

**HALLWAY PROPERTIES LTD: LAND AT NORWAY LANE, LITTLEHAMPTON
PLANNING APPLICATION REF: LU/93/25/PL: RESPONSE TO NEXUS PLANNING FEBRUARY
2026 SUPPLEMENTARY ADVICE ON RETAIL, LEISURE & TOWN CENTRE PLANNING POLICY
(2nd MARCH 2026)**

Introduction & Executive Summary

1. We refer to the above planning application and the publication of Nexus Planning's February 2026 report to Arun District Council ("ADC") entitled 'Supplementary Advice on Retail, Leisure & Town Centre Planning Policy, February 2026 ("the Nexus advice").
2. Following our review of the Nexus advice and our meeting with ADC officers and Nexus on Tuesday 10th February 2026, we summarise below our response to the advice and recommendations. This response uses the same title headings as the Nexus advice report.
3. From our review, we disagree with the recommendation given to ADC on how the proposed development will have a significant adverse impact on Littlehampton Town Centre and Rustington Local Centre. We note compliance with the sequential test is agreed.
4. We continue to make the following key conclusions:
 - (i) There is no evidence of a significant adverse impact on Littlehampton Town Centre and Rustington Local Centre respectively.
 - (ii) The proposed development complies with the sequential test.
 - (iii) Notwithstanding we do not accept there is a significant adverse impact, we consider the overall planning balance (including potential mitigation measures) should result in the grant of planning permission based on the scheme's accordance with the Development Plan and other material considerations, including the NPPF.
5. To supplement this continued recommendation, we will be making a separate submission on proposed Planning Obligations for the proposed development. A detailed Economic Benefits Statement (Lichfields, 27th February 2026) ("EBS") has been submitted separately today.

Section 2: The Amended Norway Lane Proposal

Table 2.1 Proposed Units and Uses

6. We largely agree with the content of Table 2.1 as a summary of the proposed units/use, apart from Unit A4.
7. Reflecting the intended occupation by Mountain Warehouse, we have already proposed the retail goods to be sold are restricted to clothing and footwear relating to outdoor sports and

recreation (see Appendix 2 of our 14th November 2025 Briefing Note). This will not be an “open” clothing and footwear unit as Table 2.1 and paragraphs 5.12 a.3 and 5.14 indicate.

8. This is an important distinction as we have proposed a set of use/retail goods conditions intended to be specific to the anticipated and confirmed retail tenant line up. This is to provide ADC with as clear an indication as possible of the tenant line up and certainty in terms of the condition based controls that can be used as part of any future planning permission.

Paragraph 2.5 & Footnote 1

9. We note how Nexus consider it “notable” that a restriction on general sub-division is not offered. We have offered a restriction on sub-division insofar as we have proposed a restriction (see Appendix 3 of our Briefing Note dated 31st October 2025) setting a minimum unit size of 929 sq.m gross. This has the effect of removing, in the future, the ability to sub-divide below that level which is an important form of control to maintain the character of the scheme as a retail warehouse terrace.
10. To allay potential concerns about the ability of Unit A6 to change from a single retail unit, the applicant proposes an additional restriction is placed on Unit A6 to remove any sub-division. Should sub-division be proposed in the future, then this will need to be the subject of a S73 planning application and the principles of the sequential test and retail impact re-visited.

Section 5. Norway Lane: Assessment of the Key Policy Issues

Impact

11. We disagree with the suggestion at paragraph 5.11 that there is no explanation for the revised levels of trade diversion within our November 2025 assessment. That explanation is provided clearly in paragraph 6 bullet point 3 of our 14th November 2025 Briefing Note. Importantly this highlighted how the offer of the proposed scheme and the layout revision shifted from units operating in the clothing and health & beauty sectors to DIY & bulky goods. This is a significant change in the profile of the scheme.
12. At paragraph 5.13, Nexus uses the terms ‘unrestricted comparison goods’. This inaccurately describes the proposal and the type of condition proposed at Annex 3 of our 31st October 2025 Briefing Note. There is a clear and important opportunity for each unit in the scheme to be restricted via condition to reflect the prospective tenant profile such that there is no ‘unrestricted’ position.
13. Unit A6 has been designed to suit a prospective tenant requirement for a single user operating within the DIY/bulky goods sector. A condition was proposed in Appendix 3 of our 14th November 2025 Briefing Note to secure such a possibility and remove the risk of a wider range of occupational scenarios implied at paragraph 5.14 of the Nexus advice. This provides a clear single scenario upon which to test the scheme and we disagree with Nexus’ suggestion otherwise when combined with the proposed sub-division restriction for this unit.
14. Table 5.3 outlines a range of impact percentages based on Nexus’ own impact forecasts presented in Appendix A of their report. For the purposes of this response, we focus on the

Norway Lane impact using the Norway Lane survey (see Nexus Tables 24b, 25b and 26b). Paragraphs 5.15 – 5.18 then explain how the percentage diversions change. This points to an under-estimation of trade diversion in our assessment to underpin Nexus' own conclusions on the magnitude of impact.

