

# GUILDFORD TOWN CENTRE AND HINTERLAND MASTERPLAN REPORT

Final draft report for consultation  
October 2015





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# 1 INTRODUCTION



The purpose of this report is to develop a masterplan for Guildford Town Centre for the Local Plan period to 2033 and beyond.

This builds upon the extensive consultation undertaken so far with the community and local stakeholders along with the existing evidence base. It will be used in conjunction with other studies to support the preparation of the Guildford Borough Local Plan.

The masterplan itself will not be used in determining planning applications, but applicants will be encouraged to consider it as a statement of intent.

# REPORT OVERVIEW

## MASTERPLAN TEAM

Allies and Morrison Urban Practitioners was commissioned in December 2014 to prepare the Guildford Town Centre masterplan study on behalf of Guildford Borough Council. The team for the project includes Bilfinger GVA, providing specialist commercial property market, viability and delivery advice, and Arup, specialists in flood risk management and movement.

## REPORT STRUCTURE

The draft masterplan adopts the following structure as set out below:

- **Chapter 1 - Introduction:** The introduction describes the background to the report and provides a précis of the key issues and themes identified in the masterplan. It also summarises the process undertaken, the status of the masterplan report in planning terms and the study area.
- **Chapter 2 - Focus on commercial delivery:** The second chapter provides an assessment of the key market sectors and concludes with a summary of the key aims and objectives for the masterplan.
- **Chapter 3 - Looking back:** This section focuses on Guildford's unique landscape setting and historic townscape which define the context for the masterplan study.
- **Chapter 4 - Looking forwards:** This chapter explains how previous consultation feedback has informed the development of five main placemaking concepts which underpin the overarching masterplan for Guildford. These themes are briefly summarised below.
- **Chapter 5 - The masterplan:** Chapter 5 describes draft planning and design guidance and principles for the town centre and River Wey corridor, illustrated through a series of indicative masterplan drawings and artist impressions. The proposals are in draft form and are subject to comment and review through consultation as set out in the report.
- **Chapter 6 - Delivery:** The final chapter of the report focuses on delivery and viability. This includes commentary on the key issues and opportunities for each site and the potential phasing approach in relation to key sites in the context of the Local Plan timescales.

## SUMMARY OF KEY THEMES

The masterplan has regard to the extensive consultation undertaken on the Guildford Vision report and the draft Guildford Borough Local Plan in 2014, considering the key topics arising alongside a broader assessment of wider planning objectives and key technical constraints.

This process has led to the identification of five key placemaking concepts which are summarised below, and set out in more detail in chapter 4.

1. **From concrete collar to major tree-lined park and boulevard:** The masterplan encourages the rediscovery of the River Wey as a focus for a new riverside park and a wide range of town centre uses along its length.
2. **A healthy approach to movement:** A key factor in realising the broader aspirations for the river corridor is a reduction in the impact of traffic on the main streets and spaces in the town centre.
3. **The new riverside community park:** There is potential to create a major new parkland setting for leisure, cultural and commercial uses to make the most of Guildford's attractive water-side setting.
4. **Growing a successful town centre:** Proposals for the river corridor and the gyratory will create a context for the sensitive expansion of the town centre, with a new leisure and entertainment focus at Bedford Wharf supporting the expansion of the retail offer at North Street alongside the enhancement of the historic core.
5. **Planning for sustainable development:** Taken as a whole, the masterplan sets a context for a sustainable planning strategy for Guildford town centre, which will help to inform the town centre guidance and policies in the emerging Local Plan alongside the wider evidence base.

# PROCESS AND STATUS

## WORK UNDERTAKEN TO DATE

The masterplan team has engaged in a programme of evidence base review and masterplan development with a focus on commercial delivery. The following key tasks have been undertaken:

