







## Clarendon Arcade – Review and Appraisal 2013

Issue/Revision:	Draft	Final
Date:	31 March 2013	22 April 2013
Comments:		
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File Reference:		

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## 1.0 INTRODUCTION

- 1.1 Over the last decade or more Warwick District Council (WDC) has commissioned a series of retail planning studies to help inform both plan-making and decision-taking across the District and within its main centres – principally Leamington Spa, Warwick and Kenilworth. The main studies include:
- 2002 – Warwick Retail Study
  - 2004 – Retail Capacity Assessment & Healthcheck Study
  - 2006 – Sequential Assessment
  - 2009 – Retail and Leisure Study
- 1.2 Based on this robust evidence base WDC has promoted a “*town centre first*” strategy and prepared policies for all of its town centres in compliance with the both regional and national planning policy guidance<sup>1</sup>. The Council’s policy approach to retail and town centres is set out in the (adopted) Warwick District Local Plan (1996 – 2011).
- 1.3 WDC recently commissioned Strategic Perspectives to carry out a review, “refresh” and update of the May 2009 *Retail and Leisure Study* (RLS). This will be carried out in compliance with the National Planning Policy Framework (NPPF) and will help to inform the preparation of the Council’s New Local Plan.
- 1.4 As the first part of this commission, SP prepared a draft **Stage 1** report in January 2013 that updated the health checks for the District’s main town centres (i.e. Leamington, Warwick and Kenilworth) and provided a “*refresh*” of the retail capacity assessment (drawing on the results of the household telephone interview survey conducted in 2009)<sup>2</sup>.
- 1.5 As part of this commission WDC is also seeking a **Stage 2** report to review and appraise the retail planning merits of providing new retail floorspace on the Council-owned Chandos Street Car Park site and surrounding area in the heart of Leamington Spa. By way of background to this appraisal, the series of evidence-based studies prepared for the Council since 2002 have helped to inform the identification and allocation of Chandos Street Car Park and its immediate surrounding area as the most suitable and viable location for new retail-led development. The broad sequence of events for this was as follows:

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<sup>1</sup> The National Planning Policy Framework (NPPF) published in March 2012 superseded PPS4, which had itself superseded PPS6. All these national planning policy documents promote the need for new development and investment to be directed to town centres first in compliance with the sequential approach and the promotion of sustainable development.

<sup>2</sup> It was agreed with the Council that the final Stage Report, based on the commissioning of a new household survey, would be delayed until after the opening of the Morrisons store on the former Ford Foundry site, as this could have a significant impact on food shopping patterns across the Leamington and Warwick areas. This updated survey is scheduled to take place in April 2013, as the Morrisons should achieved more settled trading patterns by then. Thereafter, SP will carry out a full update of the retail and leisure assessments drawing on the results of the new household survey.

- **December 2004-** The Council recognised that Chandos Street represented the best opportunity for town centre development and agreed that positive steps should be taken to explore this further. Independent advice was received that a scheme focussing on this area would be viable.
- **March 2006** - The Council reviewed this decision on the basis of further market testing. It agreed to support a programme for securing the development of a scheme based upon the site at Chandos Street car park for retail and car parking use and to seek expressions of interest from potential developers.
- **July 2007** - The Council agreed to the selection of Wilson Bowden as preferred development partner.
- **March 2010** - Wilson Bowden submitted planning application for retail, residential and car parking (ref: W/10/0340). This scheme, which was for a covered mall with car parking above (known as Clarendon Arcade), comprised:

**Table 1.1 Clarendon Arcade – Planning application details**

	<b>square metres</b>
Anchor retail unit (on three floors)	7,300
42 retail units (on three floors)	12,600
<b>Total retail floorspace</b>	<b>19,900</b>
2 bedroom townhouses	9
Car parking spaces	512

Source: Warwick District Council

- **November 2011** - Planning application refused (contrary to officer recommendation for approval).
- **December 2011** - The Council re-affirmed the reasons and rationale for bringing forward retail-led development in Leamington town centre based upon the Chandos Street site, despite the implications of the refusal of the Clarendon Arcade application.

1.1 The Council is now specifically seeking advice on the following key issues:

- The quantitative need for the proposal (drawing on the retail capacity “refresh” assessment).
- Commentary on current retail trends and how these trends (particularly the growth of on-line retailing) could impact upon forecasts of comparison and convenience goods floorspace capacity.
- The type of shops and other services that are likely to be attracted to Leamington town centre, based on current trends, market confidence and retailer requirements.

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- iv. In the light of the above, what conclusions can be drawn about the optimum scale and mix of retail and other town centre uses that should be promoted in Clarendon Arcade, and the format of the scheme.
- v. Based on the above, in general terms what conclusions can be made at this stage as to the likely impact of Clarendon Arcade on the town centre as a whole, and on areas within it.
- 1.2 This appraisal has been prepared in the context of current and emerging national and local planning plan policy guidance pertaining to retail and town centre uses. It specifically takes into account the advice set out in the *National Planning Policy Framework* (NPPF) published in March 2012, as well as other key material considerations, including the *Practice Guidance on Need, Impact and the Sequential Approach* (the 'Practice Guidance').
- 1.3 For clarification purposes this report is structured as follows:
- **Section 2** reviews the national, regional and local planning policy context material to retail, leisure and town centre matters.
  - **Section 3** provides an overview of the historic and current qualitative and quantitative evidence in support of new retail development in the town centre.
  - **Section 4** reviews some of the key trends that are driving the dynamic changes in the retail sector and how this has shaped (and is likely to shape) the UK's retail landscape and market demand over the plan period.
  - **Sections 5** examines the scale, format and type of retail, leisure and other uses that would be most suitable and viable for the Clarendon Arcade scheme, and would provide the most significant positive benefits for the town centre's overall vitality and viability.
  - **Section 6** sets out our key (draft) findings and conclusions.

## 2.0 PLANNING POLICY CONTEXT

- 2.1 This section briefly reviews the key national, regional and local planning policy material to the consideration and assessment of new town centre, retail and leisure uses in Warwick District and its main centres. The section does not set out to be an exhaustive planning policy appraisal, but to highlight key policies and policy requirements.
- 2.2 It should be noted that sound and robust planning policy is critical at all stages of the development process; from plan preparation through to the determination of planning applications and in those circumstances where compulsory purchase (CPO), or the very real threat of CPO, is needed to assemble a development site.

### THE DEVELOPMENT PLAN

- 2.3 Planning Statute requires that in determining planning applications regard has to be had to the development plan and other material considerations, where relevant. The Development Plan for Leamington Spa town centre consists of the adopted Regional Spatial Strategy (2008), the adopted Local Plan (2007) and a raft of Supplementary Planning Documents. The Warwickshire Structure Plan (2001) has been entirely superseded by the Local Plan (2007).
- 2.4 The Warwick District Local Plan and accompanying Proposals Maps were adopted in September 2007. Although a number of policies were 'deleted' in September 2010, the vast majority of policies were 'saved'.
- 2.5 The Local Plan states that Royal Leamington Spa town centre is the only sub regional shopping centre in the district. This is reflected by its identification in the *Regional Spatial Strategy* (RPG11) as a strategic town centre in Policy PA11. It has a wide range of quality shops ranging from department stores and national outlets, through to specialist independent shops. Leamington's attraction as a shopping destination comes both from this range of shops and from its historic Regency character. Most of the town centre lies within a Conservation Area and the town centre contains the Pump Rooms and the Jephson Gardens. Leamington town centre also includes the smaller Old Town shopping area south of the River Leam. This area contains a range of local and specialist shops, many of which are independent, together with a range of restaurants. This area has benefitted from considerable investment over recent years.
- 2.6 Chapter 6 of the Local Plan sets out the Council's policies on development within defined Urban Areas. 'Saved' Policies UAP3, UAP4 and UAP5 are material to the assessment of new retail proposals and floorspace. **Policy UAP3** (*'Directing New Retail Development'*) specifically directs new retail development towards the District's three main town centres and is consistent with Government guidance that aims to make town centres the focus of development to ensure their continued vitality and viability. Outside defined town centres, proposals over 1,000m<sup>2</sup> gross will not be permitted unless they satisfy a series of criteria, including demonstrating there is a



need for the proposal<sup>3</sup>; there are no sequentially preferable sites; and it would not adversely impact upon existing centres.

2.7 Chapter 7 of the Local Plan sets out a series of development policies applicable to Leamington Spa, Warwick and Kenilworth (including Policies TCP1, TCP2, TCP3, TCP4, TCP5, TCP7 and TCP8). The most relevant policies pertaining to the appraisal of Clarendon Arcade include:

- **Policy TCP1** (*Protecting and Enhancing the Town Centres*) confirms that proposals for retail and leisure development where they are of an appropriate scale in relation to the role and function of the town centre and its catchment, and reflect the character and form of the town centre.
- **Policy TCP2** (*Directing Retail Development*) directs new retail development towards the retail areas of Leamington Spa, Warwick and Kenilworth as defined in the Proposals Map. Where retail opportunities cannot be found in the defined Retail Areas, development will be supported in the following hierarchy:
  - Leamington Spa – towards the new major retail growth area (Policy TCP3);
  - Warwick Town Centre – area designated for mixed use (Policy TCP8);
  - Other sequential sites in edge-of-centre locations.
  - Outside the defined Town Centres, new retail development will be considered in accordance with Policy UAP3.
- **Policy TCP3** (*Providing for Shopping Growth in Leamington Town Centre*) underlines that large shopping proposals in Leamington Spa will be permitted subject to satisfying the following key criteria:
  - they are within (i) the retail areas of the town centre, and then (ii) the area of search defined on the Proposals Map;
  - it can be demonstrated that the proposal meets the retail need in a way which is of an appropriate scale that respects the character and form of the town centre;
  - proposals create strong and direct pedestrian links between the existing main shopping core along the primary retail frontages and the development;
  - the impact of the proposal upon traffic movements is fully considered and appropriate measures to promote public transport and provide car parking are included in the proposal; and
  - proposals are acceptable with regard to the development principles set out in policy DP1 of this Plan.

2.8 The Council are currently preparing the New Local Plan for Warwick District to guide development over the next 18 years. Public consultation on the *Preferred Options* document ended in July 2012. A Full Council meeting is planned for May 2013 during which the Submission draft will be confirmed. Following this meeting, the Submission draft will be made available for consultation for six weeks in June and July 2013. The

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<sup>3</sup> It should be noted that although “need” is still material to plan-making and the allocation of sites, it cannot be used to justify for the refusal of retail, leisure and other town centre applications that are not in a centre and not in accordance with up-to-date development plan.

Examination is scheduled for late 2013/early 2014, with an expectation that the New Local Plan will be adopted in April 2014.

