

## **Matter 9 : Retail & Town Centres**

While appreciating the policy principles expressed in TC 1-3, this submission will address Q1 on the evidence of need for substantial additional retail floorspace, notably in Leamington Spa, which is assumed within TC5. It will also address Q6 on aspects of the Chandos Street site.

### **Q1**

Local Plan 3.67 asserts as a fact that Leamington will be advised to provide significant new retail floor space during the plan period. This refers to the 2014 Retail Study, in which chapter 8 sets out a Create Capacity Model. It is noteworthy that 8.58 ends with a caveat that these capacity forecasts should be treated with caution. In that spirit of caution, the capacity modelling has been examined carefully by a Warwick University economist (Geoffrey Renshaw). Because he looked at the data, assumptions and modelling in some detail - for each element of the evidence - his thoughts are set out in a separate attachment. It emerges that the Study is based on assumptions and methodology that are highly sensitive to variations, with the potential for greatly varied outcomes. (Summary & Conclusions, page 7). In a phrase, the 2014 Retail Study is a less than reliable guide.

Below are further general points arising from the Study and relating to retail provision.

In the convenience category, as mentioned above, the Study remarks on a shortage of major food shops in Leamington town centre, although it notes substantial provision in outer areas of the town including a new (very large) Morrisons. Recently both Aldi & Lidl have also set up shop, as well as another local Sainsbury. Altogether every major food retailer (with the sole exception of Waitrose) is available within 1 - 1.5 miles of the town centre. A remarkable range for a town the size of Leamington. This may not be an ideal blueprint for a town centre policy ; but it's hard to see substantial addition to this scale of provision (with the single possible exception, above.)

The 2014 Study, like earlier ones, stresses a need for modern retail spaces of suitable size, format and specification. It also notes (5.7) that Regent Court has been the only major addition in recent years (2005). However it recognises that Regent Court has struggled, with empty premises and rents that started low and then declined ; so much so that it has been reinvented as a restaurant quarter instead. These events do not back up the suggestion that a lack of modern retail units is the main problem, or that providing such units will necessarily bring in the business.

The 2014 Study (para 5.57) "understands" that Wilson Bowden (WB) is currently refining plans and an application is scheduled in Spring 2014 - i.e. imminently. Yet no such plans were submitted : having invested considerable resources over several years since 2006 it seems that WB eventually gave up on their plans for Chandos Street area. With their experience of retail developments in a number of town centres, evidently by 2014 WB did not share the Study's view that Leamington was destined for a major expansion of shopping.

The Study concentrates very much on multiple, chain shops ; no doubt these are easier to identify and tabulate in retail analysis. But they are far from the whole story : the multiples are 31.7 % of total Leamington shops, with 44.6 % of total floorspace (para. 5.80). The independents are more than half of the retailers ; they are a key part of the town's particular character and its attraction for visitors. It is a trend of modern retailing that extensive chains are being rationalised, leaving their focus on large towns. The Study lists a number of comparison brands as absent from Leamington, as if 100% coverage is a likely or a rational basis for planning Leamington's retail future. The same preoccupation appears in the naming of restaurant chains, although Leamington has great variety in its independent range on offer. Leamington is known for its range of quality independents : arguably a more important offer in attracting visitors than the modest "anchor" stores cited by the Retail Study.

### **Q 6**

A one page appendix is submitted, summarising the Planning Committee refusal of the Clarendon Arcade application on 8th November 2011. This sets out the grounds for refusal. The decision was contrary to officer recommendations but it was not appealed and, as referred to at Q1 above, Wilson Bowden have since offered no modified scheme.

It is important to state clearly that the Leamington Society is not opposed to the principle of focussing on Chandos Street area in the allocation of town centre development. It was the scale and character of the Clarendon Arcade that was the problem : that is why the reasons for the 2011 refusal are an important reference. That is also why the quantum of anticipated extra retail capacity is critical, since the scale of the Arcade proposal led to its rejection and rightly so in our view. Thus TC5 (a) is a key provision, as are various considerations listed under 3.69.