- Evidence base review: Following an inception meeting in January 2015, the masterplan team explored a number of key topics including the commercial context, historic context, townscape and urban design, movement, landscape, flood risk management and previous consultation.
- Initial framework and options development: The masterplan team identified the key site opportunities and constraints for logical geographical groupings of sites. This drew upon the initial analysis to identify high level opportunities for each group of sites. This process established a number of emerging masterplan and place-making concepts which have been developed in more detail in this report.
- Stakeholder consultation: The masterplan has regard to the extensive consultation that was undertaken on the draft Local Plan and Guildford Vision report in 2014, considering the key themes emerging alongside wider planning objectives and key technical constraints. The masterplan team has also engaged with a number of the key landowner and stakeholders. The purpose of this first tranche of meetings has been to brief interested parties about the scope of the work, and to understand known / future aspirations for their respective land interests and central Guildford more generally. These conversations commenced in March 2015 with a view to further discussions on emerging proposals as the masterplan progresses.
- Design development and options: The masterplan team has focused on the preparation of draft options for key sites since March 2015. This has involved an iterative process with discussion and input from the core client team, and initial discussion with the Environment Agency. This has included attendance at the Guildford town centre highways assessment (GOTCHA) steering group meetings to ensure that the parallel process of masterplan development and transport options has been integrated.
- A first round development appraisal was undertaken by GVA. This exercise has demonstrated a largely positive land value and site residual value for the majority of sites as set out in chapter 6.

## PURPOSE

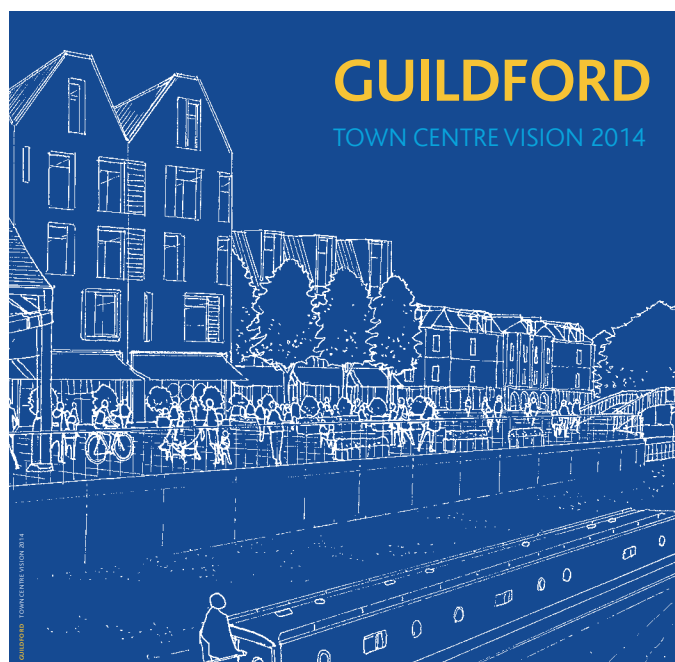
The purpose of this report is to develop a masterplan for Guildford Town Centre for the Local Plan period and beyond. This builds upon the extensive consultation undertaken so far with the community and local stakeholders along with the existing evidence base. It will be used in conjunction with other studies to support the preparation of the Guildford Borough Local Plan. The masterplan itself will not be used in determining planning applications, but applicants will be encouraged to consider it as a direction of travel.

The masterplan will ultimately form part of the evidence base for the Local Plan to 2033, informing Town Centre specific policies, guidance and allocations alongside wider evidence base documents.

It should be noted that the masterplan supplements the Council's Strategic Housing Land Availability Assessment (SHLAA, 2014) which included an independent assessment of site capacity.

## NEXT STEPS

The Council, supported by the masterplan team, is undertaking ongoing discussions with stakeholders and landowners on emerging proposals for key sites. This iterative process will continue to inform a round of refinements to the draft proposals in advance of the process of approval to consult on the draft masterplan. It is likely that public consultation would take place for a period of 6 weeks commencing in October 2015, pending Cabinet approval.





# STUDY AREA

The study area boundary defines a varied area which contains a number of unique attributes and issues. The boundary incorporates a range of important locations including the following:

## NORTHERN RIVER CORRIDOR

This area is defined by its relationship with the River Wey, and takes in the Walnut Tree Close area on the western side and the Dapdune Wharf area on the eastern side.

## STATION AREA

The station is a major gateway to Guildford with plans being progressed for new development options. The area has also been identified as offering one of the best opportunities to provide a new rail and river crossing.

## CENTRAL RIVER CORRIDOR

This zone was the focus for the recent Vision document and is likely to remain an area where a significant amount of change can be accommodated to revitalise the riverside.