- 2.9 The Preferred Options document sets out the scope of information which will be addressed in the New Local Plan once it has been progressed and consulted upon further. The document explores the options to be considered relating to all development matters, including town centre and retail development. Chapters 4 and 9 discuss policy objectives which specifically relate to retail and leisure development.
- 2.10 Chapter 4 (*'Spatial Portrait, Issues and Objectives'*) establishes a broad overview of population trends and offers a spatial portrait of the District. The Chapter sets out a number of key opportunities and issues facing the District and identifies how these can be addressed in the emerging New Local Plan. With regards to retail issues, paragraph 4.8 recognises the *"threat to the economic strength of the town centres of Warwick, Leamington Spa and Kenilworth from retail and leisure developments elsewhere"*. Paragraph 4.10 identifies a series of objectives which will contribute to achieving sustainable growth in the District. One of these objectives will be to:
- "Provide a sustainable level of retail and leisure growth that will meet people's existing and future needs, and will maintain and improve the vitality and viability of existing town and local centres as attractive and safe places to visit both by day and night"*.
- 2.11 In order to meet this objective, the New Local Plan will identify the function of the three Town Centres and manage their future growth to ensure a successful and sustainable level of retail and leisure growth.
- 2.12 Chapter 9 (*'Retailing and Town Centres'*) establishes the Council's broad policy objectives relating to leisure, retail and Town Centre development proposals. It reinforces the objectives of the 2007 Local Plan in respect of the settlement hierarchy by confirming the District's main centres as the focus for retail activity. It identifies Leamington Spa as the largest Town Centre with a sub-regional role; Warwick Town Centre fulfilling a dual role for local shopping and tourism; and Kenilworth having a diverse role, but primarily functioning as an important food retail destination.
- 2.13 **Preferred Option 9** (*'Retailing & Town Centres'*) establishes the Council's preferred approach for developing retail policies. This will address a number of key issues, including encouraging Town Centres as the primary location for retail development; supporting a major retail regeneration scheme in Leamington Spa Town Centre; resisting out-of-centre retail proposals unless evidence can demonstrate that there would be no adverse impacts on town and local centres; assessing Town Centre opportunity sites to identify their regeneration potential; and developing a framework for creating area action plans (AAPs). The Preferred Options document also states that new retail development centred on Chandos Street would have the potential to meet the need for an uplift in the quantum and quality of retailing in the heart of Leamington town centre.

## THE NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

- 2.14 The NPPF supersedes all previous national planning policy statements and guidance, including Planning Policy Statement 1 (PPS1): *Delivering Sustainable Development* and PPS4: *Planning for Sustainable Economic Growth* (see Annex 3 to NPPF). It sets out the planning policies for England and how these are expected to be applied. It aims to reinforce the importance of up-to-date plans and strengthen local decision making. The NPPF must therefore be taken into account in the preparation of Local Plans<sup>4</sup> and Neighbourhood Plans<sup>5</sup>.
- 2.15 At the heart of the NPPF is a presumption in favour of sustainable development, which is seen as "*a golden thread running through both plan-making and decision-taking*" (paragraph 14). The NPPF sets out the Government's view of what sustainable development means in practice for the planning system. There are "*three dimensions*" – economic, social and environmental – which give rise to the need for the planning system to perform a number of roles.
- For **plan-making** the NPPF (paragraph 14) states that this means local planning authorities should positively seek opportunities to meet the development needs of their area. Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits; either when assessed against the policies in the NPPF taken as a whole, or where specific policies indicate development should be restricted.
  - For **decision-taking** this means (unless material considerations indicate otherwise) approving development proposals that accord with the development plan without delay; and "*where the development plan is absent, silent or relevant policies are out-of-date, granting permission unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits*"; either when assessed against the policies in the NPPF taken as a whole, or where specific policies in the Framework indicate development should be restricted (the same as for plan-making).
- 2.16 The Framework states that policies in Local Plans should follow the approach of the presumption in favour of sustainable development so that: "*...it is clear that development which is sustainable can be approved without delay. All plans should be based upon and reflect the presumption in favour of sustainable development, with*

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<sup>4</sup> Defined by NPPF (Annex 2) as the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current Core Strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

<sup>5</sup> A plan prepared by a Parish Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

*clear policies that will guide how the presumption should be applied locally*" (paragraph 15).

- 2.17 The NPPF (paragraph 17) sets out 12 core planning principles that underpin both plan-making and decision-taking. Amongst other objectives these principles confirm that planning should be genuinely plan-led, setting out a positive vision for the future of the area, and should not simply be about scrutiny, but instead be a creative exercise in finding ways to enhance and improve the places in which people live their lives. Planning should also proactively promote and support sustainable economic development in sustainable locations; encourage the effective use of land; promote mixed use developments; deliver sufficient community and cultural facilities and services to meet local needs; and always seek to secure high quality design.

### **Plan-Making**

- 2.18 The NPPF (paragraph 150) emphasises that Local Plans are "*...the key to delivering sustainable development that reflects the vision and aspirations of local communities*". They should be "*aspirational but realistic*" and should set out the opportunities for development and clear policies on "*...what will or will not be permitted and where*" (paragraph 154). Only those policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan.
- 2.19 LPAs should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three. The NPPF states that "*...significant adverse impacts on any of these dimensions should be avoided ... Where adverse impacts are unavoidable, measures to mitigate the impact should be considered ... Where adequate mitigation measures are not possible, compensatory measures may be appropriate*" (paragraph 152).
- 2.20 The NPPF (paragraph 156) requires strategic priorities for the area covered by the Local Plan to deliver the homes and jobs needed in the area; the provision of retail, leisure and other commercial development; and the provision of health, security, community and cultural infrastructure and other local facilities; etc.
- 2.21 The NPPF (paragraph 157) indicates that Local Plans should, amongst other key requirements: plan positively for the development and infrastructure required in the area over an appropriate time scale (preferably 15 years); allocate sites to promote development and flexible use of land; and identify land where development would be inappropriate, for instance because of its environmental or historic significance.
- 2.22 In terms of the evidence-based approach to planning, the Framework states LPAs should ensure that the Local Plan is based on "*...adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area*" (paragraph 158). The NPPF (paragraph 161) also states that LPAs should work closely with the business community to understand their changing needs, and

identify and address barriers to investment. LPAs should use this evidence base to assess, inter alia:

- the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
- the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs;
- the role and function of town centres and the relationship between them, including any trends in the performance of centres; and
- the capacity of existing centres to accommodate new town centre development.

2.23 The NPPF is clear that pursuing sustainable development requires “...*careful attention to viability and costs in plan-making and decision-taking*” (paragraph 173). Plans should be deliverable and, in this context, sites and the scale of development identified in the plan should “...*not be subject to such a scale of obligations and policy burdens that their ability to be delivered viably is threatened*” (paragraph 173).

### **Delivering Sustainable Development – Ensuring the Vitality of Centres**

2.24 The Framework (paragraphs 18-149) sets out 13 key ‘principles’ for delivering sustainable development, including building a strong, competitive economy; ensuring the vitality of town centres; promoting sustainable transport; delivering a wide choice of high quality homes; requiring good design; promoting healthy communities; protecting Green Belt land; and conserving and enhancing the natural and historic environment.

2.25 In terms of retail and other main town centre uses the NPPF (paragraph 23) states that planning policies should be positive and promote competitive town centre<sup>6</sup> environments, as well as setting out policies for the management and growth of centres over the plan period. When drawing up Local Plans, LPAs should amongst other objectives:

- recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
- define a network and hierarchy of centres that is resilient to anticipated future economic changes;

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<sup>6</sup> The NPPF (Annex 2) states that references to town centres or centres apply to city centres, town centres, district centres and local centres, but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

- define the extent of town centres and primary shopping areas<sup>7</sup>, based on a clear definition of primary and secondary frontages<sup>8</sup> in designated centres, and set policies that make clear which uses will be permitted in such locations;
- promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
- allocate a range of suitable sites to meet the scale and type of retail, leisure and other uses needed in town centres;
- ensure that the needs for retail, leisure, office and other main town centre uses are "*met in full*" and "*not compromised by limited site availability*". Assessments should therefore be undertaken of the need to expand town centres to ensure a sufficient supply of suitable sites;
- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

2.26 When considering applications for main town centre uses<sup>9</sup> that are not in an existing centre and not in accordance with an up-to-date Local Plan, the NPPF (paragraphs 24-27) requires that proposals should satisfy the **sequential test**<sup>10</sup> and should require an **impact assessment**, if the development is over a locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500m<sup>2</sup>).

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<sup>7</sup> Primary shopping area is defined by the NPPF (Annex 2) as the defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage).

<sup>8</sup> The NPPF (Annex 2) states that 'primary frontages' are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. 'Secondary frontages' provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.

<sup>9</sup> NPPF (Annex 2) defines 'main town centre uses' as retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

<sup>10</sup> This sequential approach should not be applied to applications for small scale rural offices or other small scale rural development.

- 2.27 The sequential test requires applications for main town centre uses to be located in town centres first, then in edge-of-centre locations and only if suitable sites are not available should out-of-centre sites be considered. The assessment of impact includes the effects on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, *"...the impact should also be assessed up to ten years from the time the application is made"* (paragraph 26).
- 2.28 The NPPF (paragraph 27) states that *"...where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused"*.
- 2.29 The Framework addresses decision-taking in more detailed in paragraphs 186-207. In summary the NPPF states that LPAs should *"...approach decision-taking in a positive way to foster the delivery of sustainable development. The relationship between decision-taking and plan-making should be seamless, translating plans into high quality development on the ground"* (paragraph 186). It continues that LPAs should *"...look for solutions rather than problems, and decision-takers at every level should seek to approve applications for sustainable development where possible"* (paragraph 187). LPAs are encouraged to work proactively with applicants to secure developments that improve the economic, social and environmental conditions of the area.

## SUMMARY

- 2.30 This review of national, regional and local planning policy has demonstrated the Government's longstanding commitment to direct new retail development and investment to town centres first, to help maintain and enhance their overall vitality and viability. The NPPF (paragraph 23) in particular requires local planning authorities to ensure the vitality of town centres by, *inter alia*:
- assessing the need<sup>11</sup> for new retail and town centre uses over the development plan period;
  - identifying and allocating a range of suitable sites to meet the scale and type of development needed in town centres; and
  - ensuring that the needs for retail, leisure and other town centre uses are *"met in full and are not compromised by limited site availability"*.

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<sup>11</sup> It is to be noted that this includes quantitative and qualitative need, as set out in the NPPF (paragraph 161), which states *"...local planning authorities should use this evidence base to assess: the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development"*.

- 2.31 It is apparent that if sites are not available in town centres, the local planning authorities should consider the potential to expand their centres to ensure a sufficient supply of sites, or failing that allocate appropriate edge-of-centre sites that are well connected to the town centre. If sufficient edge-of-centre sites for meeting the identified needs cannot be identified then it will be necessary to set policies for other accessible locations that are well connected to the town centre, and set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres.
- 2.32 On this basis the need identified by the Council's evidence-based documents should be met in full over the development plan period. It follows that if the LPA does not to identify sufficient sites, then it would not be accord with national policy. The consequences of not allocating and promoting appropriate new retail sites in town centres would be that sequentially less preferable sites, such as out of centre locations, would be promoted on the basis there are no "allocated" town centre sites. This would not be either true or in the interests of the District's existing town centre retailers and landlords, as further out of centre development could led to further expenditure leakage from the District's town centres and a cycle of decline.
- 2.33 Based on the evidence, WDC has identified Chandos Street Car Park and its immediate locality as the most appropriate and most sustainable retail-led mixed use site within the town centre by virtue of its size, accessibility and location.



### 3.0 THE EVIDENCE BASE

- 3.1 Local planning authorities are required by the NPPF (paragraph 161) to assess the *"quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development"*; and *"the capacity of existing centres to accommodate new town centre development"*.
- 3.2 As set out in Section 1.0, the Council has maintained a robust and up-to-date evidence base on retail and town centre matters over the last decade or more to help inform its plan-making and decision-taking. Beginning with the *Warwick Retail Study* (WRS) carried out by DTZ in 2002, up to the publication of the *Retail and Leisure Study* (RLS) in May 2009, the evidence has consistently identified a qualitative and quantitative need for new comparison goods retail floorspace (and more limited need for convenience goods retailing) in the District's main centres, and principally Leamington Town Centre.
- 3.3 This section provides a brief overview of these previous studies, as the findings and recommendations are highly material to the identification of the Council-owned Chandos Street Car Park. The following commentary also draws on the recent (draft) findings of the *"refresh"* retail and leisure study prepared for the Council by Strategic Perspectives in January 2013. This updates the evidence on quantitative and qualitative needs based on the most recent forecasts of population and expenditure growth, and Internet shopping.

