Land at Norway Lane, Littlehampton

Economic Benefits Statement

Final

Hallway Properties Limited

27 February 2026

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The economic benefits of the proposed development at

Land at Norway Lane, Littlehampton

The proposed development will deliver over 12,800 sq.m of retail floorspace (Class E(a) and E(b)) across six units, introducing new retailers to the area and supporting economic growth and employment.

The proposal

12,837 Retail Floorspace sq.m (GIA)

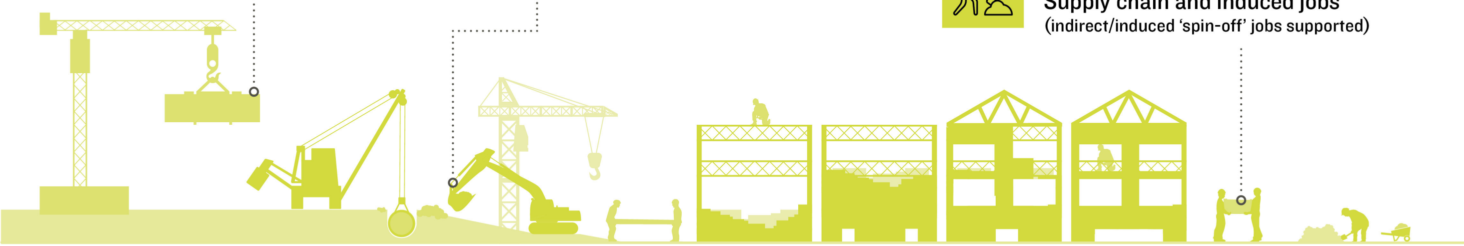
Construction benefits

£20m
Construction value
(total construction cost)

£19.8m GVA
Gross Value Added (GVA) p.a.
(direct, indirect and induced)

53 FTE jobs
Jobs in the construction sector
(temporary jobs over the 15 month build period)

85 FTE jobs
Supply chain and induced jobs
(indirect/induced 'spin-off' jobs supported)



Operational benefits

£61.4m
Annual turnover
(2028 design year)

207 FTE jobs
(jobs based on-site)

74 FTE supply chain jobs
(indirect jobs supported)

49 FTE induced jobs
(from increased spending of income from direct and indirect employment)

£24.6m
GVA p.a.
(direct, indirect and induced)

Local Authority revenue benefits

£820,000
Total business rates 2028/29

£330,000
Business rates retained within Arun 2028/29

Contents

1.0 Introduction

1.1 This Economic Benefits Statement has been prepared by Lichfields on behalf of Hallway Properties Limited ("the Applicant") in relation to an application for full planning permission for the proposed redevelopment of Land at Norway Lane, Littlehampton, West Sussex, BN17 6LS ("the site"), located in Arun District, to provide a retail (food and non-food) and food & beverage scheme (Class E) ("the proposed development").

1.2 The description of development is as follows:

"Part demolition, conversion and, refurbishment and re-elevation of Units 5 and 6 and construction of retail (food and non-food) and food & beverage units (Use Class E), together with associated car parking, access, loading areas, landscaping and associated works."

1.3 The planning application is intended to deliver a new retail and food & beverage development to serve the Littlehampton urban area and surrounding settlements. The proposed development represents an important opportunity to redevelop a vacant previously developed site in an accessible urban location. The existing site has no reasonable prospect of being re-used for employment purposes, and in its vacant state at present makes no active contribution to the local economy. The scheme has been formulated to bring the site back into productive use by introducing new retailers and businesses to provide greater choice and convenience for residents of Littlehampton and the wider area.

1.4 This report seeks to demonstrate the various economic and social benefits of the proposed development during both the construction and operational phases. The analysis draws on Lichfields' proprietary Evaluate methodology, which provides an analytical framework for assessing the economic and social impacts arising from new development. The scale and type of benefits supported by the proposed development are primarily determined by:

a. The scale of capital investment, which supports employment and economic output (Gross Value Added, or GVA) during construction.

b. The direct employment supported on-site once operational, in addition to supply chain (or 'indirect') and wider 'induced' employment benefits.

c. The contribution of the proposed development to local government revenues through business rates payable.

d. The opportunities available for training and skills development at the proposed development.

e. The potential for the proposed development to increase the amount of expenditure retained within the District.

1.5 The remainder of this report is structured as follows:

- **Section 2.0** sets out the relevant national and local policy context.
- **Section 3.0** establishes the baseline conditions with respect to population demographics, employment and the labour market, and deprivation.

- **Section 4.0** presents the assessment of effects with regard to employment, economic growth, fiscal impacts and wider benefits.
- **Section 5.0** provides overall conclusions.

Assumptions

1.6 This report primarily considers the gross effects of the proposed development, however, the analysis also draws on evidence prepared as part of this planning application to consider the impacts of possible trade diversion insofar as these are relevant to assessing net additionality.