Phrases such as significant increase, or major development, can cover a wide range of interpretation. The Plan's wording at 3.67 suggests a similar line to the Clarendon Arcade proposition : that Leamington has to make a big statement, with promotion to a bigger retail league vital to survival. The Retail Study is cited, but the evidence is shaky. This is a

dubious proposition commercially ; worse, its pursuit would seriously damage the town's character, choke its Regency street pattern with excessive traffic & pollution, and eventually wreck its core appeal to visitors.

The Arcade scheme lacked diversity, and was overbearing of its surroundings - especially with the massive upper car parking decks which no doubt sought to direct visitor numbers mainly to shop within the arcade. Several expert reports in recent years have urged a mix of uses, as well as retailing, to revive town centres. Instead of self contained malls, locked and dark at night, developments need to be good neighbours with the rest of the town centre which will also benefit from a residential presence.

TC5 (c) refers to the impact of proposals on traffic movements, also promotion of public transport and parking provision. In this context, how is the word "appropriate" to be interpreted ?

The Retail Study shows annual car parking levels in Table 5.8. For the latest year shown there were on average 520 parking events in each of the town centre spaces (944,616 in 1816 spaces).

This means that each space is visited, on average, less than twice per day. Since most of this is fairly short term parking, it suggests that Leamington's car parks are by no means operating at full capacity. In that same year 2011, this was confirmed by frequent observation of electronic parking signs in Willes Road. This display covers the main parks at Royal Priors, Covent Garden, St Peter's, and Chandos Street. Consistently at least 500 available spaces were indicated, the average over 6 random days was 595. More recently there have been issues with Covent Garden multi storey park and a WDC proposal to rebuild it ; also of course Chandos St park would disappear as a consequence of development on the site, but the latter constitutes less than 10% of town centre off-street parking.

WDC's experience of preferred partnership with Wilson Bowden, in pursuit of a "big bang" large development was protracted and led nowhere. For the Council to seek another such major development might suggest a bold commitment to the town's future, but at serious risk of failure, blight and ruination of Leamington's character. A wiser policy would surely be one of incremental developments on a moderate scale. This responds to a number of constraints inherent in the scale, street pattern and character of Leamington. These factors include the impact of extra traffic (both deliveries and customers), a proportionate need for parking but not massive multi decks, and avoidance of widespread demolition by lengthy process of compulsory purchase.

Phased, incremental growth allows for adaptation to changing circumstances, allied to the preparation of an Area Action Plan as in TC10. By contrast TC4 and its Explanation paragraphs reads too much like a re-commitment to the major gamble on one big scheme - all based on capacity forecasts which "should be treated with caution" (Retail Study 8.58) .

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## **WDC's Retail & Leisure Study Update 2014**

### **Comments on the assessment of prospective need for additional retail floor space in central Leamington.**

The WDC Plan states (para. 3.67): "The most recent (March 2014) Retail Study has identified the fact (emphasis added) that if Royal Leamington Spa town centre wishes to maintain its role as a sub-regional shopping destination, it will be advised to provide a significant amount of retail floor space during the plan period."

This comment argues that, contrary to the Plan's claim that the need for significantly more floor space in Leamington town centre is a fact, this need is highly conjectural, is based on a series of dubious assumptions, and in an important respect involves a logical contradiction.

### **The economic capacity assessment (section 8)**

This is a main basis of para. 3.67 of the Plan. A key concept in the methodology of sec. 8 is a shop's sales density, defined as its sales revenue per square metre of its floor area. Each shop is assumed to have a *desired* or target sales density, a Goldilocks situation where the floor area is neither too large nor too small relative to its sales revenue.

If a shop's *actual* sales density exceeds this desired density, this means its floor area is too small and stock cannot be displayed to best advantage and/or customers are tripping over one another. If this situation persists, the shop will wish to increase its floor area.

To establish a need for additional floor space in central Leamington, it is thus necessary to show that *actual* sales density exceeds *desired* sales density, either at present or in the future or both.

For central Leamington the Study concludes that, for comparison goods, in 2029 actual sales density (which, confusingly, it calls potential sales density) will exceed desired sales density by 23819 m<sup>2</sup> (Appendix 8, table 15). For convenience goods actual sales density is slightly less than desired sales density, indicating that convenience stores will have slightly more floor space than desired (Appendix 7, tables 11 and 12).