15. Our preference in scenarios such as this, is to present to the Local Planning Authority ("LPA") a summary table of the range of impact findings identified by us (as applicant's agent) and the LPA's advisor (i.e. Nexus), together with a short explanation on the differences.
16. We are unable to accurately present such a table, as we consider that Nexus has incorrectly calculated the basis upon which the percentage trade diversion is calculated. In this regard, it is an accepted methodological convention that the percentage level of trade diversion is based on a centre's total turnover. This total includes trade drawn from the study area (or catchment area) plus the agreed allowance for trade drawn from outside the study area.
17. We have undertaken such an assessment which can be seen in the 'Study Area Turnover (£m)' and 'Total Turnover (£m)' columns in Tables 7B and 11B in Appendix 1 of our 14th November 2025 Briefing Note. For example, taking Littlehampton Town Centre's convenience turnover at 2028 (including inflow), the total should be £29.42m. Nexus' Table 24b instead takes £26.48m as the total. In our view, this is incorrect as that is the Study Area turnover, without inflow. The effect of using this figure is to artificially increase the percentage level of trade diversion which we consider to be an error in Nexus' assessment. This is significant given the emphasis Nexus places on percentage levels of trade diversion in their advice to ADC.
18. A similar error also occurs in Table 26b for comparison goods. This is compounded by Nexus only using the £25.29m study area turnover for Littlehampton Town Centre stores, rather than the total turnover of £29.91m (including inflow) when all stores and their total turnover is allowed for.
19. Before we can settle on an impact range that should be presented to ADC as the LPA, we strongly recommend Nexus re-visit this item and confirm their position, ideally via an erratum statement. Nexus should also be asked to confirm whether this alters their conclusions on town centre impact and the policy conclusion.
20. Nexus also identify at paragraphs 5.19 and 5.21 how trading overlaps with the two main defined centres remain following the scheme revisions. Whilst we agree that Unit A6 is only one part of the overall proposal, we disagree on the scale of overlap with the two centres, specifically in the DIY and bulky goods categories. Our May 2025 Retail Assessment has already commented on the trading patterns and goods offer in this sector, so this remains an important area of disagreement which only serves to demonstrate how Nexus' assessment contains over-estimates of the level of diversion.
21. At paragraph 5.20, Nexus explain how their financial impacts need to be compared against the town centre health indicators covered in their October 2025 advice. Appendix C of the advice then provides a summary of the main differences between us and Nexus. Under 'Town centre health information' Nexus identify no issue with our factual baseline data. There is also no difference of opinion on the health of Rustington. A difference occurs on Littlehampton due to

a convenience goods sector that is vulnerable. There is no other specific difference identified by Nexus.

22. From this, we wish to draw three specific items to ADC's attention on the gap between Nexus' findings on health and then their conclusions on town centre impact:
- (i) **Littlehampton town centre:** An assessment of impact needs to be based on a broad range of health indicators and trading overlap factors. The Town Council's Town Centre Strategy and Plan is an important tool for the management and future of the Centre and this is supporting a diversification of the centre from reliance purely on convenience/comparison retail. There are a range of controls and mitigation measures that can be used in any planning permission for this scheme to address the concerns expressed by Nexus around convenience goods vulnerability and overlap. Such controls and measures have already been recommended to ADC officers and are revisited at paragraph 27 of this Briefing Note.
 - (ii) **Rustington local centre:** Nexus confirm there is there is no difference between us on the health of the centre. If a Centre is weak or showing signs of weakness, then there is an inherent vulnerability to impact. We cannot find any reasonable analysis from Nexus in their advice which moves from our agreed position on health to where a significant adverse effect on this centre occurs. Their identification of a considerable trading overlap is only limited to the convenience sector so it is unclear how they can move to the conclusion made.
 - (iii) **A259 corridor:** We agree with Nexus that there is some overlap with this area and the two defined Centres. However, our Retail Assessment (see paragraphs 4.19 and 4.35 for example) draws an important difference between the level of trade/market share of stores in this area and the two centres to the south to inform judgements on how the proposed development will operate and compete. Given the proposed development's location along the A259 corridor within which it will primarily compete (see paragraphs 6.5, 6.9 and 6.11) of our Retail Assessment), Nexus' conclusions on the level of competition is in our view exaggerated and cannot be relied upon.
23. Also at paragraph 5.20, Nexus identify their financial impacts are based on how grocery shopping trips interact with other parts of these centres. In their October 2025 report, Tables 5.1, 5.2 and 5.3 identify the linked trip survey data for food stores irrespective of policy location. We are agreed with Nexus that this data demonstrates that out-of-centre stores (primarily Morrisons and Tesco) still have linked trip relationships with Littlehampton Town Centre. We confirmed this in our 31st October 2025 Briefing Note (see Appendix 1, page 4). This undermines the Nexus conclusion that linked trips will be removed following the opening of the proposed development. Instead, given the linked trips that occur now between A259 corridor stores, there is a strong possibility that such linked trips can exist with the proposed development, given the need for the local community to still undertake trips for goods and services that the proposed scheme will not offer. That can be secured and controlled via the range of controls proposed.
24. We note at paragraph 5.22 that Nexus introduce the concept of the reorganisation of out-of-centre retail floorspace in Littlehampton as a consequence of this scheme having an indirect