1.7 The baseline assessment focuses on a Local Study Area (LSA) and Wider Study Area (WSA). The LSA is designed to cover the immediate surrounding area in Littlehampton and Rustington[1], while the WSA includes the wider Arun District. The assessment of effects quantifies employment and GVA impacts at the national level, however, many of the benefits are anticipated to accrue locally.

[1] Defined using 2021 Middle-layer Super Output Areas (MSOA): Arun 004, 007, 009, 010 and 011.

2.0 Policy Context

National Planning Policy Framework (2024)

2.1 The National Planning Policy Framework (NPPF) (December 2024) sets out planning policy for England and how this should be applied within local plans and decision-making[2].

2.2 Chapter 6 of the NPPF, *Building a strong, competitive economy*, states that planning policies and decision should *"help create the conditions in which businesses can invest, expand and adapt"* (paragraph 85). This should take account for both local business needs and wider opportunities for development.

2.3 Chapter 7, *Ensuring the vitality of town centres*, states at paragraph 90 that policies and decisions should support the role of town centres "*by taking a positive approach to their growth"*. Paragraph 90(e) states:

"Where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre. If sufficient edge of centre sites cannot be identified, policies should explain how identified needs can be met in other accessible locations that are well connected to the town centre."

2.4 Chapter 11 of the NPPF, Making effective use of land, stipulates that planning policies and decisions should "*give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs*" (paragraph 125c) and "*promote and support the development of under-utilised land and buildings*" (paragraph 125d). This is of particular relevance to the proposed development, as the existing units on the site have been vacant since late 2024.

National Planning Policy Framework: Draft Text for Consultation 2025

2.5 In December 2025, a consultation was launched on changes to the NPPF. Within the draft NPPF[3], Chapter 7, *Building a strong, effective economy*, sets an objective of enabling businesses to invest, expand and adapt *"in a way that reflects the opportunities, challenges and characteristics of different areas, and supports long term economic growth both locally and nationally"* (p.39).

2.6 Policy E2 sets out the decision-making policy for meeting the need for business land and premises. This states:

"1. To support business growth, substantial weight should be given to:

a. The economic benefits of proposals for commercial development which allow businesses to invest, expand and adapt…"

[2] Ministry for Housing, Communities and Local Government (MHCLG) (2024) National Planning Policy Framework.
[3] MHCLG (2025) National Planning Policy Framework: Draft Text for Consultation.

West Sussex Economic Strategy 2025-2035

2.7 The West Sussex Economic Strategy sets a vision to 'amplify' innovation, opportunity and growth within the county, ensuring a more productive, inclusive and sustainable economy[4].

2.8 The Strategy highlights how "*high streets and town centres are adapting to changing consumer demands"* as *"online shopping has reduced their reliance on retail"* (p.6). As a result, the Strategy indicates that town centres *"must diversify to thrive, embracing urban living and providing recreation and leisure opportunities that serve their communities, as well as being distinctive and attractive to visitors."* This is of particular importance, given the largest employment sector in the county overall (i.e., not only within Arun District) is wholesale and retail trade (p.13).

2.9 Annex II of the Strategy provides an overview of place-based priorities for West Sussex's constituent districts. For Arun, this includes supporting town centres *"to respond to changing retail patterns and evolve as new trends are established"* and *"encouraging activity that increases footfall"* (p.30).

Arun Local Plan 2011-2031

2.10 The development plan for Arun District, the Arun Local Plan 2011-2031, was adopted in July 2018[5]. As the plan is over five years old, the presumption in favour of sustainable development, also known as the 'tilted balance', is engaged.

2.11 The site is not subject to any specific allocations or designations within the Arun Local Plan, but is located within the Built-Up Area boundary of Littlehampton.

2.12 Chapter 8 of the Local Plan considers *Employment & Enterprise*. It highlights that *"economic and enterprise development for employment growth are essential for the sustainable development of Arun"* (paragraph 8.1.1).

2.13 Policy EMP SP1 sets the District's priorities for strategic economic growth. The site is located outside of the Littlehampton Economic Growth Area, however, broader principles of the policy for areas across the District include supporting job creation, providing for the needs of modern businesses, and supporting economic development.

2.14 Criterion (k) of Policy EMP SP1 supports *"the integration of other uses and forms of development where it facilitates the delivery of economic objectives and fosters growth and innovation."* Further, criterion (l) supports *"the provision of appropriately scaled development where such uses compliment and are compatible with, employment/commercial use."*

2.15 Policy EMP DM1, *Employment Land: Development Management*, at criterion 1(a) supports *"proposals which make more efficient use of under-used employment sites and premises".*

2.16 Chapter 9, *Retail*, sets out retail policy and the hierarchy of centres in Arun. At paragraph 9.1.4, Littlehampton and Bognor Regis are described as *"smaller and provide a more limited range of shops and facilities than other centres in West Sussex, notably Worthing*

[4] West Sussex County Council (2025) West Sussex Economic Strategy 2025-2035
[5] Arun District Council (2018) Arun Local Plan 2011-2031.

and Chichester town centres which are a significant draw on Arun residents". The 2016 retail study highlights *"weaknesses in the retail offer provided by the two coastal town, in particular an over-reliance on value retailers, with relatively few higher quality 'premium' retailers."*

2.17 Policy RET SP1 defines Bognor Regis and Littlehampton as the two designated town centres in the District. Part 3 of Policy RET DM1, *Retail Development*, sets policy on town centre uses outside Town Centres and Local Service Centres. It sets four conditions relating to the design and retail impact of proposals.