#### QUALITATIVE ASSESSMENT

- 3.4 Each of the retail studies prepared for the Council since 2002 have assessed the overall vitality and viability of the District's main town centres, and their respective roles and functions as shopping locations. It is apparent that each centre fulfils a different, but complementary role in the District's network and hierarchy of centres. As the largest centre in the District, Leamington Spa clearly functions as the principal shopping and commercial centre, as well as serving a wider catchment population, including tourists and day-trippers.
- 3.5 Leamington Spa's shopping provision is focussed in two areas and is effectively divided by the River Leam.
- The primary shopping area is located to of the north of the river (otherwise referred to as the 'New Town'). The town's main multiples, fashion outlets and departments stores are concentrated in this area; principally on The Parade, Warwick Street and Regents Street. This area also has the town's two main managed shopping centres: the covered Royal Priors shopping centre, which opened in 1987; and the smaller Regent Court scheme, which comprises a mix of more up-market shops, boutiques, cafes and restaurants. The New Town area is

also characterised by a good mix and choice of specialist independent shops and services.

- The area to the south of the river (commonly referred to as the 'Old Town') is the original heart of Leamington, and the location where the first bath houses were built upon which the Spa Town became wealthy and fashionable. This part of the town centre has developed a distinctive character with smaller convenience shops and services serving the local community, along with a good choice of cafes, restaurants and fast food outlets (Class A3-A5). After a period of decline, this area has benefitted from significant investment over recent years, beginning with the Single Regeneration Bid in 2000 and more recently funding from the Portas Pilot Town initiative is being directed to Old Town on environmental improvements and promotional events.

- 3.6 **Table 3.1** sets out some of the headline findings from the Warwick Retail Study (WRS) published in May 2002. DTZ concluded at the time that Leamington Spa was falling in the national town centre rankings and predicted that it was likely to drop out of the 'top 100' centres. This was due to the significant new committed and planned investment in other neighbouring authorities and centres (such as, for example, in Birmingham, Coventry, Solihull, Banbury and Oxford). In contrast Leamington had experienced only relatively small incremental investment and improvements to its shopping and town centre environment since the Royal Priors opened in 1987.
- 3.7 Although Regent Court had not opened at the time, DTZ did not consider that it had the necessary 'critical mass' in terms of its retail floorspace to improve the overall status and attraction of Leamington Spa as a shopping destination<sup>12</sup> in competition with other centres. This has been borne out since the scheme opened in 2005. It has struggled to establish itself as a shopping location in the town centre, with footfall and rental levels well below those achieved in the town's prime shopping areas. As a result it has never been fully let since it opened. More recently Regent Court has been sold and we understand that the new owners have plans to refresh the shopping environment and offer, and to reposition it as a restaurant quarter.
- 3.8 Overall DTZ concluded that there was a qualitative need for new comparison goods floorspace in Leamington Spa. The 2002 WRS advised that an appropriate scale of development and modern floorspace would be attractive to major anchor stores not currently represented in the town, and this would help to raise Leamington's status and attraction both regionally and nationally. Notwithstanding this need, it was also accepted that Leamington's historic built environment, listed buildings and Conservation Areas represented a significant constraint to the identification and deliverability of a large town centre site capable of accommodating a comprehensive

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<sup>12</sup> Key Site E had evolved into a smaller retail scheme than originally envisioned because of the difficulties involved in incorporating the listed Regent Hotel into the overall development.

retail-led development. In this context DTZ recommended that more detailed assessment was carried out of suitable, viable and available sites in the town centre as part of the Local Plan Review being carried out at the time.

**Table 3.1 Warwick Retail Study 2002 – Key Findings**

- Although Leamington was ranked amongst the top 100 shopping locations in the UK (ranked 82nd in 2002), it had fallen in the national rankings from 66th in 1998. In contrast Banbury (+37 places) and Solihull (+27 places) had significantly improved their rankings over the same period.
- This fall in Leamington's overall ranking and status was explained by the fact that it had not benefited from major improvements to the quantity and quality of its shopping provision during the 1990's, whereas other competing centres had experienced new development and investment in their shopping offer and environments (i.e. Touchwood Court in Solihull and Castle Quay in Banbury).
- Compared with other UK Spa Towns, Leamington was also ranked behind Cheltenham (32nd), Bath (37th), Tunbridge Wells (58th) and Harrogate (81st) in 2002.
- Other centres in the region, particularly Birmingham City Centre (Bull Ring) and Redditch (Kingfisher Centre), were set to benefit from significant improvements to the quantity and quality of their retail provision, which would further impact on shopping patterns across the region.
- Managed shopping centre floorspace (ie. Royal Priors and Regency Arcade) accounted for only 10% of Leamington's total stock in 2002. This compared with 60% in Solihull.
- Leamington's vacancy level (9.2% of total outlets were vacant in 2002) was below the national average (11%) and was significantly lower than for Coventry (13.5%) and Solihull (12.4%);
- There was no major concentration of vacant units in the town centre.
- The Royal Priors shopping centre was identified as providing a strong focus for shopping in the town and generated the highest footfall levels. The important role and attraction of the town's shopping centre was to be further strengthened by the extension at Warwick Street (Whitehead Court) and other planned improvements.
- The redevelopment of the Regent Hotel site (Key Site E – aka Regent Arcade) represented major investment in Leamington Spa at the time and would help to revitalise a prime site in the town centre which had been vacant for a number of years.
- House of Fraser was the major department store in the town centre, along with the Co-op and smaller independent Woodwards store (this subsequently closed). In comparison, both Coventry and Solihull had three times more department store space.
- In common with many other historic towns (such as Stratford), the town's shop units are too small to meet the modern day requirements of multiple retailers.
- Leamington's Prime Zone A rental levels had increased from £90 per sq ft in 1998 to £100/ sq ft in 2002, and were at the same level as for Banbury. Nonetheless, prime rents were lower than for Solihull (£175/sq ft), Coventry (£148/sq ft) and Stratford (£130/sq ft). Furthermore, rental levels in Solihull were reported to have increased by 30% between 1998 and 2002 following the opening of Touchwood Court, and rental levels in both Redditch and Banbury were forecast increase following the new retail developments in both towns.
- Leamington Spa was also ranked in the 'Top 100' UK centres in terms of retailer requirements in 2002 (ranked 86th). Demand for space in the town was good, as illustrated by the fact that Gap opened a new store in the Royal Priors at the time.
- Average weekly footfall in 2001 was measured at 28,500 people, which represented a slight increase on the levels achieved in 1999. Peak pedestrian flows were recorded outside M&S on the Parade and Top Shop at the Warwick Street entrance to Royal Priors. Flows recorded at these locations were more than twice the average weekly footfall;
- The town centre had an under-provision of places to eat and drink compared with national averages.
- In 2002 Leamington had less managed floorspace, fewer multiples and less department/ variety store space than the other Spa towns.
- The feedback from stakeholder workshop held in March 2002 identified Leamington as an attractive and compact shopping centre, with a good mix of independent and national multiple retailers. However, it was acknowledged that Leamington's market share and status was declining relative to other competing centres in the region. Although a need for new development was identified, it was recognised that the opportunities for redevelopment within the historic core were limited. For some stakeholders the centre's evening economy and the choice of places to eat and drink was also identified as being poor and in need of improvement.

3.9 The 2009 RLS prepared by Strategic Perspectives updated the qualitative and quantitative assessment for Warwick District and its main centres. This study was based on wide-ranging market research and evidence including: health checks and town centre audits; a household telephone interview survey (conducted between December 2008 and January 2009); and street interview surveys in each of the District's main centres carried out in February 2009 (250 interviews in Leamington Spa). The key headline findings are summarised in the table below:

**Table 3.2 Warwick Retail & Leisure Study 2009 – Key Findings<sup>13</sup>**

- Leamington Spa had fallen outside the top 100 centres in 2007 to 108th. It was ranked below Birmingham (3rd), Coventry (50th) and Solihull (52nd), but ahead of Banbury (126th), Stratford (169th) and Redditch (171st).
- All Leamington's main competitors in the region had benefited from significant new investment and development in their shopping offer, including Birmingham (Bull Ring), Coventry (Lower Precinct extension), Solihull (Touchwood Centre), Redditch (Kingfisher Centre extension) and Banbury (Castle Quay).
- The only significant new retail floorspace developed in Leamington Spa since Royal Priors opened in 1987 has been Regent Court which opened in 2005 and the small extension to Royal Priors, known as Whitehead Court. Although Regent Court was not fully let when it opened, it had attracted a number of higher end fashion retailers (including Jaeger and Austin Reed) and cafes/restaurants.
- The New Town has a limited mainstream convenience offer and floorspace (the main foodstores are Tesco Metro and M&S simply Food).
- Following the closure of Woodward's, the key anchor retailers were the department stores (House of Fraser and Co-op), the two Marks & Spencer stores and a number of major fashion retailers.
- The household survey conducted indicated that Leamington Spa was the main fashion shopping destination for almost 40% of respondents in the defined study area, followed by Coventry (20%) and Stratford (16%).
- Compared with national averages, Leamington had above average provision of cafes, restaurants, bars and public houses in 2008. The 6-screen Apollo cinema on Portland Place East also helped to underpin the town's evening economy.
- There were requirements from 54 retail, service and leisure operators for representation in Leamington Spa in 2008/09. This was equivalent to between 21,000m<sup>2</sup> and 50,000m<sup>2</sup> based on mix/max floorspace requirements. Some of the key retailers with stated requirements included Animal, TK Maxx, Bose, Desire by Debenhams and Quicksilver.
- Prime Zone A's increased to £125/sq ft (£1,346/m<sup>2</sup>) in 2008; although rental levels were lower than for Solihull at £210/sq ft (£2,260/m<sup>2</sup>) and Stratford at £135/sq ft (£1,453/m<sup>2</sup>).
- The town's vacancy level of 10.9% was slightly higher than the national average in 2008 (10.4%). The highest concentration of vacant outlets was recorded in Regent Court (6 vacancies).
- Pedestrian flowcounts across the town centre had fallen by almost 12% between 1999 and 2008. The highest footfall levels were recorded on the Parade (outside M&S) and in the Royal Priors. Footfall was lower on the town's secondary shopping streets (Warwick St and Park St), and in the Old Town.
- The in-centre survey of 250 people in the town centre carried out in February 2009 found that:
  - M&S, Tesco, House of Fraser and WH Smith were the main stores visited;
  - of those that identified potential improvements to the town, 25% wanted more/ better shops, 16% wanted lower car parking charges and 14% wanted more/ better parking;
  - of those that identified more/ better shops were needed in the town, a number highlighted the need for an additional department store, fashion stores and/or a large supermarket;
  - some 22% of respondents frequently visited the town in the evening (once a week or more often), but almost half of the respondents never visit the town in the evening.
  - the town's cafes, restaurants and bars were popular evening attractions.

3.10 Based on the qualitative (health check) assessment, SP concluded that Leamington Spa is a healthy and vibrant town centre. It functions at a level in the retail hierarchy

<sup>13</sup> The key performance indicators identified are mainly based on the Experian Town Centre Category Report published in July 2008.

appropriate to its status and comprises a good choice of multiple and independent specialist retailers, providing a range of discount to high end products. The town's comparison goods offer is anchored by its two department stores and also benefits from dual representation from Marks & Spencer. SP concluded that the town's departments stores, Marks and Spencer and mix of multiple and independent operators attracted shoppers and visitors to the centre from a relatively wide catchment area.

- 3.11 On the downside, there has been limited investment in the town's shopping offer and floorspace since the Royal Priors opened; apart from a small extension to Royal Priors and the opening of Regent Court in 2005 (see Table 5.3 below).

