

**LAND AT RUSTINGTON GOLF CENTRE, GOLFERS LANE, ANGMERING
PLANNING APPLICATION REFERENCE NO. A/84/17/PL**

**RPS RESPONSE TO DPDS ADDENDUM REPORT TO ARUN DISTRICT COUNCIL
(FEBRUARY 2018, REF C10291)**

23rd FEBRUARY 2018

Introduction

- 1 This note responds to the Addendum Report (dated February 2018) prepared by DPDS for Arun District Council with respect to retail matters in relation to the determination of this planning application.
- 2 The DPDS report considers the RPS response of 30th January 2018.
- 3 This note provides further information to assist the Council in reaching a conclusion on retail policy matters.
- 4 The DPDS Addendum Report accepts, with the imposition of a suitable condition preventing the sub-division of the proposed retail unit, there are no sequentially preferable sites. Accordingly, on this basis the sequential test is passed with respect to the proposed retail unit being occupied by either Go Outdoors or a bulky goods operator.
- 5 DPDS have also confirmed that there would be no significant impact arising from a Go Outdoors.
- 6 The only remaining issue between DPDS and RPS therefore relates to the assessment of impact associated with a bulky goods operator. The remainder of this note therefore addresses the concerns expressed by DPDS in terms of the potential effects of a bulky goods retailer upon town centres.

Bulky Goods Provision

- 7 The Table provided within paragraph 3.2 of DPDS's Addendum Report provides details relating to the turnover of town centres derived from the Arun Retail Study 2016 Update. Turnover is expressed as bulky and non-bulky goods as well as total turnover (comparison goods).
- 8 The 2016 Update is based upon a household telephone survey undertaken in December 2012. This survey was originally conducted to inform the Council's 2013 Retail Study. The household survey is now in excess of 5 years old and therefore does not take account of changes to shopping patterns, for example, brought about by significant new retail facilities which have become operational since then. In this respect it excludes consideration of the Manor Retail Park (Tapi Carpets, Next furniture, Aldi) located to the south of the application site and changes to other retail parks in Rustington and Bognor Regis etc.

- 9 The 2013 Arun Retail Study (paragraph 5.39) noted that the retail facilities at the Rustington Retail Park were not captured by the household survey. Indeed, since then further changes have occurred to the composition of the Park with Dunelm taking occupancy in 2014 and Argos also has a concession trading within the Sainsbury's store. Table 3 of the Arun Retail Study Update duly provides details relating to some of these retail commitments.
- 10 The Arun Retail Study indicates that other bulky goods retail facilities (i.e. those located outside town centres) turnover in the order of £25.65M and £18.71M in Bognor Regis and Littlehampton respectively. An examination of the turnover of retail commitments (as set out in Table 5 of the Arun Retail Study Update 2016) shows that additional out of centre bulky goods of £8.13M (Bognor Regis) and £4.20M (Rustington) will be added by schemes which have been built out since the original household survey was undertaken. This evidence points to a significant and growing proportion of bulky goods expenditure being spent in stores located outside town centres rather than within town centres.
- 11 RPS undertook a detailed survey of the bulky goods provision within both Littlehampton and Rustington town centres. The results are set out within the submitted RPS Retail Assessment April 2017 (Section 4). It is clear from our surveys that neither centre contains a significant number and variety of shops selling ranges of bulky goods. Against this evidence, it is difficult to believe that 26.8% and 37.2% of the comparison goods turnover of Littlehampton and Rustington town centres remains directly attributable to the sale of bulky goods (i.e. DIY, carpets, furniture, electrical goods etc). In our view, it is very likely that the 2016 Study over estimates the turnover associated with the sale of bulky goods within both of these centres and underestimates the sale of such goods in out of centre locations.
- 12 Impacts should of course be judged upon the turnover of a centre as a whole. The sale of bulky goods has migrated to out of centre modern retail facilities in the form of retail warehouses. The bulky goods offer of town centres is often restricted to niche retailers where specialist services are offered. Furthermore, where bulky goods are sold, these are generally as part of a wider retail offer rather than a pure bulky goods offer.
- 13 In summary, for the reasons stated above, the bulky goods turnover of town centres derived from the household survey are likely to represent an over estimation of their turnover. In contrast the Study underestimates the potential turnover capacity of out of centre retail facilities selling bulky goods especially those at Rustington.
- 14 Nationally bulky goods tend to be predominately sold from out of centre locations (albeit we accept that there are a range of in-centre specialists operating in this sector). Littlehampton and Rustington are no exception to this general rule as evidenced by our survey of each centre and out of centre provision.
- 15 As the NPPG advises, impacts tend to occur on a like for like basis, meaning that any impacts from the sale of bulky goods from the application site would primarily compete with similar out of centre retail warehouses of which there are a significant number and variety within the locality.

