

Report to Arun District Council

**Prepared on behalf of
Arun District Council
Application BE/37/14**

**Units D1 and D2
Arun Retail Park
Bognor Regis**

**Prepared by
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CONTENTS

	PAGE NO
1.0 Background	1
2.0 Planning Policy	3
3.0 The Sequential Approach	5
4.0 Retail Impact	8
5.0 Conclusions	15

1.0 BACKGROUND

1.1 This report has been prepared by DPDS for Arun District Council and considers the Retail Assessment prepared by Gerald Eve (GE) for application BE/37/14 by the BBC Pension Trust. We have also examined other application documents as appropriate including the Design and Access Statement and the Supporting Statement by NLP on behalf of M&S.

1.2 The Council requires:-

A Review and assessment of the retail evidence submitted to support the planning application in the context of the NPPF and PPS4 technical guidance;

Review the cumulative impact of the proposal in line with other application currently being considered by the Council.

Recommendations to the Council that can be used to inform the decision making process.

1.3 The proposals can be summarised for our purposes, with floorspace figures expressed as GEA as:-

Unit D1 – Replacement of mezzanine floor with a net increase of 47.7 sq m and ground floor extension of 13.3 sq m and the use of the building for the sale of food and drink. The intended occupier is M&S Simply Food.

Unit D2 - Change from a sui generis use to A1 retail (with goods restrictions) and a new mezzanine floorspace of 820.7 sq m and a side extension of 177.1 sq m. The intended occupier is Next.

1.4 Unit D1 currently has a ground floor area 953 sq m and a mezzanine of 438.2 sq m and was occupied by Comet but is now vacant. The increase in floorspace proposed is small – some 61 sq m gross overall. The key change proposed is therefore the sale of food and drink from the unit. The statement by NLP on behalf of MS indicates that the proposed store would have a net sales area of 780 sq m, with all but 19 sq m (761 sq m) used for the sale of food and drink. The other sales would comprise cards, stationery and household goods. It refers to the possible provision of an ancillary café but, if provided, this would be taken out of the sales floorspace. Gerald Eve suggests a condition which would allow the sale of the goods currently permitted but add “*food and drink (including ancillary goods thereto and an ancillary café/coffee shop*”.

1.5 Unit D2 currently has a ground floor area of 717.7 sq m and no mezzanine. It is currently occupied by Kwik Fit which apparently intends to move to new premises elsewhere in Bognor Regis. It is proposed to build a side extension of 177.1 sq m and a mezzanine floor of 820.7 sq m. The condition proposed would allow the sale of goods currently permitted plus the sale of “*clothing, footwear and accessories*”. We

note that the condition suggested by GE for this unit includes furniture “and accessories”. We consider that it not sufficiently clear what goods are considered to be accessories or even whether this is linked to furniture and recommend that the Council seeks clarification and a more precise definition of the goods to be sold. This is unlikely to affect our conclusions on the main issues in our report but we will qualify our advice if necessary if the Council receives further information. Otherwise we suggest it is omitted.

- 1.6 The Retail Impact Assessment does not indicate what other conditions may be appropriate. The applications are assessed as single units and we consider that non-subdivision conditions in accordance with Local Plan policy DEV27 will be appropriate if permission is to be granted. We are not familiar enough with the planning history to know whether there is such a condition on the retail park or whether these would carry over to the units if the permission is granted. The size of the unit is however, important to its likely retail impact.
- 1.6 The units are the southern most units in the Arun Retail Park. Other retailers on the site are B & Q, Pets @ Home and Carpet Right. The park also contains two freestanding restaurants – Pizza Hut and Burger King. The Park is on the A29 some 1.8 km north of the town centre and is an out-of-centre location. There are a number of other retail uses in the vicinity including the Bognor Regis Retail Park to the north, and large Tesco and Sainsbury stores. The only other main foodstore in Bognor Regis is the Morrison store in the town centre.

