

RETAIL STATEMENT

On behalf of

Chainridge Limited

**In support of
Change of Use of Buildings**

at

**OLDLAND WAY,
BOGNOR REGIS**

D2 Planning Ref: 049/13

D2 Planning Limited
Suites 3 & 4, Westbury Court
Church Road
Westbury on Trym
Bristol BS9 3EF

January 2014

D2

CONTENTS

1. INTRODUCTION
2. APPLICATION SITE AND PROPOSAL
3. PLANNING POLICY CONTEXT
4. HEALTH CHECK OF BOGNOR REGIS TOWN CENTRE
5. IMPACT ASSESSMENT: CONVENIENCE GOODS
6. IMPACT ASSESSMENT: COMPARISON GOODS
7. SEQUENTIAL ASSESSMENT OF SEQUENTIAL APPROACH AND SITE
SELECTION
8. CONCLUSIONS

APPENDICES

- Appendix 1 Health Check of Bognor Regis Town Centre
- Appendix 2 Appeals relating to the need to undertake an Impact Assessment.
- Appendix 3 Study area zones.
- Appendix 4 Secretary of State's decision dated 13th September 2010 in respect of proposed Sainsbury's store at the LEC site, Bognor Regis.
- Appendix 5 Tables relating to the Impact Assessment: Convenience goods.
- Appendix 6 Operating characteristics of Aldi supermarket.
- Appendix 7 Focus report and catchment profile for Bognor Regis.
- Appendix 8 Focus retailer demand for Bognor Regis (January 2014).
- Appendix 9 Tables relating to the Comparison Goods Impact Assessment: Scenarios A and B.
- Appendix 10 Planning officer's report in respect of the redevelopment of former Focus DIY store at Rustington and copy of the planning permission issued in December 2011.
- Appendix 11 Predicted impact associated with occupation by B&M Homestore.
- Appendix 12 Planning officer's report and decision letter in respect of proposed retail warehouse on the Bognor Regis Retail Park (App. No. BE/75/12).

1. INTRODUCTION

- 1.1. This statement has been prepared on behalf of Chainridge Limited (the applicant). It provides information on retail planning issues to assist the Council in its consideration of a planning application for the change of use of the adjacent warehouse to McDonalds, Oldlands Way, Bersted from Class B8 storage to Class A1 retail) together with partial demolition etc.
- 1.2. The Planning Authority has requested that a retail assessment be undertaken albeit the proposals are below the 2,500 sqm threshold specified in paragraph 26 of NPPF. There is a locally set threshold within any adopted Local Plan. Finally, it is worth noting that there was no request for a retail impact statement at the pre application stage.
- 1.3. The structure of the report is as follows:
 - Section 2 provides a brief summary of the application site and proposed development;
 - Section 3 has a summary commentary of the relevant retail planning policy framework;
 - Section 4 provides a health check of Bognor Regis Town Centre;
 - Section 5 is an account of the retail impact of the proposed development on existing stores and centres in terms of convenience goods;
 - Section 6 is an account of the retail impact of the proposed development on existing stores and centres in terms of comparison goods;
 - Section 7 provides a review of the available, sustainability and viability of alternative development sites (the sequential assessment); and
 - Section 8 sets out the conclusions on retail planning merits of the proposals.

2. APPLICATION SITE AND PROPOSAL

- 2.1. The application site comprises a single storey warehouse building which is currently vacant. It had been previously used by F&G Transport (Bognor) Limited for storage & distribution and previously by John Waley.
- 2.2. The site is situated between Oldlands Way and Shripney Road. A parking area is limited to the front of the building which comprises 10 marked out car parking spaces and further unmarked as available for parking larger vehicles. There are 3 small trees and a small electrical sub station (not part of the demise) on the Oldlands Way site frontage.
- 2.3. The site forms part of an established industrial estate comprising several large warehouse type industrial units. There is a Travis Perkins builder's yard opposite the site and a McDonalds to the north.
- 2.4. The site is part of a row of warehouses that have been mostly vacant for a considerable period of time since John Waley relocated.

PROPOSALS

- 2.5. The proposals is to retain the existing frame and side walls and partially demolish the front of the existing building and create a new building of circa 2,490 sqm, 26,000 sqft for Class A1 retail.
- 2.6. This retail assessment however has considered a number of different retail scenarios as follows:
 - Class A1 Bulky Goods;
 - Class A1 High Street Goods
 - Class A1 Convenience for discount food in part and Comparison in the remainder
 - Class A1 open
- 2.7. The impact assessment is set out in Section 6 and 7.

3. PLANNING POLICY CONTEXT

- 3.1. This section summarises national retail planning policy and development plan guidance and sets out the retail policy constraint for the consideration of this application.

National Planning Policy Framework

- 3.2. The NPPF (March 2012) replaced much of government planning policy, including Planning Policy Statement 4 (PPS4) which had formed a major part of national planning policy for retail and other economic development, although the Practice Guidance has been retained.
- 3.3. The NPPF sets out the role of the planning system in contributing to the achievement of sustainable development, in which the planning system must perform economic, social and environmental roles. Paragraph 14 sets out the overlying presumption in favour of sustainable development for both plan-making and decision-taking. In terms of plan making, the same paragraph states that:
- **... local planning authorities should positively seek opportunities to meet the development needs of their area;**
 - **Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, and;**
 - **Permit development 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."**
- 3.4. Paragraph 15 outlines that policies in Local Plans should follow the presumption in favour of sustainable development so that it is clear that development which is sustainable can be approved without delay. To deliver sustainable development, the NPPF sets out core planning principles. These include the Government's commitment to building a strong and competitive economy based on securing economic growth to create jobs and prosperity. Paragraph 19 states that significant weight should be placed on the need to support economic growth.
- 3.5. The NPPF seeks to ensure the vitality of town centres. Paragraph 23 is of direct relevance to plan making. It states that planning policies should be positive, promote competitive town centres and set out policies for the management and growth of town

centres over the plan period. In drawing up plans, local planning authorities are required, inter alia, to:

- Pursue policies which support town centres' vitality and viability;
- 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 which 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;
- Retail 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 development needed in town centres. Allocations should meet the needs in full and local 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;
- Set policies for the consideration of proposals for main town centre uses which cannot be accommodated in, or adjacent to town centres;
- Recognise the contribution of residential development to the vitality and viability of town centres; and
- Where town centres are in decline, plan positively for their future to encourage economic activity.

3.6. Paragraph 24 to 27 are relevant to development management. This sets out a requirement for a sequential approach for main town centres uses that are not in an existing centre and are not in accordance with an up to date development plan (paragraph 24). The paragraph further requires that town centres should be the location for main town centres uses, and then edge of centre locations. Only if suitable sites are not available should out of centre sites be considered, with preference given to accessible sites that are well connected to the town centre. When assessing sequentially

preferable sites, the guidance requires that applicants and local planning authorities demonstrate flexibility on issues such as format and scale.

- 3.7. Paragraph 26 sets out the requirement for an impact assessment for retail development outside of town centres and not in accordance with an up to date development plan. This applies to development over 2,500 sqm unless local thresholds have been set. The NPPF advises that such assessments should consider the impact of a proposal including the following two key tests;

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

- 3.8. Paragraph 27 is of key importance in decision-taking. This states that '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'.

- 3.9. Practice Guidance on Need, Impact and the Sequential Approach continues to apply and represents a material consideration. This sets out more detailed advice on need, impact and the sequential approach and supports the implementation of national policy. The advice has been followed during the preparation of this assessment.

The Development Plan

- 3.10. Following the revocation of the South East Regional Spatial Strategy (the South East Plan, the development plan comprises the adopted Arun Local Plan. The emerging Arun District Plan is also an important material consideration.

Arun District Local Plan (2003)

- 3.11. The adopted Arun Local Plan contains a number of saved policies which are considered relevant to the study. These include the following key policies

- DEV26: Criteria for Retail Development – Retail development which accords with the existing retail hierarchy will be supported, subject to criteria, including a high standard of design, materials and layout, and regard to the character of the site and its surroundings, easily accessible by public transport, provision for

access by cycle and on foot, appropriate access provision for those with disabilities, incorporation of crime prevention measures.