Bulky Goods Trade Diversion – ‘Elsewhere in Arun’

- 16 DPDS make a specific comment regarding the diversion of 12% of the proposed bulky goods retailer’s trade from facilities ‘Elsewhere in Arun’ (Paragraph 3.5). Whilst we acknowledge that the monetary value associated with facilities labelled as ‘Elsewhere in Arun’ is just £0.58M it should be borne in mind that this turnover is derived directly from the application of the household survey results. It is very common for retail studies to not fully recognise the contribution of such retail facilities which are either off pitch, provide a specialist offer or indeed did not fit the questions being asked (or a combination of these factors).
- 17 In this respect, as evidenced above, the bulky goods (and indeed the non-bulky goods) turnover of some key out of centre retail facilities are not captured in full by the household survey. In particular both the Rustington and Manor Retail Parks at Rustington are excluded. In part, this is due to developments coming into operation post the household survey. Even so, these are significant facilities with which the proposed bulky goods retail unit would compete. Such retailers include: Dunelm (furniture, floor coverings, DIY, electrical etc) , Argos (furniture, DIY, floor coverings, electrical etc) , Halfords, Next (furniture, small electrical etc) and Tapi Carpets (floor coverings).
- 18 In addition, there are some significant other out of centre facilities in the locality of Rustington that sell bulky comparison goods outside town centres, these include, but are not limited to:
 - Screwix Rustington
 - Tool Station Rustington
 - Topps Tiles Rustington
 - Howdens Rustington
- 19 Similar facilities (i.e. those not located on retail parks) exist at Bognor Regis and Worthing.
- 20 These facilities are open to the general public to purchase goods.
- 21 The combined turnover capacity of these out of centre facilities far exceeds that attributed to ‘Elsewhere in Arun’ by the Arun Retail Study. Nevertheless, these are facilities from which a bulky goods retailer may reasonably expect to compete.
- 22 Against this background, we consider it is entirely reasonable to expect 12% of the bulky goods retailer trade to be diverted from ‘Elsewhere in Arun’ i.e. significant retail facilities nearby selling comparable ranges of bulky goods and which the proposed bulky goods retail unit would compete. Notwithstanding this, as we explain below, we have undertaken a sensitivity assessment relating to trade diverted from ‘Elsewhere in Arun’ and other out of centre retail warehouses at Bognor Regis.

- 23 Similarly, the turnover of Littlehampton Other (as derived from the Arun Retail Study) in the main comprises Currys PC World and Wickes which total £18.71M (Table 18, Appendix Dii, Arun Retail Study 2016 Update). If full account is to be taken of out of centre retail facilities in the locality of Rustington alone, given the number of stores present, it would be reasonable to expect the turnover of those facilities to considerably exceed the £0.58M allocated to them.
- 24 The Elsewhere in Arun turnover has been derived from the tables prepared by DWD in relation to their assessment of the Manor Retail Park. This is less than the turnover indicated by Table 16 (Appendix Dii, Arun Retail Study 2016 Update) of £1.29M. If the higher figure is applied then the potential impact reduces. Even so, that figure remains well below the turnover capacity of the out of centre retail facilities outlined above.
- 25 Comparisons with the DWD work in relation to the Manor Retail Park were made in order to provide a consistent approach regarding potential effects upon town centres.
- 26 Although the 2015 DWD assessment pre-dates the Council's 2016 Retail Study Update, the Update merely applies updated population and expenditure per head figures to the original household survey results to provide turnover of retail facilities at 2014. It does not, as indicated above, factor in the effect of retail commitments whereas the DWD work does and forms part of an agreed assessment of the turnover of centres and other facilities at a particular point in time. The RPS assessment builds upon this agreed position in order to provide a consistent approach to assess potential effects including cumulative effects.
- 27 For the reasons set out above, we therefore consider that the turnover of retail facilities Elsewhere in Arun is considerably underestimated. It significantly excludes the Rustington and Manor Retail Parks and other out of centre facilities close to Rustington. The 12% diversion merely reflects the proximity and significance of these retail facilities which we have categorised under this heading.