**Table 3.3 Major investments in Leamington town centre since 1995**

Re-opening of Regent Arcade on Parade for Lee Longlands	1998
Redevelopment of shops at Satchwell Court (southern end of Royal Priors)	1999
Extension to northern end of Royal Priors Shopping Centre	2002
Development of Regent Court shopping centre, including the refurbishment and re-opening of Regent Hotel (Travelodge)	2005
Redevelopment of Woodward's Department store (corner of Regent St/Parade)	2006

**Source:** Warwick District Council

- 3.12 Leamington Spa has also lost two regional independent department stores on the Parade (including Woodward's) over the last decade. This compares with the significant new investment and development in out-of-centre locations and competing centres across the region (such as Solihull, Banbury and Stratford). SP also identified some long term downward trends in a number of Leamington's key performance indicators (KPIs), such as a fall in its national ranking and total pedestrian flowcounts since 1998/99, and lower Prime Zone A rents than some of its main competitors (including Stratford and Solihull).
- 3.13 SP concluded that the evidence highlighted that Leamington Spa: *"...is slipping in the sub-regional retail hierarchy. Without new investment and development over the medium term we consider that there is a real danger that Leamington Spa will continue to fall further behind its competitors. Particularly as a number of these competing centres are set to benefit from a new 'wave' of retail investment and development, which will further strengthen their roles and position in the sub-regional hierarchy of centres....Over time the scale, quality and attraction of the retail offer in competing shopping locations will potentially erode Leamington Spa's market share of shopping trips and expenditure. This could harm Leamington Spa's overall vitality and viability as a shopping location"* (paragraph 11.19).
- 3.14 The more recent (draft) 2013 "Refresh" RLS updated the health check assessments for the District's main centres to help identify any key changes in their overall vitality and

viability due to the impact of the economic downturn. The following sets out the headline results for Leamington Spa based on the available evidence<sup>14</sup>:

- Leamington has 678 retail and service outlets (including vacant units recorded at the time of the audits) trading from a total 'footprint' floorspace<sup>15</sup> of 121,730m<sup>2</sup>.
- There are some 255 shops in Leamington Spa selling comparison goods and current provision (40.1%) is above the national average (37.6%).
- Apart from its department stores and two Marks & Spencer stores, the centre has a number of national multiple fashion retailers, including the Arcadia brands (Evans and Topshop), River Island, Laura Ashley, Monsoon, Phase Eight and New Look.
- Since 2008/09, the town centre has also attracted a number of new retailers (including, for example, H&M, Noa Noa and Joules), but it has also "lost" a number of key retailers due to the impact of the economic downturn on Britain's high streets (including, for example, JJB Sport and Woolworths).
- The town's food and convenience goods offer has declined since 2008. Overall, convenience retailing only accounts for 6.3% of centre floorspace, compared to the national average of 14.3%. The town centre lacks a major foodstore anchor and the nearest superstores serving the main 'bulk' food shopping needs of the town centre's resident catchment are in out-of-centre locations.
- There has been an increase in the number of restaurants and cafes (Class A3) in the town centre since 2008.
- The number of vacant units has increased in the town centre, from 75 in July 2008 to 94 in June 2012. The vacancy level recorded in June 2012 of 13.9% was above the national average of 12.2% at that time.
- Notwithstanding this, there are no signs of significant long-term vacancies in the town. Furthermore, a number of the larger shop units that became vacant due to the failure of retail businesses did not remain vacant for long (for example, H&M occupied the former Woolworths store).
- The latest pedestrian counts conducted for the Council in 2012 showed a significant +18.2% increase in average footfall for the town centre since 2009. The growth in footfall in recent years compares with a ten year decline identified by the 2009 RLS between 1999 and 2008 (-11.8%).

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<sup>14</sup> This evidence includes the most recent Experian Goad Category Report for the centre (June 2012) and the CoStar town centre and retailer requirements reports

<sup>15</sup> The floorspace figures are derived from the Experian Goad Plans and show 'footprint' floorspace. They should not therefore be read as a definitive report of floorspace, but do provide a useful means of comparison between centres, as all outlets are measured in a consistent manner.

- 3.15 Although the recent health check of Leamington Spa provides a generally positive picture of its overall vitality and viability, the town nevertheless faces strong and growing competition from the District's out-of-centre shopping facilities (see table below), as well as from other centres and shopping destinations elsewhere (for example, there are emerging plans for the extension of Castle Quay in Banbury to provide significant new retail floorspace and other leisure uses).

**Table 3.4 Out-of-centre retail warehouse provision**

Retail Park	Operators
Leamington Shopping Park	Argos; Boots; Carpetright; Carphone Warehouse; Clarks; Everything Everywhere; Halfords; Mamas & Papas; New Look; Next; Outfit; Caffe Nero; Greggs; Frankie & Benny's; KFC; Subway
Shires Gate	Mothercare World; Curry's
Myton Road	Homebase; Blockbuster; Dream; Pets at Home
Emscote Road	Homebase; Owens
Wharf Street	Godiva Carpets; Wallaby's; Flooring Inspirations; Bedlam
Old Warwick Road	Travis Perkins; Jewson

- 3.16 As the table shows, Leamington Shopping Park is the largest out-of-centre shopping facility in the District and it comprises a number of retailers, cafes and restaurants that are traditionally associated with High Street locations. This is explained by the fact that the shopping park has Open A1 consent and retailers have located here in preference to the town centre; mainly because there are no suitable larger format stores in Leamington Spa and the costs (rents, etc.) are lower for out-of-centre locations. This has most recently been highlighted by the fact that Debenhams is due to take the former Focus unit in the shopping park, and is therefore now unlikely to be seeking representation in the town centre for the foreseeable future.
- 3.17 There is also a strong provision of out-of-centre foodstores in the District:

**Table 3.5 Foodstore provision – Edge and Out of Centre**

Operators	Address	Net Floorspace (Sq m)
Sainsbury's	Leamington Shopping Park, Royal Leamington Spa	5,419
Asda	Sydenham, Royal Leamington Spa	3,928
Morrisons	Gateway (former Ford foundry site), Royal Leamington Spa	3,345
Tesco	Emscote Road, Warwick	3,905
Tesco	Cubbington Road, Royal Leamington Spa	220
Aldi	Queensway, Leamington Spa	1,125
Lidl	Myton Road, Warwick	1,603
One Stop	Tournament Fields, Warwick	280
Co-Op	Woodloes Taven, Woodloes, Warwick	440
<b>Total</b>		<b>20,265</b>

- 3.18 The District's foodstore provision will be further boosted by the opening of the new Morrison superstore at the former Ford Foundry site and the Aldi at Queensway.
- 3.19 In summary, the 2013 "Refresh" RLS concluded that Leamington Spa remains a vital and viable town centre, despite the widespread impact of the recession on the UK's town centres and high streets generally. The town centre remains a popular destination for a wide range of activities and it is identified as having a number of key strengths:
- An attractive shopping environment and streetscape along the Parade.
  - An increase in town centre usage based on pedestrian footfall levels and car park patronage since 2008/09.
  - Good multiple retailer representation, balanced with a wide choice of independent and specialist retailers.
  - A strong visitor and tourist market that makes a significant contribution to the town's economy.
- 3.20 However, there are weaknesses in Leamington Spa's shopping offer, along with longstanding challenges and threats to its future vitality and viability. These include:
- A 'gap' in the town's retail offer compared with competing town centres and shopping locations.
  - The absence of a large foodstore to help anchor the town centre's main food offer, which would provide greater choice and competition in the face of increasing competition from out-of-centre locations.
  - The increasing strength and attraction of other competing out-of-centre shopping destinations in the District and neighbouring authorities, as well as increased investment in other major centres in the region (such as, for example, Coventry, Birmingham, Banbury, etc).
- 3.21 This review of the town's relative strengths and weaknesses provides the context for the analysis of the forecast capacity for new retail floorspace over the development plan period.

## QUANTITATIVE ASSESSMENT

- 3.22 The 2002 WRS prepared by DTZ identified that Leamington Spa had the potential to support between 15,000m<sup>2</sup> and 25,000m<sup>2</sup> (gross) of new comparison goods floorspace in the town centre up to 2008. This higher forecast capacity was based on Leamington increasing its market shares across its catchment by 'clawing back' shoppers and spend currently flowing to other major centres in the region, particularly to the north (i.e. Coventry) and to the west (i.e. Birmingham, Solihull, Banbury, etc).
- 3.23 In June 2004, DTZ updated the quantitative need assessment for both comparison and convenience retail floorspace (see Table 3.6 below).



**Table 3.6 District-wide capacity forecasts up to 2016 (all figures in gross m<sup>2</sup>)<sup>16</sup>**

	2004	2008	2011	2016
Comparison Goods:	10,600	29,100	44,900	74,600
Convenience Goods:	1,800	600	2,000	4,400

**Source:** DTZ *Revised Retail Study* June 2004 (Appendix 11 for comparison goods, Scenario 1b); and DTZ *Revised Convenience Goods Retail Capacity* 2005.

- 3.24 DTZ forecast significant residual comparison goods expenditure (capacity) in the District of circa £271m in 2016; equivalent to some 74,600m<sup>2</sup> gross of new comparison goods floorspace.
- 3.25 The 2009 RLS updated the quantitative need assessment for new retail floorspace. This study was informed by a new telephone interview survey of 1,000 households conducted across the same study area and ten sub-zones used for the 2004 Retail Study. The defined study area extends beyond the District area, as shopping patterns are not constrained by administrative boundaries.
- 3.26 The table below shows the headline capacity forecasts for Warwick District. These forecasts are based on: an allowance for all known retail floorspace commitments at the time; the latest Experian forecasts of growth in expenditure per capita and special forms of trading (i.e. all non-store sales, including Internet shopping); and constant market shares over the forecast period<sup>17</sup>.

**Table 3.7 District-wide comparison goods capacity forecasts (2011 - 2026)**

	2011	2016	2021	2026
<b>Residual Expenditure Capacity (£ million):</b>	<b>£117m</b>	<b>£174m</b>	<b>£261m</b>	<b>£389m</b>
Gross sq m:	25,600	35,900	49,950	69,200
Net sq m:	17,920	25,130	34,970	48,440

**Source:** SP *Retail & Leisure Study* May 2009 (for comparison goods refer to Table 9.8 and Appendix 16, Table 8d; and for convenience goods refer to )

- 3.27 The 2009 RLS identified more limited convenience goods capacity for the District over the forecast period due to new commitments and the lower forecast growth in expenditure per capita levels. The forecasts indicated capacity for 1,950m<sup>2</sup> net of (superstore format) convenience floorspace in 2016, increasing to 5,210m<sup>2</sup> net by 2026.
- 3.28 The breakdown in comparison goods floorspace capacity for each of the District's main centres is set out in the table below:

<sup>16</sup> The forecasts took account of known commitments at the time. The fall in the capacity for new convenience floorspace between 2004 and 2008 reflected the opening of the new Waitrose store to the rear of Talisman Square.

<sup>17</sup> In other words, no allowance is made for the increase in market shares ('retention level') and capacity that can occur as a result of new retail development and investment, due to the 'claw back' of expenditure 'leaking' out of the District to competing centres and shopping facilities located some distance away that are less convenient and sustainable.