The key figure therefore is the 23819 m<sup>2</sup> of additional floor area required for comparison goods by 2029. To understand how this figure was arrived at it is necessary to examine the estimating procedure for both actual and desired sales density.

### **To estimate *actual* sales density the Study proceeded as follows:**

1. A geographical area somewhat larger than Warwick District was chosen as representing the catchment area within which most shoppers lived.
2. The population of this area in 2013 was estimated.
3. Retail expenditure per head of this population in 2013 was estimated.
4. By multiplying (2) by (3) an estimate of total expenditure by residents in the catchment area in 2013 was arrived at.
5. The division of this expenditure between particular goods and shops (market shares) was then estimated using data derived from a telephone survey of 1000 shoppers in the area.
6. Estimates of retail shopping area in m<sup>2</sup> for different types of good and different areas were made.
7. Estimated actual sales density in 2013 for individual areas such as Leamington town centre was then obtained by dividing (5) by (6). These estimates of *actual* density are then compared with

estimates of *desired* density in order to determine whether additional floor space is required to bring the actual value into alignment with the desired value. The method of estimating desired density is discussed below.

8. The above process was then repeated for various years up to 2031 using projections of the variables.

Regarding actual density, the accuracy of the estimates of the key variables in steps 2, 3, 5, 6, 7 and 8 is highly questionable. Specifically:

### **Step 2. Population.**

While the population of the catchment area in 2013 is known fairly accurately, its growth rate is not. The Study's projected growth rate of population in the catchment area 2013-29 was 0.86% per annum (appendix 7, table 1; appendix 8, table 1). This growth rate was based on the ONS 2011-based projections, and now seems very high relative to more recent ONS projections, which give growth rates for 2014-29 of 0.48% per annum for Warwick District, 0.45% for Warwickshire and 1.2% per annum for Coventry (ONS 2014-based subnational population projections, table 5).

The catchment area of the Study includes part of Coventry (zones 5 and 6) which contained 22.8% of the population of the catchment area in 2013. The rest of the catchment area lies mainly in Warwick District or Warwickshire.

It therefore seems reasonable to project a population growth rate for the catchment area which is a weighted average of the projected growth rates of Coventry and Warwickshire, the weights being their shares in the total population of the catchment area. This weighted average is 0.62% p.a.

Sensitivity analysis. Applying a population growth rate of 0.62% p.a. instead of the 0.86% p.a. used in the Study, with all other assumptions and data unchanged, reduces the required additional floor area for comparison goods in central Leamington in 2029 from 23819 m<sup>2</sup> to 14666 m<sup>2</sup>, a reduction of 38%.

### **Step 3. Per capita expenditure.**

As with population, per capita retail expenditure in 2013 can be estimated reasonably accurately, but its future growth rate is highly uncertain. The Study projects per capita growth rates of 2.9% p.a. for comparison goods and around 0.8% p.a. for convenience goods 2013-29 (para. 8.15). These figures appear to be based on the assumption that the relative stagnation of the UK economy since the financial crash of 2008 will shortly end, and that economic growth will return to its previous rates.

However there is increasing pessimism among economic forecasters regarding long term growth prospects in the industrialised countries. For example, long-term projections by the European Commission for the whole EU for 2013 to 2060 are based on a real GDP growth rate assumption of only 1.4%; and in the OECD's long-term projections expected real wage growth has been reduced from 2.0% to 1.25%. These growth rates are barely half of their values prior to 2008, and the slow growth of recent years is now increasingly viewed as 'the new normal'.

Moreover the Study appears to grossly underestimate the future growth of internet shopping. It projects the share of internet shopping for comparison goods to grow from 10.8% in 2013 to 16.5% in 2029, and for convenience goods from 2.5% to 5.5% over the same period (appendix 7, table 2; appendix 8, table 2). Given that the ratio of comparison goods spending to convenience goods spending is about 2 : 1, this implies an expectation that the internet share in total retail sales will be about 13% in 2029 (calculated from appendix 7, table 2; appendix 8, table 2).

This projection of 13% for 2029 is surely a huge underestimate. Evidence of this is found in the Study itself, which reports a forecast by Experian (a highly reputable market research company much relied upon throughout the Study) that the internet share of total retail could reach 20.3% by 2026 (para. 3.20). However the Study discounts the Experian forecast on the grounds that much online

shopping takes the form of "click and collect", so the demand for shop floor area is not reduced pro rata (para 3.21).

