

# Guildford Borough Council

## Retail and Leisure Study

### Volume 1: Final Report



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## APPENDICES

*Bound separately at Volume 2*

Appendix 1 – Shopping and leisure provision plans (Figures 1 to 3)

Appendix 2 – Study area plan (Figure 4)

Appendix 3 – Quantitative spreadsheets

Appendix 4 – Expenditure forecasts methodology

Appendix 5 – Household survey methodology and summary of findings

Appendix 6 – Catchment area plans (Figures 5 to 10)

Appendix 7 – Published retail and leisure demand for Guildford town centre

Appendix 8 – Diversity of uses for Guildford town centre

Appendix 9 – IMD heat plan for study area (Figure 11)



# 1 INTRODUCTION

## Terms of reference

- 1.1 Roger Tym & Partners (RTP) was instructed by Guildford Borough Council (GBC) in October 2010 to update the Guildford Retail Study (GRS). The GRS was undertaken by Chase & Partners (C&P) and published in June 2006. The purpose of the update is to ensure that the evidence is consistent with Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4) and its practice guidance on need, impact and the sequential approach.
- 1.2 Specific guidance is sought on the following:
- Changing economic circumstances, including:
    - Changes in national and local economy:
    - Changes in retail density (this covers two issues, firstly the typical turnover per sqm that retailers achieve and secondly the growth in turnover per sqm that existing retailers are likely to achieve during the plan period):
    - Changes in the relative balance of retailing (for example bricks and mortar retailing vis-à-vis e-tailing).
  - Completed retail developments since 2006:
  - Implications of the stalled Friary extension and the limited convenience retail development (to date).
- 1.3 Two specific additional stages of work were commissioned by the Council in order to bring the study up-to-date, namely:
- A fresh household survey, in order to understand where local residents are spending their money on retail and leisure activities in 2010 and to reflect completed developments since 2006:
  - A commercial leisure assessment, in order to understand where there is a need for this type of floorspace in the Borough was undertaken.
- 1.4 The fieldwork for this study was undertaken in late 2010.

## Context

- 1.5 Understanding the context for Guildford is crucial for this study. Since the original GRS was undertaken, there have been some very significant changes in both planning and the economy. These include:
- PPS4 and its practice guidance were published in December 2009:
  - The Coalition Government has announced its intention to abolish regional strategies (including the South East Plan), which has a knock on effect in respect of the regional hierarchy of centres and requirements for housing and employment growth:

- The downturn in the economy, the resultant slow down of consumer expenditure growth and uncertain recovery timescales:
  - The banking crisis, the associated lack of development finance and the viability challenges facing large town centre redevelopments:
  - The continuing changes in consumer preferences, including the increase in of e-tailing and the polarisation of retailing (i.e. larger stores and centres are becoming more dominant).
- 1.6 These changes have implications for both the quantitative outputs within the GRS and the policy direction of its recommendations. It also has a knock on consequences for Guildford's Local Development Framework (LDF). For example, it influences the scale and form of development that the Council will need to plan for over the next 15 years.
- 1.7 Turning to the local context, we are aware from the GRS that Guildford town centre is very popular and is the largest retail centre in Surrey. It also benefits from recent retail and leisure developments, either in the pipeline, or recently completed. These include the following:
- Planning permission has been granted for an extension to the Friary shopping centre including between 22,500sqm and almost 25,000 sqm (gross) of retail floorspace (the remainder being food and drink uses)
  - Bellerby Theatre and North Place Day Centre Planning Brief SPD (for mixed-use development including a supermarket)
  - Construction has commenced on the G-Live entertainment venue providing seminar rooms, café and a 1,700 capacity auditorium due to open in Autumn 2011
  - Guildford railway station is allocated in the Local Plan for mixed use including retail and leisure, whilst land at Bedford Road opposite the Odeon Cinema is allocated for one or a mix of uses that include retail.
- 1.8 Despite the apparent success of Guildford and the prospects for growth, it continues to face competition. Indeed, we note that the original GRS states in paragraph 9.8 that 'In retail terms, standing still is akin to decline. In a number of centres there is either a real commitment to a new development or a policy aspiration for future growth, which will be realised during the plan period to 2026. We outline the main competing centres in Table 1.1, below.

**Table 1.1 Competition to Guildford town centre**

Centre	Designation in South East Plan/London Plan	MHE Ranking '08*	MHE Ranking '04	Change 2004 - 08	MHE Function
Guildford	Centre for Significant Change	24	20	-4	Major regional
Woking	Centre for Significant Change	94	122	+28	Regional

Centre	Designation in South East Plan/London Plan	MHE Ranking '08*	MHE Ranking '04	Change 2004 - 08	MHE Function
Crawley	Centre for Significant Change	56	58	+2	Major regional
Southampton	Centre for Significant Change	19	15	-4	Major regional
Kingston	Metropolitan Centre	15	16	+1	Major regional
Camberley	Secondary Regional Centre	149	132	-17	Sub-regional
Bracknell	Secondary Regional Centre	180	183	+3	Sub-regional
Epsom	Secondary Regional Centre	209	179	-40	Sub-regional

Source: South East Plan, London Plan and Management Horizons Europe Shopping Index (2008). \*= low figure = higher ranking.

- 1.9 Shopping provision plans, detailing the shopping hierarchy in the area and competition in terms of centres and foodstores can be found at Appendix 1 (Figures 1 and 2). In the following paragraphs, we explain in further detail the nature of the competition in each of the towns.
- 1.10 It should be noted that planning permission has been granted for a mezzanine in B&Q at the Ladymead retail park which is located outside of the town centre. We understand that there are further pending applications in the retail parks.

### Woking

- 1.11 Woking is designated as a Centre for Significant Change in the South East Plan. There is no major retail led scheme permitted; although we are aware that the Council is pro-actively encouraging investment in the town centre. It has recently purchased the Wolsey Place shopping centre, has granted planning permission for a minor extension and new entrance to the Peacocks Centre (recently completed) and has entered into a development agreement to promote a mixed use scheme (include retail) on a large 'Woking Gateway' site within the town.

### Crawley

- 1.12 Crawley is designated as a Primary Regional Centre in the SEP. There have been long held plans with Grosvenor to extend the shopping provision in Crawley through a scheme known as 'Town Centre North'; no application has been formally submitted, but the Supplementary Planning Document for the TCN site states that the site should provide in the region of 50,000 sq m net gain of comparison retail floorspace. We understand the scheme has stalled but the council are re-examining options for the town.

### **Southampton**

- 1.13 Southampton is designated within the SEP as a Centre for Significant Change. A mixed use scheme was granted outline planning permission in October 2009 and comprises approximately 35,000 sqm of retail space, a multiplex cinema, cafes and restaurants, as well as apartments, a hotel and public open space. We understand that no reserved matters application has been submitted to date but that it is anticipated that the scheme will be completed by 2013 and that development will commence later this year.