**Table 3.8 Centre comparison goods capacity forecasts (2011 – 2026)**

<b>Net sq metres only:</b>	<b>2011</b>	<b>2016</b>	<b>2021</b>	<b>2026</b>
Leamington Spa:	19,870	25,370	32,880	43,110
Warwick:	2,980	3,630	4,480	5,670
Kenilworth:	980	1,340	1,850	2,580
<b>TOTAL:</b>	<b>23,830</b>	<b>30,340</b>	<b>39,210</b>	<b>51,360</b>

**Source:** SP Retail & Leisure Study May 2009 (Table 9.9 and Appendix 16, Tables 8a-8c)

- 3.29 It should be noted that the capacity forecasts make an allowance for the fact that all the District's main centres were identified as trading above anticipated 'benchmark' turnover levels at the base year (2009). The 2009 RLS therefore assumed that there was 'pent-up' capacity for new retail floorspace as the starting point for the capacity assessment, particularly for Leamington Spa.
- 3.30 Based on the quantitative and qualitative assessment, the 2009 RLS concluded that although Leamington Spa *"...is an attractive and popular shopping destination, the supply of modern new floorspace is not meeting the requirements from operators for representation. As the largest centre in the District, the capacity assessment indicates the need for new development over the short to medium term to enable Leamington Spa to maintain and enhance its important role and offer in the retail hierarchy"* (paragraph 9.73).
- 3.31 The more recent draft "Refresh" RLS prepared by Strategic Perspectives for WDC in January 2013 updates and supersedes the capacity forecasts set out in the 2009 RLS. This "Refresh" is based on the latest population and expenditure growth forecasts produced by Experian Business Strategies (EBS). It also takes into account the most recent growth forecasts for non-store sales (in other words an allowance is made for the likely impact of Internet shopping on future expenditure growth and the capacity for new retail floorspace<sup>18</sup>).
- 3.32 In the context of the economic downturn and more cautious growth forecasts, the 2013 "Refresh" RLS adopts a slightly different capacity approach. In this case it is assumed for the purpose of the comparison goods assessment that Warwick District's retail market is in 'equilibrium' at the base year. In other words, no allowance is made at the outset for any 'pent-up' capacity that may arise at the base year (i.e. 2013) due to centres trading significantly above 'benchmark' levels (i.e. overtrading).
- 3.33 In this case the forecast residual expenditure growth available to support new comparison goods retail floorspace in the District up to 2031 is purely based on the differences between the forecast growth in the survey-derived 'potential' turnovers (based on constant market shares), and the constrained growth in these 'potential'

<sup>18</sup> As described previously, these updated capacity forecasts are based on the market share patterns identified by the 2009 household survey carried out to inform the 2009 RLS. An updated household survey is scheduled for April 2013, at which point the capacity forecasts identified by the "Refresh" 2013 RLS will be updated based on the more current market share patterns for comparison and convenience goods shopping.

turnovers based on reasonable annual 'productivity' growth forecasts for existing floorspace, in compliance with policy and the *Town Centre Good Practice Guidance* (published alongside PPS4, but still material to plan-making and decision-taking).

- 3.34 Notwithstanding this, the economic capacity assessment "*Refresh*" does indicate that Leamington's Spa is trading significantly above its 'benchmark' turnover at the base year. On this basis there is 'pent-up' residual expenditure capacity to support new comparison goods retail floorspace at the outset. We consider this in more detail below.
- 3.35 Based on the above assumptions and forecasts, the table below summarises the 'baseline' comparison goods capacity forecasts for Warwick District:

**Table 3.9 Warwick District - Comparison Goods Capacity Forecasts to 2031**

	'Base Yr' 2012	2017	2022	2027	2029	2031
Residual expenditure (£m):	-	£21.1	£65.8	£166.2	£201.6	£239.8
Floorspace capacity (m <sup>2</sup> net):	-	3,357	9,596	21,939	25,588	29,247

Source: 2013 "Refresh" RLS

- 3.36 The table shows that there is a forecast residual expenditure of £21.1m in 2017, increasing to £201.6m by 2029 and £239.8m by 2031. This residual expenditure has been converted into a net retail sales area based on an assumed average sales density for all new comparison goods floorspace of circa £6,000 per m<sup>2</sup> in 2012 (2011 prices). This average sales density reflects the likely trading performance of high quality, modern floorspace in a prime shopping location<sup>19</sup>. By way of comparison, it is our experience that the average sales levels for centres can range from circa £2,000 per m<sup>2</sup> for smaller district and local centres, up to as high as £7,000 per m<sup>2</sup> for the strongest performing city and town centres.
- 3.37 The reasonable assumption in this case is that all new 'high street' floorspace will trade at £6,000 per m<sup>2</sup>. This results in the capacity for 3,360m<sup>2</sup> net of new comparison goods floorspace in Warwick District by 2017, rising to 25,588m<sup>2</sup> net by 2029 and 29,247m<sup>2</sup> net by 2031.
- 3.38 The 2013 "*Refresh*" RLS also provides a breakdown of the forecast capacity for the District's three main centres and other floorspace.

<sup>19</sup> However, this average sales density will vary depending on the scale, quality and attraction of different centres and stores within their catchment areas. For example, published figures show that 'bulky goods' retailers in the DIY, carpet and furniture sectors generally achieve lower average sales levels of between £1,500 and £4,000 per m<sup>2</sup>, whereas large format electrical goods retailers can achieve average sales of circa £7,000 per m<sup>2</sup>. These different average sales levels assumptions will have implications for the assessment of the need for, and impact of different types of comparison goods retailing. It will also be a material consideration for the local planning authority when assessing and determining applications for large format retailing (such as retail warehouses for example).

- 3.39 The table below shows that there is significant potential for new comparison goods retail floorspace in Leamington Spa even based on the more cautious capacity approach and forecasts. The forecasts show capacity for 20,652m<sup>2</sup> net in 2029, rising to 23,459m<sup>2</sup> by 2031.
- 3.40 As stated above, the 2013 "Refresh" RLS also estimates that Leamington Spa's (survey-derived) 'potential' turnover of £314.1m in 2012 is some £60m higher than the town's estimated 'benchmark' turnover of circa £254m. Although it does not necessarily follow that this 'residual' expenditure directly reflects a 'need' for new retail floorspace, the health checks carried out in the town centre over a number of years have consistently confirmed that it is an attractive, popular and busy centre that is trading well, despite the recent impact of the economic downturn. On the basis that new retail floorspace in the town centre could achieve an average sales level of circa £6,000 per m<sup>2</sup>, we forecast that the circa £60m sales over and above the 'benchmark' could support an additional 10,000m<sup>2</sup> net of new comparison goods floorspace in 2012.
- 3.41 In other words there would be higher forecast capacity for Leamington Spa of 18,422m<sup>2</sup> net in 2022, increasing to 30,652m<sup>2</sup> net by 2029. This potential 'pent-up' capacity at the base year is something that will need to be carefully considered when assessing the overall capacity for new retail floorspace in Leamington.

Table 3.10 **Warwick District's Centres - Capacity Forecasts: 2012-2031**

	2017	2022	2027	2029	2031
<b>RESIDUAL EXPENDITURE (£m):</b>					
Leamington Spa Town Centre	£22.5	£57.8	£135.2	£162.7	£192.3
Warwick Town Centre	£2.5	£6.4	£15.3	£18.5	£21.9
Kenilworth Town Centre	£0.9	£2.7	£7.8	£9.5	£11.2
Other	-£4.8	-£1.0	£7.9	£11.0	£14.3
<b>TOTAL:</b>	<b>£21.1</b>	<b>£65.8</b>	<b>£166.2</b>	<b>£201.6</b>	<b>£239.8</b>
<b>FLOORSPACE CAPACITY (m<sup>2</sup> net):</b>					
Leamington Spa Town Centre	3,591	8,422	17,851	20,652	23,459
Warwick Town Centre	391	931	2,026	2,344	2,674
Kenilworth Town Centre	137	396	1,024	1,202	1,368
Other	-762	-152	1,038	1,391	1,746
<b>TOTAL:</b>	<b>3,357</b>	<b>9,597</b>	<b>21,939</b>	<b>25,589</b>	<b>29,247</b>

Source: Tables 16-19, Appendix ? (Steps 5 & 6)

- 3.42 Warwick District Council has also confirmed that some 10,800 new homes have been allocated for the District up to 2029, as set out in the emerging Local Plan Preferred Options<sup>20</sup>. At the time of preparing this assessment this represents the most up-to-date assessment of likely housing growth in Warwick District over the next 17 years. The additional population and expenditure growth arising from the new housing allocations will increase the forecast capacity for new retail floorspace in the District's main centres. For Leamington Spa the capacity for new retail floorspace at 2029 increases from 20,652m<sup>2</sup> net to 23,046m<sup>2</sup> net. Assuming that there is 'pent-up' residual expenditure capacity and floorspace at the base year, then this will increase the overall forecast capacity to 33,046m<sup>2</sup> net by 2029 in Leamington Spa.
- 3.43 Finally, it should be stated that capacity forecasts beyond a 5 year period should be treated with caution. Furthermore, the capacity assessment follows a standard **constant market share approach** and does not model the potential uplift in retention levels and capacity that can occur within catchment areas following new retail development; or conversely the fall in retention levels and capacity that may arise due to the impact of new retail floorspace in competing centres and shopping locations.

## SUMMARY

- 3.44 In summary, the Council's evidence base since 2002 has consistently forecast the need for a significant quantum of new comparison goods retail floorspace in the District, and principally Leamington Spa, over the development plan period.
- 3.45 Although the forecasts have been revised downwards over recent years, due to the impact of the economic downturn on expenditure growth forecasts and the increased market share of non-store sales over time (mainly due to the forecast growth in Internet shopping), the most recent 2013 "Refresh" nevertheless confirms that there is substantial capacity for between 20,652m<sup>2</sup> net (the 'baseline' forecast) and 30,652m<sup>2</sup> net (assuming an additional circa 10,000m<sup>2</sup> of 'pent-up' capacity at the base year) of new comparison goods floorspace in Leamington Spa by 2029. Allowing for the most recent estimate to provide 10,800 new homes over the development plan period, this increases the capacity to 33,046m<sup>2</sup> net by 2029.
- 3.46 In response to these capacity forecasts, WDC has assessed and monitored the suitability, viability and availability of town centre opportunity sites to accommodate the forecast retail need. The series of studies and appraisals conducted since 2002 have identified the Council-owned Chandos Street car park and its immediate surrounding area, located to the north of Warwick Street, as the best and most appropriate location for a new retail-led scheme. The site benefits from excellent links to Warwick Street, the Parade and the Royal Priors shopping centre. A new retail

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<sup>20</sup>Provided by the Council on 18<sup>th</sup> December 2012. The Local Plan Preferred Options document was approved by Warwick District Council in May 2012 and subsequently subjected to public consultation.

scheme in this location will help to strengthen the existing retail circuit, and will maximise the potential for linked trips and increased footfall to the benefit of the town centre's existing shops and businesses.

- 3.47 It has been identified that a development centred upon the Chandos Street site could reasonably accommodate a retail scheme comprising some 20,000m<sup>2</sup> of new retail floorspace. This would have the necessary critical mass to attract an "anchor" store or stores, along with a mix of larger format shop units of circa 465m<sup>2</sup> (5,000 sq ft). The scale and format of development would appeal to retailers and leisure operators seeking representation in the town centre.
- 3.48 As described in **Section 1.0**, WDC selected Wilson Bowden as the preferred development partner in 2007 and an application for new A1 retail (19,900m<sup>2</sup>), residential and car parking was submitted to the Council's planning department in March 2010 (ref: W/10/0340). This application was refused at Planning Committee in November 2011 (contrary to an officer recommendation to approve the proposal).
- 3.49 Against this background, the pressure for new out-of-centre retailing in Warwick District has not diminished. This demand will become increasingly hard to resist if new development cannot be delivered on sequentially preferable town centre and/or edge-of-centre sites in its main centres. For example Leamington Shopping Park benefits from Open A1 consent and could, therefore, eventually evolve into a fashion shopping park tenanted by more traditional high street retailers. This would represent a significant challenge to the long-term vitality and viability of the District's centres as they "battle" to retain existing retailers and attract new retailers. This further underlines the need to maintain and improve the relative attraction of Leamington, Warwick and Kenilworth for retailing and other uses.
- 3.50 Finally, the forecast capacity for new retail floorspace in Leamington Spa and the longstanding pressure from out-of-centre retailing in the District has to be considered in the context of the national policy advice set out in the NPPF. The Framework states that when drawing up Local Plans local planning authorities should allocate a range of suitable sites to meet the scale and type of retail, leisure and other uses needed in town centres. The NPPF (paragraph 23) is also clear that needs for retail, leisure, office and other main town centre uses are "*met in full and are not compromised by limited site availability*". In other words, if sites are not identified and allocated in town centres now to meet the forecast need and capacity over time, then this could effectively represent a "green light" for significant new retail and leisure development in out-of-centre locations.
- 3.51 In our judgement an appropriate town centre scheme of the scale and format proposed for Clarendon Arcade would play a significant role in helping to meet the forecast retail capacity requirements for Leamington Spa over the medium and long term. It would also have the necessary critical mass to attract new retailers to the town and increase

footfall and turnover levels, to the benefit of the town centre's overall vitality and viability.