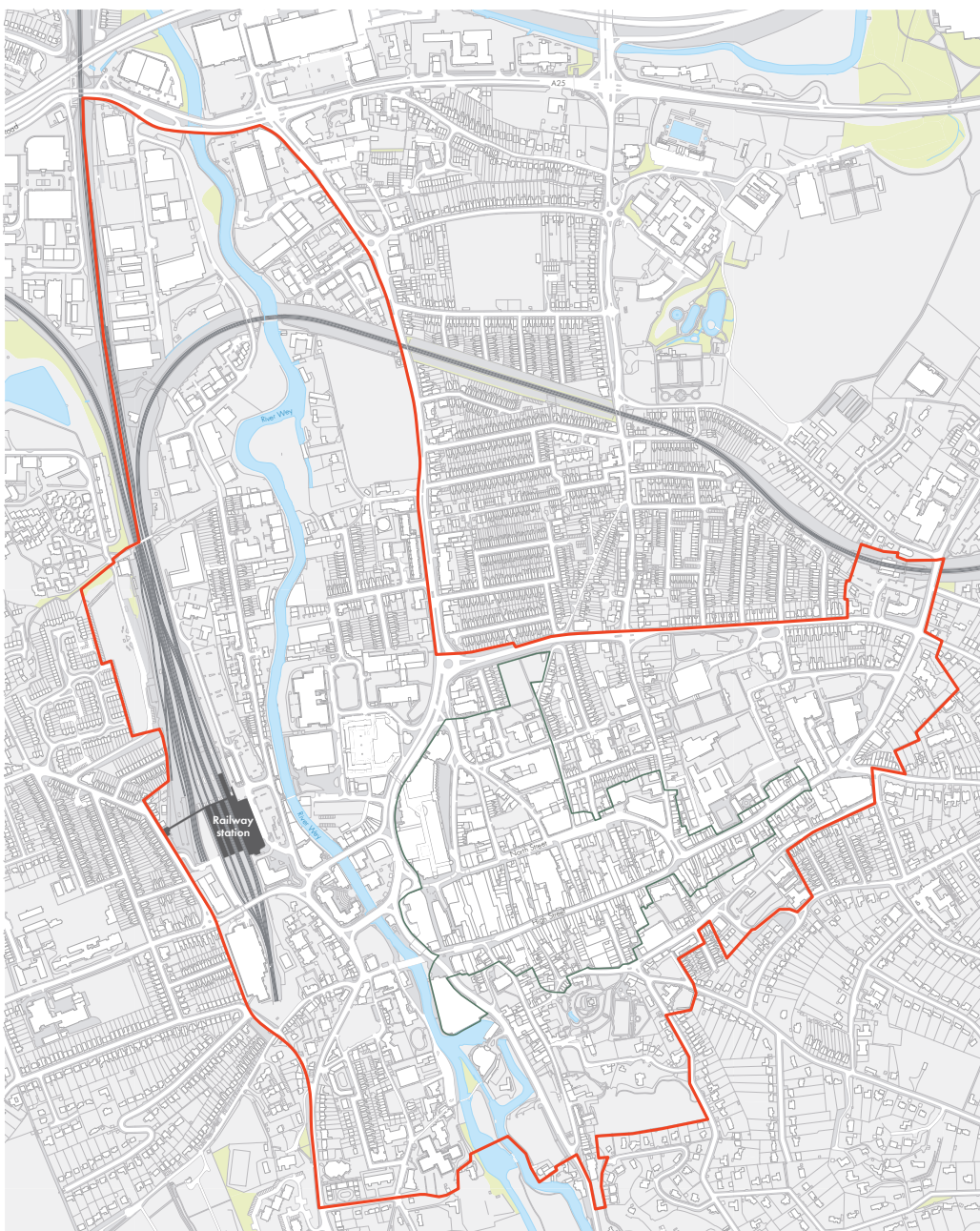
## HISTORIC TOWN CENTRE

The historic heart of Guildford has a well-defined and much-loved character. The masterplan should seek to protect and enhance this character whilst ensuring that development opportunities such as North Street deliver well-integrated and sensitive new buildings and spaces.

## SOUTHERN RIVER CORRIDOR

A series of sites have been identified for the southern river corridor.