### **Kingston**

- 1.14 Kingston is designated as a Metropolitan Centre within the London Plan and thus is at a similar position in the shopping hierarchy as Woking and Guildford in the South East. Within the adopted Kingston AAP, there is a policy commitment to 70,000 sq m retail led mixed use redevelopment in the Eden Quarter. We understand that a procurement process has commenced to secure a new developer since the deal with Hammersons was terminated. Thus the future of this scheme is uncertain in the short term.

### **Camberley**

- 1.15 Camberley is designated as a Secondary Regional Centre in the SEP. A new 22,600 sqm (gross) shopping centre, 'The Atrium', opened as part of a 3 hectare development in November 2008. This is a mixed use shopping and leisure development and includes retail units, restaurants, bowling and a cinema together with some 217 flats. Furthermore, there are pipeline plans for Camberley to expand further in Surrey Heath's Area Action Plan (AAP) Preferred Option Paper, which envisages that Camberley market share increasing and an addition 41,350 sqm (net) of comparison floorspace by 2021.

### **Bracknell**

- 1.16 Bracknell is designated as a Secondary Regional Centre in the SEP. Planning permission has been granted for a mixed-use regeneration scheme, to include 56,171 sq m (net) comparison floorspace. Work was due to commence in 2008. However, we understand that this has been postponed due to the current economic climate.

### **Epsom**

- 1.17 Epsom is designated as a Secondary Regional Centre in the SEP. An AAP for Epsom Town Centre is currently being produced.

## **Report structure**

- 1.18 In response to our terms of reference and the context for this study, our report is divided into three volumes, as follows:
- Volume 1: Report (this document)
  - Volume 2: Study Appendices (numbers 1-9)
  - Volume 3: NEMS Household Survey Results

1.19 The remainder of this report (Volume 1) is structured as follows:

- Section 2 (pages 5 to 8) explains the requirements of national and regional policies in so far as they relate to town centres;
- Section 3 (pages 9 to 13) outlines the findings of the existing evidence base, highlighting outputs that are relevant to this study;
- Section 4 (pages 15 to 25) explains our estimates of existing and future retail and leisure spending in the Borough and surrounding area;
- Section 5 (pages 26 to 34) outlines our analysis of the current patterns of retail and leisure spending, drawing on the telephone survey of households;
- Section 6 (pages 35 to 44) provides our analysis of quantitative needs in the retail sector (to 2026);
- Section 7 (pages 46 to 55) provides our analysis of qualitative needs in the retail sector;
- Section 8 (pages 56 to 61) contains our analysis of quantitative and qualitative needs in the leisure sector;
- Section 9 (pages 62 to 67) sets out our overall conclusions and recommendations to the Council.
- A Glossary of key technical terms (page 70) is also provided.



## 2 PLANNING POLICY CONTEXT

2.1 This study will form part of the evidence base for the Council's Local Development Framework (LDF), in particular its Core Strategy and Site Allocations DPDs. We have regard to national policy on Local Spatial Planning (PPS12) and Planning for Sustainable Economic Growth (PPS4). We also have regard to the development plan. The South East Plan remains part of the development plan, although the Coalition Government has announced its intention to abolish regional strategies.

### PPS12: Local Spatial Planning

2.2 PPS12 (2008) includes the test of 'soundness'. To be 'sound' a core strategy should be justified, effective and consistent with national policy.

**'Justified'** means that the document must be:

- founded on a robust and credible evidence base
- the most appropriate strategy when considered against the reasonable alternatives.

**'Effective'** means that the document must be:

- deliverable
- flexible
- able to be monitored

2.3 Thus, the PPS12 places emphasis on the need for DPDs to:

*'...demonstrate that the plan is the most appropriate, when considered against reasonable alternatives' (paragraph 4.38 of PPS12, our emphasis); and*

*'...show how the vision, objectives and strategy for the area will be delivered and by whom, and when' (paragraph 4.45 of PPS12, our emphasis).*

### PPS4: Planning for Sustainable Economic Growth

2.4 Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4) was published in December 2009 and replaces previous guidance contained in Planning Policy Guidance Note 4: Industrial, commercial development and small firms (PPG4, 1992) and in Planning Policy Statement 6: Planning for Town Centres (PPS6, 2005).

2.5 The Government's overarching objective as set out in paragraph 9 of PPS4 is to achieve 'sustainable economic growth' by:

- building prosperous communities by improving the economic performance of cities, towns, regions, sub regions and local areas;
- reducing the gap in economic growth rates between regions, promoting regeneration and tackling deprivation;
- delivering more sustainable patterns of development;
- promoting the vitality and viability of town and other centres as important places for communities; and
- raising the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural communities.

- 
- 2.6 All 'policies' in PPS4 are pre-fixed by the letters EC. Policy EC1 of PPS4 confirms the requirement to use evidence to plan positively and that local planning authorities 'ensure that the volume and detail of the evidence is proportionate to the importance of the issue' (EC1.1b).
- 2.7 Policy EC1.3 states that at a local level the evidence should be informed by regional assessments and should assess the detailed need for all main town centre uses (EC1.3b), identify any deficiencies within the provision of local convenience shopping (EC1.3c) and assess the capacity of existing centres to accommodate new town centre development (EC1.3e).
- 2.8 Policy EC1.4 details what should be considered when assessing the need for retail and leisure development at the local level. The main change from the superseded PPS6 is that local authorities should take into account both quantitative and qualitative need for additional retail and leisure floorspace (EC1.4a). There is no weighting in favour of either quantitative or qualitative need (as there was in PPS6) but, in deprived areas that lack a range of services, additional weight can be awarded to meeting such deficiencies in selecting sites (EC1.4b).
- 2.9 Policies EC3, EC4 and EC5 of PPS4 are plan making policies regarding town and other centres. Regional Planning Bodies (RPBs) and Local Planning Authorities (LPAs) are required to:
- Set out a strategy for the management and growth of centres over the plan period (Policy EC3).
  - Promote competitive town centre environments and provide consumer choice (Policy EC4).
  - Identify a range of sites to accommodate identified need (Policy EC5).
- 2.10 Policy EC9 emphasises the need for monitoring.
- 2.11 Policy EC13 governs the determination of planning applications affecting shops and services in local centres and villages.
- 2.12 Policies EC14, EC15, EC16 and EC17 provide guidance on how to determine planning applications for town centre uses. The policies focus on how to respond to applications that are not in accordance with an up-to-date development plan or within a centre.
- 2.13 Policies in PPS4 are referred to where relevant in the remainder of this study.

