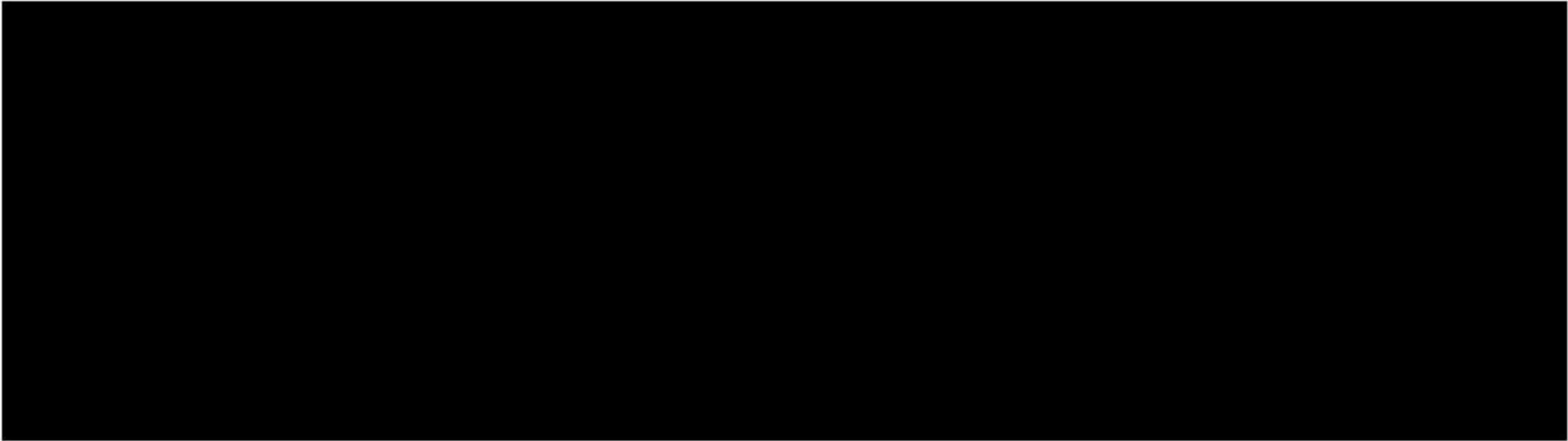




26 February 2025

Planning Department
Mid Sussex District Council
Oaklands
Oaklands Road
Haywards Heath
West Sussex
RH16 1SS

Submitted by email planninginfo@midsussex.gov.uk

Dear Development Management team,

PLANNING APPLICATION REF DM/24/3077 — 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 — SUSSEX HOUSE, PERRYMOUNT ROAD, HAYWARDS HEATH WEST SUSSEX RH16 1DN.

PLANNING OBJECTION SUBMITTED ON BEHALF OF WAITROSE & PARTNERS.

Firstplan act on behalf of Waitrose & Partners, who operate a store at Sydney Street, Haywards Heath. We have been made aware of the above application and, on behalf of our clients, wish to register our objection. Based on the information which has been submitted, we do not believe that it has been clearly demonstrated that the proposed development will not result in a 'significant adverse' impact on the vitality and viability of Haywards Heath town centre.

We are also concerned that the proposed development will have an adverse impact on our client's store, which, whilst not in the defined boundary of Haywards Heath town centre, nevertheless performs an important function as a retail anchor, supporting linked trips with retailers in the town centre and thus contributing to its overall vitality and viability. This is confirmed by the fact our client's site is located within the boundary of the Haywards Heath Town Centre Masterplan.

Our concerns principally relate to the findings set out in the 'Planning Statement & Statement of Community Involvement' ('PSSCI') which has been submitted in support of this application, prepared by Avison Young. Section 9 of this document and related appendices provide a 'Retail Assessment', setting out the compliance of the proposed development with the 'retail policy tests', i.e. sequential and retail impact tests. We refer to this section of the report, together with the accompanying retail impact assessment financial tables at Appendix III to the PSSCI, in our objections below. Specifically, our concerns relate to the following points:

- Current performance of foodstores in Haywards Heath town centre;
- Forecast turnover of the proposed development; and
- Patterns of trade draw to the proposed development.

Matter 1 – Current performance of foodstores in Haywards Heath town centre

The financial impact assessment at Appendix III to the PSSCI draws on the findings of the Council's recent retail study, the Mid Sussex Retail Study published in March 2022. The relatively recent date of this study means it represents a useful basis from which to understand the current trading performance of foodstores in Haywards Heath, including those in the town centre. Of significance in this respect are the findings of Table 7 of Appendix III to the PSSCI, which notes that in respect of foodstores in Haywards Heath town centre, foodstores in the town centre are trading at below average levels. Specifically:

- The town centre Iceland store is undertrading by -£2.19m;
- The town centre M&S store is undertrading by -£2.36m;
- The town centre Tesco Express store is undertrading by -£3.15m.