Arun Economic Development Strategy (2020-2025)

2.18 The Arun District Development Strategy, *Creating our Future*, ran from 2020 to 2025[6]. While this timeframe has since elapsed, it provides context for the broad economic development priorities for the district.

2.19 Acknowledging the changing functions of town centres, the strategy notes that *"town centres will have to change to a social, leisure and entertainment focus"* given the increasing popularity of online shopping (p.10). This is framed as an opportunity within Arun, with retail outlets converting to service-led businesses attracting younger people *"to live, work and enjoy leisure facilities, breathing new life into town centres."*

2.20 Within Littlehampton, town centre regeneration efforts have included the East Bank redevelopment, while plans for the West Bank are to include new homes, business space, public amenities and a new cycleway. In 2023, public realm improvement works in Littlehampton town centre were completed, making the town centre more attractive for shoppers, visitors and residents[7].

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[6] Arun District Council (n.d.) Creating our Future: Arun Economic Development Strategy 2020 - 2025

[7] Arun District Council (2023) Littlehampton town centre public realm improvements. Available at: https://www.arun.gov.uk/la-public-realm [Accessed February 2026]

3.0 Baseline Conditions

3.1 This section sets out the prevailing demographic and socio-economic conditions within the LSA including the Littlehampton and Rustington area[8] and WSA comprising Arun District, drawing on comparators at the regional and national levels.

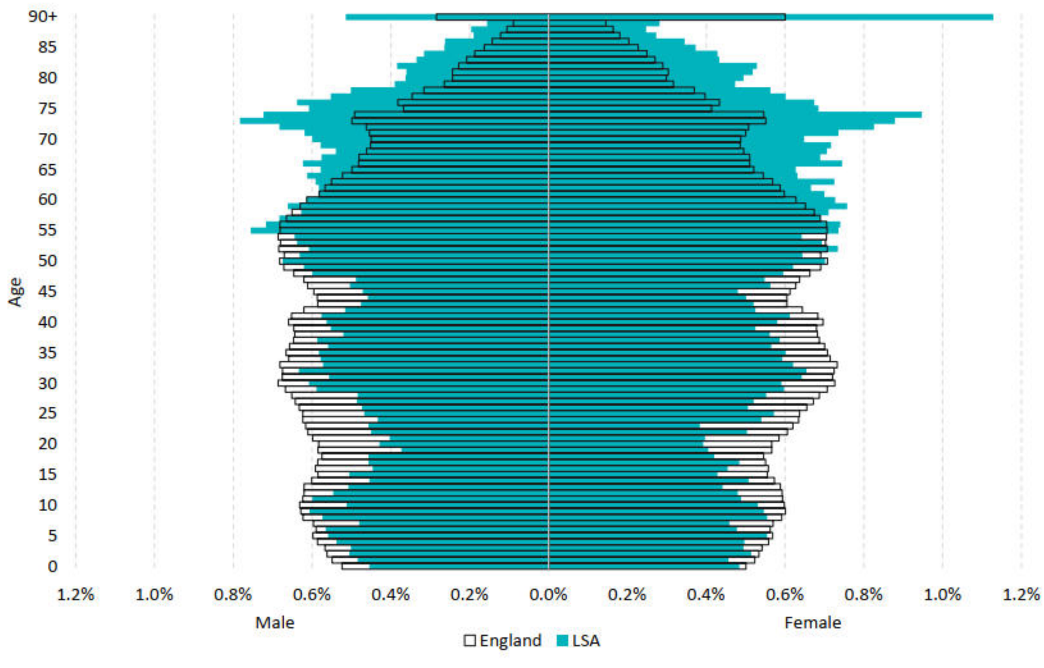
Population

3.2 From the most recent 2021 Census, the population of the LSA was 46,866, while the recorded population of the WSA was 164,893[9]. The 2024 mid-year population estimate for the WSA population places this in the region of 170,000, equivalent to growth of 3.1%, lower than the rates of growth seen at the regional and national levels of 3.9% and 3.8%, respectively[10].

3.3 The working age population (aged 16-64) of the LSA was 26,141 in 2021, equivalent to 55.8% of the population, while the equivalent figure across the WSA was 92,666, or 56.2% of the population[11]. Both figures are lower than the South East and England averages of 62.0% and 63.0%, respectively.

3.4 As shown in Figure 3.1, the age structure of the LSA population shows a trend towards an aging population compared to the England average, with fewer residents in the LSA aged under 65 than across the national population and a corresponding greater proportion of those aged 65 and over[12].