## 4.0 MARKET TRENDS & DEMAND

- 4.1 Britain's urban landscape has altered dramatically since the 1980s. The changes in the location of new retail and leisure development and the dynamic shifts in the nation's shopping and leisure habits have largely been shaped by the complex interaction of policy, economic, social, consumer lifestyle, investment and, most recently, technological trends. In turn, these trends have had a significant impact on Britain's High Streets, which need to be taken into account when considering future needs, identifying sites and strategies, and assessing the impact of new development.
- 4.2 This section provides an overview of market confidence and market trends impacting on Britain's town centres and high streets following the onset of the economic downturn in 2007/08 and the growth in Internet shopping. This commentary is based on the latest research and forecasts, and provides the evidence needed to inform our assessment of the market interest in Leamington Spa as a shopping location, both now and in the future.

### THE ECONOMY, RETAIL EXPENDITURE & THE DEVELOPMENT PIPELINE

- 4.3 Following an unprecedented period of growth in consumer spending since the mid-1990s, the economic recession has had an equally dramatic impact on household budgets, consumer spending, market demand and, as a result, the level and extent of new development in town centres since 2007/08.
- 4.4 The table below sets out the latest recorded and forecast expenditure per capita growth rates for the main categories of retail spending between 2005 and 2028 prepared by Experian Business Strategies (EBS).

**Table 4.1 Annual Growth in UK Retail Spend per Head (% change), 2005 - 2028**

	ACTUAL GROWTH-----:					FORECAST GROWTH-----:			
	2008	2009	2010	2011	2012	2013	2014	2015-19	2020-29
Retail Spend	1.0	-1.4	1.2	-0.7	0.9	1.1	1.6	2.1	2.3
Convenience Goods:	-3.5	-3.9	-0.8	-3.0	0.1	-0.1	0.0	0.6	0.8
Comparison Goods	3.0	-0.1	2.4	0.6	1.4	1.8	2.4	2.9	2.9

Source: Experian Retail Planner Briefing Note 10.1 (September 2012) Figures 1a and 1b.

- 4.5 The forecasts show more limited forecast growth in expenditure levels over the short term. EBS also forecast that per capita growth rates will be lower than historic trends over the longer term due to, *inter alia*, the increasing maturity of the UK economy and less expansionary consumer credit. As a result, the forecast annual growth in comparison goods expenditure of circa 3% per annum for the period 2013-2029 is significantly lower than growth rates based on historic trends. For convenience goods the difference between the forecast and historic growth rates is not as marked.



- 4.6 The retail market therefore remains fragile at the present time. Analysts forecast that the retail sector will continue to struggle over the short to medium term. Business and consumer confidence has been weakened by a range of factors including, *inter alia*, the public sector cuts; the rise in VAT; increasing unemployment; and the rising cost of living (including higher energy costs and petrol). This has effectively reduced disposable income and retailers' margins are being squeezed further as the downturn persists.
- 4.7 As a result of the downturn in consumer spending growth and the reduction in funding from banks, the retail development pipeline has slowed dramatically since 2007/08 compared with the "golden age" of shopping centre development experienced by many of Britain's city and town centres in the preceding decade. One of the key impacts has been to "flush out" some of the non-viable and high risk developments that were in the pipeline in 2007. As a result the quantum of completed new shopping centre floorspace in the UK is currently at its lowest level since the 1990s. Following the development of circa 260,000m<sup>2</sup> in 2009, 232,000m<sup>2</sup> in 2010 and 280,000m<sup>2</sup> in 2011, there is limited new floorspace scheduled to open in 2012/13.
- 4.8 Many of Britain's towns that were set to benefit from much needed new retail-led investment and regeneration over the next 5-10 years may now have to wait several years before confidence and investment returns. Even then, for some centres the scale and type of new investment that will emerge in the post-recessionary period could be very different to that experienced in the last decade of development due to more limiting funding and a more conservative approach to risk.

## INTERNET SHOPPING

- 4.9 New forms of retailing have also emerged in recent years and are becoming established as significant alternatives to more traditional 'bricks and mortar' shopping facilities.
- 4.10 In particular, Internet and multi-channel shopping has increased its market share of retail sales in certain product categories due to the increased take-up and use of personal computers, mobile phones, tablets and faster Broadband access. Up to now, the impact of Internet shopping has been mainly concentrated on certain retail products and services (such as, for example, books, music and travel). In turn, this has resulted in a reduction in the number of retailers selling these types of products on the high street (the most recent "casualties" being HMV and Blockbusters).
- 4.11 Despite the growth of Internet and multi-channel retailing over the last five years, the impacts of these growing sectors on retail property and the High Street are still the subject of much debate. There is a good deal of "crystal ball gazing", but no definitive research or evidence to draw on. The reality is that the "consumer is king" and they are driving the need for change. Retailers and landlords are to a degree playing catch up in a fast moving sector.

- 4.12 The latest forecasts by Experian in *Retail Planner Briefing Note 10.1* (September 2012) that are widely used to inform retail capacity studies and assessments indicate a growth in the market share of total non-store retail sales from 10.9% in 2012 to 19.8% by 2021. However such "bold" forecasts need to be treated with caution as Experian advise that approximately 25% of all SFT sales for comparison goods and some 70% for convenience goods occur through traditional ("physical") retail space. In other words, purchases that are made online, are still being sourced from existing stores on the high street, or in out-of-centre locations.
- 4.13 CBRE in their May 2012 "UK Retail View point" commented that: *"The market is awash with Internet statistics: largely a hotchpotch of small-sample trade guesstimates and online survey results of one kind or another. Much of the data published are of dubious accuracy made worse by confusion regarding what constitutes 'retail'".* CBRE concluded that: *"...the easy-wins for the Internet, in electronically transferrable business and non-store trade diversion have not been exhausted but will not continue to provide the Internet sales boost of the past...the rate of Internet sales growth is declining quite rapidly".*
- 4.14 Thus although the newspaper headlines and media can portray the growth of internet shopping as the main reason for empty shops and retailers going into administration, the "cause and effect" impact is not as apparent. For many traditional high street retailers (such as, for example, John Lewis and Marks and Spencer) the Internet represents another channel through which they can increase market share and turnover, and ultimately profitability. Nevertheless, the issue still remains with the "last mile", namely getting the goods to the customer. For this reason in-store "click and collect" facilities are growing rapidly, as for most retailers it is a cheaper and more cost-effective channel than home delivery. Click and collect is store dependent and the locational dynamics are much the same as for shopping (i.e. locations that households regularly visit for shopping purposes), thus the demand for space will continue in the future, albeit a potentially different type and format.
- 4.15 Finally, Lunson Mitchenall in their recent work for the British Council of Shopping Centres (BCSC), entitled *Shopping centre Development Pipeline 2012* state that: *"...retailers still put their shops at the heart of this supply chain. Retailers now encourage customers who buy merchandise online to both collect and return it to their nearest shop rather than send it by post. The simple reason is the customer visiting the shop will often make a subsequent purchase in store. John Lewis has reported that this conversion to another purchase can be as great as 70%, creating a huge opportunity to generate extra sales".*

## MARKET DEMAND

- 4.16 In this context, retail operators have had to adapt their business strategies and store formats to changes in customer requirements, planning legislation, the economic

downturn and the growth of Internet Shopping. In general terms those retailers with strong brands and loyal customers, trading from the right stores in the right locations have managed to weather the economic storm, and will prosper as the economy improves.

- 4.17 The food sector has experienced some of the most dramatic changes over the last decade. For example, the main grocery operators have diversified into the smaller convenience store sector to increase their coverage and market share (e.g. Tesco Express and Sainsbury's Local stores nationally, and Little Waitrose within the M25 only). The food retailers are also integrating 'click and collect' facilities into existing stores. Furthermore, although the development of larger format superstores has slowed over recent years, there is still demand from all the major foodstore operators for the right sized stores in the right locations, with a significant proportion of sales set aside for comparison goods retailing.
- 4.18 The non-food (comparison goods) retail sector has had to adapt to the very different market conditions over recent years. Those retailers that have not been flexible enough to respond to changing consumer needs and are weighed down by debt have largely struggled in the highly competitive retail market. In some cases, this has resulted in a series of high profile 'casualties' (e.g. Woolworths, TJ Hughes, JJB Sports, Peacocks, Blacks Leisure, Barratts, La Senza, Habitat and Jane Norman, and most recently Jessops and Blockbusters), with key retailers being forced into administration and, in certain cases, disappearing from the retail landscape altogether. Other household names are unlikely to survive in their current form and will inevitably close their worse performing stores from weaker trading locations.
- 4.19 The out-of-centre retail warehouse sector has not been immune to the impact of the economic downturn and has also experienced a period of significant change and instability. For example, during the late 1990s both B&Q ('Warehouse') and Homebase were rolling out very large out-of-centre retail warehouses (some exceeding 10,000m<sup>2</sup> gross) in an attempt to dominate market share. However, these same operators are now looking to scale down their stores, whilst other household names (such as Focus DIY, Moben and Comet) have failed completely in the current climate.
- 4.20 Some traditional high street retailers are also actively looking for space in out-of-centre stores to accommodate new and larger store formats. For example, it has been reported that Mothercare is to close 110 of their town centre stores (representing approximately a quarter of their portfolio) to focus on their out-of-centre market.
- 4.21 These changes in retail development and market demand are clearly impacting on the UK's town centres and high streets. There is an increasing polarisation of development activity and investment interest in the larger regional and sub-regional centres (i.e. the top 100 centres). This is because they have larger and established catchment areas and represent "less risky" investments in the current climate. These larger centres have also generally benefitted from recent new shopping centre development

over the last decade and are therefore better placed than smaller and medium sized centres (and historic centres) to accommodate retailers' requirements for modern larger format units. The continuation of these trends will impact on future operator requirements, with retailers looking to satisfy their demand for larger modern premises in prime shopping locations, with strong catchment areas and a good supply of appropriate retail space.