The Experian forecast is supported by many other research organisations such as Retail Research, which estimates the online share of total retailing at 13.5% in 2014, rising to 16.2% in 2016, and current growth at around 15% per year (<http://www.retailresearch.org/onlineretailing.php>). These are not projections; they refer to the situation now and in the recent past.

For total retail there is thus a huge discrepancy between the Retail Research estimate of 16.2% in 2016, the Experian forecast of 20.3% in 2026, and the Study's implied forecast of about 13% in 2029, a discrepancy far too large for "click and collect" to explain.

This is very important since the forecast growth of sales in shops is highly sensitive to the assumptions regarding the growth of online sales. It is particularly important for comparison goods; seven of the top ten online retailers sell mainly comparison goods. The Experian forecast of 20% for total retail in 2026 implies that the comparison goods share will be much larger than this (since it is generally accepted that the scope for internet sales of convenience goods is inherently much smaller, and total retail is a weighted average of the two).

Sensitivity analysis. Given the Experian forecast of 20% for *total* retail in 2026, to assume a share of 25% by 2029 for comparison goods seems if anything somewhat conservative. The effect of this assumption on the Study's conclusions is that, for central Leamington the gross additional floor area required for comparison goods in 2029 falls from 23819 to 11011 m<sup>2</sup>, a reduction of 54% (appendix 8, table 15; author's calculations).

### **Step 5. The telephone survey.**

The purpose of this was to provide estimates of how residents of the catchment area divided their spending between different shops and areas in July 2013. One thousand residents of the catchment area were contacted (Appendix 3). As pollsters trying to forecast election results have found to their cost, the telephone method of survey is inherently prone to bias. Since many of the calls are made during the day, the response is biased towards people who are home during the day, which tends to be predominantly retired people, and especially women. It is also biased against the poor and the young, many of whom do not have telephone landlines. The bias towards the elderly may also bias the answers to questions on internet shopping. Respondents were not asked whether they had internet access.

The survey respondents were asked more than 30 questions about where they spent their money and what they spent it on, including not only shopping but leisure activities. Many of the questions required a specific answer to a question so open-ended that no specific answer may exist. For example, question 20 asked: *Where do you do most of your household's shopping for large domestic appliances such as washing machines, fridges, cookers, etc?* It is not clear how a respondent should or would answer this if they had bought, say, a TV set 3 months ago in Warwick, a washing machine last year in Solihull, and a fridge/freezer online two years ago. Should the more recent purchases carry greater weight? Is "most" to be measured by amounts spent or by number of visits? Because of these ambiguities, different respondents will have interpreted the questions in different ways, which inevitably calls into question the reliability of the results.

A further source of difficulty with the survey is that, as the preceding paragraph illustrates, the responses to many of the survey questions were necessarily qualitative, involving the term "most". Nevertheless the responses were then used quantitatively, as weights to divide the public's total expenditure on comparison goods between individual stores in Warwick District and elsewhere.

In defence of the survey, it may be said that it passes the standard statistical tests for reliability (appendix 3). But such tests show only that the answers given by the respondents were not random. It remains highly questionable whether the spending patterns for 2013 derived from the survey correspond closely to reality, yet they play a crucial role in the Study's conclusions.

### The projection of market shares

The reliability of the spending patterns derived from the telephone survey becomes even more questionable when they are projected to 2031 in step 8 above. Astonishingly, the Survey assumes that the 2013 spending patterns (market shares) will remain constant up to 2031. No explanation is offered of how or why this occurs – it is simply an assumption.

The key role that this assumption plays in the results of the Study cannot be over-emphasised. For it automatically guarantees that spending in, say, central Leamington will rise at exactly the same rate as total spending on all goods everywhere.

The assumption of constant market shares is in sharp conflict with the findings of this Study and its 2009 predecessor: that the town centres of Leamington, Warwick and Kenilworth were all losing market share. Indeed it was the perception of these losses that motivated the Council to commission the Studies. Between 2009 and 2013 central Leamington's share of the comparison goods market fell from 35% to 27.9%; Warwick's from 4.1% to 3.3%; and Kenilworth's from 3.1 to 2.9%. The decline in central Leamington's share was particularly acute. Out of centre shopping areas within the District increased their share from 4.7% to 8.8%, but the District as a whole lost market share, from 46.7% to 43% (2014 Study appendix 8 table 4; 2009 Study appendix 16 table 5b). It is important to keep in mind, however, that all of these changes are estimates based, as argued above, on questionable data.