2.0 RETAIL PLANNING POLICY

The National Planning Policy Framework

- 2.1 There is no need to do more than summarise national planning policy here. The National Planning Policy Framework establishes a presumption in favour of sustainable development sustainable development, and for decision taking this is defined as granting planning permission for developments which accord with the development plan, and granting planning permission where the development plan policies are absent, silent, or the relevant policies are out-of-date unless any adverse impacts would significantly and demonstrably outweigh the benefits when assessed against the policies of the framework as a whole or specific policies in the Framework indicate development should be restricted.
- 2.2 In relation to the specific policies, Para 23 of the NPPF sets out the objective to ensure the vitality of town centres. Para 24 sets out the sequential test in relation to main town centre uses and para 26, the requirement for formal impact assessment. The proposal falls well over the threshold for an impact assessment. Para 27 states that where an application fails either the sequential or impact tests planning permission should be refused.

Development Plan Policies

- 2.3 The statutorily adopted plan is the Arun District Plan 2003. Policy DEV26 seeks to maintain the existing retail hierarchy and states that development proposals which accord with that objective will normally be permitted subject to a number of design and accessibility criteria.
- 2.4 Policy DEV27 states that planning permission will be granted for proposals for food and non-food retail outside Principal Shopping Areas defined on the Proposals Map provided that:-
- i) the proposal would not affect the vitality and viability of the principal or other shopping areas;
 - ii) the site is accessible from the highway network and by public transport;
 - iii) there is provision for access by cycle and on foot; and
 - iv) there is provision for access for people with disabilities.

The policy requires a full impact assessment and sequential site analysis and applicants are required to demonstrate a need for additional facilities. This report will not consider the access criteria in this policy.

Where permission is granted, conditions will be applied as appropriate to restrict the range of goods sold and the minimum size of units (to not less than 1000 sq m) with no further sub-division allowed

- 2.6 The policies have been saved and with the exception of the requirement to demonstrate the need for additional facilities comply with NPPF.
- 2.7 The Draft Arun District Local Plan 2013 -2028 will replace the adopted Local Plan. The latest version is the Publication Version 2014. Policy RET DM1 states

3. Retail Development outside the Town Centres and Local Service Centres
Proposals outside the Town Centres and Local Service Centres, as defined on the Policies Map, for non-food retail and food retail, including extensions, will be permitted provided that:

- a. The scheme meets the impact tests of the NPPF;*
- b. The scheme is easily accessible by the highway network and public transport;*
- c. The scheme includes provision for access by cycle and on foot;*
- d. The scheme includes appropriate provision to enable access for people with disabilities.*

Applicants proposing retail development on out of centre sites will demonstrate that no suitable site can be found, firstly within the existing town centre or, secondly, on the edge of the centre.

Where these criteria are satisfied and permission is granted it will be made subject to planning condition or legal agreement, as appropriate, to restrict the range of products sold.

- 2.8 GE appears to be quoting from an earlier version of the Plan. The policies are renumbered but the policy framework from out-of-centre development suggested is the same. The application should be determined in accordance with the adopted Arun District Plan 2003 and, as there are no significant different changes proposed the emerging Plan in relation to retail development, this is of no consequence.
- 2.9 It is clear from the above that the main retail planning policy issues can be considered under the heading of the sequential and retail impact tests.

3.0 SEQUENTIAL ASSESSMENT

Preliminary Matters

3.1 The sequential approach is well understood. LPAs should ensure that sequentially preferable sites are assessed for their availability, suitability and viability and that all in-centre options have been assessed before less central sites are considered. When considering edge-of-centre and out-of-centre sites preference should be given to accessible sites which are well connected to the town centre. This last part of the test, introduced in the NPPF, means in practice, that other out-of-centre sites should be considered in the sequential approach. Where it is demonstrated that there are no town centre or edge-of-centre sites available, applicants and local authorities are expected to have shown flexibility on issues such as scale and format.

3.2 GE quotes the PPS4 Practice Guidance on the sequential test but this was replaced in March by the on-line Planning Practice Guidance. In relation to decision taking the guidance states that the test should be proportionate and appropriate for the given proposal and sets out the following check list to take into account in determining whether a proposal complies with the sequential test :-

“with due regard to the requirement to demonstrate flexibility, has the suitability of more central sites to accommodate the proposal been considered? Where the proposal would be located in an edge of centre or out of centre location, preference should be given to accessible sites that are well connected to the town centre. Any associated reasoning should be set out clearly.