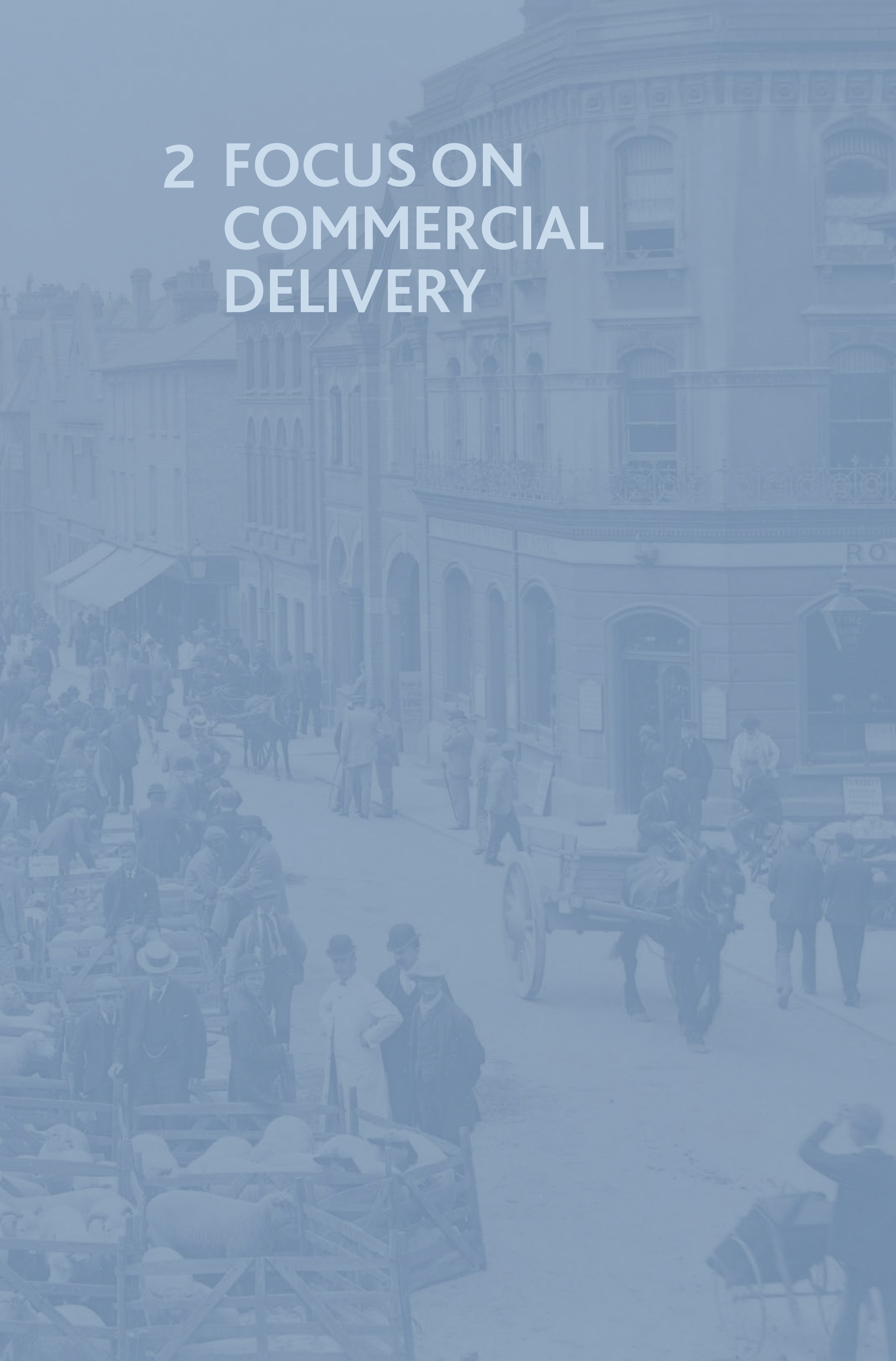
The masterplan also considers connections to the University of Surrey, the Hospital and Surrey Research Park which are key assets for the town.



Study area



# 2 FOCUS ON COMMERCIAL DELIVERY



# ASSESSMENT OF KEY SECTORS

Guildford benefits from an attractive historic town centre, set in a beautiful rural landscape with very high quality road and rail links. Over time, these advantages have been reflected in the growth of an affluent population, supporting a vibrant and engaging retail and leisure offer.