These changes in market share reflect several powerful behavioural changes. Perhaps the most salient of these is that consumers' geographical shopping horizon is expanding. This has led to the migration of shoppers away from traditional shopping centres towards suburban and more distant locations. This is a national trend but is also evident in the Studies' data. Shopping areas close to concentrations of population – Coventry, Kenilworth, Warwick and Leamington – all lost market share, while the gainers were areas peripheral to the catchment area – Banbury, Stratford, Birmingham and Solihull.

A logical corollary of this expansion of shoppers' geographical range is that some people living outside the catchment area chosen by the Study will have expanded their horizon to include shopping area lying within the catchment area. This factor offsets the declines in market share that the Studies appear to identify. This possibility is completely ignored by the Study, which assumes that all who shop within the catchment area also live within it (with the exception of tourists and some commuters).

A second factor is the growth of internet shopping, as already discussed. A third is in part a response to this: retailers are moving out of traditional shopping areas towards suburban sites and internet sales, and at the same time are concentrating their resources into fewer but larger shops.

Finally, a factor that is not mentioned in the Study but which is discernible in the data is changes in population distribution. Between 2009 and 2013 the share of Leamington, Warwick and Kenilworth in the catchment area's total population fell by 2.7 percentage points, while the share of the northern parts, which lie mainly in Coventry, increased by almost the same percentage. These shifts in population distribution alone can explain a significant part of Leamington, Warwick and Kenilworth's apparent loss of market share.

**Sensitivity analysis.** Given the strength of these forces underlying changes in market shares, it is surely more realistic to assume that these changes will continue rather than assuming with no justification that market shares will remain unchanged until 2031. The problem then is to estimate the pace at which these changes will occur over this time period. In the case of central Leamington the Studies suggest, as noted above, that market share in comparison goods fell by slightly more than 7 percentage points, to 27.9%, in the four years 2009-13. If this rate of decline were to continue, comparison goods shopping in central Leamington would fall to zero by 2029, which seems unduly pessimistic. However even a greatly reduced rate of decline, let us say by only 5 percentage points in the sixteen years 2013-29, has a dramatic effect. With all other assumptions and data unchanged, the required additional floor space falls from 23819 m<sup>2</sup> to 9192 m<sup>2</sup>, a reduction of 61% (Appendix 8 table 15; author's calculations).

### **Steps 6 and 7, floor area and sales density.**

The Study is extremely vague about the sources of this data. It states that the 2013 estimate of central Leamington's floor area for comparison goods, 44147 m<sup>2</sup> was based on 'informed judgement' (para. 8.28 and table 12 appendix 8). One might imagine that Warwick District Council, as the collector of the business rate which is based on floor area, would know this figure but WDC is not cited as a source in the Study. From this the actual sales density can be calculated by dividing estimated sales, £247.7m, by 44147, which equals £5611. (Strangely, this figure is not to be found anywhere in the Study, but it may be calculated from tables 10 and 12, appendix 8.)

Considering now desired sales density (which, confusingly, the Study calls 'benchmark' density), in principle this could be obtained from the businesses themselves but in practice is commercially confidential. The estimate of desired density was therefore based on average actual densities of comparable shopping centres obtained by market research (para. 8.28). This approach assumes that while individual shops may be either too large or too small relative to their sales, on average their size is just right.

The desired density figure arrived at for comparison goods in central Leamington was £5500. Because this is negligibly different from the estimated actual density of £5611 we can conclude that in 2013 comparison stores were in a Goldilocks situation; their floor area was neither too large nor too small relative to their sales.

The problem with this conclusion is that both actual but more particularly desired density are subject to a margin of error of at least  $\pm 5\%$ , meaning that the difference between them could be around 10%. Translated into floor area, this would mean that the shops in question had in 2013 more or less floor area, by about four thousand square metres, than they would have preferred to have. This is a large margin of uncertainty.