Is there scope for flexibility in the format and/or scale of the proposal? It is not necessary to demonstrate that a potential town centre or edge of centre site can accommodate precisely the scale and form of development being proposed, but rather to consider what contribution more central sites are able to make individually to accommodate the proposal.

3.3 The applicant refers to the Dundee decision with which the Council will be familiar. This concerned, in part, the question of what is meant by suitable in the context of alternative sites in the test. The conclusion was that the sites should be suitable for the development proposed but that did not obviate the need for applicants to show flexibility.

3.4 In para 7.11 GE states the search for sites has been carried out in Bognor Regis only, and quotes Next as stating that Littlehampton falls within the catchment area of its Holmebush store and M & S that its Simply Food stores have a catchment area about 10 minutes. In relation to Next, we doubt that people would travel in significant numbers from Littlehampton to Holmebush and the Retail Study Survey indicates that that this is so, with the Holmebush store only kicking-in in the Worthing zone.

However, the survey also indicates that Bognor Regis and Littlehampton are separate retail catchment areas, and most Littlehampton shoppers buy their clothes in Worthing. Food shopping patterns also show very distinct catchment areas for Littlehampton and Bognor Regis. The proposals are designed to serve a Bognor Regis catchment area and we conclude that sites or premises in Littlehampton would not serve that area.

- 3.5 The question of disaggregation also arises. We regard the units as independent of each other and that there is no reason why they could not be accommodated on separate sites. GE have approached the sequential exercise in the same way. In relation to flexibility, GE has ruled out vacant units of less than 600 sq m. We agree that, although both companies operate from smaller outlets, shops of less than 600 sq m would not operate in the same way as the larger stores proposed and it would be unreasonable to change their proposal to such an extent.
- 3.7 The importance of these general considerations to the decision on this application will depend on the opportunities which might be available in, or on the edge of, the town centre or with better access to the town centre.

Vacant Units in the Town Centre

- 3.8 GE has identified the vacant units in the town centre in para 7.7 of its report. The largest is 390 sq m. None appear, from the list to be contiguous and, although we cannot be absolutely certain from the information provided, we consider the likelihood of amalgamating any of these vacant units to provide a unit approaching that of the ones proposed as so remote, it can be ruled out.
- 3.9 GE considers the amalgamation of 5 vacant units at the southern end of Waterloo Square. They are not currently in A1 use. They are outside the principal shopping area and would count as an edge of centre site. They are shown in the plan in GE's Appendix 5. GE do not give a combined floorspace for the units although it is clear that the site area is only about 1200 sq m. GE rejects the possibility as being unattractive and too small in their current condition, and unviable for redevelopment. We accept that they would be unsuitable in the current condition but consider that unless there are clear proposals for the redevelopment of the site including retail floorspace, they would not be available to the two retailers. Both retailers would only want to trade from the prime pitch in Bognor Regis and we consider, even with the required flexibility on this matter, that the location is too far from the prime pitch to be suitable.
- 3.10 GE did identify two contiguous vacant units at the western end of the High Street which would each provide 290 sq m. GE reject them as off pitch and requiring development to accommodate the intended occupiers. We do not consider them too far off pitch to make them unsuitable but we do regard them both as too small.

The Regis Centre

- 3.11 GE notes that the site is subject to a development agreement between St Modwen and the Council and that the current proposals were multi-leisure based and would not provide significant and suitable retail floorspace. We last considered this site in November last year when we concluded that it was suitable and available for restaurant uses but not retail use. The Council will be aware of the latest position on this site but unless development proposals have changed significantly since then, it can be considered unsuitable and unavailable to accommodate these proposed uses.