- DEV27: Retail Development Outside the Principal Shopping Area – Proposals for food and non food (including extensions) will be permitted subject to criteria, including that the proposal would not adversely affect the vitality and viability of the Principal Shopping Area and local shopping areas (as an individual development or cumulatively with similar existing or proposed developments), that development should be easily accessible by public transport and the highway network, by cycle and foot, and be accessible for those with disabilities. The policy further outlines the need for a full assessment of potential impact and the need to demonstrate the sequential approach to sit selection. Where this criteria is satisfied and permission is granted, planning conditions or legal agreement, where appropriate, will be used to restrict the range of goods sold and restrict units to a minimum size (1,000 sqm) with no further sub division allowed.

Draft District Local Plan

3.12. Arun District Council are working towards its new Local Plan and in 2012 published a Draft District Local Plan for consultation.

3.13. The strategic objective for the town and village centres is set out in the Draft Local Plan and seeks:

“To create vibrant, attractive, safe and accessible towns and villages that build upon their unique character to provide a wide range of uses and which are a focus for quality shopping, entertainment, leisure, tourism and cultural activities.”

3.14. The focus for the emerging retail policy is contained in a hierarchy of centres policy.

This identifies Bognor Regis and Littlehampton as District Town Centres, and the focus for major retail together with other main town centres uses. Rustington and Arundel are both identified as Large Service Centres. In the case of Arundel, the specialist role as a tourist and visitor destination is recognised. The third tier of the hierarchy is focused on Village and Suburban Centres, which include shopping parades and standalone shops.

3.15. No provision for out of centre development is identified in the Draft Local Plan.

3.16. A specific policy (Retail Development) is provided to provide guidance for the assessment of retail development. This includes criteria for new development, together with retail developments within Primary and Secondary Shopping Frontages. The same policy addresses retail development outside the district and town centres but within the built up area boundary, village and suburban centres, parades and single units; reuse of redundant floorspace, and markets and car boot sales.

3.17. Alongside the retail chapter, this study has had regard to the strategic allocations for growth. The emerging growth strategy, including population and housing growth projections, has informed the assessment of the capacity for additional retail floorspace discussed in Section 4.

Evidence Base

3.18. A number of evidence base studies exist which provide background information for this retail study. We have had regard to these in the preparation of the assessment.

Arun Retail Study Update (2010)

3.19. The study provides an update to the original 2006 study and identifies retail capacity forecasts for Bognor Regis. It also included Littlehampton and for both towns adopted revised growth information on population and expenditure to assess retail capacity forecast to 2016. The assessment of retail capacity was based on the results of household interview of shopping patterns undertaken in 2005 (for the Coastal Districts Study) and 2007 (supporting information for Asda planning application at Bognor Regis) and adopted a 10 zone catchment area which sought to broadly match the aforementioned surveys, albeit focused on the catchments of Bognor Regis and Littlehampton as opposed to the District. Further discussion on this study is provided at the end of this section.

Arun District Shopping Centre Survey and Indicative Shopping Centre Hierarchy (2006)

3.20. The survey was informed by the Coastal Districts Retail Study along with further survey work and local knowledge of the centres in Arun district, which included identifying use classes and levels of vacancy. It led to the identification of an indicative hierarchy. This defined Bognor Regis and Littlehampton as 'town centres', Rustington as a 'district centre', and Arundel as a 'speciality centre'. Additionally twelve 'local centres' and sixteen 'other' centres were defined.

Coastal Districts Retail Study (2005)

- 3.21. The 2005 study related to the local authorities of Arun, Chichester and Worthing and sought to identify the health of the main town centres, and retail floorspace requirement to 2017. Within Arun, the study only considered Bognor Regis and specifically considered a number of opportunity sites at Hothamton Car Park area and the Regis Centre (Bognor Regis Masterplan sites). The study is acknowledged to be strategic given the wider study area and therefore the level of local detail is limited.
- 3.22. Given the acknowledged limitations of the previous household surveys which have informed the 2010 update study, these do not provide a comprehensive assessment of shopping patterns across the whole district. The current study seeks to address these issues and provides a 2012 base of shopping patterns for the district wide study area.

Bognor Regis Masterplan

- 3.23. Published in November 2004 as a non statutory Planning Development Guide. The Bognor Regis Masterplan sets out the vision for the development of the town centre and to encourage and assist in the economic regeneration of the town centre. It is a concept document and not a detailed land use plan but sets out a central theme to create a vital and viable town centre including the importance of a quality built environment to reposition the town as a coastal destination. The masterplan identified seven key town centre sites which included a number of defined 'quarters', including the retail quarter. Further discussion on the potential of key opportunity sites is discussed in Section 8.

Arun Retail Study Update

- 3.24. The study by DTZ sought to update the baseline data contained in the Coastal districts study with regard to Arun district and to take account of changes to forecasting parameters and assumptions arising from the marked changes in the economic climate. The study also included Littlehampton but no other centres in the district. This differs to the current study which is district wide but is driven by the same underlying objective for a quantitative assessment of the capacity for new retail floorspace that takes account of changes in core assumptions.
- 3.25. In reviewing the 2010 study, it is recognised that the update was not supported by a new household telephone survey. This is considered a weakness of the study, particularly since this provides the basis for understanding shopping patterns in the study area. In the absence of this information, the 2010 update was therefore reliant on historic survey data from 2005 and 2007 respectively which was derived from two

different surveys that covered different catchment areas. DTZ acknowledge the limitations associated with this approach and lack of up to date, available survey data, particularly for comparison goods. By contrast, the current study address these shortcomings and is informed by an updated household survey that provides a consistent and district wide basis for understanding local shopping patterns across Arun. This is a fundamental difference and is based on a catchment area comprised of 15 zones compared to the 20 zone catchment area which sought to match as closely as possible the zones adopted for the 2005 and 2007 surveys. The current catchment area and zones better ensure coverage of the district as a whole.

- 3.26. The household survey is of central importance to the RECAP model adopted by DTZ for the purposes of its study and is reliant on the use of the 2005 and 2007 household survey data as the basis for allocating retail expenditure from the catchment zones to shopping destinations. For the reasons outlined, the use of updated shopping pattern data alongside revised core data inputs have informed the current study.
- 3.27. The 2010 update adopted four possible development scenarios for assessment purposes, based on a conservative baseline position (constant market share) together with a more realistic increased market share scenario (from 2016) assuming new town centre development proceeds. In addition, two specific scenarios were tested in Bognor Regis which build on the increased market share scenario but which allow for the Sainsbury's (former LEC site) i.e. increasing the market share to non central stores in Bognor Regis, and replacement of the Morrison's foodstore in Bognor Regis town centre (i.e. increase market share of the town centre), respectively.
- 3.28. The output of the study provided capacity assessments for convenience and comparison goods by scenario for Bognor Regis and Littlehampton town centres, and for 'non central' locations in both locations, as at 2016, 2021 and 2026. In view of the limitations discussed, including the changes in baseline assumptions, absence of a consistent household survey and no new development in either town centre (to meet scenario 2), there is little relevance in comparing the retail capacity forecasts from the 2010 study. They are outdated. The major change has been the opening of the Sainsbury's store in Bognor Regis, which along with other convenience completions (and commitments) since the 2010 update, confirm no capacity for additional convenience floorspace in the district over the plan period. However, whilst the level of floorspace varies, the 2010 update study confirmed good capacity for additional

comparison floorspace to 2026 in Bognor Regis and Littlehampton town centres (refer to Section 5).

4. HEALTH CHECK OF BOGNOR REGIS TOWN CENTRE

- 4.1. A Health Check of Bognor Regis Town Centre was carried out by DPDS on behalf of Arun District Council in April 2013. Many of its conclusions still remain relevant:

(Appendix 1)

- 4.2. The Health Check concluded that:

“Bognor Regis represents the largest retail centre of the district and appears to have performed resiliently over recent years notwithstanding the difficult economic climate. The mix of retail uses is reasonable and orientated towards comparison and service uses although the absence of modern floorspace, including an anchor store and higher quality fashion/clothing retailers remains an underlying weakness of the retail offer. An equally important weakness is the limited range and choice of leisure and entertainment facilities, particularly mid to upper market food and drink uses which is more compatible with the dual role of Bognor Regis as a tourist destination. In order for Bognor Regis to develop and enhance its role as a destination underpinned by retail and leisure uses, it will be important for the Council to promote Bognor Regis as a location for retail and leisure uses particularly where there is evidence that the level of retailer requirements for the town has declined significantly over recent years. This will require support for new investment and the ability to provide opportunities for new occupiers, including the availability of suitable sites such as the Regis Centre and Hothampton that can support such uses.”

