

LPA Ref: DM/24/3077

16th May 2025

FAO: Susan Dubberley
Mid Sussex District Council
Planning Department
Oaklands Road
Haywards Heath
West Sussex
RH16 1SS



Dear Sue,

DM/24/3077 - SUSSEX HOUSE, PERRYMOUNT ROAD, HAYWARDS HEATH, RH16 1DN**RESPONSE TO WAITROSE & PARTNERS OBJECTION (DATED 26TH FEBRUARY 2025)**

On behalf of our client, Aldi Stores Limited, this letter provides a response to comments received from Firstplan (on behalf of Waitrose and Partners ('Waitrose')), in relation to the Mid Sussex District Council ('MSDC') application ref. DM/24/3077.

Background

A full planning application (ref. DM/24/3077) was submitted on 17th December 2024 for the proposed demolition of existing buildings and construction of a new food store with car parking, landscaping and associated works at Sussex House, Perrymount Road, Haywards Heath, RH16 1DN ('the Site').

The full description of the development is as follows:

'Demolition of the existing buildings and construction of a new food store (Use Class E(a)), with access, car and cycle parking, landscaping and associated works.'

The proposals comprise the development of a single storey discount food retail store to be occupied by Aldi Stores Limited with a total GIA of 1,940sqm. This includes a food retail area of 1,154sqm, warehouse, delivery and loading bay and ancillary staff facilities. The proposed development includes car and cycle parking, public realm improvements, hard and soft landscaping.

Mid Sussex District Council Policy Team

The MSDC Policy Team provided a response on the 10th March 2025 assessing the compliance of the proposal against Local Plan Policy DP2 (Town Centre Development), specifically the Sequential Test and Retail Impact Assessment ('RIA') requirements.

For the Sequential Test, the MSDC Policy Team agreed with Avison Young's assessment that of the 7 sites and 12 vacant units assessed, the identified sites were either too small, not available or not suitable for the proposed development. Therefore, there are no sequentially preferably sites within or on the edge of the Haywards Heath Town Centre.

In terms of the RIA, it was determined that the assessment met the requirements of Local Plan Policy DP2, which states that the proposal should not have a significant adverse impact on a town centre. The MSDC Policy Team also concluded that the RIA followed the methodology for a retail impact as set out in the Planning Practice Guidance.

Given that there were not sequentially preferably sites, and that the RIA met the requirements of Local Plan Policy DP2, the MSDC Policy Team support the proposed development in principle (our emphasis).

Firstplan on behalf of Waitrose & Partners

Firstplan on behalf of Waitrose & Partners submitted a letter (dated 26th February 2025) objecting to the proposed development. For context the Waitrose store is located opposite the proposed development and is not within the town centre. The letter acknowledges with regard to the store that:

"although outside of the defined town centre has a clear functional relationship with the wider offer of the town centre (it is noted that the 2022 Retail Study confirms the Waitrose store and adjacent railway station to be under 10 minutes walk from the town centre)...further loss of trade from this store will therefore exacerbate this trading position and offers further scope for the wider vitality and viability of the town centre to be compromised given the close functional relationship.

The store is therefore afforded no protection in retail policy terms. It is noted that the proposed development will be equally accessible from the town centre.

In summary, the objection can be distilled into three key matters. These are set out below:

- Current performance of food stores in Haywards Heath Town Centre;
- Forecasted turnover of the proposed development; and
- Patterns of trade draw to the proposed development.

Our response to these matters is set out below.

Current performance of food stores in Haywards Heath Town Centre

The objection submitted on behalf of Waitrose quotes from paragraphs 38 – 39 of the 2022 Retail Study, noting that Haywards Heath retained a relatively consistent market share for convenience spending which is lower than the other centres (Burgess Hill and East Grinstead). However, the market share of the other two centres actually decreased between 2014 and 2021, whereas, Haywards Heath has maintained its position. This is particularly noteworthy given that the

Waitrose store opened in 2017, yet the town centre stores have maintained their market share with this additional convenience goods retail store.

The household survey which was undertaken in October 2021 asked respondents whether they visited any of the centres within the borough, within Zone 7 (where the site is located), 86.9% of respondents indicated that they visited Haywards Heath, of these 61.6% indicated that they visited Haywards Heath the most. Therefore, Haywards Heath is visited by 71% of respondents within Zone 7.