## TOWN CENTRE FUTURES

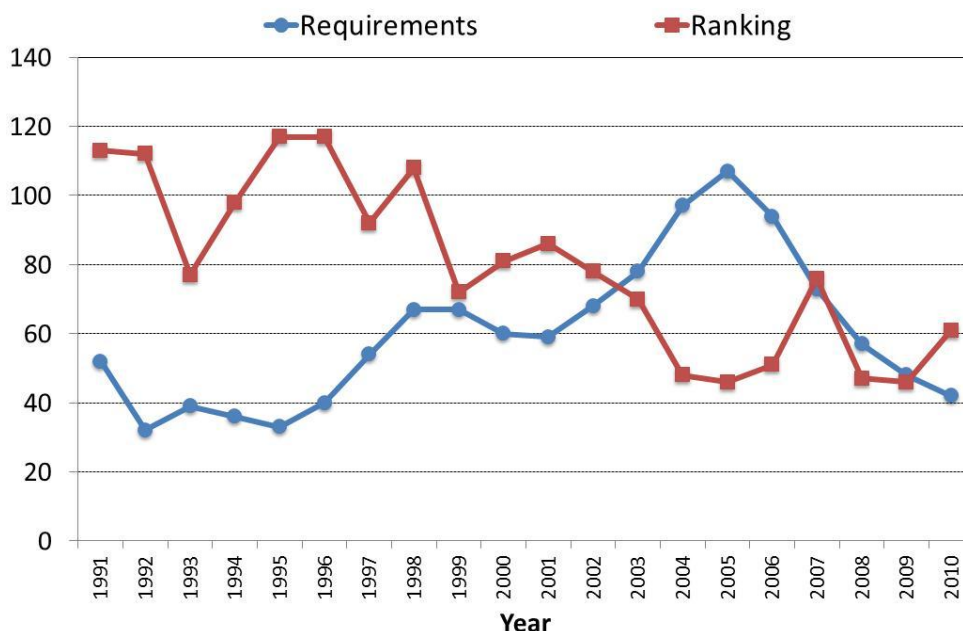
- 4.22 Looking ahead, there is some uncertainty as to when the UK will emerge fully from the economic downturn. Notwithstanding this, forecasters appear to agree that the economy and retail sector post-recession will be very different to the "boom" years of the last decade.
- 4.23 This presents significant challenges for all those involved in the planning, development and management of town centres. The greatest challenges face those centres outside the "top 100" shopping locations; due to downward pressures on rental growth and market demand, further compounded by rising vacancy levels and the potential loss of key anchor retailers.
- 4.24 In our opinion, a far more uncertain future awaits the next "wave" of new retail investment and development. The evidence suggests that high quality schemes in the largest centres, with affluent catchments and strong prime shopping pitches will continue to prosper. In contrast, it will be the weaker secondary centres and shopping locations with a more limited offer, smaller catchments, intense competition and negligible market demand that will continue to struggle.
- 4.25 Notwithstanding this reduction in the supply of new retail floorspace, industry experts predict that the demand from major retailers for new space will continue as it remains the primary mechanism for retailers to grow their businesses, alongside the growth in Internet shopping. Over the short to medium term any increased demand for space from retailers will have to be met by the current retail stock (in existing shopping centres and on the high street), as there is limited new retail floorspace in the pipeline. With increased demand and the lack of supply over the short to medium term, research carried out for the British Council of Shopping Centres (BCSC) predicts that this will effectively 'push up' rental levels for the larger modern desirable units until a significant amount of new development reaches completion. As a result, over the medium term, retailers will be competing for limited available space.
- 4.26 Those centres that are able to accommodate and deliver new developments over the next 5-10 years (such as Leamington Spa) should be in a good position to attract operator interest and demand. However, this will depend on the new retail floorspace being in the right location (i.e. prime) and having the right size, format and specification to meet the needs of modern retailers.

- 4.27 The BCSC research has also identified an increased emphasis on asset management, as owners and developers invest in the expansion or refurbishment of existing shopping centres to increase their investment value and turnover. In the current economic climate this investment in existing assets is less risky and financially onerous than new build projects. However, as the supply of suitable units “dry up” in prime locations, so retailers will also look at alternative options for delivering growth, such as through new out-of-centre openings, increasing sales through the internet, and/or expanding internationally.
- 4.28 Finally, although the NPPF reinforces the longstanding policy objective of promoting development and investment in town centres first, it is likely that applications for new and extended shopping facilities in out-of-centre locations will continue in the future. Potentially the next phase of out-of-centre investment and development could be a further reinvention and masterplanning of existing out-of-centre locations as mixed use developments, comprising a broad mix of residential, office and commercial leisure uses in addition to the existing and extended retail offer. The potential opportunities to “reinvent” out-of-centre shopping locations will be greatest initially where they are located close to towns that do not have the physical capacity (i.e. sequential sites) to increase their retail offer.
- 4.29 In this context, it is clear that the ‘top 100’ prime centres and shopping locations in Britain should continue to flourish once the economy recovers. The greatest challenge will be how to revitalise the fortunes of struggling small and medium sized centres that do not have the critical mass of retail, leisure and other uses to compete for more limited investment and development.

## 5.0 CLARENDON ARCADE: MARKET DEMAND & IMPACT

- 5.1 It is against the background of significant changes in the retail sector and market demand over the last 3-4 years that we have reviewed the current qualitative need and demand for additional retail and leisure uses in Leamington Spa, and specifically for Clarendon Arcade.
- 5.2 However, it needs to be stated at the outset that because retailer business strategies and market conditions are constantly shifting, with consequent impacts upon store requirements, the following assessment can only provide a "snapshot" as to the potential scale, format and type of tenants that could be attracted to Clarendon Arcade. Clearly more detailed appraisals and market testing will be required by the local planning authority and its development partner as the proposed scheme is progressed.
- 5.3 To inform our appraisal we have first referred to the CoStar Focus retailer requirements database. This is a standard published dataset used to inform retail assessments, as identifies known retailer and leisure requirements for approximately 1,000 UK centres and shopping locations. The figure below shows the total recorded requirements over a twenty year period since 1991 and the centre's national ranking based on its requirements.

Figure 5.1 **Leamington Spa – Retailer requirements and ranking**



- 5.4 The figure shows that retailer demand for representation in Leamington Spa increased steadily during the 1990s, and apart from a slight dip between 1998 and 2001, demand peaked at some 110 requirements in 2005. At this point Leamington Spa was ranked 46<sup>th</sup> out of all the centres covered by CoStar in the UK. Since the onset of the

recession, published retailer requirements have fallen across all centres. Notwithstanding this, Leamington Spa had 42 requirements in 2010, which placed it 61<sup>st</sup> in the national rankings. Overall, Leamington Spa has consistently been ranked amongst the top 75 centres in the UK in terms of retailer requirements.

- 5.5 However, the current data sourced from CoStar is less reliable than previously, as many retailers and leisure operators now choose not to publicly reveal their requirements for specific locations. Notwithstanding this, it still shows a good level of demand when benchmarked against other centres and when considered against the impact of the economic downturn on retailer and market confidence. It should also be noted that the CoStar database does not identify all requirements for centres, as many retailers and their agents prefer not to make their requirements known on the open market. This is not unusual, as many foodstore operators, major anchor stores (e.g. John Lewis and Marks & Spencer) and fashion retailers (e.g. Next and Gap) prefer not to *"reveal their hand"* as it could damage their negotiating position. Moreover, such databases only identify the current level of market demand and do not reflect how demand might change in the future. For example experience shows that a new scheme that offers retailers modern, well configured floorspace adjacent to like-minded tenants in a prominent location will generally generate a significant uplift in market interest and demand.
- 5.6 It is therefore necessary to move beyond published databases and examine the 'gaps' in Leamington Spa's current retail offer, and the types of retail and leisure operators that are likely to be attracted to Leamington Spa town centre if new modern retail floorspace and shop units can be provided in the prime shopping area.
- 5.7 The recent draft 2013 *"Refresh"* RLS has identified that there are number of retailers "missing" from Leamington Spa. For example, we would expect some of the following retailers to have a market interest in Leamington Spa, given its sizeable and relatively affluent catchment.

- |                              |                      |                   |
|------------------------------|----------------------|-------------------|
| • Bally                      | • JD Sports          | • Schuh           |
| • Bench                      | • John Lewis         | • Snappy Snaps    |
| • British Homes Stores (BHS) | • Karen Millen       | • Sole Trader     |
| • Books etc                  | • Lush               | • Stead & Simpson |
| • Cotswold                   | • L'Occitane         | • Sunglass Hut    |
| • Debenhams                  | • Maplin Electronics | • Thomas Pink     |
| • Disney Store               | • Matalan            | • TM Lewin        |
| • Envy                       | • Nike Store         | • Timberland      |
| • Etam                       | • Poundland          | • USC             |
| • French Connection          | • Primark            | • Waitrose        |
| • Footlocker                 | • Quicksilver        | • Whistles        |
| • F Hinds                    | • Reiss              | • White Stuff     |
| • Hobbs                      | • Russell & Bromley  |                   |
| • Hush Puppies               |                      |                   |

- 5.8 Traditionally the vitality and viability of strong town and shopping centres has been underpinned by “anchor” department stores and/or large variety stores. In the case of Leamington Spa, House of Fraser has largely been fulfilling the role of the town’s main anchor department store since it opened, trading alongside the smaller Co-op store and the two Marks & Spencer stores located on the Parade in the Royal Priors.
- 5.9 This notwithstanding, neither British Home Stores (BHS) nor John Lewis are represented in Leamington Spa. Clearly, if one of these “anchor” stores could be secured for the town centre scheme, then it would *“lay the foundations”* for a viable shopping centre development and *“set the tone”* for the scheme’s tenant mix. John Lewis in particular is a strong department store anchor and would attract a range of mid to high end retailers who normally trade ‘side-by-side’ with them due to synergies in customer profiles, etc. Up until recently Debenhams would have also represented another suitable and high profile anchor tenant for the town centre. However as stated previously, Debenhams are set to open a new store in the former Focus unit on the Leamington Retail Park and it is highly unlikely that they will want a second major department store in the area.
- 5.10 That said, in the current economic and retail climate it is difficult for a developers to balance the need to secure a department store anchor on favourable commercial terms, with the need to ensure the overall viability and deliverability of town centre schemes. This is because department store operators have traditionally demanded significant incentives from developers/investors for the *“privilege”* of anchoring new schemes, even when the market was buoyant. In commercial terms, it is the unit shops that co-locate around the anchor stores which effectively pay for them.
- 5.11 If this is the case here, and neither John Lewis nor BHS can be secured as anchor tenants, then the ‘fallback’ position will be to assess the needs of other major space users (MSUs), such as Primark for example, to determine whether they can provide the overall “critical mass” needed to anchor the scheme, and underpin its overall attraction and viability. However, even under this scenario it should be noted that in today’s market all leading retailers are in a stronger negotiating position (knowing that there are few alternative retail operators of equivalent quality), and they may be seeking substantial capital contributions and rent free periods.
- 5.12 In this context it is apparent from our assessment of potential ‘gaps’ in Leamington’s retail sector, and the findings of the Council’s evidence base dating back to 2002, that there is a shortage of modern large format retail units in Leamington Spa; especially double height units of between 5,000 and 10,000 sq ft (or above). In planning, commercial and financial terms any new retail development in Leamington Spa will need to provide these types of larger retail units that are not currently available on either the Parade or the Royal Priors. From a retail perspective the ‘gap’ analysis shows there are a wide range of operators (ranging from department and variety stores, to major space users) that could have requirements for the Clarendon Arcade



scheme. In turn, these retailers will provide confidence to other operators to co-locate and seek representation in the Clarendon Arcade scheme, and/or the town if there are now opportunities in the new development. These “other” operators will include retailers with space requirements in the order of 1,000 – 5,000 sq ft, ranging from fashion and sports retailers, to hair and beauty parlours and jewellery stores.