5. IMPACT ASSESSMENT: CONVENIENCE GOODS

Context

- 5.1. We have already commented in Section 1 that we do not believe in the light of the NPPF and extant policy, that there is a need for an Impact Assessment to be undertaken. This is because:
- There are no adopted locally set thresholds above which an impact assessment is required.
 - In accordance with paragraph 26 of the NPPF the default threshold is therefore 2,500 sq.m.
 - No requirement was made at the pre application stage.
- 5.2. Consequently the Council should not require an assessment of impact. This position is supported by three recent appeal decisions which confirms that proposals for under 2,500 sq m of floorspace do not require an Impact Assessment. The appeal decisions upon which we rely and which are contained as Appendix 2, are as follows:
- Braintree District Council (27th September 2012)(APP/Z1510/A/12/2171723): The scheme involved the construction of food store extending to 760 sq.m. gross (490 sq.m. net). At paragraph 22 the decision letter Inspector (Kay Sheffield) concluded that a retail impact assessment was not required. At paragraphs 12-14 of her decision on costs the Inspector concluded that in the absence of a locally set threshold the Council had failed to justify the alleged need for an impact assessment.
 - Bracknell Forest Borough Council (26th March 2013) (APP/R0335/A/12/2181506): The scheme involved 815 sq.m. gross of comparison goods floorspace. At paragraph 27 of Inspector Wildsmith's decision letter he concludes that there was no specific need to undertake an impact assessment. At paragraph 9 of his decision on costs the Inspector concluded that it was unreasonable of the Council to include retail impact within its reason for refusal.
 - Tamworth Borough Council (12th April 2013)(APP/Z3445/A/12/2177615); The scheme involved a convenience store of 277 sq.m. gross. Inspector Graham at paragraph 10 concluded that there was no requirement for an impact assessment.
- 5.3. Examples of other appeal decisions confirming this approach can be provided if necessary.
- 5.4. Nonetheless we recognise that the Local Planning Authority has identified a need for further information and to this end we have undertaken an assessment of the likely trading effects with particular attention to Bognor Regis Town Centre.

2. The adopted approach

- 5.5. Paragraph 5.8 of the Practice Guidance¹ states that one of the key policy tests is the likely trading effects of a retail development. Paragraph 5.5 of the Practice Guidance also stresses that it is a matter for the decision maker to judge what constitutes a 'significant' adverse impact. Annex D of the Practice Guidance relates to 'Quantifying impact'. Figure D1 sets out the steps required to quantify the impact. These are as follows:

Step 1: Establish base/design years, and determine what is being assessed

Step 2: Examine 'no development' scenario i.e. what will happen if the development does not take place?

Step 3: Assess turnover and trade draw i.e. what turnover will the development generate and where will it come from?

Step 4: Assess impact on existing centres and facilities i.e. quantify the effects of trade diversion

Step 5: Consider the consequences of impact, including quantitative and qualitative issues

- 5.6. The guidance states that it will appropriate in assessing the impact of a planned development to examine a 'no development' scenario.

- 5.7. Paragraph D.22 of the Practice Guidance states:

"In every case, the objective should be to set out clearly the judgements reached about the total turnover and proportion of the proposals turnover drawn from different parts of the catchment area, together with assumptions about 'inflow' from beyond the survey area. This provides an important first step, as a means of judging, on a zone by zone basis, the likely changes in shopping patterns arising and the centres from which the proposal is likely to divert its trade."

- 5.8. Paragraph 7.3 of the Practice Guidance further explains:

"The objective of an impact assessment is to measure and where possible quantify the impacts of proposals or policy options. This can be used to gauge their potential impact on the development plan strategy, their effects on planned new investment and their overall consequences on the vitality and viability of existing centres such as reduction in footfall, impact of vacancies etc."

¹ Practice Guidance on need, impact and the sequential approach' (2009) which accompanied the former PPS4 and which remains extant.

- 5.9. Paragraph 7.6 continues by advising that the scope and level of detail required should be proportionate to the nature of the policy or proposal under consideration. The scope and level of detail required does not necessarily relate to the size/location of development but it should not be necessary to undertake detailed impact assessments or consider the effects of minor proposals where the scope for significant adverse impacts is agreed to be limited.
- 5.10. In undertaking our analysis we have followed the guidance set out in Appendix D of the Practice Guidance. In addition we have used as our base the Arun District Retail Study (April 2013)(ADRS) prepared by DPDS Consulting Group on behalf of the Council. This study provides the most up to date information on shopping and expenditure patterns and has informed our assessment of the likely impacts. Furthermore, we attach as Appendices 7 and 8 Focus Reports and Catchment Profile for Bognor Regis and Retailer Demand.
- (i) Base and design years**
- 5.11. To be consistent with the ADRS we have adopted a base year of 2012 and a design year for assessing impact of 2017. This recognises the need to construct the store and allow a settled trading pattern to emerge.
- (ii) Price base**
- 5.12. All prices are at a 2011 base consistent with the ADRS.
- (iii) Study area**
- 5.13. The study area is consistent with the 15 zones adopted in the ADRS. The area is defined at Appendix 3. The latter defined this area having regard to work undertaken in connection with household surveys carried out in relation to the Sainsbury's application at the former LEC site in Bognor Regis (ref: BE/122/08) and the Retail Assessment for Littlehampton carried out in 2011. The Sainsbury's proposal was subject to call-in² by the Secretary of State and following a public inquiry in May 2010, was granted permission on 13th September 2010. A copy of the Secretary of State's letter along with the Inspector's report is attached as Appendix 4.
- 5.14. The Study Area therefore includes the whole of Arun District and the western wards of Worthing Borough. Although we have used this area as a base to examine expenditure and shopping patterns the proposed food store will of course have a somewhat narrower Primary Catchment Area (PCA) from which it is predicted to draw the majority of its trade. We have used this when assessing likely trade draw

² APP/C3810/V/09/217516.

rates. Bognor Regis along with the application site is located within Zone 4. The PCA has been defined by particular reference to the following zones:

Table A: Primary Catchment Area Zones

Zone
1. Pagham and Rose Green
2. Bersted
3. Aldwick West and Aldwick East
4. Pevensy, Marine, Orchard and Hotham
5. Felpham East and Felpham West
8. Barnham

(iv) Population and expenditure

5.15. The Tables relating to the impact assessment are set out in Appendix 5.

5.16. Table 1 sets out the total expenditure within each zone. This is based on the 2011 base population was obtained by the Council's retail consultants from Experian local population and expenditure data. The forecasts are based on the appropriate district rate of growth in the latest ONS forecasts (September 2012). Table 2 sets out the expenditure on main food shopping by zone. In Table 3 the expenditure relates to top-up shopping.

5.17. In terms of the growth at which convenience goods expenditure is predicted to increase the ADRS states that the 2011 Experian figures have been projected forward on the basis of the Experian's Retail Planner Briefing Note 10.1 (September 2012).

5.18. The growth rates for convenience goods used in projections to 2017 are as follows:

2011	-0.35%
2012	-0.1%
2013	-0.3%
2014	-0.2%
2015	+0.1%
2016	+0.4%
2017	+0.5%

5.19. These are considered to represent overly pessimistic growth rates over the next five years and more recent information from Experian suggests that positive growth rates will be achieved from 2012 onwards.

(v) Expenditure and shopping patterns in 2012

5.20. A series of tables have been provided setting out the expenditure patterns in 2012 based on the telephone household survey conducted as part of the ADRS. These are as follows:

Table 4: Main food shopping expenditure by zone in 2012

Table 5: Top-up shopping expenditure by zone in 2012

Table 6: Total main food and top-up expenditure in 2012

(vi) Expenditure and shopping patterns in 2017

5.21. Given the growth rates used in the ADRS we have adopted the 2012 as a proxy for expenditure flows in 2017. Table 7 summarised in broad terms the expenditure patterns in 2017.

(vii) Estimated convenience goods turnover of the proposed food store

5.22. In Table 8 we summarise the predicted turnover of a supermarket occupying part of the store. Given the acknowledged interest from Aldi for a store extending to 1,533 sq.m. gross we have assumed that the proposed unit on the application site would be sub-divided. The balance of the space amounting to 957 sq.m. gross would be occupied by a comparison goods retailer whose impact has been subject to a separate assessment. A summary of the main attributes of an Aldi supermarket are summarised at Appendix 6.