Although the overall commercial message is positive, it is clear that demand across different sectors has not been translated into transformative growth. The starting point has been to understand Guildford's market position and the factors which have acted as barriers to growth in the past.

The masterplan has been informed by a market assessment of the current residential and commercial sectors in Guildford. This review considers current market trends for Guildford's office, retail, leisure and residential markets; including demand/supply factors, values/rents, the development pipeline and market challenges and opportunities.

## OFFICE MARKET

Office floorspace in Guildford Town Centre is predominantly characterised by late 1980s accommodation, with little development in the town centre since then. Values have historically been insufficient to support redevelopment of what in Guildford tend to be constrained sites. More recently, however, values have supported more extensive refurbishments of existing stock. Overall, however, there is a shortage of Grade A space in the town centre, and overall availability in the Guildford area is currently 9% (Thames Valley Office Market Report, July 2014; Lambert Smith Hampton).

Take up in Guildford remains at historically low levels, as it has done since 2009. However, key employment sectors present in Guildford, including healthcare, professional services and computing and information services, are forecast to experience strong employment growth over the next 15-20 years (emerging Guildford Borough Employment Land Needs Assessment, due for publication in Autumn 2015).

This, coupled with limited supply, is predicted to lead to increases in prime office rents in the coming years, which could be sufficient to support development.

## KEY FACTORS FOR CONSIDERATION:

- A lack of development sites in the core town centre (as opposed to edge or out of centre) may continue to limit the delivery of modern accommodation, impacting the ability of the centre to attract new occupiers. This does, however, support rental growth.

- A number of sites with office proposals are being promoted with reduced floorspace in favour of residential development, including Station View and the Plaza site, resulting in a very limited development pipeline, which will further exacerbate the supply side constraint. Existing floorspace has also been converted to residential under permitted development rights. Much of this has been secondary stock but this has nevertheless constrained supply.
- New occupiers which 'spin-off' from Surrey University or existing research, telecoms, healthcare and computer gaming firms are a key generator of new occupiers, but may further concentrate at the Surrey Research Park or other out-of-town business parks rather than the town centre.
- Competition from nearby centres, such as Reigate/Redhill, Kingston or Woking, which benefit from commensurate transport links and/or attractive settings, but cheaper rents.

## RETAIL MARKET

Outside central London, Experian recently identified Guildford as the 'luxury shopping capital of the UK' based on data about the levels of consumer spending, household income, demographics, and the penetration of online retailing. This enables Guildford to compete very strongly at the regional level in attracting both shops and shoppers.

Key competing centres include towns such as Kingston upon Thames and Woking, both of which are currently undertaking major retail expansions. Reading, Basingstoke and Winchester are attractive destinations to the west and south-west

PROMIS (2015) describes Guildford's primary catchment area as incorporating large areas of rural Surrey together with some areas of East Hampshire and north East Sussex. The catchment area includes a number of smaller retail centres, such as Godalming, Haslemere, Farnham, Farnborough, Aldershot and Camberley, and overlaps with Woking to the North. The total population in the primary catchment area is 497,000, ranking the town 42 out of the 200 PROMIS centres. This is below the average for regional centres, but given its attractive environment and strong retail offer, Guildford is the dominant centre within the catchment, and PROMIS expect that the town will draw shoppers from beyond the primary catchment.

Guildford's primary catchment area is the second highest ranking PROMIS Centre in the UK in terms of affluence according to the PMA Affluence Indicator (2011) and per capita retail spending is above the PROMIS average. A significantly higher than average proportion of working

The table details Guildford's catchment and shopping population in comparison to key competing towns.

TOWN	CATCHMENT POPULATION (PROMIS, 2015)	SHOPPING POPULATION (PROMIS, 2015)	RETAIL PROMIS RANK
GUILDFORD	497,000	231,000	51
KINGSTON	874,000	456,000	13
READING	685,000	393,000	17
BASINGSTOKE	222,000	200,000	120
WOKING	190,000	110,000	130

adults are categorised in social groups A and B, which are the most affluent and include those in managerial and professional occupations.

Despite strong economic drivers, Guildford has experienced a lack of major new retail development in the town centre in recent years.