Diversion from Bognor Regis & Chichester Retail Warehouses

- 28 Although the addition of the Manor Retail Park has contributed to the range of out of centre retail facilities serving Littlehampton and Rustington residents, it is clear that the quantum and variety of retail warehouses located to the north of Bognor Regis is also significant.
- 29 The retail warehouses at Shripney Road, Bognor Regis are a relatively easy drive from the application site and therefore it is reasonable to expect residents will already be visiting retail warehouses (bulky and non-bulky) at this location. There have been significant changes to the composition of retailers on the various retail parks over time which will also affect shopping patterns. It is therefore reasonable to expect some of that expenditure to be clawed back (diverted) to a modern new bulky goods retail warehouse at the Golf Centre.
- 30 A similar position exists in relation to Chichester retail warehouses.



Sensitivity Assessment: Trade Draw & Impact Assessment

- 31 DPDS are critical of the trade draw assessment made by RPS.
- 32 In order to address these concerns RPS has undertaken a revised sensitivity assessment which is Appended to this note, presented in the form of a series of tables labelled A to E. Notwithstanding the above commentary, we have reduced the level of trade diversion from retail parks at Bognor Regis (3.8%) and Elsewhere in Arun (7.6%).
- 33 The purpose of the assessment is to test the sensitivity of the trade draw analysis for a bulky goods retail unit and resulting impacts upon Rustington and Littlehampton town centres (comparison goods turnover only).
- 34 The sensitivity assessment is based upon the previously advanced 'High Scenario' in terms of calculating the turnover potential of the proposed bulky goods retail unit (i.e. £4,500 per sqm). Under this scenario the proposed bulky goods retail unit is expected to have a turnover potential of £13.71M in 2021. Furthermore, the turnover of centres and other retail facilities have been directly derived from the Arun Retail Study 2016 Update (Table 16, Appendix 2b). All figures are presented in consistent 2014 prices. The 2016 Study provides the turnover of retail facilities in 2014. RPS has applied a floorspace productivity factor to calculate turnover at 2021 in accordance with the advice set out within Experian's Retail Planner Briefing Note 13. Although this is not the latest Experian advice, it is consistent with that utilised by the 2016 Update in terms of growth rates, exclusions for special forms of trading, price indices and floorspace productivity i.e. we are comparing like with like in a consistent manner. Like before the assessment of trade draw and impact is conducted on the basis of a design year of 2021.
- 35 Table A provides our assessment of where the proposed bulky goods unit would draw trade on a zone by zone basis. The study area for the purposes of the assessment is consistent with that set out in the RPS Retail Assessment April 2017 (i.e. we adopt zones 7, 9, 10, 11, 12, 13, 14 and 15 of the Arun Retail Study). As can be seen, 5% of trade is expected to be drawn from expenditure outside the study area.
- 36 Table B provides an assessment of the diversion of trade at 2021 by zone and facility for the study area. Significantly, in accordance with the comments made by DPDS we have adjusted the diversion of trade in respect of retail warehouses at Bognor Regis and Elsewhere in Arun. Even so, for the reasons explained above, the level of diversion from Elsewhere in Arun (7.6% compared to the 12% as previously modelled) exceeds the turnover of these facilities as reported in the Arun Retail Study. Given the range of bulky goods out of centre retail facilities this is considered to be entirely reasonable.
- 37 Table C provides an assessment of major out of centre comparison goods retail commitments. The trade draw of retail commitments is consistent with that presented by DWD in their Planning and Retail Assessment Addendum in relation to planning permission A/19/15 (Table 14, Appendix A)(Manor Retail Park). The figures have been adjusted to conform to a 2014 price base and also a

design year of 2021 for the purposes of assessing impact. The commitments include the Manor Retail Park (comparison goods turnover) and comparison goods sales associated with developments at Sainsbury's Rustington and Morrison's Wick.