Figure 3.1 Population age structure for the LSA and England



Source: ONS (2021)

[8] Defined using 2021 Middle-layer Super Output Areas (MSOA): Arun 004, 007, 009, 010 and 011.
[9] ONS (2021) Census 2021.
[10] ONS (2025) Mid-year population estimates.
[11] ONS (2021) Census 2021.
[12] Ibid.

3.5 Between 2014 and 2024, the population of the WSA increased by an estimated 14,000 people, equivalent to growth of 9.0%. While the working age population grew by 7.6% over this period, the population aged 65 and over increased by 13.7%.

3.6 A growing ‘silver economy’ in the local area will place greater emphasis on the accessibility of retail outlets, particularly for grocery shopping, with an emphasis on community transport links and providing opportunities for slower shopping experiences[13].

Employment and Labour Market

3.7 Of the 39,200 residents of the LSA aged 16 years and over in 2021, 21,600 (55.1%) were economically active[14]. The rate of economic activity among those aged 16 and over within the WSA was lower, at 53.3%, while both study areas exhibited levels of economic activity lower than the South East and England averages of 62.2% and 60.9%, respectively. Of those economically inactive, 32.0% of the population of the LSA were retired, comparable to 31.9% in the WSA, but significantly greater than the South East and national averages of 22.5% and 21.5%, respectively.

3.8 The unemployment rate in the LSA was 5.3% in 2021, greater than the rate within the WSA and the South East, both at 4.9%, but lower than the national average of 5.7%. The relatively high levels of unemployment seen across the country at this time are largely attributable to the economic downturn during and following the Covid-19 pandemic.

3.9 Data for the year to September 2025 from the ONS Annual Population Survey is available at the WSA spatial scale[15]. Over this period, of those aged 16 and over, 55.5% were economically active, while the economic activity rate (for those aged 16-64) was 78.9%, comparable to the national average of 79.3%. The unemployment rate in the WSA was 2.2%, significantly below the national average of 4.4%.

3.10 As of January 2026, there were around 1,000 residents, or 4.0% of the working age population, in the LSA registered as unemployed and seeking work under Universal Credit or Jobseeker’s Allowance (JSA)[16]. Across Arun, 3,480 residents, or 3.7% of the working age population, were claimants.

3.11 West Sussex has the greatest proportion of 16-17-year-olds not in education, employment or training (NEET) of all upper-tier local authorities in the South East, at 11.5% in 2025, and ranks fifth highest in the country overall[17]. The retail sector, in particular, can form an important pathway into work for young people, and across the sector there are a growing number of apprenticeships and training initiatives on offer[18]. The Get Sussex Working Plan

[13] University of Hertfordshire (n.d.) Research briefing: Improving food shopping for older people. Available at: https://www.herts.ac.uk/__data/assets/pdf_file/0008/174194/improving-food-shopping-for-older-people-uh-research-briefing.pdf [Accessed February 2026]

[14] ONS (2021) Census 2021.

[15] ONS (2026) Annual Population Survey.

[16] ONS (2026) Claimant Count.

[17] Department for Education (2025) Participation in education, training and NEET age 16 to 17 by local authority

[18] Department for Work and Pensions (DWP) (10 December 2025) Press release: *50,000 more young people to benefit from apprenticeships as Government unveils new skills reforms to get Britain working.* Available at: https://www.gov.uk/government/news/50000-more-young-people-to-benefit-from-apprenticeships-as-government-unveils-new-skills-reforms-to-get-britain-working [Accessed February 2026]

highlights NEETs as a priority group as part of its vision to support Sussex residents to develop skills, access meaningful employment, and address inequalities[19].

3.12 Employment by industrial sector in the LSA demonstrates concentrations in the health (18.9%), retail (12.1%) and manufacturing (11.3%) sectors[20]. A similar trend is seen across the WSA, with concentrations in health (14.5%) and retail (12.4%), but also accommodation and food services (12.4%).

3.13 Table 3.1 provides the location quotients for employment sectors in the LSA and WSA compared to the national average[21]. Location quotients measure an industry's concentration in an area compared to a larger reference area (e.g., the nation). A location quotient greater than 1.0 indicates that the area is more specialised in that sector compared to the national average. Particular areas of specialism for the LSA include utilities, manufacturing, retail and health, while in the WSA key sectors also include agriculture and accommodation and food services.

Table 3.1 Employees by industry in the LSA, WSA and England and location quotients