The town centre health check prepared by Nexus Planning notes that *“during the stakeholder sessions it was discussed that one of the town weaknesses is that there is no other supermarket outside of the M&S”*. Nexus Planning note that *“notably however, there is a large Waitrose and Sainsbury’s adjacent to the train station, both outside of the Town Centre boundary. The train station and supermarkets are less than a 10-minute walk from The Broadway, which is within the town centre boundary, and improved pedestrian connections could provide opportunities for linked trips.”* The Nexus Health check indicates that the most common reason given by respondents about what they like about Haywards Heath were ‘close to home’ (30.6%) and ‘range of shops’ (7.9%). In terms of what would encourage people to visit the centre more often the most common responses were ‘increased general choice and range of shops’ (10.4%) and ‘improved non-food shops within the town centre’ (7.9%). The Health Check includes the following as a key takeaway:

“Comments from stakeholders suggested that there was an under provision of supermarkets in the centre, and that more variety in convenience goods floorspace would benefit the town centre.”

It is clear from the Council’s own evidence base that the existing food stores in Haywards Heath are performing as expected and indeed have maintained their market share even in the light of the opening of the Waitrose store.

The application was accompanied by a town centre health check for Haywards Heath Town Centre. The results of this exercise demonstrated that overall convenience retailers made up only 8% of the units within the town centre, meaning that the centre is more reliant on comparison and service provision than convenience goods provision. The Orchard Shopping Centre acts as an anchor for the centre and includes major national retailers including M&S and Next.

It is acknowledged that the results of the impact assessment indicate that the Iceland, M&S and Tesco Express located in the town centre are under trading when considered against company average turnover levels. However, as set out above and in the application submission Haywards Heath is a vital and viable centre. Indeed, stakeholders suggested that there was an under provision of supermarkets in the centre, and that more variety in convenience goods floorspace would benefit the town centre.

Forecasted turnover of the proposed development

The turnover of the proposed development has been updated in line with the most recent information available from Global Data 2024 (March 2025 issue).

The turnover of the proposed development has been calculated at 2026 (in 2019 prices). This previously provided a turnover per sq m of £11,668 for convenience goods and £4,894 per sq m for comparison goods. This has been updated to £9,324 per sq m for convenience goods and £7,508 per sq m for comparison goods.

The turnover of the proposed development is therefore £8.61 million (convenience) and £1.73 million (comparison), giving a total turnover of £10.34 million. It is noted that Firstplan have made reference to the Global Data December 2024 release and not the March 2025 release.

It is noted that the predicted turnover of the store has decreased from that included within the submitted impact assessment.

Patterns of trade draw to the proposed development

It is noted that Firstplan do not agree with the results of this exercise and consider that the proposed development will draw more trade from convenience goods retailers in the town centre and the Waitrose store, setting out that:

"The implications of the concerns set out under Matters 2 and 3 when combined are that the PSSCI significantly underestimates the amount of trade draw which will take place from Haywards Heath town centre, as well as our client's store. The impacts arising against both of these locations are therefore likely, in our view, to be significantly higher than the -3.9% impact forecast on the convenience goods turnover of Haywards Heath town centre, and the -3.8% impact forecast against our client's store. In this context, it is not considered that the Council should determine the application until a reworked impact assessment has been provided, which we reserve the right to review and comment on."

As set out above, the turnover of the proposed store has been updated in accordance with the most recent available data and therefore this is not an issue that requires any further consideration.

The impact figure quoted by Firstplan relates to the impact on the convenience goods turnover of the centre and not the centre as a whole (i.e. including comparison goods expenditure). When this is considered (which is the policy test) the impact is less than 1%.

The table below goes through each of the comments that have been made by Firstplan and provide a response. It is noted that many of these relate to assumptions that have been made in the assessment. The assessment is based on the Council's retail evidence base.