5.23. Based on occupation by a discount grocery retailer we predict a convenience goods turnover of £4.20m and a comparison goods turnover of £0.64m.

(viii) Trade draw

5.24. Table 8 sets out the estimate trade draw by centre/store. The supermarket is likely to predicted the majority of trade from the Bognor Regis area. The ADRS estimated that the stores in Bognor Regis would attract £104.87m. Of this approximately £20m would be attracted to the town centre with the remainder to the out of centre food stores particularly Tesco and Sainsbury's. Based on the predicted trade draw of £4.03m being drawn from the Bognor Regis area and applying impact on a pro-rata basis £0.77m would be diverted from the town centre equating to an impact of 3.8%.

1. Impact on Committed and Planned Public and Private Sector Investment

- 5.25. The only town centre scheme involving the development of a food store relates to Morrison's planned redevelopment of its existing store. The company's site at Bedford Street was considered by the Secretary of State and his Inspector in 2010. At paragraphs 419 and 420 of the Inspector's report it was concluded that:

"The site that needs to be assessed is larger than that occupied by the existing store and its associated surface level car park, as a planning application has been submitted for a redevelopment which incorporates some adjacent properties not in Morrisons' ownership or control. Both the existing store site, and the wider site of the redevelopment proposal, are within the PSA and so they comprise an in centre site for the purposes of PPS4.

The fact that this site is not available to the intended operators of the store in the called-in application scheme does not provide a reason to rule it out as a sequentially preferable site. In terms of its availability for foodstore development in general, it is clear that the parts of the site owned by Morrisons and the Council would be available. The submission of the planning application, and the company's stated intention to undertake the redevelopment, are indicative that its land would be available. The issuing of heads of terms by the Council indicates that its land would be available, even though no further progress has been made with respect to those terms."

- 5.26. Since that decision the council has resolved to grant planning permission for a redevelopment of the site and this has been examined by use within the sequential assessment. It is clear that the site lies within a number of ownerships and it is not clear that agreement on a comprehensive redevelopment has been secured. Moreover the site is not suitable for accommodating a discount store of the type envisaged within the proposed store. The very limited diversion of trade from the town centre would in any event have no discernible effect on whether this site was brought forward for a larger Morrisons store. The Inspector questioned whether such a scheme was viable and in our view securing a discount food store within the scheme is likely to prove even less viable.
- 5.27. In relation to the potential for other sites to be brought forward for a food store development these were also considered at inquiry in 2010 and the Inspector concluded thus:

"415. Although the Covers site is envisaged for use mainly for high density housing in the Bognor Regis Masterplan ("BRMP"), that would not in my view preclude its use for retail purposes, given that the BRMP is a somewhat dated and non-statutory document. More significant is the fact that the site is in a beneficial use by a firm of builders merchants, and there is no evidence

that the current users have any desire or intention to vacate it. Although no evidence has been provided regarding viability, the Covers site cannot reasonably be regarded as being available for retail development in the foreseeable future. [35,153,205]

416. The second site is the Regis Centre, which is subject of a development agreement between the Council and St Modwen Developments Ltd ("St Modwen"). It is an edge of centre site as it is adjacent to the PSA, with quite good connections to that area which is within easy walking distance. The development agreement is indicative that the site is available, but it is seen as an important opportunity for mixed use development, with an emphasis on leisure, entertainment and cultural uses due to its seafront location. Such intentions were included in the BRMP, in the marketing brief and invitation to tender document, and in St Modwen's submission and consultation proposals. As a result, it would not be appropriate for this site to be taken up by a foodstore, which would then block the potential for future development for purposes that would be more beneficial and appropriate to Bognor Regis' role as a tourist and visitor destination. On the available evidence, a foodstore on this site would be unlikely to receive backing from the Council or to receive planning permission. There is no detailed viability evidence, but for those reasons I have found the Regis Centre site to be unsuitable and unavailable for foodstore development. [47-48,153,192,204,279,306]

417. The next site to be considered is the Hothamton site, which is covered by the same development agreement. The agreement again indicates that this site is available for development, although in present circumstances St Modwen regard its development as unviable. A foodstore would not accord with the intentions for the site in the BRMP, which were for a mixed use scheme including retail. Although St Modwen included reference to a "possible" foodstore in its consultation proposals, the evidence is that the Council would not find a free-standing foodstore acceptable. More significantly, the site has already been rejected by Asda and Sainsbury's, and there are no other obvious foodstore operators who would be likely to be interested in the site. Most telling is the fact that Sainsbury's appraised the site in 2008, and found that its viability for a foodstore would fall short of required target levels by a substantial amount. There is no evidence of substance to support the suggestion that foodstore operators might look again at this site if the called-in application were to be refused. [35,48,107-110,134,152,192,197,200-203,218,279,309]

418. As well as those matters, the evidence is compelling that the Hothamton site offers the only currently available opportunity to provide the kind of larger units for comparison goods retailers which the town centre lacks and needs. Even if there were any reasonable prospect of this site being taken up for a foodstore, which on the evidence there is not, its use for that purpose would remove the chance to potentially provide this type of larger unit. Taking all these points into account, I have concluded that although the Hothamton site is available, it is neither suitable nor viable for the provision of a foodstore. [47,114,203]"

5.28. The ADRS notes that the impact of economic conditions however has led to a re-evaluation which resulted in a public consultation exercise in late 2012 to ascertain views on plans for Hothamton, the Regis Centre and the Alexandra Theatre. For the Hothamton site (0.8 ha) a number of existing uses will remain (health centre, public house and houses on Steyne Street) and is focused on residential development (circa 200 apartments) with public and residents parking together with retail or commercial/leisure uses at street level. It therefore seems unlikely that the scheme will accommodate any significant proportion of retail floorspace which in any event would be directed at meeting local needs. The nearby St Regis centre is being examined for predominantly leisure rather than retail uses.

2. Impact on the Vitality and Viability of Defined Centres

5.29. The proposal will not undermine the vitality and viability of Bognor Regis or other defined centres within the Study Area because:

- The town centre is not dependant on convenience goods retailing with the majority of units in the town centre occupied by comparison goods retail and service.
- The town's combined convenience and comparison goods turnover will increase from c£80m in 2012 to over £89m in 2017. Thus a loss of £0.77m would still enable the centre to trade in excess of 2012 levels. We do not believe that it would threaten the long term trading position of Morrisons.
- The Practice Guidance states that in terms of retail development 'like affects like'. Accordingly, the proposal will compete primarily with other large format foodstores rather than independents in town centres. Paragraph D.30 of the Practice Guidance specifically states that: '... in an area already served by large modern foodstores, the effects of a new large food superstore are likely to fall disproportionately on the existing competing stores. Their proportionate impact on local independent retailers, or discount foodstore for example may be less.'
- The review of the town centre attached as Appendix 1 demonstrates that it continues to be vital and viable in performing the principal shopping role in the District.

5.30. For the reasons stated above the proposed comparison goods floorspace will not have any adverse impact on non-food retailers in the Study Area as such retailers will all experience an increase in spending over the 5 year period.

5.31. In the light of the above, the proposed development will not have a significant adverse impact on the overall the vitality and viability of Bognor Regis, or any other defined

centres in the Study Area. Conversely, the proposed development will have a series of benefits.

- The proposed development will improve local consumer choice and the range and quality of the convenience offer. Currently, the Study Area is mainly dominated by two large format out-of-centre foodstores. Enhancing consumer choice and promoting competition is a key objective of the NPPF.
- The proposed development will also facilitate significant private investment within the town and enable a large format, national multiple retailer to gain representation.
- The proposal will help to achieve physical and economic regeneration and assist in generating economic growth

3. Impact on the Development of Allocated Sites Outside the Town Centre in Accordance with the Development Plan

5.32. We are not aware of any allocated retail sites outside the town centre which would be impacted upon. We have already commented on the possible redevelopment of the Morrisons store.

4. Impact on in centre trade/turnover

5.33. The majority of the trade would not be diverted from the town centre but from the large out of centre Tesco and Sainsbury's stores in the Bognor Regis area which are not protected in policy terms.

