RETAIL NEEDS OF SOUTHWATER

MARCH 2019

1. Introduction

1.1. Policy SNP1 of the Regulation 14 Southwater Neighbourhood Development Plan (SNDP) sets out a number of Core Principles which all development within the Southwater Parish should seek to make a positive contribution towards. The first such principle is for '*The Parish… [to]… remain a single centre area, with shops, services and facilities centralised in/around Lintot Square.*' This principle has been formulated by the Steering Group in light of consultation undertaken during the preparation of the plan.

1.2. The SNDP also includes an allocation (see Policy SNP2) for between 422 and 450 new homes on land immediately west of Southwater (north and west of the strategic allocation made by Horsham District Council (HDC) in the Horsham District Planning Framework (HDPF).

1.3. Some of the Regulation 14 Consultation Responses have questioned whether this strategy is correct, the principle points are outlined below:

- Should new retail units be allowed across the Parish where new development occurs?
- Does Lintot Square and other retail units have enough capacity to serve existing and proposed local demand?

1.4. In light of these concerns the Steering Group have investigated the topic and this note analyses the likely impact of these additional houses on existing retail provision within Southwater and also considers the future retail needs of the village. The outcome of this note will inform the approach taken in the Submission Southwater Neighbourhood Plan.

2. Existing Retail Provision

2.1. Retailing in Southwater performs well with a core shopping centre at Lintot Square. Here there are a good range of shops and services available with no vacant units and the quality of the environment is high. The village centre is anchored by the presence of a large Midshire Co-op, and with other ancillary retail units ranging from Domino Pizza, Boots Chemist, hairdresser, estate agents, Indian restaurant, a fast food Chinese, florist to a community café. These shops and services are further supported by the Worthing Road presence of convenience foods at Budgens Southwater, a barbers and others.

2.2. There is a kebab outlet on the south side of the village.

2.3. To the north of the village centre on the main Worthing Road is a Texaco forecourt with a newly opened 250sq.m Welcome Co-op convenience store.

2.4. At the Hop Oast Roundabout (A24) to the north of Southwater Village there is a Shell forecourt with a convenience offering.

2.5. A survey conducted in 2010 indicated that 77% of the visitors to the centre travel by car/van, and parking congestion is a common, everyday occurrence. This is further evidenced by the increased presence of cars parked in the lanes and roads further afield from the village.

2.6. In total the Parish has just under 1000 sq. m (or 10,000 sq. ft) of retail space dedicated to food and related services. This serves the community well providing local 'top-up shopping'. Residents travel further afield to undertake their main weekly shopping in the larger food stores (e.g. Tesco, Broadbridge Heath, Waitrose and Sainsbury in Horsham) where there is a greater choice of food in store. There is also a Lidl opening in Foundry Lane, Horsham at the end of 2019.

2.7. This shopping style is atypical of similar village locations that don't have the population density to support a large multiple superstore in their midst.

3. Analysis of proposed development and subsequent retail impact

The proposed allocation

3.1. The 422 additional residential units would generate some additional 970[1] people living in the area.

3.2. The average current household weekly spend is £180 per week (or £ 9,360 per annum) on food, alcohol, tobacco, fuel and mobile top up and related items[2]. This equates to an annual spend of some £3,949,920 from the new residential units.

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[1] Based on the UK and South East average of 2.3 people per household

[2] Numbers derived Office for National Statistics data.

3.3. Of this amount, around 20% would be spent locally in convenience space (average based on current convenience store data) with the remainder being spent in larger ‘major’ supermarkets.

3.4. The new 422 residential units would therefor generate some £789,984 of convenience spending.

3.5. The Association of Convenience Stores estimate that sales of circa £90,000 are required per m^2 in a convenience store each year. Therefore using the figures above the allocated development of 422 units could theoretically support some 8.7m^2 of convenience retail floor space.

The bigger picture

3.6. However, it is recognised that the allocation will not come forward in isolation and the anticipated development across the plan period should be considered.

3.7. There were 3,840 households within the Parish at the time of the 2011 Census. This is expected to increase to some 4,740 households by 2031[3]. Applying the same methodology, this would generate an annual spend of £44,366,400 with £8,873,280 being in local convenience stores.

3.8. This generates a need for some 99m2 of convenience retail floor space to accommodate the anticipated number of households within the parish in 2031.

Summary

3.9. In 2031 there will be a demand for circa 100m^2 of convenience retail floor space within the Parish. There is currently 1000 m^2 of convenience floor space in use within the Parish. It is clear that there is therefore adequate convenience floor space already within the Parish.

3.10. This makes the assumption that the local population still maintains its largest shopping spend in the larger multiple food stores in Horsham and surrounding areas. However, as is evident from the figures there is capacity for a much greater amount of shopping to take place locally within the existing floor space.

4. Impact of Internet Shopping and e-retailing

4.1. Internet retailing sales are growing rapidly and this is particularly the case for grocery. In the UK, it is the fastest growing purchase channel and more than doubled between 2010 and 2016, it is forecast to become the second largest online grocery market by 2020.

4.2. This is affecting the way people shop and is a real challenge to having brick and mortar stores in the midst of communities. So far, evidence suggests that demand for the smaller daily and

[3] See para 106 of AECOM Parish Housing Needs Assessment 2017

top up convenience store is remaining whilst footfall at larger stores is decreasing as people opt for ordering online and having their shopping delivered.

5. Conclusions & Recommendations

5.1. This desktop assessment of the increased population of the Parish resulting from the additional housing proposed under the SDNP makes an assessment that the Parish will require no additional convenience retailing space to be delivered. Any increased demand can easily be accommodated within the existing provision.

5.2. This report concludes that the Parish currently has adequate retail capacity to meet the demand placed upon the sector by the anticipated development to 2031 including the proposed allocation within the neighbourhood plan.

5.3. The other question identified was whether new retail units be allowed across the Parish where new development occurs. This report has demonstrated that no additional retail space will be required to serve the addition 422 dwellings envisioned by the SWNP. It does not comment on the spread of retail provision.