Each of these foodstores, and particularly the M&S store at The Orchards, can be considered to be playing an active role in supporting the wider vitality and viability of the town centre, and therefore this underperformance of the key anchor stores, even without any further trade being drawn to the proposed development, should be considered a cause for concern.

This undertrading was identified as a concern in the 2022 Retail Study, which noted (para 38-39 that):

“Notably, we identified vulnerabilities across each of the three key centres of Burgess Hill, East Grinstead and Haywards Heath that would support policy protection from out-of-centre competitors in addition to efforts to enhance the vitality and viability of the towns.

Convenience retailers across each centre were found to be collectively undertrading against benchmark levels, whilst out-of-centre stores overtraded against benchmarks. This analysis of convenience store performance is backed up by reductions in the market share of convenience retailers within Burgess Hill (6.2% to 2.5%) and East Grinstead (5.7% to 3.2%) from 2014, demonstrating relative vulnerabilities. Whilst Haywards Heath has retained a relatively consistent market share for convenience goods spending (c. 1.1%), it is significantly lower than either of the other centres.”

The analysis at Appendix III of the PSSCI also highlights that our client's store — which 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) — is trading at significantly below 'benchmark' levels. 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.

Matter 2 – Forecast turnover of the proposed development

Table 8 of Appendix III to the PSSCI identifies that the proposed Aldi store will achieve a turnover of £11.90m at 2026, split as follows:

Type of goods	Sales area	Sales density £ per sq.m	Total turnover £m
Convenience goods	923	11,668	10.77
Comparison goods	231	4,894	1.13
Total	1,154	-	11.90

The footnote to Table 8 identifies that the sales densities (turnover per sq.m) have been sourced from GlobalData, however the most recent retailer sales density information published by GlobalData (2024 estimates, published December 2024) shows the sales density of Aldi to be significantly higher than quoted in the impact assessment. An updated forecast turnover of the proposed development, using the 2024 GlobalData sales density estimates, is set out in the table below.

Type of goods	Sales area	Sales density £ per sq.m	Total turnover £m
Convenience goods	923	15,051	13.89
Comparison goods	231	7,851	1.81
Total	1,154	-	15.70

As can be seen from the above, the PSSCI in our view, significantly underestimates the potential turnover of the proposed development. Based on the latest sales density estimates for Aldi, the proposed store could have a potential turnover of £15.70m — £3.8m higher than has been tested in the PSSCI financial impact assessment. This represents additional spending which will all be diverted from existing stores, including those within and in proximity to Haywards Heath town centre, which is not presently accounted for in the submitted retail impact assessment. On the basis of the above, it is strongly considered that the Council should request the financial impact assessment to be re-run with the identified 2024 sales densities, as the currently submitted assessment will underestimate the levels of financial impact arising against existing centres and stores.

Matter 3 – Patterns of trade draw to the proposed development

Aligned with the above, we also have concerns over the assumptions which have been made in the PSSCI in terms of considering where the proposed store will draw its trade from. Details of this are set out in Table 10 of Appendix III to the PSSCI. Specifically, we note the following:

- 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 M&S Foodhall 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 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 fact that the PSSCI indicates £3.45m will be drawn from the nearby Sainsbury’s store confirms that the amount of trade draw from our client’s store has been underestimated.
- 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 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.

On the basis of the above, we do not consider the patterns of trade draw which have been forecast in the PSSCI to be robust and consider that an alternative assessment which identifies a more appropriate level of trade draw both from Haywards Heath town centre and our client's store should be undertaken.

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.

Conclusion

We have identified a number of concerns regarding the retail impact case which has been made for this application. Recent evidence has demonstrated that foodstores in and surrounding Haywards Heath town centre are underperforming, and the proposed development will draw further spend from the town centre, with potential impacts arising on its vitality and viability. Moreover, we consider that the retail impact assessment underestimates the turnover of the proposed development by almost £4m, and we do not consider that the patterns of trade draw which it identifies are sufficiently robust.

On this basis, it is considered that prior to determining the application, the Council should seek clarification on the matters raised in this letter, including requesting the provision of an updated financial impact assessment. We reserve the right to provide further comment on this, and request to be kept informed regarding the submission of any additional information in this respect.

It is also requested that, if the Council is ultimately minded to approve the application, appropriate conditions are put in place to restrict the convenience goods sales area of the store to the amount identified in the retail impact assessment (i.e 923 sq.m net sales).

Should you have any questions regarding the contents of this letter, please contact me.

Yours faithfully