An additional source of error is introduced when these estimates of actual and desired sales density are projected to 2029. Desired sales density for comparison goods is assumed to grow at 2% p.a. due to productivity growth that takes the form of greater efficiency in the use of space. As already discussed above, actual sales density grows faster than this, at 3.4% p.a. Thus demand for additional floor area grows at 1.3% p.a., the difference between the growth rates, and over the 16 years 2013-29 cumulates to a demand for 25% more floor space.

Sensitivity analysis. The assumption of 2% p.a. growth in the efficiency of space utilization is almost certainly somewhat arbitrary. If that figure were 2.5% instead of 2%, the additional floor space required for comparison goods by 2029 falls from 23819 to 14291, a 40% reduction.

### **Methodological issues**

It is notable that two quite distinct and contradictory methodologies can be detected in the Study. In section 8, upon which this comment has mainly focused, the argument is put that the demand for new floor space, driven by the growth of sales, will increase rapidly up to 2029 – by 71% in the case of comparison goods in central Leamington – thus necessitating investment in additional floor area if this demand is not to be choked off by increasing congestion (which the Study calls 'overtrading').

In other parts of the Study (e.g. paras 5.59, 8.53, 10.18) a completely different approach is apparent. It is argued, based on a comparison of the findings of the 2009 and 2013 Studies, that the market share of central Leamington is in decline. It is then argued that a major investment in new floor space would attract enough new shoppers to halt this trend.

This is a very strong proposition, as it asserts that an increase in supply (of floor area, in this case) causes an increase in demand. This is not normally the case; a retailer cannot expect to increase its turnover merely by moving to larger premises. The exception would be when the new premises were qualitatively different from the old in a way that attracted more customers. Thus the argument hinges crucially on this qualitative difference. Moreover, the mere presence of such a qualitative difference

would not be enough; it would be necessary to demonstrate that its effect on shoppers' behaviour was likely to be large enough to make the investment commercially viable.

No such demonstration is to be found in the Study. Therefore to base a major investment in town centre floor space on this argument would be a leap in the dark. The proposed leap is also very large: given the 2013 floor space of 51007 m<sup>2</sup> (44147 m<sup>2</sup> for comparison goods and 6860 m<sup>2</sup> for convenience goods (appendix 8, table 12; appendix 7 table 12)), the proposed new investment of 23819 m<sup>2</sup> is an increase of 47%. To maintain the desired sales density this requires an increase in sales in the same proportion. This means that even if the investment were moderately successful – generating perhaps a 30% increase in sales – there would nevertheless arise a great deal of excess capacity, revealing itself in vacant units and falling rents.

The key and inescapable point is that it is logically impossible to support both arguments simultaneously as justifying new retail investment, since one postulates rising demand and the other falling demand. Para. 10.18 of the Study clearly fails to see this logical contradiction.

The first argument, that investment is needed to accommodate a prospective increase in demand, is straightforward but questionable because of its assumptions of rapid growth in both population and expenditure per head, slow growth in internet shopping; and most importantly because it assumes stabilization in market shares. This latter assumption has no justification and can only be described as wishful thinking.

The second argument, that investment is needed to counteract a prospective fall in demand, relies on a qualitative difference between new investment and the existing 'offer' that is so significant in shoppers' eyes that it reverses the downward trend in market share. There is no evidence in the Study that supports this. Lacking such evidence, this argument too must be dismissed as wishful thinking.



## SUMMARY & CONCLUSIONS

In this comment we have examined a number of points concerning the Retail Survey that raise serious questions concerning its reliability. Specifically:

- (a) The assumed rates of population growth are implausibly high in the light of more recent ONS estimates.
- (b) The telephone survey on which the distribution of expenditure between shops and area is based is inherently flawed.
- (c) The assumed growth of the market share of internet sales is much too low, notwithstanding the role of "click and collect".
- (d) The assumption that market shares of individual shops and towns in 2013 (already questionable in view of point (b) above) will remain constant until 2031 is highly implausible.
- (e) Although actual and desired density are key methodological concepts in the Study, estimates of both are highly unsatisfactory.
- (f) The Study concludes that new investment is needed to meet a projected growth in demand and that new investment is needed to prevent a projected decline in demand, a logical contradiction. (See especially para. 10.18).