### **Practice guidance on need, impact and the sequential approach**

- 2.14 A document titled 'Practice guidance on need, impact and the sequential approach' has been published by the Department of Communities and Local Government (CLG) to accompany PPS4 (subsequently referred to in this study as the 'practice guidance'). This guidance does not constitute a statement of Government policy. However, its contents are likely to be a consideration when retail aspects of emerging development plan documents are examined in public.

- 2.15 When assessing the need for retail and leisure developments, local planning authorities are advised to (paragraph 2.4):
- Take account of the quantitative and qualitative need for different types of retail and leisure developments.
  - In deprived areas, which lack access to a range of services and facilities, give additional weight to meeting these qualitative deficiencies.
  - When assessing quantitative need, have regard to relevant market information and economic data.
  - When assessing qualitative need, assess whether there is provision and distribution of shopping and other services which allow genuine choice to meet the needs of the whole community; and take into account the degree to which shops may be overtrading and whether there is a need to increase competition and retail mix.

- 2.16 The guidance provides detailed advice on how to produce an evidence base for retail and leisure developments. This study takes into account the principles set out in the practice guidance, referring its specific guidance throughout the report.

### South East England Plan

- 2.17 Regional Spatial Strategies, including the South East Plan, were revoked in July 2010. In a Judgment of 10 November 2010 the High Court quashed the Secretary of State's decision of 6 July 2010 to revoke Regional Spatial Strategies. Therefore, at the time this study was undertaken, the South East Plan remains part of the development plan. However, it is appreciated that the Government has formalised its intention to revoke regional strategies in the Localism Bill.
- 2.18 The timescales for the replacement of the South East Plan with an alternative system are uncertain. However, in the mean time the supporting evidence underpinning the Strategy remains relevant. Within the South East Plan, Guildford town centre is designated a Centre for Significant Change, whilst the whole town is designated a Regional Hub within the London Fringe sub region.

### Guildford Local Plan

- 2.19 The Guildford Local Plan was adopted in 2003. It notes that Guildford town centre is the principal shopping centre in Surrey and its attractive environment and leisure / cultural provision. The plan demonstrates a permissive approach to retail development in the town centre, Policy S2 stating that applications under 2,500 sqm gross will be permitted.
- 2.20 There are two undeveloped Local Plan allocated for retail uses. Site GT1, land at Bedford Road opposite the Odeon Cinema, is allocated for either a mix or one of several possible uses including retail. Site GT8, land and buildings at Guildford Railway Station is allocated for redevelopment to improve the transport hub along with other uses including leisure and retail.

- 2.21 The plan resists loss of retail uses in the primary shopping area under Policy S4, however in the secondary and tertiary shopping areas changes of use from A1 to A2 / A3 are permitted subject to certain conditions designed to maintain a strong A1 presence.

### Summary

- 2.22 In this section, we have reviewed relevant national planning policy and development plan policy. In summary:
- The Borough needs to consider the requirements of PPS4 when formulating their development plan
  - PPS4 requires an evidence base that takes into account both quantitative and qualitative need for all town centre uses
  - Although the South East Plan will be revoked, Guildford is at the top of the hierarchy of centres in the region and is designated a transport hub
  - Saved Local Plan policies remain the relevant development management tool in the Borough, whilst it is noted there are two un-developed retail allocations in the town centre
- 2.23 As explained in Section 3, we appreciate that the Borough is in the process of producing its Core Strategy and Site Allocations development plan documents as part of its LDF and has undertaken some consultation towards these.

## 3 LDF PROGRESS AND EXISTING EVIDENCE BASE

### Local Development Framework

- 3.1 The Local Development Framework (LDF) will eventually include development plan documents for the Borough. The Borough's Core Strategy was last subject to consultation in March 2009, whilst a Preferred Option for a Town Centre Area Action Plan (AAP) was consulted on earlier in 2006. Consultation on the Site Allocations DPD took place in 2008. Whilst the AAP is now being progressed as a masterplan outside of the LDF, the future stages of the other DPDs is set out in a revised Local Development Scheme(LDS) approved March 2011.
- 3.2 The Core Strategy consultation identifies three 'themes' for the Strategy – these are Managing sustainable growth; Place and community; and Environmental protection and enhancement. Each of these is then broken down into Strategic Objectives relating to more specific areas of policy. In terms of town centres and shopping, these include respectively:
- Reinforcing Guildford Town Centre's role as the county's prime shopping centre and location for cultural, leisure, offices and civic facilities.
  - Maintaining and enhancing the viability and vitality of the district and local shopping centres.
  - Ensuring all new development is appropriately located.
- 3.3 The Strategy sets out an 'Area Vision' for Guildford town centre, which includes:
- Enhancing transport links.
  - Enhancing its retail offer to remain the dominant centre in Surrey.
  - Improving leisure and community facilities.
  - Contributing to culture and the arts.
- 3.4 There are also two relevant 'core policies':
- Policy CP4 - Retail hierarchy and town centre uses, which commits to maintaining Guildford's position at the top of the shopping hierarchy
  - Policy CP19 - Well-being, leisure and culture, which commits to the provision of leisure, sport, recreational and cultural facilities across the Borough.
- 3.5 The Preferred Options for the AAP for Guildford town centre include, with reference to town centre facilities:
- Retaining and improving existing public services and facilities.
  - Encouraging provision of new services and facilities.
  - Maintaining the high quality historical and physical environment, as well as improving areas of lower quality.
  - Focussing new office development in the centre, as well as retaining existing offices.

- Maintaining Guildford as the preferred location for major shopping development, including the Friary centre redevelopment.

3.6 The key evidence base document relevant to this study is the existing Guildford Retail Study, June 2006. The majority of the survey work underpinning this document was undertaken in late 2005 and early 2006. Other evidence base documents that can be used to inform this update include:

- Town Centre Vitality and Viability Report (2008 updated in the 2010 Annual Monitoring Report)
- Guildford Visitor Survey (2007)
- Economic Development Study (2009)
- Town Centre Development Study (2010)

### Guildford Retail Study 2006

- 3.7 The Guildford Retail Study was undertaken by Chase & Partners (C&P) and published in June 2006.
- 3.8 The GRS identified capacity for 21,830 sqm of gross comparison floorspace to 2011, and a further 20,170 sqm to 2016. With the Friary extension planning permission comprising between 22,500 and almost 25,000 sqm gross retail (mainly comparison) floorspace, it was assumed that the Friary permission would absorb much of the short term need to 2011. It was also assumed that the redevelopment of the Railway Station would absorb the remainder of the convenience need to 2011.
- 3.9 The study also identifies capacity for 5,985 sqm of bulky goods retail warehouse floorspace by 2011, and a further 7,350 sqm by 2016.
- 3.10 Growth in expenditure for convenience goods is forecast to be much lower than that for comparison goods. C&P estimate there is capacity for between 1,274 sq m and 2,250 sqm gross additional floorspace by 2011, and between 1,527 sqm to 3,054 sqm additional floorspace by 2016.
- 3.11 The study concluded that given the existing planning permission and site allocation, there was no need for a further new foodstore in the period to 2011. It did identify a need for this to be actively reviewed in the period 2011 to 2016, once the details of the Friary Extension Development are known. Given that the Friary Extension permission was not implemented, but was extended in 2010, and that the extension to the shopping centre has not been developed as expected, we consider that the need for a new foodstore should be revisited.