Overall conclusions

5.34. The proposal will not impact upon existing, committed and planned public and private investment in centre or centres in the Study Area of the proposal;

5.35. The proposal will not adversely impact upon the vitality and viability of the town centre or the range and quality of the retail offer. The proposed store is focused primarily on convenience products. In any event, the comparison goods element of the proposed development will not have any adverse impact on non-food retailers in the Study Area (given the specific trading characteristics) and the wider town centre will benefit from the increase in spending due to growth in per capita expenditure. Comparison goods sales within supermarkets and larger food stores typically compete with other similar types of store. The trading characteristics of comparison goods floorspace was considered in an Appeal decision in respect of a proposed extension to

a food superstore in Chesterfield (Appeal Ref: APP/A1015/A10/2120496). In his decision letter, dated 17th August 2010, the Inspector concluded:

'In any case it is well established, and accepted by the Council, that it is entirely normal for a superstore to provide comparison shopping. The evidence is persuasive that the proposed comparison floorspace would not generally act as a destination in its own right but would be an adjunct to the main convenience floorspace. A mix of food and non-food goods in the same premises is part of the appellant's long established trading model in Chesterfield and elsewhere, and the proportion of comparison goods floorspace would be unexceptional.' (our emphasis).

- 5.36. The proposal will not impact upon the ability of sites located in or on the town centre to be developed in accordance with the development plan;
- 5.37. The proposal will not impact upon in-centre trade/turnover and on trade in the wider area, taking account of current and future consumer expenditure capacity in the Study Area. The proposal will principally compete with large format stores located outside defined centres.

6. IMPACT ASSESSMENT: COMPARISON GOODS

Context

- 6.1. We have already commented in respect of the current application that we do not believe in the light of the NPPF and extant policy, that there is a need for an Impact Assessment to be undertaken in Section 1 and 5.
- 6.2. Nonetheless we recognise that the Local Planning Authority has identified a need for further information and to this end we have undertaken an assessment of the likely trading effects with particular attention to Bognor Regis Town Centre. The assessment has focused on three possible scenarios in view of the absence of a named retailer:
- Scenario A: Unrestricted comparison goods
 - Scenario B: Bulky comparison goods
 - Scenario C: Predominantly bulky goods with ancillary non-bulky items
- 6.3. In respect of Scenario C we have assumed occupation by B&M Retail Ltd trading one of the company's Homestore formats. This is set out in Appendix 11.

2. The adopted approach

- 6.4. Paragraph 5.8 of the Practice Guidance³ states that one of the key policy tests is the likely trading effects of a retail development. Paragraph 5.5 of the Practice Guidance also stresses that it is a matter for the decision maker to judge what constitutes a 'significant' adverse impact. Annex D of the Practice Guidance relates to 'Quantifying impact'. Figure D1 sets out the steps required to quantify the impact. These are as follows:

Step 1: Establish base/design years, and determine what is being assessed

Step 2: Examine 'no development' scenario i.e. what will happen if the development does not take place?

Step 3: Assess turnover and trade draw i.e. what turnover will the development generate and where will it come from?

Step 4: Assess impact on existing centres and facilities i.e. quantify the effects of trade diversion

Step 5: Consider the consequences of impact, including quantitative and qualitative issues

³ *Practice Guidance on need, impact and the sequential approach' (2009)* which accompanied the former PPS4 and which remains extant.

6.5. The guidance states that it will appropriate in assessing the impact of a planned development to examine a 'no development' scenario.

6.6. Paragraph D.22 of the Practice Guidance states:

"In every case, the objective should be to set out clearly the judgements reached about the total turnover and proportion of the proposals turnover drawn from different parts of the catchment area, together with assumptions about 'inflow' from beyond the survey area. This provides an important first step, as a means of judging, on a zone by zone basis, the likely changes in shopping patterns arising and the centres from which the proposal is likely to divert its trade."

6.7. Paragraph 7.3 of the Practice Guidance further explains:

"The objective of an impact assessment is to measure and where possible quantify the impacts of proposals or policy options. This can be used to gauge their potential impact on the development plan strategy, their effects on planned new investment and their overall consequences on the vitality and viability of existing centres such as reduction in footfall, impact of vacancies etc."

6.8. Paragraph 7.6 continues by advising that the scope and level of detail required should be proportionate to the nature of the policy or proposal under consideration. The scope and level of detail required does not necessarily relate to the size/location of development but it should not be necessary to undertake detailed impact assessments or consider the effects of minor proposals where the scope for significant adverse impacts is agreed to be limited.

6.9. In undertaking our analysis we have followed the guidance set out in Appendix D of the Practice Guidance. In addition we have used as our base the Arun District Retail Study (April 2013)(ADRS) prepared by DPDS Consulting Group on behalf of the Council. This study provides the most up to date information on shopping and expenditure patterns and has informed our assessment of the likely impacts.

(ix) Base and design years

6.10. To be consistent with the ADRS we have adopted a base year of 2012 and a design year for assessing impact of 2017. This recognises the need to construct the store and allow a settled trading pattern to emerge.

(x) Price base

6.11. All prices are at a 2011 base consistent with the ADRS.

(xi) Study area

- 6.12. The study area is consistent with the 15 zones adopted in the ADRS. The area is defined at Appendix 3. The latter defined this area having regard to work undertaken in connection with household surveys carried out in relation to the Sainsbury's application at the former LEC site in Bognor Regis (ref: BE/122/08) and the Retail Assessment for Littlehampton carried out in 2011. The Sainsbury's proposal was subject to call-in⁴ by the Secretary of State and following a public inquiry in May 2010, was granted permission on 13th September 2010. A copy of the Secretary of State's letter along with the Inspector's⁵ report is attached as Appendix 4.
- 6.13. The Study Area therefore includes the whole of Arun District and the western wards of Worthing Borough. Although we have used this area as a base to examine expenditure and shopping patterns the proposed store will of course have a narrower Primary Catchment Area (PCA) from which it is predicted to draw the majority of its trade. Bognor Regis along with the application site is located within Zone 4. The PCA has been defined by particular reference to the following zones:

Table A: Primary Catchment Area Zones

Zone
1. Pagham and Rose Green
2. Bersted
3. Aldwick West and Aldwick East
4. Pevensey, Marine, Orchard and Hotham
5. Felpham East and Felpham West
6. Middleton-on-Sea
7. Yapton
8. Barnham

(xii) Population and expenditure

- 6.14. The Tables relating to the impact assessment are set out in Appendix 9.
- 6.15. Table 1 sets out the population within each zone. The 2011 base population was obtained by the Council's retail consultants from Experian local population and expenditure data. The forecasts are based on the appropriate district rate of growth in the latest ONS forecasts (September.2012).

⁴ APP/C3810/V/09/217516.⁵ Stephen Amos.

6.16. Table 2a sets out the expenditure per capita on comparison goods within each zone. The ADRS states that the 2011 Experian figures have been projected forward on the basis of the Experian's Retail Planner Briefing Note 10.1 (September 2012). These figures exclude growth in non-store retail sales, frequently known as special forms of trading. the results of the household survey indicates that about £84m is spent by Arun residents through internet retailing at present. This is more than Arun residents spend in Worthing and is approaching the expenditure flow to Chichester

6.17. The growth rates for comparison goods used in projections to 2017 are as follows:

2011	1.7%
2012	0.1%
2013	0.4%
2014	0.9%
2015	1.6%
2016	2.2%
2017	2.2%

6.18. Table 2b sets out the expenditure on bulky⁶ comparison goods while Table 2c sets out expenditure on non-bulky⁷ comparison items.

(xiii) Expenditure and shopping patterns in 2012

6.19. A series of tables have been provided setting out the expenditure patterns in 2012 based on the telephone household survey conducted as part of the ADRS. These are as follows:

Table 3: Clothing and footwear
Table 4: DIY goods
Table 5: Furniture and floor coverings
Table 6: Large electrical
Table 7: Small electrical
Table 8: Other comparison goods.

6.20. These have been combined to provide in Table 9 the total comparison goods expenditure distribution in 2012. Table 10 disaggregates this for total non-bulky comparison goods expenditure and Table 11 for bulky comparison goods expenditure.

(xiv) Expenditure and shopping patterns in 2017

⁶ DIY, furniture and floor coverings, large and small electrical items.

⁷ Clothing, footwear and other non-food goods not falling within the bulky category.