### Sensitivity analysis.

It is regrettable that although the authors of the Study issue caveats at several points (e.g. paras. 1.7, 3.4, 3.9, 3.12, 3.15-16, 3.29, 8.14, 10.8) regarding the reliability of their assumptions and data, they did not see fit to explore by sensitivity analysis the extent to which its conclusions were changed by variation in key values. This comment has conducted such analysis and has shown that:

- (i) Applying a population growth rate of 0.62% p.a. instead of the 0.86% p.a. used in the Study, with all other assumptions and data unchanged, reduces the required additional floor area for comparison goods in central Leamington in 2029 from 23819 m<sup>2</sup> to 14666 m<sup>2</sup>, a reduction of 38%.
- (ii) Assuming that internet sales of comparison goods reach 25% by 2029, a somewhat conservative figure in relation to many estimates, means that for central Leamington the gross additional floor area required for comparison goods in 2029 falls from 23819 to 11011 m<sup>2</sup>, a reduction of 54%.
- (iii) If we assume that central Leamington's share of comparison goods falls by only 5 percentage points in the sixteen years 2013-29 (compared to more than 7 percentage points in four years 2009-13) the required additional floor space falls from 23819 m<sup>2</sup> to 9192 m<sup>2</sup>, a reduction of 61%.
- (iv) The assumption of 2% p.a. growth in the efficiency of space utilization is almost certainly somewhat arbitrary. If instead the efficiency of space utilization grows at 2.5% p.a., the additional floor space required by 2029 falls from 25% to 15% of its 2013 level, a 40% reduction.

It is scarcely necessary to point out that if two or more of the above revisions are made simultaneously, the additional floor space required approaches zero and can become negative. For example, (ii) and (iv) combined add to a 94% reduction.

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11-10-16

**NOTE: THIS SUMMARY IS NOT THE FORMAL MINUTES OF THE PLANNING COMMITTEE. IT IS INTENDED TO GIVE EARLY NOTICE OF THE DECISIONS TAKEN.**

**Part A - General**

- 1. Emergency Procedure**
- 2. Substitutes** – These will be detailed in the minutes
- 3. Declarations of Interest** – These will be detailed in the minutes of the meeting.
- 4. Minutes** – This will be recorded in the minutes of the meeting.

**Part B - Planning Applications**

**6. W10/0340 – CLARENDON ARCADE, PARADE, ROYAL LEAMINGTON SPA**

(Vote to defer defeated 5 to 3.)

REFUSED contrary to officers recommendations for the following reasons:

1. the proposal is contrary to local plan policy DP1 (layout and design) due to bulk and mass, and would not represent an appropriate layout and design that harmonises with the surrounding buildings, 2. contrary to local plan DP2 (amenity) due to unacceptable impact on the living conditions of existing residents of the surrounding properties and the future residents of the town houses by reason of overbearing visual impact, loss of light, noise and fumes 3. contrary to local plan policy DAP8 and DAP9 and PPS5 policies HE8 and HE9 due to bulk and mass and loss of traditional buildings and street pattern being detrimental to the character and appearance of the conservation area 4. contrary to local plan policy DP8 (parking) by reason of excessive car parking 5. contrary to local plan policy TCP3 ( ) by reason of inadequate measures to promote public transport.

(6 votes for refusal, 4 against)

**7. W10/0341 LB – CLARENDON ARCADE, PARADE, ROYAL LEAMINGTON SPA**

REFUSED contrary to officers recommendations for the following reason:

Proposal is contrary to local plan policy DAP4 by reason of the absence of a suitable replacement scheme for the demolished buildings.

(7 votes to 0)

**8. W11/0342 CA – CLARENDON ARCADE, PARADE, LEAMINGTON SPA**

REFUSED contrary to officers recommendations for the following reason:

contrary to local plan policy DAP8 and DAP9 and PPS5 policies HE8 and HE9 due to the loss of traditional buildings being detrimental to the character and appearance of the conservation area.

(7 votes to 0)

**10. W11/1109 – FERNHILL FARM, ROUNCIL LANE, KENILWORTH**

REFUSED as per the officer's recommendation.

**The remaining items from this agenda will be considered on Wednesday 9 November starting at 6.00pm**