### Town Centre Vitality and Viability Report

- 3.12 The Vitality and Viability report, part of the 2009/10 Annual Monitoring Report, assesses Guildford and other centres in the borough's retail hierarchy against thirteen health check indicators from PPS4.
- **Diversity of main Town Centre uses** – 63% of units in Guildford town centre were in retail use, with 9% vacant.

- **The amount of retail, leisure and office floorspace in edge-of-centre and out-of centre locations** – With the exception of the two main out-of-centre food stores in the Borough (Sainsbury and Tesco), the majority of out-of-centre retail floorspace in the borough is located in the Ladymead and Woodbridge Road retail parks.
- **The potential capacity for growth or change of centres in the network** – The Friary extension is identified as a key potential development site, although it is not an allocated site. There are no retail-only site allocations in the Local Plan 2003, although Policy GT1 Land at Bedford Road opposite the Odeon Cinema, is allocated for either a mix or one of several possible uses including retail. .
- **Retailer representation and intentions to change representation** – The Town Centre designated frontage is approximately 65% national multiples, a good proportion to attract trade while still maintaining a local identity from the many independent shops.
- **Shopping rents** – Rents in Guildford had been increasing at a greater rate than competing centres Reading, Basingstoke and Kingston.
- **Proportion of vacant street level property and the length of time properties have been vacant** – Since the previous survey in 2008 there has been an increase in the proportion of vacant shops in Guildford Town Centre from 4% to 9%, reflecting the economic recession at the time (although Guildford fared better than many other town centres). In the primary shopping area no units have remained vacant for longer than five months.
- **Commercial yields on non-domestic property** – Guildford's yield, at around 5%, was low compared to competing centres Reading, Basingstoke and Kingston.
- **Land values and the length of time key sites have remained undeveloped** – The highest land values were found on the High Street, the south side of North Street and the Friary Shopping Centre; the lowest land values were recorded at Phoenix Court, the northern part of the Friary Development Site and between Haydon Place and Dolphin House. Guildford Plaza, a key site within the Town Centre, was originally granted planning permission for redevelopment for offices in 1999, but has remained undeveloped since demolition of the building in 2000. Parts of the Friary Extension Site have remained in temporary uses including surface car parking, some for over four years, although much is still in use.
- **Pedestrian flows (footfall)** – Two footfall counters (on High Street and North Street) have been in operation since late 2008.
- **Accessibility** – Guildford is well served by buses and has adequate parking spaces, as well as park-and-ride which functions well.
- **Customer and residents' views and behaviour** – this drew on the results of the Guildford visitor survey (see below) and other sources.
- **Perception of safety and occurrence of crime** – The crime rate in Guildford town centre increased by 19.9% between June 2009 and June 2010, although public place violent crime on Fridays and Saturdays has fallen by around 29%.

- **State of the Town Centre environmental quality** – No information was recorded in 2010, but environmental improvements had recently been completed at Trinity Gate and the Friary Passage.

### Guildford Visitor Survey

3.13 The report presented the findings of a survey of visitors to Guildford conducted between August and October 2007. Key findings include:

- Day visitors accounted for 84% of all visitors
- Visitors to Guildford encompassed all age ranges. However, Guildford reflects an older age profile with the highest proportion (19%) of visitors falling within the 55-64 years category.
- The highest proportion of day visitors came from home locations within Surrey (39%), Hampshire (9%) and West Sussex (9%).
- The largest proportion of visitors described their visit to Guildford as holiday or leisure based (34%) or a special shopping trip (34%).
- When asked what made them decide to come to Guildford instead of some other destination, most visitors stated that the town was a better place for shopping (45%).
- Over half of visitors had travelled to Guildford by private car (66%), while 24% of all visitors indicated that they had used public transport to get to the town.
- Day visitors to Guildford spent an average of £41.65 per person per day.
- High levels of satisfaction were found among visitors to Guildford on the various indicators which together comprise the 'visitor experience'.
- Overall, 71% of respondents stated that 'nothing' had spoilt their visit to Guildford.

### Economic Development Study

3.14 This study was prepared for GBC and the University of Surrey by the Centre of Economics (CLREA) at the University of Portsmouth, and published in July 2009. It is concerned with all aspects of the economy, focussing mostly on employment, but also refers to retail and town centre aspects. The study identified Guildford's central location within the South East region and its proximity to London and other major urban centres as a strength. However, the concentration of employment in the town centre (54% of all jobs) is identified as a weakness linked to high levels of congestion.

3.15 The study noted that employment in retailing, traditionally a strong sector, reduced between 2002 and 2007. Nonetheless, the retail sector is still an important part of Guildford's economy supported by a vibrant night-time economy.

3.16 The document does not make any specific recommendations with regards to retail, although it states that "issues such as the provision of a quality hotel in the town centre, regeneration of the Friary Centre, attraction of an additional major departmental store, the provision of officer support for the Town Centre Manger and the redevelopment of the Civic Centre are all issues that may need to be addressed by the Borough in the near future."

## Town Centre Development Study

- 3.17 Cushman and Wakefield were appointed to prepare this commercial study which was published in March 2010.
- 3.18 The Study finds that Guildford performs well in terms of comparison shopping terms, and that its retail offer forms a key part of the town centre economy. A lack of convenience floorspace is noted, specifically in relation to comparable centres. The ability of Guildford to expand its retail offer is constrained by a lack of available modern retail space, as well as by physical and viability constraints on development within the town centre. The Study notes that The Friary extension site is the only site suited to a major retail scheme.
- 3.19 The Study identifies that developer activity across all sectors has slowed in the past 18 months. This is largely due to the current economic climate which has seen many large scale development become unviable which creates funding problems. The convenience sector is expected to grow more quickly as the economy recovers.
- 3.20 Unlike its competing centres, Guildford has not seen any new shopping development since White Lion Walk opened over 20 years ago. The study considers five long-planned development opportunities key to the continued development of the town centre:
- The Friary extension site is the main opportunity for the town centre, which has currently stalled. This may partly be due to the economic climate, but is noted that it had stalled prior to the credit crunch.
  - The Bellerby Theatre site is partly allocated under Local Plan Policy GT3 for a mix of uses. The majority of the site is included in the Town Centre AAP Preferred Options draft as Development Site 10, allocated for a housing-led scheme
  - The former Farnham Road bus station site is identified in the AAP Preferred Options for housing, offices, community facilities and a hotel. Development is constrained as the site is needed to house a temporary bus station to support the Friary extension.
  - The Bedford Road car park site has been considered the site for residential development, however several barriers were identified, including the foot bridge which provides an important route to the town centre.
  - Guildford railway station is expected to be redeveloped for a mix of uses over four phases, starting in 2013/14. Improving linkages to the town centre is a key part of the scheme. The Study notes the importance of the physical appearance of the centre for attracting and retaining visitors and identifies the poor first impression of Guildford upon arriving at the railway station.