6.21. Table 12 provides the total non-bulky comparison goods turnover in 2017 based on the shopper survey results for 2012. Table 13 summarises the position for bulky comparison items while Table 14 combines Tables 13 and 14 to provide an overall indication of shopping patterns in the design year. We acknowledge that planning permission exists for the redevelopment of the former Focus DIY store at Rustington (App. No. R/210/11). This permits the provision of three retail warehouse units of 2,508 sq.m., 929 sq.m. and 743 sq.m. A copy of the planning officer's report and planning permission are attached as Appendix 10. The report concluded that the impact would be acceptable and would fall mainly on Littlehampton Town Centre and Rustington District Centre. As we set out below the proposed development is not predicted to draw significantly from these two centres and consequently the cumulative impact does not fall to be considered.

6.22. Planning permission has been granted for the erection of a non-food retail store on the 1,529 sq.m. gross on the Bognor Regis Retail Park (App. No. BE/75/12). A copy of the planning officer's report is attached and planning permission issued in March 2013 are attached at Appendix 12. In terms of retail impact the planning officer concluded:

"Town Centre Vitality and Viability, Consumer Choice, and Trade.

The applicants have provided an assessment of the impact of the proposed store on the above factors. The assessment identifies that there would be no material impact in planning terms on the vitality and viability of Bognor Regis town centre from the proposal.

The proposal is restricted to the sale of bulky goods. A retailer such as this located in an out of town centre location is likely to compete with other out of centre locations. Following this principle, the applicants have demonstrated that the most likely impact of the store is on other out of town centre locations.

The applicant's evidence shows that the level of trade diversion from the town centre would not be material in planning terms."

6.23. The Planning Statement prepared by Montagu Evans on behalf of Zurich Assurance estimated that the proposed retail warehouse would have a comparison goods turnover of £3.04m (2008 prices). It was predicted to draw 28% of its turnover from Bognor Regis town centre equating to a diversion of £0.18m. The majority of trade would be drawn from out of centre locations and from clawing back expenditure lost from the catchment area.

6.24. We have included the 'impact' of this scheme in the baseline expenditure patterns in 2017.

(xv) **Estimate comparison goods turnover of the proposed store**

6.25. Although there have been expression of interest from potential retailers in the proposed development we have examined three possible scenarios. Scenario A assumes occupation by a bulky goods retailer while Scenario B assumes occupation by a retailer selling clothing and footwear. The sales density of £4,896 sq.m. is similar to that used in the ADRS in forecasting the need for additional floorspace⁸. Scenario C as set out in Appendix 11 assumes occupation by a discount comparison goods retailer such as a B&M Homestore.

6.26. Table 15a sets out the assumptions under Scenario A and Table 15b under Scenario B.

6.27. Assuming that a bulky comparison goods were to occupy the store we predicted a comparison goods turnover of £5.97m in 2017. For a retailer such as Next the turnover is predicted to be approximately £9.75m in 2017. We have assumed if the latter the scheme would have a wider trade draw with 90% of the turnover being derived from within the study area. Table 7 with the ADRS summaries the position in 2012:

Table 7 Summary of Estimated Comparison Turnover By Town Centre

Centre	In Centre £	Out of Centre £	Total £
Arundel	£2.51m	0	£2.51m
Bognor Regis town centre	£58.96m	£27.23m	£86.19m
Littlehampton town centre	£22.17m	£19.87m	£42.04m
Rustington	£16.80m	0	£16.08m

Source: DPDS (2013)

6.28. Paragraph 5.40 of the retail study is considered to be particularly relevant. It states:

“This (Table 7) demonstrates the relative sizes of the centres in the local shopping hierarchy. Bognor Regis and Littlehampton have significant out-of-centre turnover in addition to these figures. However, we drew attention to the amount of retail expenditure flowing from Arun District residents to neighbouring centres. Chichester and Worthing (in and out of centre) attract about £108m and £60m of comparison goods expenditure respectively. Clearly these two neighbouring centres are a dominant influence in the shopping patterns in the area, with turnover from Arun residents exceeding the turnovers of the nearest Arun towns.”

⁸ £5,000 sq.m.

6.29. Paragraph 6.10 continues:

“Our analysis of local shopping patterns arising from the household survey indicate that residents are shopping for comparison goods in Chichester in large numbers. This is particularly relevant for clothing and small non-food goods, where household survey results (Questions 9 and 14) indicate that the % of residents buying their clothing and other non-food goods such as books, jewellery, toys and CDs in Chichester was as summarised in Table 9.”

Table 9: Shopping Patterns for Clothing and Small Non Food Goods

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
Clothing	38.7%	36.0%	52.0%	34.7%	41.3%	32.0%	41.3%	45.3%	68.0%
Other Non/Food	41.3%	33.3%	36.0%	26.7%	37.3%	24.0%	33.3%	48.3%	48.3%

Source: NEMS (2012)

6.30. This position is confirmed by the Chichester Retail Study Update (2010) prepared by DTZ on behalf of Chichester District Council. Bognor Regis lies within Zone 4 of that study and the analysis indicated that Chichester City Centre attracted the following goods from this zone:

Table B: Comparison goods expenditure attracted to Chichester from Bognor Regis

Goods	%
Clothing and footwear	45.9
Furniture and floor coverings	3.5
Household appliances	8.2
Audio visual equipment	7.6
DIY goods	0.0
Chemist and health and beauty items	2.0
Personal and luxury goods	13.3

(xvi) **Trade diversion**

(a) **Bulky comparison goods trade diversion**

6.31. Table 16 sets out the predicted bulky comparison goods trade diversion in 2017. The trade draw assumes that 100% will be drawn from the study area with no inflow from outside. It also includes the predicted diversion associated with the committed retail warehouse on the Bognor Regis Retail Park.

6.32. Table 19 summarises the impact based on the predicted total comparison goods turnovers of the main centres in 2017. These turnover reflect that derived from the study area and in respect of centres outside this area such as Chichester and Worthing, their comparison goods turnovers will be correspondingly greater. This is because a significant proportion of their turnover is drawn from their individual catchment areas i.e. outside the study zones applicable to Arun.

6.33. It is clear from Table 13 that a significant proportion of bulky goods expenditure is predicted to be made in non-central locations in 2017. In 2017 we predict that the total impact on Bognor Regis Town Centre would be 1.12%. When combined with the committed retail development at the Bognor Regis Retail Park which is predicted to divert £0.18m, the impact on the town centre would be 1.4%.

(b) Non-bulky comparison goods trade diversion

6.34. Table 17 sets out the predicted non-bulky comparison goods trade diversion in 2017. Given the nature of the potential operator selling clothing and footwear we have assumed that 90% would be drawn from the study area with a 10% inflow.

6.35. Table 18 summarises the impact based on the predicted total comparison goods turnovers of the main centres in 2017. The impact on Bognor Regis Town Centre in 2017 is predicted to be 3.97% or 4.2% with the committed retail warehouse on the Bognor Regis Retail Park.

(xvii) Scenario A - Assessment of trade diversion: bulky comparison goods

6.36. In relation to the impact of a bulky comparison goods retailer we do not predict a significant adverse impact on Bognor Regis Town Centre or any other town centre within the sphere of influence of the scheme. A health check of the town centre is attached as Appendix I. Furthermore, we attach as Appendices 7 and 8 Focus Reports and Catchment Profile for Bognor Regis and Retailer Demand.

1. Impact on allocated sites

6.37. There are no allocated sites in Bognor Regis for the scale and type of development proposed in the application.

2. Impact on town centre trade

6.38. We have submitted information regarding population, expenditure and turnover. Very modest reductions in the turnover and trade of existing comparison goods outlets in the

centre would occur. Sustained and continued growth in expenditure would however enable the centre to regain the very limited reductions in turnover. This growth is predicted to occur despite the recession of recent years. Indeed our analysis indicates that the majority of the turnover will be drawn from non-central retail warehouses on the Peel and Bognor Regis Retail Parks. The ADRS predicts that in 2017 approximately £50m of bulky comparison goods will be attracted to Bognor Regis. Of this around £19m is attracted to the town centre with the remainder spent in retail warehouses and food stores outside the town centre. The overall impact on the town centre would mean that it would continue to trade in excess of £8m of that achieved in 2012.