Firstplan Comment	Response
It has been assumed that only £0.58m will be drawn from foodstores in Haywards Heath town centre (5.4% of total convenience goods turnover). Given the proximity of the town centre and the strong linkages it is clear that this is a significant underestimate. The town centre contains an Iceland foodstore and an M&S Foodhall, both of which can be expected to compete for spending with the proposed development.	The existing stores within Haywards Heath town centre are relatively small stores that do not offer customers the necessary range of goods to undertake a main foodshop. These stores are more typically used for top-up and incidental shopping linked to other trips and therefore this is a robust assumption in terms of trade draw. Indeed, as set out above, stakeholders commented that there was an under provision of supermarkets in the town centre.
The M&S Food hall in the town centre has a sales area of approximately 650 sq.m and is therefore likely to offer a similar range/breadth of products to the Aldi store. In line with the established 'like for like' principle set out in the Planning Practice Guidance 'Town Centres & Retail', it is therefore reasonable to expect the overlap between the two stores will be far more significant than is identified in the PSSCI.	The M&S in Haywards Heath is a full service store and therefore the convenience floorspace forms an element of the overall store. It is not a reasonable assumption that the M&S and the proposed Aldi will sell a similar range of products and therefore the 'like for like' principle is not engaged. The M&S food offering is part of the wider store offer and dedicates a significant amount of floorspace to the sale of "food to go" rather than being able to meet the requirements of a main weekly food shop. As noted above, the opening of the Waitrose store did not impact on the market share of M&S.
The applicants have assumed only £0.97m will be drawn from the Waitrose store which is directly opposite the application site. The proximity of our clients' store means it is considered that the potential for trade draw will be significantly higher than is forecast. In the context of the proximity of our clients' site to the town centre and the role it plays in supporting its wider shopping function, this represents a concern.	The existing Waitrose store is not afforded any protection in policy terms. The proposed development being opposite the Waitrose store will play a role in supporting the wider shopping function of Haywards Heath. This concern is therefore unfounded. As set out in the PSSCI the trade draw of the proposed store has been calculated with reference to the existing pattern of trade draw of zones and stores.
The fact that the PSSCI indicates £3.45m will be drawn from the nearby Sainsbury's store confirms that the amount of trade drawn from our client's store has been underestimated.	The results of the household survey indicate that the Sainsbury's store attracts 10.36% of main food shopping trips compared to 5.62% of the Waitrose from Zone 7 therefore, there is a greater level of trade diversion from the Sainsbury's.
The PSSCI indicates that £4.12m will be drawn from Tesco at Burgess Hill. This store is approximately 7km from the application site and, whilst we do not	As set out above these assumptions are based on where people are currently shopping and existing patterns of trade draw.

Firstplan Comment	Response
dispute an element of trade draw from this store may take place, we consider it unrealistic that it will be over four times that of our client's store which is directly opposite, or more than seven times that of the trade draw from Haywards Heath town centre.	

The pattern of trade draw assumed for the proposed development, is the existing pattern of trade draw from the zones for the Waitrose store on Perrymouth Road as this is considered the nearest comparable facility. The expected trade draw from the individual zones is set out in Table 9 of the Impact Assessment. It has then been assumed that the store will draw its turnover from existing stores in the same pattern as existing expenditure within the zone. The results of this exercise are set out in Table 10.

As set out in the revised Impact Assessment submitted with this letter (to take account of the updated sales density information) the store is expected to have a total turnover of £10.34 million.

Whilst we consider the issues raised regarding the impact assessment by Firstplan to be unfounded, in the event that 100% of the turnover of the store was drawn from Haywards Heath town centre this would only amount to an impact of 7.1% on the overall turnover of the centre. As set out in this letter the town centre health check indicated found that the centre was performing well against the vitality and viability indicators and has a low vacancy rate. Therefore, the objection raised by Firstplan on behalf of Waitrose is unfounded in terms of any impact on the town centre having a detrimental impact, based on an absolute worst case sensitivity analysis.

In response to the comments raised by Firstplan we have undertaken a sensitivity analysis. Some of the comments from Firstplan relate to the impact of the proposed development on the Waitrose store, as previously noted this is not protected by policy and the policy test relates to whether a proposed development has a significant adverse impact on the centre as a whole. This is the test that should be considered not the impact on an individual retailer.

Conclusion

This Letter summarises the comments received from MSDC Planning Policy Officer and from Firstplan and attaches an updated impact assessment to take account of revised sales density figures that are available. No other changes have been made to the impact assessment as it is not considered necessary.

As referenced earlier, the MSDC Policy Team agree with the conclusions from the sequential test and methodology of the RIA, which is stated to comply with Local Plan Policy DP2. Therefore, the MSDC Policy Team support the proposed development in principle.



In conclusion, the proposed development is consistent with the National Planning Policy Framework and local planning policies. The objection raised by Firstplan on behalf of Waitrose do not affect the conclusions of the retail impact assessment.

Yours sincerely ,

A handwritten signature in cursive script that reads 'Avison Young'.

Samuel Freeze

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For and on behalf of Avison Young (UK) Limited