The list below identifies some potential issues that have stalled development over the years, together with some more general retail opportunities in the town centre:

- The town lacks the number and quality of anchor stores expected for a town of Guildford's size and status; the town has just two department stores, one of which (Debenhams) is oversized and poorly located.
- Whilst the town's historic core makes for a pleasant shopping environment, many of the available units are small and poorly shaped, inconsistent with modern retail requirements.
- The town's historic environment places potential constraints on new development in terms of density and scale (that is the ability to expand the prime pitch on the High Street) and to date there have been few identified sites outside of the historic core to support new development.
- The majority of modern retail units are located in the Friary Centre, which is in a secondary location.
- Agents identify that congestion is a key issue which may constrain retail rental growth in the future.
- The prime pitch is limited to a stretch of the High Street. There is the potential for this pitch to be expanded, particularly by new development at North Street and new connections to the train station.
- The river is currently under-utilised and presents an opportunity to enhance and diversify the retail offer in Guildford.
- With high retail rental values and growth, it is important to maintain the town's current diverse retail offer in terms of a balance between national and local retailers.
- The town centre currently has a lower than average proportion of convenience retail space, although this need will to some extent be met by the development of the new Waitrose store.
- There is an undersupply of specialist provision, such

as greengrocers, butchers and bakers within the town centre.

- The North Street market is an important asset for the town centre.

#### LEISURE MARKET

With a comparatively affluent catchment area, Guildford town centre has positive demographics for the leisure sector, in particular food and drink provision. The following section examines the demand and supply and key issues relating to leisure uses in the town centre, within the food and drink, hotel, cinema, and health and fitness sectors. It shows that whilst Guildford is relatively well represented within the leisure market, there is potential for further capacity across all areas considered. The provision of good quality hotel rooms in the town centre is a particular priority to support the broader leisure market and the office market.

#### FOOD AND BEVERAGE OFFER

- Current provision is below the Experian GOAD average for the UK (15.6%), suggesting that there is potential for the offer to be improved.
- There is a particular lack of white table dining for a town of the size, importance and affluence of Guildford.
- The food and beverage offer is the main driver of the night time economy, thus it is an important factor in improving town centre vibrancy.
- The riverside would be an ideal location for food and beverage uses but is currently severely underused.
- Restaurant provision has 'clustered' in three areas. Increasingly providers are looking to be mixed with retail to take advantage of passing retail trade.

#### HOTEL

- There is an undersupply of good quality rooms in the town centre, with a particular potential gap in the market for a new boutique hotel.
- The redevelopment of Guildford Station originally included plans for both budget and 4 star hotel space. However, following consultation, a hotel was omitted from the plans due to concerns over congestion.

	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>COMPLETIONS</b>	<b>130</b>	<b>227</b>	<b>188</b>	<b>261</b>	<b>230</b>	<b>137</b>	<b>242</b>

Housing delivery, source: Guildford Annual Monitoring Reports

### CINEMA

- There is currently only one cinema in the town centre. It is located at what is currently a relatively peripheral, poorly connected site away from other town centre uses. Were it better located or made more accessible it could potentially act as an anchor for improved retail rents and leisure.
- There is an undersupply of ancillary A3 uses around the current cinema which would normally be expected to create a destination. The one existing A3 unit attached to the Odeon building has been empty for some time.
- There is identified capacity and interest in approximately six additional screens in Guildford.
- The current Odeon building arguably represents a poor use of a riverside site.

### HEALTH AND FITNESS

- The draft Guildford Retail and Leisure Study Update 2014 identifies potential for an additional 2,517 new gym members over the forecast period to 2031. This would support two new smaller gym facilities, or one facility from a larger chain.
- The key issue for this sector is the lack of national operators in the Borough. David Lloyd, Fitness First, Bannatyne Health and Fitness and Pure Gym are all unrepresented.

### RESIDENTIAL MARKET

#### HOUSING NUMBER

Guildford Borough does not currently have an up to date housing number in an adopted Local Plan. Whilst 322 homes a year was agreed as a housing number by the Council's Executive in 2012, this does not take account of objectively assessed housing need. A proposed housing number for the Borough will be included in the next iteration of the Local Plan. Guildford's recent record of delivery of new homes, taken from the Council Annual Monitoring Reports, is summarised above.