Industry	LSA		WSA		England
	%	LQ	%	LQ	%
Agriculture, forestry & fishing	0.0%	0.00	1.5%	2.81	0.5%
Mining, quarrying & utilities	2.2%	1.91	1.9%	1.64	1.1%
Manufacturing	11.3%	1.58	6.2%	0.87	7.1%
Construction	5.4%	1.11	5.2%	1.06	4.9%
Motor trades	1.9%	1.06	2.6%	1.46	1.8%
Wholesale	4.3%	1.15	3.6%	0.96	3.8%
Retail	12.1%	1.48	12.4%	1.52	8.2%
Transport & storage	2.1%	0.41	4.7%	0.92	5.1%
Accommodation & food services	8.0%	1.04	12.4%	1.62	7.7%
Information & communication	2.2%	0.45	1.9%	0.39	4.8%
Financial & insurance	1.1%	0.32	0.6%	0.18	3.4%
Property	2.3%	1.21	1.9%	0.97	1.9%
Professional, scientific & technical	5.0%	0.52	5.2%	0.54	9.6%
Business administration & support services	6.6%	0.75	9.3%	1.06	8.8%
Public administration & defence	4.9%	1.09	3.6%	0.80	4.5%
Education	5.8%	0.67	7.3%	0.85	8.6%
Health	18.9%	1.38	14.5%	1.06	13.8%
Arts, entertainment, recreation & other services	5.8%	1.33	5.2%	1.18	4.4%

Source: ONS (2025) Business Register and Employment Survey

[19] West Sussex, Country Council, East Sussex County Council, Brighton & Hove City Council (2026) Get Sussex Working Plan. Available at: https://www.westsussex.gov.uk/about-the-council/how-the-council-works/partnership-work/get-sussex-working-plan/ [Accessed February 2026]

[20] ONS (2025) Business Register and Employment Survey.

[21] Based on ONS BRES, this includes businesses registered for PAYE and relates to employees, including the majority of self-employed workers but excluding working owners.

Deprivation

3.14 The Indices of Deprivation (IoD) measure relative levels of deprivation in small areas in England (Lower-layer Super Output Areas, or LSOA) across seven domains[22]. Deprivation refers to unmet needs and a lack of access to opportunities and resources. The Index of Multiple Deprivation (IMD) presents an aggregated measure of deprivation across all seven domains[23].

3.15 The proposed development is located in the Arun 004F neighbourhood (LSOA). This area is more deprived than 63% of neighbourhoods on the 2025 IMD, while on the domain of barriers to housing and services the area is more deprived than 86% of neighbourhoods in England. This domain measures the financial and physical barriers to accessing housing and local services.

3.16 Arun District is more deprived than 54% of local authorities in England on the 2025 IMD, ranking 137th out of 296 local authorities where 1 is the most deprived. On the domain of barriers to housing and services, it is more deprived than 88% of local authorities in England as the 37th most deprived area. While in part reflecting the high cost of housing seen across the South East, it also factors in the connectivity and accessibility of local services, including key retail outlets.

[22] Ministry of Housing, Communities and Local Government (MHCLG) (2025) English indices of deprivation 2025.
[23] The domains are income, employment, education & skills, health & disability, crime, barriers to housing & services, and living environment.

4.0 Assessment of Effects

4.1 This section assesses the potential benefits arising from both the construction and operational phases of the proposed development. The primary effects relate to supporting employment opportunities and economic growth in the local area. Wider impacts, such as tax revenues and supporting skills development, are also considered.

Construction Phase

4.2 Estimates provided by the Applicant indicate the capital expenditure required for demolition and construction works at the site will be in the region of £20 million over a 15-month period.

Gross Value Added

4.3 Drawing on benchmarks of the average GVA per pound spent in the construction sector from the Office for National Statistics (ONS), it is estimated that the demolition and construction works will generate a direct GVA contribution of £7.4 million (gross) over the 15-month period to the regional and national economy.

4.4 Construction activity will also support economic activity through its supply chain spending – 'indirect' effects – and more widely via 'induced' effects resulting from increased household spending of income earned from direct and indirect employment. While indirect activity will primary be within construction-related sectors, induced activity will be across a wide range of sectors such as accommodation, retail and recreation.

4.5 It is estimated that the gross indirect GVA contribution of the proposed development over the 15-month period will be £9.5 million, while induced effects will generate a further £2.9 million[24]. As such, the estimated **total gross GVA contribution of the proposed development during the demolition, construction and refurbishment phase is £19.8 million**.

4.6 While this is the national-level impact, the construction sector typically relies on local contractors, procurement and supply chains, and therefore it is anticipated that much of the GVA generated would accrue to Arun District and the wider South East.

Employment

4.7 Based on the above GVA analysis, applying data on GVA per Full-Time Equivalent (FTE) jobs, indicates that the works could support up to 53 gross direct FTE roles in the construction sector per year, or a total of 66 person-years of employment.

[24] Lichfields' analysis of the ONS input-output analytical tables suggests that the UK construction sector has a Type I GVA multiplier of 2.29, meaning that for every £1 of GVA generated directly, a further £1.29 of GVA is supported through the supply chain. The Type II multiplier for the construction sector is estimated to be 2.68, implying that for every £1 of direct GVA a further £1.68 in GVA is generated through indirect and induced channels, of which £0.39 is attributable to the induced effect.

4.8 Like GVA, jobs will also be supported through indirect and induced effects. It is estimated that the demolition, refurbishment and construction works at the site will support a further 65 gross indirect FTE roles and 20 gross induced FTE roles across the UK economy[25].

4.9 Overall, the jobs supported across the direct, indirect and induced channels are estimated to total **138 FTE roles per annum (gross), or 172 person-years of employment** over the 15-month works period.