- 5.13 It is also possible that retailers currently represented in Leamington Spa may be interested in relocating to the new scheme. This will only arise if their current retail space is deemed not ‘*fit for purpose*’; for example, it may be too small and congested, or they may be trading in sub-prime locations. In our experience the relocation of existing retailers into new shopping centre schemes is not unusual and in the most successful centres this vacated space is usually let within a reasonable period of time depending on its size and location. It also follows that if the requirements of existing retailers for larger space units cannot be met in the town centre, then there is a risk that they will seek space in comparable units in out-of-centre shopping locations, often on more favourable terms than in more expensive primary shopping locations. As a result these retailers would be “*lost*” from the town centre for good, with resultant adverse impacts on the centre’s overall vitality and viability.
- 5.14 In the case of Leamington Spa, for example, Marks & Spencer may want to relocate to the Clarendon Arcade scheme, as the retailer currently trades from two shopping locations in the town (on the Parade and in the Royal Priors). If this were to happen, then it would provide the appropriate scale and quality of anchor store needed to underpin the commercial viability of the scheme. It follows that under this scenario Marks & Spencer may inevitably close one or both of their existing stores (although they may choose to keep one or other open for trading as different format store – a Simply Food or ‘Outlet’ store for example), but both stores are of a decent size in prime pitches and will attract significant market interest in our view, even after the opening of Clarendon Arcade.
- 5.15 Notwithstanding this, whether Marks & Spencer and other retailers do relocate from existing units in Leamington Spa or not will depend upon a wide range of commercial factors, including lease commitments, terms, floorspace and format requirements, and timings. Given existing retailers within a town centre will be subject to existing lease commitments, developers normally prioritise new retailers to the town to avoid any additional costs and incentive packages (e.g. buying out leases) that would inevitably be needed to secure existing retailers. In any event as far as the local planning authority is concerned, the potential tenant line up of any scheme is not something within its direct control. Moreover, given there is a long lead in time from planning and promotion of a scheme to its letting and delivery, the actual tenant line up may not be decided for some while.
- 5.16 In our judgement the tenant mix of Clarendon Arcade is likely to comprise a department store and/or variety store ‘anchors’, trading alongside other non-food and

fashion retailers in larger format stores new to the town centre. In addition to this we consider that there is also the potential for the Clarendon Arcade scheme to attract other new operators and uses to the town centre. Together with the retail offer, we believe that these “other” uses will help to complement and reinforce the attraction and viability of both the shopping scheme and Leamington Spa as a whole. Suggested additional uses that could be targeted include:

- High quality **cafes and restaurants** (Class A3) new to the town centre. For example, ‘brands’ such as Jamie’s Italian, Leon Restaurant and others may view Clarendon Arcade as an opportunity to extend their UK coverage and market share in a strong and established shopping location.
- A new **cinema** (such as, for example, Cineworld, Odeon and Vue). With the advance of digital technology, operators are much more flexible in terms of the space requirements, layout and configuration of cinemas, as they no longer depend on large auditoriums for their viability. We also consider that an anchor cinema in this location to the north of the high street would help to boost the attraction and “buzz” of the Clarendon Arcade scheme and the town centre’s overall evening economy. For example, it would ensure that the shopping centre does not close in the evening once the shops cease trading, and in our view it would also help to draw more families to the town in a modern, safe and comfortable environment.
- A **health and fitness club** (such as, for example, Virgin Active, or one of the number of budget gyms seeking representation across the UK).

5.17 Finally, in order to achieve an appropriate mix of uses and ‘critical mass’ of retail floorspace to meet the identified need, the proposed town centre scheme may need to extend beyond the Chandos Street car park site. This, in turn, will require third party land and therefore, possibly, CPO to deliver. Clearly this will need to be subject to more detailed viability testing.

## 6.0 KEY FINDINGS & CONCLUSIONS

- 6.1 From the work undertaken to date, we conclude that there is a good level of recorded and latent retail demand from retailers for representation in Leamington Spa. This ranges from department and variety store operators, to major space users who would have the necessary critical mass to anchor the scheme and underpin its overall commercial and financial viability.
- 6.2 In our judgement the current published requirements for Leamington Spa do not reflect the actual requirements for the town centre if Clarendon Arcade is granted planning permission. We anticipate that active marketing of this new development opportunity in the heart of one of the most successful, attractive and vibrant centres in the UK will generate significant market interest and demand from a wide range of quality retailers not currently represented in the town centre.
- 6.3 Even if a major department store (i.e. John Lewis) or variety store (e.g. BHS or possibly Marks & Spencer) cannot be attracted on favourable terms, we still consider that a mix of major space users (e.g. Primark) trading 'side-by-side' from stores of circa 5,000 – 10,000 sq ft or larger would together effectively act as a combined "anchor" and result in a significant quantum of retailing to help claw back some of the expenditure that is currently leaking away from Leamington Spa to other competing centres and retail parks.
- 6.4 Based on our experience of other successful shopping centre schemes in the UK, we consider that a new scheme in the order of 20,000m<sup>2</sup> gross (+ or -) should provide the necessary "critical mass" to ensure the overall viability of the development from a commercial and financial perspective (please note that this will obviously be subject to the physical capacity of the site to accommodate this quantum of new floorspace, and other key material planning considerations such as design, access, parking, servicing, impact on the town's conservation area, etc.).
- 6.5 In addition to the retail floorspace, we envisage that there is potential for the proposed scheme to attract a new modern cinema operator and a range of food and beverage operators. As previously stated, experience shows that these wider leisure uses in a modern and safe town centre environment will help to boost the attraction and "buzz" of the Clarendon Arcade scheme and benefit the town centre's overall evening economy, as well as drawing more family groups to the town.
- 6.6 The market interest created by the Clarendon Arcade scheme will also, in our view, help to generate demand from smaller national and regional retailers for representation in the town centre. Some of these might take space in the new development scheme, but others may fill current vacancies in the town centre and/or potentially "back fill" any vacancies that may arise due to relocations to the new shopping scheme.

- 6.7 Any new scheme would first and foremost seek to target retailers new to a town. However, it is part and parcel of the commercial retail market that there is always a degree of “churn” in the marketplace. In this context it is to be noted from the Council’s own evidence base of identified retail need and from the ‘gap’ analysis, that there is significant residual expenditure capacity in the catchment over the development plan period, and the potential for Leamington Spa to ‘claw back’ fashion-based and non-food shopping trips currently ‘leaking’ out of the town centre to competing shopping locations and centres.
- 6.8 In our judgement, a good quality scheme of sufficient ‘critical mass’ offering customers and visitors a new shopping, leisure and entertainment experience in the heart of the town centre would help to draw more trips, money and different people (e.g. a family audience) into Leamington Spa. This in turn would benefit other retailers, service businesses and facilities in the centre through increased footfall, linked trips and expenditure. In particular, the potential co-location of a cinema and quality café and restaurant uses as part of the overall scheme would benefit both Clarendon Arcade and Leamington Spa, creating a “virtuous” circle for the town centre.
- 6.9 Experience, research and best practice (e.g. BCSC, DCLG – PPS4 *Practice guidance*) also shows that well planned and integrated new town centre schemes have significant beneficial economic, social and environmental impacts on town centres. It is therefore vital in the planning of Clarendon Arcade to ensure that it is fully integrated into the town’s existing retail circuit. This may mean the Council having to defer to its CPO powers (or the threat of CPO) to secure direct access on to the Parade and to link in with the Royal Priors to the south.
- 6.10 In summary we conclude that there is sufficient evidence to support a significant critical mass of new retail and leisure floorspace as part of the Clarendon Arcade scheme. The evidence on the quantitative and qualitative need for new comparison goods floorspace in Leamington Spa is compelling, and although this has been reduced over the years due to the impact of the economic recession and Internet shopping on expenditure growth, it has not “dulled” the requirement for the Council to identify, allocate and promote new retail development in the town centre in accordance with national planning policy requirements.
- 6.11 The NPPF is clear that any need identified by evidence based documents should be met “in full” by local planning authorities over the development plan period. If the LPA does not to identify sufficient sites, then this would clearly be contrary to national policy. The consequences of not allocating and promoting appropriate new retail sites in town centres would be that less preferable sites, most likely in out-of-centre locations, would be promoted on the basis there are no sequentially preferable sites. This would not be in the interest of the District’s existing town centre retailers, businesses and landlords, as further out-of-centre development could effectively “rip the heart” out of the District’s town centres. For example, under this future scenario,

retailers in Leamington Spa may choose to relocate to new modern floorspace outside the town, leading to the loss of shopping trips and expenditure, and a spiralling "*cycle of decline*" for the District's centres.

- 6.12 In this context it is our judgement that a "*do nothing*" scenario is not a realistic option for Clarendon Arcade, or the future health and long term well-being of Leamington Spa.

## 7.0 GLOSSARY OF TERMS

<b>CITY CENTRES:</b>	The highest level of centre identified in development plans. In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas which may perform different main functions. Planning for the future of such areas can be achieved successfully through the use of area action plans, with master plans or development briefs for particular sites.
<b>TOWN CENTRES:</b>	Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.
<b>DISTRICT CENTRES:</b>	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.
<b>LOCAL CENTRES:</b>	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette. In rural areas, large villages may perform the role of a local centre.
<b>TOWN CENTRE USES:</b>	Main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
<b>TOWN CENTRE BOUNDARY:</b>	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined on a proposals map.
<b>PRIMARY SHOPPING AREA (PSA)</b>	Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage). The extent of the primary shopping area should be defined on the proposals map. Smaller centres may not have areas of predominantly leisure, business and other main town centre uses adjacent to the primary shopping area, therefore the town centre may not extend beyond the primary shopping area.
<b>PRIMARY &amp; SECONDARY FRONTAGES</b>	Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses, such as restaurants, cinemas and businesses.
<b>EDGE-OF-CENTRE</b>	For retail purposes, a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances. (For example, local topography will affect pedestrians' perceptions of easy walking distance from the centre. Other considerations include barriers, such as crossing major roads and car parks, the attractiveness and perceived safety of the route and the strength of attraction and size of the town centre. A site will not be well connected to a centre where it is physically separated from it by a barrier such as a major road, railway line or river and there is no existing or proposed pedestrian route which provides safe and convenient access to the centre).
<b>OUT-OF-CENTRE</b>	A location which is not in or on the edge of a centre but not necessarily outside the urban area.
<b>OUT-OF-TOWN</b>	A location out of centre that is outside the existing urban area.

<b>CONVENIENCE SHOPPING</b>	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
<b>SUPERMARKETS</b>	Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
<b>SUPERSTORES</b>	Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.
<b>COMPARISON SHOPPING</b>	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
<b>RETAIL WAREHOUSES</b>	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
<b>RETAIL PARKS</b>	An agglomeration of at least 3 retail warehouses.
<b>WAREHOUSE CLUBS</b>	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
<b>FACTORY OUTLET CENTRES</b>	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.
<b>REGIONAL &amp; SUB-REGIONAL SHOPPING CENTRES</b>	Out-of-centre shopping centres which are generally over shopping centres 50,000 square metres gross retail area, typically comprising a wide variety of comparison goods stores.
<b>LEISURE PARKS</b>	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
<b>CONVENIENCE GOODS EXPENDITURE</b>	Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.
<b>COMPARISON GOODS EXPENDITURE</b>	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
<b>SPECIAL FORMS OF TRADING</b>	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
<b>GROSS GROUND FLOOR FOOTPRINT FLOORSACE</b>	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
<b>GROSS RETAIL FLOORSACE</b>	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
<b>NET RETAIL SALES AREA</b>	The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
<b>RETAIL SALES DENSITY</b>	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.
<b>FLOORSACE 'PRODUCTIVITY' ('EFFICIENCY') GROWTH</b>	The percentage by which a retail sales density is assumed to increase annually in real terms over a stated period. The choice of the most appropriate level of growth will depend on individual circumstances, and in particular the capacity of existing floorspace to absorb increased sales. It is also important that selected rates of growth in productivity are compatible with assumptions about the growth in per capita

	expenditure.
<b>QUANTITATIVE NEED</b>	Is conventionally measured as expenditure capacity (i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area.
<b>QUALITATIVE NEED</b>	Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.
<b>OVERTRADING</b>	The extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, and in some cases inform quantitative need considerations. For example it may be an expression of the poor range of existing facilities or limited choice of stores and a lack of new floorspace within a locality. In certain cases 'overtrading' occurs when there is an imbalance between demand (i.e. available spend) and supply (i.e. existing floorspace capacity).
<b>BENCHMARK TURNOVER</b>	In the case of specific types of provision (such as foodstores) company average turnover figures are widely available and can provide an indication of a 'benchmark' turnover for existing facilities. However, the <i>Practice Guidance</i> advises that such turnover benchmarks should not be used prescriptively or in isolation to indicate a measure of 'need'. It is important to recognise that a range of factors (such as rental levels and other operating costs) mean that operators are likely to trade at a wide range of turnover levels. Given the inherent margins of error involved in this type of exercise, the use of company averages as benchmarks should be treated with caution unless they are corroborated by other independent evidence of under-performance, or strong trading. Examples might include the results of in-centre health checks, or the extent of congestion in stores and queuing at checkouts.

– END –