- 38 Table D provides an assessment of impact associated with a bulky goods unit on the comparison goods turnover of centres and other retail facilities both within and beyond the adopted study area at 2021. The turnover of centres/facilities is derived from the Arun Retail Study 2016 Update. The turnover elsewhere in Arun does not reflect the full turnover of facilities (as described above). As can be seen, the impact of the bulky goods unit upon Littlehampton and Rustington town centres is 2.14% and 1.42% respectively. Impact upon Bognor Regis is just 0.22% and 1.47% on Worthing town centre. Impact upon Chichester is 0.77%. These levels of impact, judged against the health of centres (which do not rely to any significant extent upon the sale of bulky goods) are not considered to be significant. RPS is not aware of any significant planned investment in bulky goods commitments within town centres which might be harmed by the application proposals.
- 39 Table E provides a cumulative assessment of the potential effects of the application proposals together with retail commitments (the retail commitments having been built out and operational by 2021) upon town centres. The cumulative impact upon Littlehampton and Rustington town centres is 9.9% and 12.6% respectively (comparison goods turnover only). These impacts will reduce if the turnover of convenience goods facilities within each centre is factored in. The proportion of the impact attributable to the application proposals is 21.6% and 11.2%, meaning the majority (>78%) of the impact arises from retail commitments. These commitments have already been trading for some time now. Against the background of growth in comparison goods expenditure, in reality such effects will have already been readily absorbed. Significantly, post the combined impact of the application proposals and commitments, the turnover of each town centre will exceed that achieved in 2014 (having regard to the assumptions made).
- 40 The trade draw and impact assessment assumes that the proposed bulky goods retail unit will solely divert expenditure from existing retail facilities. Even so, as the Retail Study Update 2016 demonstrates, there is expected to be considerable growth in comparison goods expenditure over the period 2014 to 2021 within the study area (£164.57M comparison goods of which £34.1M bulky goods) compared to the turnover of the bulky goods unit (£13.02M in 2021 drawn from the study area). In reality the proposed bulky goods unit will be supported by a combination of trade diverted from existing retail facilities and the growth in available expenditure meaning that the impacts set out within Table D and E will be overstated. Similarly, town centres and other retail facilities will benefit from the general growth in expenditure meaning that their turnovers will increase and impacts will be more readily absorbed over a shorter period of time.
- 41 In summary, the sensitivity assessment demonstrates that no centre would be subject to significant adverse impacts as a result of planning permission being granted for a bulky goods retail unit on the application site.



Conclusions

- 42 The RPS survey of centres and other retail facilities within the study area demonstrates that bulky goods are predominately and commonly sold from out of centre locations rather than town centres. There is an extensive array of out of centre retail warehouses selling bulky goods within the locality. A bulky goods retailer would have a wide draw meaning that impacts would be dispersed and negligible upon town centres. Town centres have in the main already adjusted to the sale of these types of goods from out of centre locations. Any impacts will occur on a like for like basis in the form of competition with comparable out of centre retailers consistent with the advice given in the NPPG.
- 43 The appended assessment demonstrates that a bulky goods unit would not have a significant adverse effect upon town centres. Furthermore, the levels of impact are over stated when consideration is given to the growing pool of available expenditure and the total turnover of centres (including convenience goods). In cumulative impact terms, the turnovers of both Littlehampton and Rustington town centres would still exceed those achieved in 2014.
- 44 The Council is required to consider planning applications in light of all material considerations. Given that town centres do not comprise significant amounts of bulky goods (as evidenced by the RPS survey of centres) it is difficult to see how a bulky goods retail unit could be regarded as having a significant adverse effect upon either Rustington or Littlehampton town centres. Most bulky goods provision is out of centre and competition with such facilities is not a planning policy concern. Even so, if the effects of the proposals were considered significant, the Council needs to balance this with other material considerations in the planning balance. The NPPF should be read as whole and individual parts should not be taken to be read as refusal of planning permission through failure of a single retail policy test.
- 45 The applicant is prepared to accept a range of conditions which assist in limiting the effects of the proposals including conditions restricting sub-division, mezzanine floorspace and the range of goods to be sold.