#### AFFORDABLE HOUSING PROVISION

Policy H11 of the Local Plan (2003) states that affordable housing is required on developments of 15 or more dwellings, or on sites of 0.5ha irrespective of unit numbers. In small designated rural settlements the threshold is 10 or more dwellings, or on residential sites of 0.4ha or more, irrespective of unit numbers.

The Planning Contributions SPD (2011) states that 35% affordable housing should be provided on site, which is negotiable in areas with lower land values, and states that a tenure mix of 60% social rent and 40% intermediate should be provided, based on the 2009 SHMA. The draft Local Plan (2014) sets an emerging policy of 40% affordable housing provision, for all residential developments above a threshold of five units.

### RESIDENTIAL

- In recent years there has been a relative lack of new build residential development in Guildford town centre. At the same time, little new retail and commercial space has been forthcoming. It will be important to balance the promotion of different uses as new town centre development proposals come forward.
- Another potential challenge associated with bringing mixed use schemes forward in the town centre is to balance the needs of residents against the needs of commercial occupiers (for example noise and servicing requirements).
- Affordability is a key issue in the local area; the latest SHMA evidence suggests that, with house prices substantially above the South East average, prices are 11 or more times the typical earnings of younger households compared to a ratio of 6.4 nationally. There is therefore the need to balance demand and potentially strong returns for the market housing in the town centre against the need for affordable provision.
- The smaller, piecemeal development opportunities (including existing stock conversions) that tend to be more readily available within the town centre do not reach the existing threshold for affordable housing provision (albeit emerging policy proposes lowering the threshold to five units). The challenge is to facilitate large-scale development that will contribute to this need.
- The available evidence indicates strong demand for new build properties in the town centre. There is the potential for developments to exceed values achieved to date given this demand and on-going lack of supply.
- Some new housing, particularly student accommodation, is now being promoted in the Station View/Walnut Tree Close area. This

# CREATING A FRAMEWORK FOR SUCCESS

demonstrates that development is viable even on employment sites that are currently in use. It will be important to ensure that this is managed to fit a strategic plan.

- There is a view that an unbalanced housing market could undermine the local economy.

## CONCLUSIONS

This review of office, retail, leisure and residential markets in Guildford town centre presents a predominantly positive picture. Demand for all uses appears average to strong. The principal constraint in recent years is the limited level of development activity which is a product of poor site availability, rather than a lack of demand. The recent recession has impacted on the office sector more than others, but values in this sector are now returning to levels which support new development, and in other sectors this has already been the case for a number of years.

Sites have generally failed to come forward due to existing ownership, use and technical constraints. Development sites have been identified in the past, but not as part of an over-arching strategic plan. The value differential between sectors has also shifted increasingly towards residential in recent years, which has impacted on the development pipeline of other uses, particularly offices.

Major opportunities would appear to centre around the potential to improve access to and the use of the River Wey, and to enhance the prime retail pitch by drawing footfall over a wider area, in conjunction with the North Street redevelopment proposals. The attractiveness of Guildford's historic core and its surrounds is key in drawing visitors and occupiers – for retail, office and leisure uses – as well as new residents, and will need to be maintained.

In that context, the masterplan is informed by two broad aims and a series of more specific commercial objectives:

## AIMS

1. To create a positive environment for investment with an emphasis on the experience of arrival and movement across the town centre through a step change in place-making and a new emphasis on the River Wey as an asset.
2. To identify a supply of sites for housing, retail, employment and other town centre uses including realistic timescales for delivery.

## OBJECTIVES

1. Create a more attractive pedestrian environment which re-connects the town centre to the river and creates a sequence of appealing streets and spaces, re-defining the Guildford experience.
2. Promote a holistic car parking and movement strategy which integrates town centre place-making aspirations with the needs of businesses, residents and visitors.
3. Define a framework for the managed growth of retail and leisure in the town centre considering the current and future circuits of retail activity, the position and number of anchor retailers, opportunities to rejuvenate existing facilities, and the need to balance the unique historic townscape character of the core town centre with the need to meet modern retailer requirements and expand the prime pitch.
4. Identify town centre development sites which have the potential to deliver new modern office accommodation in the town centre, balanced with other sites in existing locations such as Surrey Research Park.
5. Highlight opportunities for residential development which respond to technical constraints, support a shift towards more sustainable patterns of movement and deliver regeneration of key central sites in the town centre and hinterland.