The Hothamton Car Park

- 3.12 GE notes that the site is subject to a development agreement between St Modwen and the Council and that the current proposals were for residential development with convenience retail on the ground floor. GE rejects the site as being unsuitable for Next and insufficiently certain as to scale and timing for M & S. We accept that it would not be suitable for Next, but consider that the objection on timing in relation to M & S is not sufficiently justified. GE state that any unit here is unlikely to be available before 2017 and we accept this as a reasonable timing for the delivery of a complex town centre project, there is no information submitted on why such a timescale is unacceptable for M & S. It is generally recognised that developments in town centres take longer and that the sequential test would have little force if this was not taken into account. We therefore consider that GE should be invited to submit further information on why the likely timescale makes the site unsuitable for M & S.

Other Sites

- 3.13 GE identifies a number of vacant premises in local centres and we agree that these are unsuitable in both size and location. We have also considered a number of other possible sites in the past and concluded that they are unsuitable or unavailable. GE has not considered the Covers depot on Lyon St West, but we understand that it is not available. The Morrison site in the town centre has been considered in the past, but this is in active use and there is no indication that it is likely to become available.
- 3.14 GE has also not considered out-of-centre locations which are better connected to the town centre. Out-of-centre opportunities would include the Oldlands Farm proposal, and the Bognor Regis Retail Park where there is a commitment to further retail floorspace. There are also other re-development sites along the A29 but we are not aware of others elsewhere in Bognor Regis. However, all of these are out-of-centre and none have any significant difference in terms of their connection to the town centre and would not be sequentially preferable to the application site.

- 3.15 Subject to clarification from the Council on the proposals and timescale for the Hothampton Car Park site, we conclude that there are no sequentially preferable sites which could accommodate either the proposed M&S Simply Food or the Next proposal and that the sequential test is passed.

4 RETAIL IMPACT

- 4.1 The NPPF (para 26) sets out two elements of the impact test viz:-

- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres
- the impact on the town centre vitality and viability including local consumer choice and trade in the town centre.

- 4.2 GE considers the impact on town centre vitality and viability first and we shall follow that order.

Impact on the Vitality and Viability of Town Centres

Next

Proposal Turnover

- 4.3 The turnover of the proposed Next unit is estimated by GE as £5.02m (Appendix 6 Table 1). This is based on a net sales area of 60% of the gross external and the company's average sales density of £4876/sq m. The 60% is based on the company average but we feel that it will be lower for Next's larger stores since the need for some of the ancillary floorspace (such as toilets rest rooms, back office space etc) is not directly proportional to the size of the unit, and in many high street locations will be fixed. Against this, GE point out that the sales density achieved in its larger stores is lower than the high street stores and that mezzanine floorspace trades at a much lower level than ground floor retail space. The two obviously overlap but we accept them and that it is difficult to quantify or adjust for these effects. It is not clear whether the turnover estimate includes VAT or not. The Verdict, which is given as the source, does not include it, but it is included in the expenditure data on which the turnover of the centres is based. It therefore should be included and, in the absence of reference to it, we suspect that it has not been.
- 4.4 It should be recognised that there is a considerable uncertainty about the turnover of any retail proposal, for retailers as well as others. There is considerable variation in sales densities between stores within the same company depending on the catchment area population and competition within it. In our view, the catchment population of the proposed store is relatively small and not particularly affluent. This would tend to point to a lower sales density than the company average. On balance we consider that the upward adjustment for VAT would be more dominant than other factors and that the turnover might be underestimated to some extent. Whether this

would prove significant in calculating the impact on town centres depends on the trade draw assumed and we will consider the estimated trade diversion figures in this context in due course.

Trade Draw

- 4.5 GE offers two scenarios for the trade draw based on whether the proposal would draw its trade from west of the River Arun, or across the district as a whole. Bearing in mind the results of the 2012 household survey and the distance to the proposed store from east of the river compared with the journey to Worthing, we consider Scenario 1, which assumes that 85% of the proposal's trade to be drawn from west of the river to be the more realistic. We will concentrate our assessment on this scenario. The impact on Arun centres is likely to be higher under this scenario and if the impact is considered acceptable under this scenario, there is no need to consider the alternative.
- 4.6 The pattern of clothes shopping identified in the 2012 household survey are summarised in GE's Table 9.1, based on the 2013 Retail Study. This demonstrates the importance of Chichester as a destination with 43% of the available expenditure and Bognor Regis only attracts 24% of the expenditure and Littlehampton and Rustington about 1% each. In broad terms one could expect about one-quarter of the proposed stores turnover to drawn from Bognor Town Centre, and virtually nothing from either Littlehampton or Rustington.