- 6.39. The importance of retaining lost expenditure was demonstrated in an appeal in Wadebridge (September 2007) where an Inspector concluded that the ability to claw-back expenditure was an important consideration in assessing both the need for and scale of a proposed DIY store:

“There is a clear evidence of the scale of leakage of expenditure [on DIY/garden centre products]. Based upon a constant market share in 2008, the loss would be £4.15m rising to £4.86m in 2011. The approach which should be followed is simple and based upon commonsense. The ability to retain a significant proportion of this expenditure is dependent upon improving the range of shopping facilities. It links both the qualitative need for modern shopping facilities with the ability to support such facilities by taking positive steps for increasing the market share of the town and catchment area. An increase in market share is inextricably linked to an appropriate enhancement in shopping17; Paragraph 1.4 of PPS 6 fully supports enhancing consumer choice and developing an efficient and innovative retail sector. This is part of the market share approach.

The ability to support additional floorspace, whether it is in the form of a DIY store or other comparison goods shopping] cannot be justified on expenditure growth alone with a constant market share. This is because the catchment area is relatively small and proportionately this would generate modest increases in total comparison goods expenditure.

Paragraph 3.22 of PPS6 notes that the claw-back of expenditure from the surrounding area is a legitimate matter to take into account in assessing what the impact will be. It states that such an effect will be positive where claw-back is predicted to occur. The premise is simple and unassailable. The introduction of a modern [DIY store,] facility which is completely absent in the catchment area, would have a positive effect on the overall retention level. The claw-back assumed is £1.29m which represents only 31% of the total which is estimated to be lost in 2008 under a ‘do nothing’ scenario. This would involve an increase in market share from 45.9% to 57%18 (around an 11% improvement in the market share within these goods), and it represents a very modest and entirely reasonable objective. It places in perspective the very limited increase in market

share required to support the development. Using claw-back to support floorspace in this way is thus entirely consistent with national advice.

In the Alton appeal decision, the Inspector records that in order to achieve the “claw-back” in DIY trade being spent in other centres, the store needs to be of an appropriate size to provide the full range of goods required. To provide a significantly smaller store would not meet the identified need and although the store would not meet all of the need, leaving a significant amount of remaining expenditure going to stores outside the area, it would effectively meet the needs of the town and the surrounding area.

It is quite clear from this analysis that the Inspector having regard to national advice in PPS6, was taking fully into account the use of claw-back to justify and prove a need for additional floorspace. This is the flip side of the point about setting a target for retaining expenditure and then planning how this should be met. Unlike over trading which PPS6 advises can be taken as an indication of qualitative need, claw-back is an accepted and perfectly proper means of estimating quantitative need and should be fully taken into consideration.’

6.40. This approach is endorsed with the Practice Guidance accompanying PPS4. At paragraph 8.20 of Appendix B (Quantifying retail need⁹) of the Guidance it states:

“It is important to build a clear picture of current expenditure patterns within the assessment area, and between the individual sub-areas which have been identified. This will allow decision-makers to create a more accurate picture of shopping patterns of different types of goods which need to be planned for. It will also help identify any significant ‘leakage’ or outflow of expenditure to competing destinations and provide a means of identifying relative deficiencies and opportunities for new development and, where appropriate, ‘clawing back’ expenditure.”

6.41. Paragraphs B.53 and B.54 continue:

“It has become common practice for need assessments to forecast quantitative needs based on current, i.e. constant, market shares. In effect this means that centres and retail destinations with the highest market share are assumed to attract the highest proportion of forecast expenditure growth. In practice if applied to policy this serves to maintain the ‘status quo’ as the largest and most successful centres will be identified as having the greatest capacity and, as a consequence, will be the focus for identifying new development sites.

⁹ This provides guidance on the key steps involved in preparing a quantitative need assessment for a retail proposal or for preparing a LDF. There is of course no requirement with PPS4 for applicants to prove that a scheme meets a quantitative or qualitative need. Paragraph 1.8 of the *Practice Guidance* states that it is necessary to clearly differentiate between the role of need, impact and sequential site assessment in plan making, and the application of the sequential approach and impact tests in the development management process.

While in some cases it may be appropriate, in policy terms, to seek to maintain the status quo and apportion forecast expenditure growth in this way, there are many circumstances where this will not be appropriate. These are considered in some detail in the guide. Factors including; the level of population/expenditure growth identified; the sustainability of the current network of centres; and the potential of certain centres to accommodate significant development and/or others to decline will all have a key bearing on what assumptions are made about future market shares and which options are tested."

- 6.42. In our opinion maintaining the 'status-quo' is not a realistic or sustainable option. It is quite clear from the ADRS that there is substantial loss of comparison goods expenditure to competing centres/facilities. Over the five years 2012-17 there is predicted to be a loss of over £250m to Chichester. The ability to claw-back expenditure lost to competing centres and stores outside the study area was expressly recognised by the Council in granting planning permission for App. No. BE/75/12. However the ADRS makes no allowance for increasing the retention levels within Bognor Regis or Littlehampton in estimating the capacity to support new floorspace.

3. Impact on town centre investment

- 6.43. The Practice Guidance at paragraph 7.17 states that it is first necessary for a town centre redevelopment opportunity having been identified **and** is actively being progressed by a LPA and/or private developer. However a proposed bulky good store would compete largely on a 'like for like' basis with other similar types of store none of which are present in the town centre and no bulky goods retail warehouse units are proposed within any town centre redevelopment schemes.
- 6.44. In any event our analysis indicates that on a very worse and highly unrealistic case the reduction in turnover within the centre could be a maximum of less than £1m (on a cumulative basis: £0.77m + £0.18m). This equates to an impact of less than 1.5% in 2017. This is not considered to be significant adverse in the context of advice within the NPPF.
- 6.45. Paragraph 7.28 of the Practice Guidance recognises that it is inevitable that new retail development will have some impact on the turnover of existing facilities within the catchment area. It further recognises at paragraph 7.32 that the turnover levels needed to maintain and enhance the vitality and viability will vary between centres according to a number of factors.

6.46. Bognor Regis is a vibrant and healthy centre. There is no evidence to indicate that the scheme would in any way reduce consumer choice or the range and quality of comparison goods shopping facilities in the centre.

6.47. A similar conclusion was reached in respect of the committed retail warehouse on the Bognor Regis Retail Park.

6.48. Paragraph 7.32 of the Practice Guidance refers to centres where there are falling rents, high levels of vacant and declining footfall. None of these apply to Bognor Regis.

(xviii) Scenario B- Assessment of trade diversion: non-bulky comparison goods

6.49. The impact of a clothing or footwear retailer would be likely to derive a greater proportion of trade from town centres by virtue of the fact that such trade is concentrated in such locations.

1. Impact on allocated or proposed development sites

6.50. The ADRS makes reference to a site at Hothamton which is located outside of the Principal Shopping Area as defined in the Local Plan. It does fall within the town centre boundary as defined in the draft Local Plan. It is currently in use as a street level car park together with a health centre, public house and housing. We understand that taken in combination with the Regis Centre, the site was subject to a developer agreement between St Modwen and Arun District Council. This has lapsed. The agreement was on the basis of a masterplan which requires a mixed use development including retail, community and health uses, office use and residential use (including affordable housing) with the opportunity of a tall landmark building. The residential development was considered necessary to cross subsidise other development to help support regeneration in the town.

6.51. The ADRS notes that the impact of economic conditions however has led to a re-evaluation which resulted in a public consultation exercise in late 2012 to ascertain views on plans for Hothamton, the Regis Centre and the Alexandra Theatre. For the Hothamton site (0.8 ha) a number of existing uses will remain (health centre, public house and houses on Steyne Street) and is focused on residential development (circa 200 apartments) with public and residents parking together with retail or commercial/leisure uses at street level. It therefore seems unlikely that the scheme will accommodate any significant proportion of retail floorspace which in any event

would be directed at meeting local needs. The nearby St Regis centre is being examined for predominantly leisure rather than retail uses.