4.10 As shown in Table 3.1, the LSA and WSA both have location quotients above 1 for the construction sector, suggesting that the sector locally has sufficient capacity to be able to capture much of the employment and overall economic benefits during the construction phase depending on the way in which construction contracts are sourced.

4.11 Not only will this support the local industry and its supply chain, but also local businesses who will benefit directly from worker expenditure. These businesses will primarily be within the retail sector, including local shops, cafés and restaurants within Littlehampton and the surrounding area, providing a boost to local business turnover during the 15-month construction period.

Operational Phase

4.12 The proposed development is to include a variety of retail uses across six units, including food and non-food retail outlets and a coffee shop. Prospective occupiers include Mountain Warehouse, Lidl and Marks and Spencer (M&S). Both Lidl and M&S will be expanding their existing investment in Arun District, while other occupiers are expected to be new additions to the local offer.

4.13 The breakdown of the proposed floorspace per unit is provided in Table 4.1.

Table 4.1 Proposed uses and floorspace by unit

Unit	Proposed Use	Use Class	Floorspace (sq.m GIA)		
			Ground floor	Mezzanine allowance	Total
A1	Food and non-food	E(a)	1,722	200	1,922
A2	Food	E(a)	2,414	492	2,906
A3	Food & beverage	E(b)	140	0	140
A4	Non-food	E(a)	929	0	929
A5	Food	E(a)	2,066	0	2,066
A6	DIY/bulky goods	E(a)	3,084	1,520	4,604
-	Plant area	Ancillary	270	0	270
Total			**10,625**	**2,212**	**12,837**

Source: Freeths LLP

Employment

4.14 The expected level of FTE employment per unit, once complete and operational, has been estimated using employment density guidance[26] and information from the prospective occupiers where provided. When using employment densities, only the ground floor area is

[25] Based on the ONS input-output tables, the Type I FTE multiplier for the construction sector is 2.22, implying that for every one job supported in construction, a further 1.22 jobs are supported in the supply chain. The Type II FTE multiplier is 2.59, meaning a further 0.37 induced jobs will also be supported.

[26] Homes and Communities Agency (HCA) (2015) Employment Density Guide, 3rd Edition.

considered as it is anticipated that mezzanine areas will be primarily for storage purposes and therefore not employment-generating.

4.15 In total, it is anticipated that the proposed development will directly support in the region of 207 gross FTE roles once complete, operational and fully occupied. These roles will be across a range of functions and skill levels, offering both part-time and full-time opportunities as is typical across the retail sector[27].

4.16 It is estimated that the indirect employment supported within the occupiers' supply chains in the UK totals 74 gross FTE roles[28]. In relation to food retail, key supply chains will include agriculture, procurement and transport. Information provided by proposed occupier M&S highlights that there are several 'Select Farm' suppliers located within the District, supporting a significant number of local jobs[29].

4.17 As seen in the construction phase, wage spending by those employed either directly at the proposed development or indirectly in the supply chain results in an 'induced effect'. For retail, the Type II FTE multiplier is 1.60, while in food and beverage service the multiplier is 1.47. Accordingly, the number of gross induced FTE jobs supported across the UK – including a number in the local area – totals 49 FTE.

4.18 Therefore, total (gross) employment supported by the proposed development is estimated to be **330 FTE roles**.

Displacement

4.19 The proposed development could result in some trade diversion away from existing businesses within Littlehampton and the wider Arun District, associated with more competition in the retail marketplace. This may result in the displacement of jobs elsewhere in the District.

4.20 The May 2025 retail assessment and November 2025 update prepared by Freeths estimates that the proposed development will result in trade diversion in the region of £58.3 million in the 2028 'design year'. The majority of diversion will be from existing national retailers located along the A259 corridor, such as Sainsbury's and Morrisons. Retailers of this scale can be expected to be less sensitive to declines in turnover at individual locations, and as such it is not anticipated that the trade diversion attributable to the proposed development would materially reduce employment elsewhere.

4.21 Independent and local retailers may be more sensitive to declines in turnover. The trade diversion from local stores across the retail assessment study area is estimated to be in the region of £2.1 million, equivalent to 1.3% of their estimated combined total turnover of £162.7 million in 2028. Using data on turnover per job, it is estimated that the diversion of £2.1 million in turnover could displace around 8 FTE jobs across the study area if businesses adjust their headcount to reflect lower trading levels. The benefits of the

[27] In 2024, 57.9% of retail roles in Great Britain were part-time roles. See ONS (2025) Business Register and Employment Survey: Broad Industry Group: Table 1. 2024 provisional results. Available at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/broadindustrygroupsicbusinessregisterandemploymentsurveybrestable1 [Accessed February 2026]

[28] The retail sector has a Type I FTE employment multiplier of 1.36, while for food and beverage service the equivalent figure is 1.28.

[29] Marks and Spencer (28 January 2026) Letter of Support: Units 5-7 Watermead Business Park, Norway Lane/Worthing Road Littlehampton BN17 6LS

proposed development in terms of employment generation significantly outweigh this impact.