Trade Diversion

- 4.7 GE Appendix 6 Table 4a calculates the trade diversion from centres to the store from west of the Arun according to the market share calculated in App 6 Table 2 (and described above). It is assumed that 85% of the proposal's turnover is derived from this area - £4.27m. Table 4b does the same for the proportion of trade drawn from east of the Arun – 15% of the turnover amounting to £0.75m. The trade diversion sums are brought together in Table 5.
- 4.8 Table 6 calculates the trade diversion if the trade draw to the proposal is assumed to follow the district wide pattern of shopping. On this basis the trade diversion from Bognor Regis is estimated at 11% of the proposal's turnover – reflecting the centre's inevitably lower share of the District's overall expenditure on clothing and footwear. As indicated, we consider this as an unlikely scenario given the sharply differentiated shopping patterns east and west of the river.

Impact

- 4.8 Overall, under scenario 1, GE forecast a trade diversion £1.03m and state that this represents a 1.7% impact on a town centre comparison goods turnover of some

£59m (para 8.27). The source of the town centre turnover is not given but it is compatible with the estimate in the 2013 Retail Study.

- 4.9 The proposal's turnover has been assigned to centres on the basis of their market share of clothing and footwear expenditure. Next does sell other goods including furniture. However, such sales are a small proportion of sales and would not alter the conclusions. If anything, furniture sales are less likely to take place in town centres than clothing sales and GE may have overestimated the impact to some extent.
- 4.10 It is more significant that GE have consciously decided not to take account of the retail sales that would otherwise take place from the floorspace if Next do not take the unit. In our view, the Council is unlikely to resist the use of the existing unit for retailing, although it would be reasonable to restrict sales to bulky goods. With the existing floorspace of 717.7 sq m of floorspace, allowing for about 80% net sales to gross and a sales density of about £2,500 sq m for bulky goods, the unit's turnover could be in the region of £1.44m. The analysis of bulky goods shopping patterns in the area suggests that about a quarter of this would otherwise be spent in the own centre. Thus taking account of the alternative retail use of the building would produce a net diversion of about £0.67m and an impact of about 1.1%.
- 4.11 In conclusion, we consider that GE's approach to assessing the impact based on trade draw assumptions which are supported by evidence to be reasonable. Taking account the concerns about the estimated turnover of the proposal, and particularly the likely omission of VAT from it, we consider that the impact of 1.7% is at the top end of the likely range when account is taken of the likely re-use of the unit if planning permission is not granted.
- 4.12 We will comment on the significance of this impact jointly with that of the M & S proposal.

M & S Simply Food

Turnover

- 4.13 The turnover of the proposed Simply Food outlet is estimated by GE as £8.52m (Appendix 7 Table 1). This is based on a net sales area of 780 sq m and the company's average sales density of £10,928/sq m. The floorspace is taken from the Supporting Statement on behalf of M & S. While we do not doubt that that is the intention of M & S, in view of the low net sales to gross ratio and the high sales densities achieved by food retailers, we recommend that the floorspace is restricted to this level by condition and we will consider the likely impact on that basis.
- 4.14 Again the position with regard to VAT is not clear. VAT is payable on some foods and generally comprises around 7-8 % of the turnover excluding any petrol sales. It is

clearly less of an issue with regard to this part of the impact assessment. We think on the balance of probabilities that it is not included in the turnover and will consider the implications in assessing the estimated impact. Again it should be borne in mind that there is considerable variation in the performance of stores within any retail company portfolio and therefore considerable uncertainty about the turnover the proposal would achieve.

Trade Draw

- 4.15 NLP describes the Simply Food format in its supporting statement. It is primarily food with a very limited ancillary offer. The stores sell about 4,500 lines in total, of which about 98% would be M & S own brand products. NLP describes the effect that this has on the trading characteristics as follows

“The range of goods limits the average basket size of the stores. Thus, while the stores can meet an element of main food shopping needs, they primarily provide for top-up shopping and are not intended to provide for bulky main food shopping trips.”