## Summary

- 3.21 In this section, we have reviewed the progress of the LDF and summarised the findings of other key evidence based documents. In summary:

- 
- Whilst the preparation of development plan documents continues, including a Core Strategy for the town centre, there has been a hiatus caused by the intended revocation of the South East Plan.
  - The GRS 2006 is an important study and revealed capacity for 21,830 sqm of gross comparison floorspace to 2011 and a further 20,170 sqm to 2016.
  - The proposed Friary extension was assumed to comprise nearly 25,000 sq m of A Use class floorspace (between 22,500 and nearly 25,000 was to be retail). This was likely to be predominantly comparison floorspace with a food store, possibly a supermarket. It was anticipated that this would meet the short term capacity identified by the GRS to 2011.
  - Guildford was shown to perform well against nearly all of the PPS4 vitality and viability indicators in 2008.
  - The visitor survey indicated a large proportion of people coming to Guildford especially to shop, and a large proportion choosing the centre as a shopping destination over other nearby centres.
  - The Economic Development Study 2009 concluded the retail sector and night-time economy are key to Guildford's economy.
  - The Town Centre Development Study 2010 identifies the need for additional convenience floorspace in order to remain a competitive centre, and identifies the Friary extension and improving the links between the centre and the railway station as key future developments.

## 4 CURRENT AND FUTURE STUDY AREA SPENDING

- 4.1 The assessment of current patterns of retail and leisure spending is based on a telephone survey of 1,000 households by NEMS Market Research, undertaken in December 2010. The study area used for the household survey can be found at Appendix 2. The full household tabulated survey results can be found at Volume 3. When describing spending patterns, reference is made to the findings within the spreadsheet tabulations numbered Tables 1-20 in Appendix 3.

### Study area definition

- 4.2 To assess existing levels of spending, a study area must first be defined. The study area used is identical to the eight zones used in the GRS 2006 (see Appendix 2). The eight zones are based on postcode sectors and are set out in Table 4.1.

**Table 4.1 Study area**

Zone Number	Predominant Administrative Area Based on Coverage
1	Guildford, Waverley
2	Waverley, Chichester, Guildford
3	Woking, Guildford, Elmbridge
4	Surrey Heath, Runnymede, Guildford, Elmbridge, Woking
5	Mole Valley, Elmbridge
6	Horsham, Waverley
7	Waverley, Guildford, Rushmoor, Hart, East Hampshire
8	Waverley, Guildford

Source: GRS and RTP analysis

- 4.3 The majority of the population in zone 1 falls within the administrative boundary of GBC, with the Borough also extending into zones 3, 4, 5, 7 and 8. The majority of the population within zones 2, 7 and 8 lie within the administrative boundary of Waverley Borough Council. The population of zone 5 largely falls within Mole Valley Borough Council, whilst most of the population in zone 6 is within Horsham District Council.

### Population

- 4.4 Study area population data by zone in the 2010 base year and forecast years are set out in Table 2 (Appendix 3). These datasets are based on 2008 zonal population figures supplied by MapInfo and rolled forward to 2010, 2016, 2021 and 2026 using Surrey County Council (2008) population projections for the local authorities in Surrey, and the Office for National Statistics sub-national projections for those outside Surrey.

- 4.5 The 2010 estimate of population is 620,138 persons and is forecast to increase by 19,918 by 2021 (3.1% increase from 2010) and by 21,616 by 2026 (3.3% increase from 2010). The growth is presented in Table 4.2 below.

**Table 4.2 Population growth in study area**

Zonal geography	2010-2016	2010-2016 (%)	2010-2026	2010-2026 (%)
Zone 1 (Guildford)	3,974	3.6	10,299	9.3
Zone 2	1,497	3.0	4,992	10.1
Zone 3	4,266	4.2	10,974	10.8
Zone 4	4,396	3.8	11,782	10.2
Zone 5	2,130	3.3	6,770	10.6
Zone 6	1,625	3.6	5,150	11.4
Zone 7	3,391	3.0	11,305	10.1
Zone 8	906	4.1	2,446	11.1
<b>Total Study Area</b>	<b>22,185</b>	<b>3.6</b>	<b>63,718</b>	<b>10.3</b>

Source: Table 2, Appendix 3

- 4.6 There is clear evidence of steady population growth to 2016 and 2026 across the study area with the highest growth from 2010 to 2026 in zone 6 (11.4%) and zone 8 (11.1%). The rate of growth within zone 1 (mostly Guildford Borough) is the slowest, at 9.3% from 2010 to 2026, although all zones are projected to grow at broadly comparable levels.
- 4.7 The study has used the only population projections that are available. However, due to the dynamic nature of population projections and their relationship with housing growth and in-migration, it is important to monitor population growth during the plan period. The population figures used in the previous GRS used MapInfo target pro forecasts which produced lower population figures. This is because MapInfo use trend based forecasts which do not always incorporate planned growth.

### Expenditure data inputs

- 4.8 Before assessing the amount and growth of retail and commercial leisure spending, it is necessary to set out the key data inputs upfront. Consistent with the population projections, the assessment's base year is 2010 and the forecast years are 2016, 2021 and 2026. The expenditure data inputs are as follows:
- **Base per capita expenditure data:** obtained from Pitney Bowes Business Insight (PBBI) and Oxford Economics (OE) for 2008 in 2008 prices;
  - **Growth in per capita expenditure:** derived from the PBBI Retail Expenditure Guide (September 2010) and Experian Retail Planner Briefing Note 8.1 (August 2010);

- **Special forms of trading:** derived from Experian Retail Planner Briefing Note 8.1 (August 2010).

4.9 2008 prices remain constant throughout the study and is accepted practice in quantitative retail assessments. This is to ensure consistency with the latest expenditure data supplied by PPBI/OE that is supplied in 2008 prices (see first bullet point above).