- 6.52. The Retail Quarter includes the Morrisons store and car park, together with the shops on the western side of London Road, which back onto Bedford Street, the northern side of the High Street and the shops and flats on the eastern side of Queensway. In 2009, Morrisons submitted a planning application for a replacement of their foodstore on the surface level car park with a multi-storey car park on the land to the north. It proposed a store (2,978 sq. m net) on the first floor with parking underneath and two shop units on the High Street frontage – an increase of 1,233 sq. m on the existing store. The application was approved in 2012, it has not been implemented and the site remains in operational use. It is not clear whether the approval of the out-of-centre Sainsbury's store has impacted on its implementation.
- 6.53. We understand that at the time of the Sainsbury's public inquiry (former LEC site, Bognor Regis) in 2010, it was understood that four separate landowners were involved, including the District Council, and no evidence was presented to confirm whether any discussions had been held/progressed on land ownership matters. Site assembly make require the use of compulsory purchase powers. In our view comprehensive redevelopment would be required and this would have to involve Morrisons. It is unlikely to deliver any significant uplift in comparison goods floorspace.
- 6.54. The St Martins car park is in viable use and is an important component of the town's vitality and viability. It seems unlikely that significant comparison goods floorspace can be provided on this site within the foreseeable future while still maintaining an adequate level of car parking.

2. Impact on town centre trade

- 6.55. The analysis confirms that the town centre would trade £6.6ms above its 2012 levels with the majority of the turnover being derived from centres and locations outside the District particularly Chichester which is predicted to attract over £78m in non-bulky comparison goods from Zones 1-10. It is clear that Chichester acts as the prime location for the majority of non-bulky comparison goods and the scheme would provide considerable potential for this to be retained without adversely affecting Bognor Regis town centre. The ADRS recognises that there is a shortage of modern retail units in the centre which are capable of attracting major retailers and the

proposed development would go a small way towards addressing this deficiency without giving rise to a significant adverse impact.

3. Impact on town centre investment

6.56. Other than the planed redevelopment of Morrisons there are no other schemes which would be impacted. The Retail Quarter scheme remains unimplemented and we do not believe that the predicted diversion of £2.72ms from the town centre will have any bearing on brining a scheme forward which is planned to be underpinned by a large, new food store.

(xix) Scenario C - Assessment of trade diversion: Bulky comparison goods with ancillary items

6.57. This assessment based on the trading profile of a discount comparison goods retailer such as B&M Retail Ltd is attached as Appendix 11.

6.58. We conclude that none of the three scenarios we have examined would lead to a significantly adverse impact on Bognor Regis Town Centre or any other centres within or outside the study area.

7. ASSESSMENT OF SEQUENTIAL APPROACH AND SITE SELECTION

- 7.1. The NPPF advocates that a sequential approach to the selection be adopted for planning applications creating new units in an out-of-centre location, this involves examining whether there are any more central sites within the area that the development seeks to serve that are suitable, available and viable for the proposed development.
- 7.2. The application site is considered to be located in an out-of-centre location and therefore this assessment considers sites located within town centre and edge-of-centre locations.
- 7.3. The Council has already accepted that the sequential assessment has been complied with in the determination of permission reference BE/75/12. This Retail Statement submitted with that application considered the following sites:
- Bognor Regis Glass Centre, Queensway;
 - Hothampton Care Park, Queensway;
 - Hothampton Park/WSCC Social Services;
 - Hatters Inn, Queensway;
 - Morrison's Car Park, High Street;
 - Reynolds Furniture/Funerals, High Street;
 - Crown Bingo, London Road;
 - PictureDome, Canada Grove;
 - Covers Building and Timber Supplies, Spencer Street;
 - Car Parks, Sudley Street;
 - Post office Delivery Office, Clarence Street;
 - The Regis Centre, The Esplanade.
- 7.4. The Council accepted that each of these sites were unsuitable, unavailable or unviable for use to accommodate the unit consented under permission reference BE/75/12 and we are not aware of any changes in circumstances that would lead to the Council coming to a different conclusion subject to the clarifications below.
- 7.5. In order to take account of any additional changes in circumstances since planning permission reference BE/19/07 was granted in May 2009 D2 Planning has also undertaken a search of actively marketed units in Bognor Regis and Littlehampton with a minimum size of 10,000 sqft (929 sqm). This is considerably smaller than the size of the proposed unit so we consider that the lowered threshold adequately demonstrates flexibility in the application of the sequential search.

- 7.6. In Bognor Regis, there is only one available unit in the size range 200-2,000 sqm gross. This is located at 40-48, High Street. This unit has a total sales area of 204 sqm so is too small to accommodate the extant unit which is the subject of this planning application.
- 7.7. In July 2010 planning permission was granted for a new Sainsbury's at Shripney Road, Bognor Regis following a call-in inquiry in the determination of the application, the Inspector considered the status of potential development sites in the town centre. The represents the most recently accepted assessment of the status of potential town centre development sites.
- 7.8. With regards to the Govers site, the [Inspector noted that the site was in beneficial use by a firm of builders merchants. There was no evidence that the current users have any intention of vacating the sit and consequentially the inspector concluded that the site could not reasonably be regarded as available for retail development in the foreseeable future.
- 7.9. The Inspector also considered the Regis Centre which has been the subject of a development agreement between St Modwen and the Council. The development agreement indicates that the size is most suitable for a mixed use development of leisure, entertainment and cultural uses. The Inspector concluded that the incorporation of retail use on the site would block the potential for future development for purposes that would be more beneficial and appropriate to Bognor Regis's role as a tourist and visitor destination. The Inspector concluded that the site was unsuitable and unavailable for retail development.
- 7.10. The Inspector also considered the Hothampton site, which has been covered by the same development agreement. At the time of the inquiry St Modwen considered the development of the site to be unviable for retail development.
- 7.11. The development agreement had been extended to March 2012, (and has thus expired). Consequently, there has been no progress with formulating proposals for the site. The Inspector's report notes that both Sainsbury's and Asda had concluded that the site was unviable for retail development at the current time.
- 7.12. In September 2011, the Council resolved not to extend the development agreement further but to work with St Modwen to examine the deliverability of both sites (this was the Council's decision independent of St Modwen). It is evident from the report that there was no scheme fur the sites that St Modwen had presented to the council at that

stage. The latest information provided to use by the Council is that St Modwen will not be proceeding with the scheme and that the Council will recommence a competitive tender for a new development partner.

- 7.13. If St Modwen or some other developer proceeds with the development of the site, a planning application will need to be prepared submitted and determined, potentially after the selection of a developer in conformity with the OJEU regulations (and the time period that would entail). Given the size and complexity of the sites in question this will necessarily take a considerable period of time. Given also the construction period of such a large scheme there is no prospect of development coming forward on the Hothampton site within any reasonable time period. This position is exacerbated by the prevailing economic circumstances which are likely to continue to delay development.
- 7.14. The Inspector also considered the Morrisons site if the redevelopment of this site occurs, it will be to accommodate an improved Morrison's site and will not therefore be suitable to accommodate a unit used for the sale of bulky goods.
- 7.15. The inspector therefore concluded that there were no sequentially preferable sites that were available, suitable and viable for development. The conclusion stands, and there are no material changes in circumstances that indicate that any of the above site would be available within a reasonable time period for occupation for a bulky goods unit. Therefore, the requirements of the sequential assessment set out in the NPPF have been met.

8. CONCLUSIONS

- 8.1. This Retail Statement has been prepared by D2 Planning Limited on behalf of Chainridge Limited. It provides information on retail policy issues to assist the Council in its consideration of the proposed retail development at Oldlands Way, Bognor Regis. The proposals comprise the partial demolition of the building and the change of use to form a retail unit of 2,499 sqm gross.
- 8.2. Section 3 of the Statement considers relevant retail planning policy and it is acknowledged that the site is located in an out of centre location.
- 8.3. The Heath Check confirms that the centre appears relatively healthily with a stable growth and a number of retailers seeking representation within the centre. Although the vacancy rate is lower than the actual average the centre has potential to improve in terms of retail offer and this has been recognised by the Council for some time.
- 8.4. Section 7 considers the sequential approach. It has been demonstrated that there are no suitable, viable or deliverable sites or buildings which would accommodate the proposed development.
- 8.5. Section 5 and 6 of this Statement considers retail impact and in particular the impact upon Bognor Regis Town Centre. The retail assessment consider 4 scenarios namely:
 - Bulky Goods
 - High Street Goods
 - Convenience
 - Open Class A1
- 8.6. The analysis concludes that whichever retail use is proposed that it will not have a detrimental impact on the town centre.
- 8.7. In view of the above, the proposals comply with all the relevant planning policy including those within the NPPF.