GE comments that that the goods sold in Simply Food do not primarily compete for every-day top-up shopping and that

“It is likely that M&S Simply Food would compete very strongly with the premium end of the range of other foodstores”

We consider this a realistic assessment of the likely trade draw, and particularly that it would not draw much trade from small local convenience shops, although it must be recognised that it would also be a convenient place to pick up day to day items given its location on a main road and the adjacent parking. Existing foodstores are in a similar position, and the Simply Food format is primarily aimed at competing with these and indeed M & S show a preference to trading near large stores in considering the location of its own.

- 4.16 GE identifies the catchment area of the proposed store as comprising shopping study zones 1-6 plus 8. This in our view recognises the influence of Littlehampton for food shopping in zone 7 and we regard it as the likely main catchment area for the store.
- 4.17 GE splits the trade draw into 4 groups of stores and assesses how much of the proposals trade would be drawn from each group (Appendix 7 Table 3). That group diversion is then allocated to individual stores according to the proportion of the group turnover it forms. Thus in Appendix 7 Table 4a, it is assumed that 62% of the trade diversion would fall on Tesco because the store has this percentage of the total turnover of the group.
- 4.18 Although we appreciate the approach is transparent and preferable to simple estimates based solely on judgement, we are not wholly convinced by this process.

Too much depends on how realistic the groups are and the rather arbitrary percentages adopted for each group. The percentages adopted are

Group 1 – Sainsbury and Tesco, Shripney Rd	50%
Group 2 – Out-of District Supermarkets	15%
Group 3 – M & S Chichester	10%
Group 4 – Others	25%

It appears to us that the percentage for the M & S in Chichester is likely to be too high, and that the outcome depends too much on the assumption that 50% would come from the Sainsbury and Tesco stores on Shripney Rd.

- 4.19 The concern of the impact exercise must be largely on the impact of the proposal on the Morrison store in the town centre. Other stores in centres are further away and less reliant on the Simply Food catchment area for their turnover. The Morrison store falls into the Other category and it is pre-ordained that this large group of stores will only experience a trade diversion of £2.1m trade diversion. This is then distributed to a very large number of stores according to their turnover. GE estimates the trade diversion as £0.51m which is about 3% of the store's estimated turnover.
- 4.20 We have tested an alternative approach which disregards the categories and just distributes the trade diversion according to the market share of the store in the zones 1-6 + 8 catchment area. The Morrison store has a turnover of £16.0m from this area out of the total expenditure of £142m, giving a market share of 12%. 12% of the turnover of the proposal (£8.52m) is £1.02m and this would represent 6.1% of the stores total turnover. This of course does not take account of the special trading characteristics of the Simply Food format and would represent the top end of the likely range of impact estimates. We recognise that it does not take account of the impact on other food shops in the town centre, but it will account for the bulk of the impact on the centre as whole, on which the assessment should be based. We will use this estimate to examine the impact on the town centre.
- 4.21 However, this does not take account of the fact the unit has an authorised retail use subject to a bulky goods condition. The existing floorspace of 1,391sq m gross could be expected to support a turnover of about £2.96m (at 85% sales to gross and £2,500/sq m). The shopping patterns for bulky goods in the area suggests that about 25% of this would otherwise have been spent in the town centre - about £0.74m. The net effect of the proposal is therefore a trade diversion of about £0.28m. This is at first sight surprising but it reflects the high proportion of food spending that is carried on outside the town centre compared with bulky goods spending.

Impact of the Proposal on the Vitality and Viability of the Town Centre

- 4.21 Bringing the Next and Simply Food trade diversions together, the trade diversion, ignoring the alternative use of the units is

Next	£1.03 m
Simply Food	£1.02m
Total	£2.05mm

The total turnover of the town centre is estimated in the Retail Study as £59m from comparison goods sales and £19.28m from convenience goods giving a total of £78m. The trade diversion would on that basis be about 2.6%. This is however, for reasons set out above, very much the top end of the range and we would expect the impact to be less. The estimate based on GE's trade diversion of convenience goods gives a figure of 2.1%.