Gross Value Added

4.22 Based on benchmarks of the GVA generated per FTE job, it is also possible to estimate the GVA contribution of the proposed development via direct, indirect and induced channels. Direct activity at the proposed development is estimated to generate in the region of £13.5 million per annum (gross) to the national economy.

4.23 Applying a Type I GVA multiplier of 1.50 in the retail sector and 1.69 in the food and beverage service sector results in an estimate of £6.8 million (gross) in GVA generated through indirect effects per annum. Further, the Type II multipliers are 1.82 and 2.11, respectively, suggest that £4.4 million (gross) per annum will be generated in GVA via the induced effect.

4.24 Overall, the total (gross) GVA supported by the proposed development during operations is estimated to be in the region of **£24.6 million per annum**. The contribution of the proposed development to national GVA is therefore equivalent to 3.4% of total GVA in the retail sector in the south-western part of West Sussex in 2023, at £725 million[30].

Wider Impacts

4.25 Beyond economic growth and employment effects, the proposed development will also instigate several wider impacts, including supporting local government revenues through business rates, supporting skills development, and increasing local expenditure retention.

Business Rates

4.26 Together, council tax and business rates form local authorities' largest source of income[31]. Business rates are used to fund local services including street lighting, refuse collection, environmental services and improving public spaces.

4.27 The Applicant has provided estimates of the rateable value and anticipated liability for business rates once the scheme is complete and operational (assumed to be 2028/29), provided by unit in Table 4.2. The amount retained by Arun District Council has been estimated based on the National Non-Domestic Rates Return (NNDR3) for 2021-22, where Arun District Council retained 40% of rates income collected, 10% was allocated to West Sussex County Council, and the remaining 50% formed the 'central share' to national government.

[30] ONS (2025) Regional gross value added (balanced) by industry: all ITL regions. West Sussex (South West) is the ITL3 region for the proposed development.
[31] Local Government Association (n.d.) Local taxation: council tax and business rates. Available at: https://www.local.gov.uk/topics/finance-and-business-rates/local-taxation-council-tax-and-business-rates [Accessed February 2026]

Table 4.2 Estimated rateable value and business rates liability for the proposed development (2028/29)

Unit	Rateable Value	Liability Estimate (2028/29)	Retained by Arun District Council
A1	£305,000	£139,995.00	£55,998.00
A2	£432,500	£198,517.50	£79,407.00
A3	£33,250	£13,566.00	£5,426.40
A4	£153,000	£70,227.00	£28,090.80
A5	£415,000	£190,485.00	£76,194.00
A6	£455,000	£208,845.00	£83,538.00
Total	**£1,793,750**	**£821,635.50**	**£328,654.20**

Source: ForeView| Lichfields analysis

4.28 This means that just under £329,000 of the rates payable by the occupiers of the proposed development would be retained by Arun District Council per year to fund local services, in addition to a further £82,000 retained by West Sussex County Council to fund services provided at a county level, such as transport and education.

4.29 In 2021-22, total rates collectible by Arun District Council totalled £28.8 million; the estimated liability of the proposed development would represent an increase on this figure of 2.9%.

Skills & Training

4.30 The retail sector represents an important pathway into work for young people and those who need extra assistance to access employment, while also providing flexible, shift-based work for people from a range of backgrounds.

4.31 For example, information provided by M&S highlights a range of skills development initiatives and programmes, including internships, apprenticeships and industrial placements. The 'Marks and Start' employability scheme offers training and work placements to young people, or those at a disadvantage when searching for work. Apprenticeships and training programmes offered by M&S are not limited to skills required for the shop floor, with programmes covering skills such as senior leadership and management, data analytics, buying and merchandising, engineering and accounting.

4.32 Likewise, Lidl also offer a range of training and employment schemes, including degree apprenticeships and graduate schemes in retail and leadership management, which includes store-based elements. Jobs at Lidl range from cleaners and customer assistants to shift, store and area manager positions.

4.33 Research from M&S highlights the importance of the retail sector for young careers specifically. Up to 1-in-4 young people start their careers in retail, more than double any other industry in the UK[32]. West Sussex has the greatest proportion of 16-17 year olds not in education, employment or training (NEET) of upper-tier local authorities in the South East, at 11.5% in 2025, and ranks fifth highest in the country overall[33]. Providing clear pathways

[32] M&S (2025) *Retail is helping double the amount of young people into work than any other sector, new M&S research reveals.* Available at: https://corporate.marksandspencer.com/newsroom/press-releases/retail-helping-double-amount-young-people-work-any-other-sector-new-ms [Accessed February 2026]

[33] Department for Education (2025) Participation in education, training and NEET age 16 to 17 by local authority

into work and providing the right support, in local and accessible sectors such as retail, is key to reducing this figure[34].