### Retail spending

4.10 As explained below, a simple four step process is used to assess the quantum of both comparison and convenience expenditure from the base year (2010) to 2026. The process of projecting the 2008 base data to the base year of 2010 and the subsequent forecast years is explained in detail at Appendix 4.

#### Step 1: Per capita expenditure data

- 4.11 The zonal per capita expenditure data for the base year and forecast years are presented at Table 3 (comparison goods) and Table 9 (convenience goods) at Appendix 3. For both categories of goods, the percentage difference from the UK average in the base year is shown to demonstrate the local fluctuations in spending power.
- 4.12 For comparison goods expenditure, the UK average per capita in 2010 is £3,079. This is exceeded in all of the zones with the highest per capita expenditure in zone 4 at £4,102 and the lowest in zone 2 at £3,609. Zone 1 has the third highest expenditure at £3,976. The divergence is demonstrated further in **Table 4.3** below.

**Table 4.3 Differences in comparison goods per capita expenditure**

	2010 Expenditure (£ per capita)	Difference to UK average (£ per capita)	% More or less than UK Average
Zone 1	3,976	897	29%
Zone 2	3,609	530	17%
Zone 3	4,014	935	30%
Zone 4	4,102	1,023	33%
Zone 5	3,890	811	26%
Zone 6	3,804	725	24%
Zone 7	3,717	638	21%
Zone 8	3,813	734	24%

Source: Table 3, Appendix 3

4.13 A similar trend is evident for convenience goods per capita expenditure, with the UK average at £1,817 in 2010. This is exceeded in all of the zones by at least 10%, with the highest per capita expenditure in zone 4 at £2,259 and the lowest in zone 2 at

£2,022, as with the comparison expenditure. Zone 1 has the second highest expenditure at £2,216 per capita. As with the comparison exercise, the divergence is demonstrated further in **Table 4.4** below.

**Table 4.4 Differences in convenience goods per capita expenditure**

	2010 Expenditure (£ per capita)	Difference to UK average (£ per capita)	% More or less than UK Average
Zone 1	2,216	399	22%
Zone 2	2,022	205	11%
Zone 3	2,214	397	22%
Zone 4	2,259	442	24%
Zone 5	2,151	334	18%
Zone 6	2,109	292	16%
Zone 7	2,079	262	14%
Zone 8	2,116	299	16%

Source: Table 9, Appendix 3

- 4.14 In summary the per capita expenditure is highest in zone 4 (Surrey Heath/Runnymede) and lowest in zone 2 (Waverley). However, all zones have a per capita goods expenditure that is higher than the national average.

**Step 2: Project to forecast years**

- 4.15 At step 2, annual growth rates are applied to the base data in order to project the per capita expenditure data to the forecast years. The process used to calculate these growth rates is explained in Appendix 3 and the data is presented at Table 3 (comparison goods) and Table 9 (convenience goods) at Appendix 4. They are derived from PBBI Retail Expenditure Guide (September 2010) and Experian Retail Planner Briefing Note 8.1 (August 2010).
- 4.16 The comparison and convenience goods annual growth rates used are set out in **Table 4.5** below.

**Table 4.5 Annual growth rates for comparison and convenience expenditure**

Timeframe	Comparison goods	Convenience goods
2010-2016	3.34%	0.56%
2016-2021	3.30%	0.65%
2021-2026	3.25%	0.65%

Source: Tables 3 and 9 Appendix 4

- 4.17 These growth rates are applied consistently across all zones. They take a mid-point between the forecasts from the two major consumer expenditure data providers in the UK (PBBI and Experian) and consequently represent a robust approach to expenditure growth forecasts.

**Step 3: Total expenditure**

- 4.18 At step 3, population data in each of the forecast years is applied to the correlating per capita expenditure figure. This provides the total pot of comparison and convenience expenditure in the eight zones, including any special forms of trading (SFT). This exercise is presented at Tables 4 and 10, Appendix 3.
- 4.19 The total comparison expenditure in the study area in 2010 (including SFT) is £2,419.9 million, and the total convenience expenditure is £1,342.7 million (including SFT).

**Step 4: Deductions for special forms of trading**

- 4.20 At step 4, deductions for SFT are made. This includes any expenditure spent through non-retail sources (i.e. not physical retail outlets). The most recent estimate of existing SFT and its growth is provided by Experian Retail Planner Note 8.1 (August 2010). Consequently, this advice is used and shown in **Table 4.6** below.

**Table 4.6 Allowance for special forms of trading**

Year	Comparison goods	Convenience goods
2010	11.7%	3.7%
2016	13.9%	4.8%
2021	13.6%	5.1%
2026	13.3%	5.4%

Source: Experian Retail Planner Briefing Note 8.1 (for convenience goods, 50% of the Experian estimate is used)

- 4.21 Due to some supermarket operators sourcing internet sales from physical store space (for example Tesco), Experian advises that the share of non-store retailing is overstated for convenience goods (some of the expenditure growth attributed to SFT will result in additional floorspace). Consequently, only 50% of the Experian estimate is deducted.
- 4.22 In aggregate in 2010, SFT represents some £283.1million of comparison goods expenditure and £49.7 million of convenience goods expenditure. Deducting this from the total expenditure calculated at step 2 means that across the study area there is some £2,136.7million of comparison goods expenditure and £1,293.1 million of convenience goods expenditure to support existing, and any new, floorspace. The destination for this spending is explained in **Section 5**.

### Expenditure growth

- 4.23 The outputs of steps 1-4 mean that the total amount of comparison and convenience retail spending in the study area and the scale of growth to the forecast years is understood. This is summarised in **Table 4.7** below.

**Table 4.7 Comparison and convenience expenditure growth in study area**

Zone	Comp. 2010-2016 (£m)	Conv. 2010-2016 (£m)	Comp. 2016-2021 (£m)	Conv. 2016-2021 (£m)	Comp. 2016-2026 (£m)	Conv. 2016-2026 (£m)	Comp. 2010-2026 (£m)	Conv. 2010-2026 (£m)
Zone 1	89.4	13.9	100.9	13.1	122.0	15.5	312.2	42.4
Zone 2	35.3	5.1	42.7	6.2	51.1	6.9	129.0	18.1
Zone 3	85.2	14.1	95.1	12.6	117.3	15.7	297.7	42.4
Zone 4	97.2	15.3	110.2	14.6	134.6	17.6	342.0	47.5
Zone 5	49.8	7.4	59.6	8.5	71.7	9.7	181.2	25.6
Zone 6	34.9	5.4	41.8	6.2	50.5	7.0	127.3	18.6
Zone 7	82.3	11.9	99.5	14.3	119.1	16.0	690.5	42.2
Zone 8	17.5	2.6	20.1	2.8	24.2	3.2	61.8	8.6
<b>Total</b>	<b>491.7</b>	<b>75.7</b>	<b>569.9</b>	<b>78.3</b>	<b>690.5</b>	<b>91.5</b>	<b>1,752.1</b>	<b>245.5</b>

Source: Tables 4 and 10, Appendix 3

- 4.24 There is clear evidence of significant expenditure growth across the study area and within GBC itself. Due to the uncertainty over longer term forecasts, more weight is awarded the growth to 2021 and caution is advised over relying too heavily of the more indicative growth to 2026.
- 4.25 The availability of this expenditure growth to support new retail floorspace within the borough is explained in the assessments of quantitative need at Section 6.