- 4.22 However, we consider that the alternative use of the units should be taken into account and will work on this basis. If this is done, the net trade diversion is likely to be more in the order of

Next	£0.67m
Simply Food	£0.28m
Total	£0.95mm

The impact on this basis would be about 1.2%.

- 4.23 The vitality and viability of the Bognor Regis town centre was examined in the 2013 Retail Study. It has performed surprisingly well over the last few years and is reasonably healthy in its modest way, although the lack of significant investment in the centre for many years is worrying. The impact on the Morrison store even on our top-end of the range basis of about 6% whether or not the alternative use of the units is taken into account. This level of trade loss would not threaten its continued trading or bring about a major change of offer, and indeed the impact would be less when account is taken of its comparison goods trading. While the store makes a valuable contribution to the town centre, there is no reason to believe that the impact on the store would cause significant wider harm to the centre. Overall we conclude that the proposal is unlikely to cause significant adverse harm to the vitality and viability of the town centre.

Cumulative impact on the vitality and viability of the town centre.

- 4.24 There are two unimplemented planning permissions for retail development, at Bognor Regis Retail Park (application BE/75/12 also referred to as Bognor Regis Car Sales) and at Oldlands Farm (BE/61/13). The BR Retail Park permission is subject to a bulky goods condition and was assessed in the Retail Study as having a turnover of

£3.03m. The Oldlands Farm proposal was originally assessed as having a turnover of £14.94m, of which £6.34m was non-bulky goods and £8.60m was bulky goods. The combined impact of these two proposals on the town centre was estimated at about 6%.

- 4.25 However, the Oldlands Farm application was substantially amended during its consideration and the retail floorspace now permitted relates 4366 sq m and is subject to a bulky goods condition. The impact of the proposal as permitted has not been formally assessed. We estimate that the turnover of the scheme as permitted would be £9.28m (based on an 85% net sales to gross floorspace ratio and a sales density of £2,500/sq m). The combined the turnover of the two applications is therefore estimated at £12.3m. Using the same process to calculate the combined trade diversion from the town centre as was used in the original assessment of the Oldlands Farm application suggests a trade diversion of £2.85m, an impact of about 3.64%.
- 4.26 The net trade diversion of the current proposal of about £0.95m would suggest a cumulative trade diversion of about £3.80m - an impact of about 4.8%. This is approaching the level that should give the Council concern in relation to the town centres as a whole. However, the cumulative figure does have to be seen in the context that the majority of the impact arises from the other permissions and we conclude that the current proposal would not cause significant adverse harm to the vitality and viability of the town centre.

The Impact on Planned and Committed Investment

- 4.27 GE has considered the following investment possibilities in the town centre:-

The Regis Centre
The Hothampton Site
The Retail Quarter (including the existing Morrison)
Oldlands Farm

- 4.28 The current proposals for the Regis Centre do not involve significant retail development and we agree there is no reason to believe that the developments proposed in the application would make the investment any less likely.
- 4.29 In relation to the Hothampton site, GE identify the investment plans as a residential led mixed use scheme with the possibility of retail use on the ground floor. It then comments that the 2013 report states that level of retail floorspace provided is likely to be based around meeting local needs only. We do not know what report this is, but GE draw the inference that the development is not reliant on a comparison goods retailer and is therefore as likely to go ahead whether or not Next is allowed to trade from the Arun Retail Park. In relation to M & S, GE comments that it is not designed

to cater for local needs and would not be a suitable format for a store in this location. We have little evidence on whether the Hothampton scheme would be dependant on the ground floor retail use to make it viable. We have indicated, in relation to the sequential test that the submitted information is insufficient and that more explanation of why the likely timescale makes the site unsuitable for M & S. However, if it is demonstrated that the site is unsuitable for M & S, it must follow that granting the planning permission sought here would not impact adversely on the decision to invest at Hothampton.