impact. Such analysis is purely speculative and has no evidence upon which to rely on. As explained, the proposed development has a clear goods and prospective tenants profile (see paragraph 4 of our 31st October 2025 Briefing Note). This is the clearest and only evidence available on the likely tenant line upon, from which we have proposed a set of conditional controls. From this, there is no anticipated out-of-centre retail floorspace reorganisation and ADC should place no weight on Nexus' unsubstantiated conclusion.

25. At paragraphs 5.23 and 5.24, Nexus use the "same suite of factors" and "observations" to form a conclusion on the impact from Littlehampton Town Centre and Rustington Local Centre as listed in paragraph 7.56 of their October 2025 report. That conclusion should be treated with the utmost caution based on the following review of the October 2025 factors:

- Nexus' own assessment of Rustington local centre trade diversion identifies an 8% impact on total Class E floorspace. This is less than the "*one in every ten pounds spent*" warning they offer which would equate to a circa 10% diversion even before their figures are re-calculated (Nexus factor a).
- The scheme does not propose unrestricted comparison floorspace (Nexus factor b.).
- There is no risk of retailer relocations beyond Lidl based on the profile of the scheme and proposed controls (Nexus factor c).
- The linked trip evidence supports continued relationships between out-of-centre locations and centres (Nexus factor d).

26. Notwithstanding our recommendation that Nexus re-visit their turnover figures, there remains a fundamental difference of opinion between us and Nexus on town centre impact generally. Potentially such a difference cannot be resolved, but any fears can be allayed through the use of appropriate controls and mitigation measures.

Applicant's Proposed Mitigation Measures

Town Centre Improvements

27. We will provide a separate proposal on this item following further discussions with the case officer.

Littlehampton Town Centre Retailers 'Keep Open'

28. We note that Nexus consider the proposed keep open and shadow periods before occupation periods (3 years and 6 months respectively) to be too short. Neither Nexus nor ADC officers would be drawn on what an acceptable period would be for both. In response, we recommend the proposed periods are increased as follows:

- Keep open: 5 years.
- Shadow period before occupation: 1 year.

29. Such periods have been accepted elsewhere and also upheld in case law by the Court of Appeal (see R (Skelmersdale LP) v West Lancashire BC & Anr [2016] EWCA Vic 1260).
30. Such an obligation does not take any account of the additional benefit offered in terms of Lidl's freehold ownership of their store. In the event Lidl did close and secured an Alternative Retailer as required under the Obligation, such a retailer would be expected to secure a lease for 10-15 years. This would secure such a retailer's commitment to the town centre beyond the reasonable requirements of the obligation itself, thus reflecting the obligation's role as mitigation and benefit in maintaining an anchor retailer.

Recommendations

31. Against this background, we consider that the Nexus report does not offer a sound basis upon which ADC can form a clear and robust conclusion on retail policy matters, specifically town centre impact.
32. Our key conclusions and recommendations are as follows:
 - (i) Nexus has over-estimated the level of trade diversion from Littlehampton Town Centre and Rustington Local Centre based on a methodological error. Nexus should be asked to confirm their position, via an erratum statement, so a trade diversion range can be accurately agreed between us and them and then presented to the LPA when the planning application is reported to Planning Committee.
 - (ii) There remains a fundamental difference of opinion between us and Nexus on town centre impact generally. This should be reviewed again once step (i) has been undertaken.
 - (iii) Irrespective of the position reached on items (i) – (ii), the use of planning conditions controlling sub-division and the sale of goods from each unit can be used effectively to manage the impact on defined centres. Based on the information already provided by the applicant, such conditions can be agreed now.
 - (iv) The Keep Open S106 periods are extended to match case law.

Next Steps

33. We trust this response is of assistance and look forward to discussing with ADC officers as their recommendation is completed. We will respond separately on the proposed Town Centre Improvements contribution.

Mark Harris
Chartered Town Planner & Partner

Beth Evans
Chartered Town Planner & Managing Associate

Planning & Environment Group, Freeths LLP