### Commercial leisure

- 4.26 There is a lack of industry-standard methodologies for modelling and apportioning growth in leisure expenditure. However, it is still possible to forecast and allocate leisure expenditure using alternative approaches. Pitney Bowes Business Insight provides data on per capital leisure expenditure in Classification of Individual Consumption by Purpose (COICOP) categories. We use this resource and apply a simple approach to determine a broad level of demand and scope for additional leisure facilities in the borough. We begin by considering the current breakdown of leisure expenditure by COICOP in the study area as shown in Table 4.8.

**Table 4.8 Breakdown of Leisure Spend in Study Area (2010)**

COICOP Categories	Description	Total Expenditure (£m)	% of Total Leisure Spend
11.1.1	Restaurants, cafés, bars, etc	1003.9	57.1%
9.4.2	Cultural services	217.4	12.4%
9.4.3	Games of chance	134.9	7.7%
11.2	Accommodation services	218.6	12.4%
9.4.1	Recreational and sporting services	102.5	5.8%
12.1.1	Personal services (hairdressers, etc.)	80.0	4.6%
	<b>TOTAL 'LEISURE SERVICES' SPEND</b>	<b>1,757.3</b>	<b>100.0%</b>

- 4.27 The table shows that total spend on leisure services per capita in the study area amounts to £1,757.3 million, of which more than half accrues to spending on 'restaurants, cafés, bars, etc.' (57.1%). The second highest leisure expenditure is on 'accommodation services' (12.4%) which is closely followed by spending on 'cultural services' (217.4%). 'Games of chance,' 'recreational and sporting services' and 'personal services' have a 7.7%, 5.8% and 4.6% share, respectively, of total spend. Betting accounts for the greatest proportion of 'games of chance' expenditure (36.5% in 2007, according to the Leisure Industries Research Consultancy).
- 4.28 Apportioning leisure expenditure in the COICOP categories provides us with the structure of current expenditure on leisure activities. We are able to use this current structure to calculate the growth in leisure spending by residents of the study area in the period 2010-2026. The projected growth in expenditure on leisure services is set out in Table 16 (Appendix 4) using Experian's recommended growth rate for spending on leisure services of 0.8%, per capita, per annum for the period 2010 to 2026.
- 4.29 As can be observed on Table 17, Appendix 3, *total* expenditure on leisure services is projected to increase from £1,757.3 million in 2010 to £1,909.6 million in 2016 in the study area. This figure further rises to £2,048.6million in 2021 and then to £2,201.4 million in 2026. The overall growth in expenditure in leisure services over 2010-2026 is estimated to be £444.1 million. In Table 4.9 we apply the current proportions of leisure spend to determine the expected change in each COICOP category.

**Table 4.9 Allocating growth in spending by COICOP categories**

<b>COICOP Categories</b>	<b>Description</b>	<b>Allocating additional spend of £444.1m 2010-26 (£m)</b>
11.1.1	Restaurants, cafés, bars, etc...	253.7
9.4.2	Cultural services	54.9
9.4.3	Games of chance	34.1
11.2	Accommodation services	55.2
9.4.1	Recreational and sporting services	25.9
12.1.1	Personal services (hairdressers etc...)	20.2
<b>Total</b>	<b>All Leisure Services</b>	<b>444.1</b>

- 4.30 Spending on ‘restaurants, cafés, bars, etc’ is expected to increase by £253.7 million across the study area and represents the highest expenditure category. Expenditure on ‘accommodation services’ and ‘cultural services’ is forecasted to be approximately £55.2 million and £54.9 million, respectively, based on current spending proportions. Of the total growth figure, approximately £4.7 million is expected to be consumed by spending on cinemas and theatre admissions. The remaining growth is to be absorbed by ‘games of chance’ (£34.1 million), ‘recreational and sporting services’ (£25.9 million) and personal services (£20.2 million).

### Changes in inputs since 2006

- 4.31 The data on existing and future spending uses up-to-date inputs, which inevitably have moved forward since the GRS was published. To assist in subsequent analyses of the reasons for changes to quantitative outputs, **Table 4.10** outlines the different data sources used in this update compared to the GRS, and includes a comment column explaining the reasons for any changes.

**Table 4.10 Changes in inputs since 2006**

Input	2006	2010	Comment
Base and forecast years	2006, 2011, 2016 and 2021.	2010, 2016, 2021 and 2026	The base year has changed due to the new household survey. Further forecast years at 2026 have been added to correlate with the emerging LDF.
Population base data and projections	MapInfo Target Gro Report based on postcode areas.	Base data provided by MapInfo (2008) and projections were derived from Surrey CC projections. Projections based on population multipliers, ONS Revised 2004 Sub-national Population Projections.	Base population comprises the latest available data.
Expenditure data and price base	MapInfo Brief 05/02.	PBBI/OE from 2008 in 2008 prices	PBBI and Experian are the two main expenditure data sources. There are differences in the base data, but these can be explained by the different base year and price base and the sharp spending growth that occurred from 2005 to 2007 which would not have been fully reflected in the earlier base data.
Retail expenditure growth rate	4.1% (2004-2011) and 4.3% for the following 5 year periods per annum for comparison goods. 0.8(2004-2011) and 0.9% for the following 5 year periods per annum for convenience goods.	For comparison goods, 0.2% for 2010 and 3.3% to 2026. For convenience goods, -0.6% for 2010, 0.6% to 2016, and 0.7% to 2026 (all rates are per annum)	The 2010 growth rates are derived from a mid point between PBBI and Experian projections and are considered a robust approach to growth.
Special forms of trading	MapInfo. Deduced at 5.3% for comparison goods and 1.6% for convenience goods in the base year; no growth in SFT in the forecast years	Experian Retail Planner Briefing Note 8.1, deducted in the base year at 11.7% for comparison goods and 3.7% for convenience goods and increased in the forecast years in accordance with the guidance in the note (albeit 50% of the estimates are used for convenience goods)	The internet is becoming more and more important and it is widely acknowledged that there will be growth in this sector. It is considered good practice to allow for growth in SFT in the forecast years as a claim on available expenditure.
Leisure expenditure growth rate	N/a.	0.8% to 2026 (all rates are per annum) based on Experian Retail Planner Briefing Note 8.1	Experian provide the most comprehensive estimate of leisure spending growth and reflect the recent slow down in consumer spending.