- 4.30 In relation to the Retail Quarter GE notes that Morrison's has obtained planning permission for an enlargement of its store, but that there are no signs that it has any intention of implementing it. In effect the argument is that there is no planned investment. We understand that the permission has been left to expire, and we conclude Morrison's have no current investment plans for the site.
- 4.31 In relation to Oldlands Farm, GE comment that as the site is not in the town centre there is no requirement to consider the impact of its proposal on this site. However, the permitted retail development is part of a package which is intended provide a major employment site and infrastructure and in our view is a material consideration, albeit not within the remit of para 26 of the NPPF. Given that the Oldlands Farm retail development is restricted to bulky goods, we do not believe that the proposed development would put the Oldlands Farm development at risk. In fact the effect is likely to be positive to the extent that two vacant bulky goods units would be removed from the market.
- 4.32 We therefore conclude that subject to clarification of the Hothampton proposals there is unlikely to be any adverse impact on investment in the centre.

5.0 CONCLUSIONS

The Sequential Test

- 5.1 The applicant has adopted an appropriate area of search, disaggregated the proposal so far as possible and demonstrated reasonable flexibility.
- 5.2 The applicant has considered thoroughly the opportunities offered by vacant units in the town centre and the possibilities of consolidating them to provide adequate accommodation for the prospective tenants. We agree that none could provide suitable accommodation to meet the requirements of the prospective tenants.
- 5.3 The Regis Centre site will not provide significant retail floorspace, but we feel more information is needed on the developer's intention with regards to the Hothamton site. We need a better idea of the amount of retail floorspace it is likely to provide before it can be ruled out. Other sites in and on the edge of the town centre have been examined in the past but found to be unavailable or unviable.
- 5.4 The applicant has not considered other out-of-centre sites which might be well connected to the town centre. There are sites in the vicinity of the Arun Retail Park which could be available but we consider that there would be no significant difference in the connectivity with the town centre between any of these and the application site.
- 5.5 We conclude that, subject to the further assessment of the current proposals for the Hothamton site, the applicant has met the requirements of the sequential test.

Impact on the Vitality and Viability of the Town Centre

- 5.6 We conclude that the likely impact on the town centre has been overestimated by the applicant because the alternative use of the buildings has not been taken into account. The percentage impact is likely to be nearer 1% than the 2% forecast by the applicant, once this has been taken into account.
- 5.7 There are two extant planning permissions for retail floorspace in Bognor Regis. The applicant has not estimated the cumulative impact of the proposal together with these developments. However, from our own calculation we estimate that the cumulative impact would be in order of 4.8%. This is approaching a level which should be of concern to the Council, but not necessarily a level where the case for refusal is compelling. The application has to be seen in the context that the majority of this cumulative impact arises from the other developments permitted.

Impact on Investment

- 5.8 The applicant has, in consultation with the Council identified four investment proposals which might be affected by the proposal. It has demonstrated that the Regis Centre proposal is not significantly reliant on retail development and is therefore unlikely to be affected. It has demonstrated that there are no investment plans for the Retail Quarter (the planning permission for the Morrison redevelopment having been allowed to expire). However we feel that more information is needed on the developer's plans for the Hothamton site before the impact of the Arun Retail Park proposals can be fully assessed.
- 5.9 The applicant has not addressed the impact on the Oldlands Farm proposals on the basis that it is not a town centre site and therefore does not fall within the scope of para 26 of the NPPF. We understand why it is a material consideration for the Council but conclude that because the sale of clothing and food and drink is not permitted from the Oldlands Farm retail floorspace these proposals would not affect the investment. To the extent that they would remove two bulky units from the market, the effect could be considered beneficial.

Overall Conclusion

- 5.10 Subject to the further assessment of the Hothamton site, we conclude that the application accords with the NPPF and Policy DEV 27 of the adopted local plan and there are no reasons to refuse planning permission on retail planning grounds. We add that the clothing offer in Bognor Regis is weak and that there is a lack of the top quality provision for food shopping in the town. These are significant shortcomings for residents which encourage shopping trips out of the town and both of these proposals would significantly improve the town's retail offer. These qualitative issues are material and weigh in favour of the proposal should there be other objections to the application.