Local Expenditure

4.34 As previously highlighted, the retail assessment prepared by Freeths indicates that the proposed development could divert some trade from other existing businesses within the surrounding area, including Littlehampton town centre. However, the proposed development is expected to draw spending by Arun residents previously 'leaking' into surrounding areas – such as Chichester, Worthing and Brighton – back into the District. Retaining a greater proportion of retail expenditure will be important to the District in maintaining the retail sector's economic contribution, given the rise in e-commerce and changing nature of town centres, as referenced within local economic strategy.

4.35 Based on the May 2025 and updated November 2025 retail assessment prepared by Freeths, it is estimated that the total turnover of the proposed development will be £61.38 million in the 2028 'design year' once complete and operational. As noted previously, there is expected to be limited diversion away from smaller retailers, with the bulk of trade diversion affecting national chains based in out-of-town locations, including supermarkets along the A259 corridor. It is anticipated that the majority of diversion within Littlehampton town centre will be from the existing Lidl store, rather than smaller, independent retailers.

4.36 Of the proposed development's total estimated turnover, £11.51 million is anticipated to be drawn from centres outside Arun District, while a further £3.13 million will be net additional spend (i.e., not diverted from any other business but 'new' expenditure generated by the proposed development). As such, the proposed development has the potential to retain and generate **an additional £14.64 million of expenditure into the District** each year. While the occupiers are to be national retailers, they will rely on local labour in addition to suppliers in the local area. Therefore a proportion of the turnover accrued will feed back into the local supply chain and hence the local economy.

4.37 Further, by retaining more expenditure within Arun that currently outflows to other areas, the proposed development has the potential to support other local businesses through linked trips. Rather than local residents travelling out of the district to other centres, the proposed development will be able to service their needs closer to home, saving time and transport costs, and hence drawing in customers to other retailers in the Littlehampton area. It may also attract residents from other areas into Littlehampton, and passing trade along the A259.

[34] The King's Trust (2022) The Power of Potential: Supporting the future of NEET young people. Available at: https://www.kingstrust.org.uk/about-us/our-research/the-power-of-potential-supporting-the-future-of-young-people [Accessed February 2026]

5.0 Conclusions

5.1 The proposed development at Land at Norway Lane, Littlehampton, represents a significant opportunity to deliver substantial and wide-ranging economic benefits within the immediate local area and at the district level. The scheme will bring a long-term vacant site with no reasonable prospect of being re-used for employment purposes back into productive use. The scheme will deliver modern retail and food & beverage floorspace in an accessible urban location within the Littlehampton Built-Up Area. The development will enhance consumer choice, improve the availability of high-quality retail provision, and help reduce the outflow of expenditure from Arun to other areas.

5.2 During the construction phase, the works are expected to generate a total gross GVA contribution in the region of £19.8 million and support approximately 172 person-years of employment across direct, indirect and induced channels over the 15-month programme. Given the relative strength of the construction sector locally, a substantial proportion of these benefits could be realised within the LSA, WSA as well as the wider South East.

5.3 Once operational, the development is anticipated to support an estimated 207 gross direct FTE jobs across a range of occupations and skill levels, with a further 123 FTE jobs supported indirectly in the supply chain and through induced expenditure. Many of the indirect and induced roles are likely to be based in the local area, given the nature of induced effects and nature of the wider retail supply chain.

5.4 Operations will also support a significant national GVA contribution of £24.6 million per annum across direct, indirect and induced channels. Relative to the size of the regional retail sector, this represents a meaningful uplift and a sustained, long-term economic benefit.

5.5 Analysis of potential for displacement of employment resulting from trade diversion suggests this could be in the region of 8 FTE at local retailers within the surrounding area; the potential benefits of the proposed development in supporting employment will significantly outweigh this impact.

5.6 The proposed occupiers, to include Lidl, M&S and Mountain Warehouse, are established employers with a strong record of providing internal progression routes, training programmes and apprenticeships. The proposed development will therefore support local pathways into work, particularly for young people and those seeking flexible employment opportunities. West Sussex has the highest proportions of 16-17 year-olds not in education, employment or training (NEET) in the South East, making this contribution to local, accessible employment opportunities of particular importance.

5.7 The scheme will also provide an uplift to local government revenues. Based on anticipated rateable values, the development is estimated to generate an annual business rates liability of over £820,000 in 2028/29, of which approximately £329,000 would be retained by Arun District Council and a further £82,000 by West Sussex County Council. This represents a 2.9% uplift on the District's 2021-22 retained income and will help support the continued delivery of local services.

5.8 The proposed development is expected to help retain some spending that is currently diverted to other centres outside the District, supporting the vitality and resilience of

Littlehampton's wider retail economy. Net additional expenditure drawn into the District is estimated to be in the region of £14.64 million per annum by 2028, and is likely to increase the potential for linked trips to nearby businesses.

5.9 This report has demonstrated significant economic benefits associated with the proposed development, relative to the site's current vacant and unproductive state, including supporting employment and economic growth, skills development, expenditure retention and local authority revenues, making a valuable contribution to Littlehampton and Arun District.

Birmingham Bristol Cardiff

[redacted]

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