a more restricted catchment area (primarily to zones 13 and 14) and that this will restrict the trade diversion from the centre in total.

### **Arun Elsewhere**

- 2.4 Our objection to the trade diversion estimated from Arun Elsewhere was because, at £1.63m, it exceeded the estimated total turnover of £0.58. This is clearly impossible and left £1.05m of the trade diversion to the proposal unexplained. The revised figure is a trade diversion of £1.04m from Arun Elsewhere. In Table D RPS has increased the estimated turnover of Arun Elsewhere to £1.55m in 2021. The footnote comments

*Arun Elsewhere turnover includes Rustington out of centre retail facilities which is not reflected in 2021 survey derived turnover.*

- 2.5 This cannot be correct since the turnover of the new retail park and other commitments will be well in excess of £1.55m. In fact the figure appears to be taken directly from Table 16 of the 2016 Arun Retail Study Update and then updated to 2021. This figure does not take include the

recent commitments at Rustington. The Retail Study Update is now the source for all the centre turnover estimates in the revised tables and in our view is a clear basis to work on.

- 2.6 The change in the source for the estimates of the turnover of centres does have implications for the earlier assessments carried out by RPS. Our conclusion on the impact of the proposed unit operated by Go Outdoors is based as much on the lack of direct competition as detailed quantitative analysis and still stands. However, the low turnover bulky goods scenario is based on different town centre estimates and is not consistent with the latest. The Council should therefore treat the low turnover scenario with care.
- 2.7 RPS still estimates a high level of trade diversion from Arun Elsewhere at £1.04m (67%) but it is now not in excess of the turnover. Bearing in mind cover the whole District and does not include the nearby commitments it still appears unlikely. In our judgement, the trade diversion from the disparate retail outlets in Arun Elsewhere is likely to be no more than about £0.3m. This would leave another £0.7m to be diverted from other centres and locations. The additional trade diversion from the centres of Littlehampton and Rustington could be in the region of £0.3m to £0.4m. For this reason we conclude that the impact on Littlehampton and Rustington has been underestimated by RPS, but by a limited amount.

#### **Commitments and Cumulative Impact**

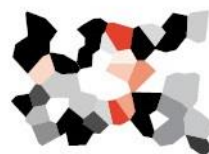
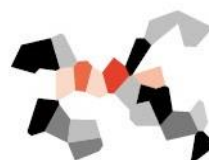
- 2.8 The Commitments trade diversions are shown in Table C and are taken from the DWD assessment of Feb 2015. There was a later a permission (A/130/15) for a mezzanine floor of 100 sq m which has not been taken into account in the commitments but this is a minor matter. Table E sets out the estimated forecasts of trade diversion from Littlehampton and Rustington centres attributable to the commitments and to the current proposal. The combined levels of impacts indicated by RPS are:-

|               |       |
|---------------|-------|
| Littlehampton | 9.9%  |
| Rustington    | 12.6% |

- 2.9 There is no indication in Government policy as to what might constitute a significant adverse impact and it depends very much on the individual centre. However, the cumulative impacts are not inconsiderable and, in the case of Littlehampton particularly, should be a matter of concern. However, there are two points to consider. First, the figures for trade diversion from commitments and the proposal are simply added together as a combined trade diversion which does not take account of any “internal trade diversion” from the commitments to the proposal. Such an allowance would probably broadly offset the underestimation of impact arising from the overestimation of trade diversion from Arun Elsewhere.
- 2.10 Secondly the bulk of the cumulative impact derives from the commitments and the proposals share of the cumulative impact is limited – about 20% in the case of Littlehampton and about 10% in the case of Rustington. There is a point where it would be unreasonable to refuse an application on the basis of cumulative impact when the application’s contribution to the cumulative impact is small. It is clearly a matter of planning judgement but in this case the weight given to the cumulative impact should, in our view, be limited by this consideration.

## 3.0 Overall Conclusions

- 3.1 The proposal is for a substantial retail unit of about 3800 sq m of retail floorspace in an out-of-centre location. The sequential and impact tests are key considerations. The intended occupier is given as Go Outdoors but a general bulky goods condition is also sought to allow for alternative retailers if necessary.
- 3.2 As set out in our main report and earlier addendum, subject to a condition preventing the subdivision of the unit without a further permission, we have concluded that the sequential test is met.
- 3.3 We also consider that there is little likelihood of adverse impact on any town centre arising if the unit is occupied by Go Outdoors. This is because there are few shops selling that range of goods in the centres. However, the operation of the unit by a retailer of more general bulky goods is of more concern, and substantial turnover in Rustington and Littlehampton is derived from bulky goods sales. There is clearly a potential for a significant adverse impact on the centres, particularly in combination with existing commitments (some of which we understand are now operating).
- 3.4 Conclusions on retail impact should not depend on precise calculations and the latest document from RPS addresses the issues we raised in our first addendum. Although we do not agree some of the impact assessment findings, the information nevertheless provides the information needed to conclude that the proposed retail unit operating under a “bulky goods condition” is unlikely to have a significant adverse impact on either Littlehampton or Rustington centres. We have considered the objections made to the application but conclude overall that the impact would be acceptable and that it would be difficult to defend an impact reason for refusal at appeal.
- 3.5 Subject to conditions restricting the subdivision of the unit and the range of goods to be sold we recommend that no objections on retail planning grounds should be made. We can provide further advice on the conditions if the Council wishes.



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