Source: RTP analysis of GRS and RTP assumptions outlined above

## Summary

- 4.32 This section has assessed the level and growth of spending on retail and commercial leisure across the eight zone study area. The assessment has been informed by population and expenditure estimates and found that from 2010 there will be:
- 22,185 additional persons in the study area by 2016, increasing to 63,718 by 2026
  - 3,974 additional persons in zone 1 (Guildford) by 2016, increasing to 10,299 by 2026
  - £491.7 million of comparison and £75.7 million of convenience expenditure growth in the study area by 2016, increasing to £1,752.1 million and £245.5 million respectively by 2026
  - £89.4 million of comparison and £13.9 million of convenience expenditure growth in zone 1 by 2016, increasing to £312.4 million and £42.4 million respectively by 2026
  - £444.1 million of commercial leisure expenditure growth on commercial leisure services in the study area by 2026, with £77.3 million of growth in zone 1 by 2026.
- 4.33 All figures quoted in the summary are cumulative.

## 5 PATTERNS OF RETAIL AND LEISURE SPENDING

### Household survey methodology

- 5.1 Results from the bespoke telephone survey of households are used to understand the patterns of retail and leisure spending in the study area. The full tabulated results can be found at Volume 3, and a more detailed explanation of the methodology and detailed findings can be found at Appendix 5. In summary, the approach is as follows:
- Completed surveys were obtained from 1,000 households across the 8 zones in the study area
  - Questions asked on convenience (food and grocery shopping), comparison (non-food shopping) and commercial leisure uses
  - Weightings are applied to the answers to achieve a composite market share for spending on convenience goods, comparison goods and food and drink leisure uses.
- 5.2 The outputs are zonal market shares for each category of spending. These are presented at Tables 5, 11 and 16 (at Appendix 3). They are converted to a monetary value in 2010 by applying the spending from Section 4 directly to the percentage market shares; the spending patterns are presented at Tables 6, 13 and 17 (Appendix 3). As explained below, this exercise enables an understanding of where residents of the study area are spending their money in 2010.

### Comparison goods spending patterns

#### Composite market shares

- 5.3 The study area and the incidence of expenditure leakage from the study area can be calculated. Table 5.1 outlines the total spending retention and leakage from the borough within the study area.

**Table 5.1 Study area comparison spending patterns**

	2010 (£m)	2010 (%)
Zone 1 (Guildford)	667.9	31.3%
Elsewhere in study area	1,468.8	68.7%
<i>Study area total</i>	<i>1,682.4</i>	<i>78.7%</i>
Outside study area	454.4	21.3%
<b>Total</b>	<b>2,136.7</b>	<b>100.0%</b>

Source: Table 6, Appendix 3 (figures may not sum due to rounding)

- 5.4 This data reveals that the study area as a whole retains some 78.7% of its comparison expenditure, with a large proportion (31.3%) being spent within the

Borough. Approximately one quarter (26.4%) of the total expenditure is spent outside the study area, and the destinations for expenditure retention and leakage are examined further below.

### *Expenditure retention*

- 5.5 The expenditure data on expenditure retention within the Borough (best fit zone 1) are presented in **Table 5.2**.

**Table 5.2 Guildford Borough comparison spending destinations in 2010**

	Zone 1 (£m)	Zones 1 (%)	Study area (£m)	Study area (%)
Guildford town centre	237.8	61.2%	558.4	24.1%
Retail parks in Guildford	61.4	15.8%	106.8	5.0%
Other Zone 1	7.3	1.9%	10.0	0.5%
<b>Total</b>	<b>306.4</b>	<b>78.9%</b>	<b>676.6</b>	<b>31.3%</b>

Source: Table 6, Appendix 2.

- 5.6 This shows that Guildford borough retains some 78.9% of the comparison spending generated from the study area and as expected Guildford town centre attracts the majority at 61.2%. The overall retention of the borough in the study area is 31.3%.

### *Expenditure leakage*

- 5.7 The expenditure data on expenditure leakage from Zone 1 is presented in **Table 5.3**.

**Table 5.3 Top five comparison spending destinations outside zone 1 in 2010**

	Zone 1 expenditure (£m)	Zone 1 expenditure (%)
Woking	13.0	3.3%
Kingston	11.6	3.0%
Godalming	4.8	1.2%
Farnborough	3.8	1.0%
London	3.0	0.8%

Source: Table 6, Appendix 2

- 5.8 There is relatively limited expenditure leakage from zone 1 to spending destinations outside. Woking town centre draws the highest amount of trade from zone 1 (3.3%) followed by Kingston (3%). All other destinations attract less than 3%, including London at 0.8%. This is unsurprising given the accessibility to Kingston (along the A3) and alternative offer it provides (namely a John Lewis department store).

## Convenience goods spending patterns

### Composite market shares

- 5.9 A similar exercise to the comparison exercise has been undertaken for convenience spending. Convenience spending is an inherently more localised activity (i.e. people normally shop locally for the food and grocery shopping). Due to the study area extending beyond the Borough's boundary, the extent of competition is more locally based within the study area.

**Table 5.4 Study area convenience spending patterns**

	2010 (£m)	2010 (%)
Guildford (Zone 1)	216.1	16.7%
Elsewhere in study area	1,077.0	83.3%
<i>Study area total</i>	<i>1,210.9</i>	<i>93.6%</i>
Outside study area	82.2	6.4%
<b>Total</b>	<b>1,294.4</b>	<b>100.0%</b>

Source: Table 12, Appendix 3 (figures may not sum due to rounding)

- 5.10 The study area achieves a high level of retention of 93.6% and the borough achieves a share of 16.7%. This reflects the localised function of convenience shopping and consequently the focus is on the market share of major stores at a Borough wide level and the performance of individual zones.

### Expenditure retention

- 5.11 Table 5.5 presents the convenience spending in the main foodstores in Guildford from within the borough, and the wider study area.

**Table 5.5 Retained expenditure for main food stores in Guildford (2010)**

	Zone 1 (£m)	Zone 1 (%)	Study area (£m)	Study area (%)
J Sainsbury, High Street, GUILDFORD	25.0	10.6%	28.1	2.2%
J Sainsbury, Clay Lane, GUILDFORD	66.0	28.0%	86.9	6.7%
Tesco, Ashenden Road, GUILDFORD	53.9	22.8%	65.0	5.0%
Other in Borough	29.2	12.4%	36.1	2.8%
<b>Total</b>	<b>174.1</b>	<b>73.8%</b>	<b>216.1</b>	<b>16.7%</b>

Source: Table 12, Appendix 3 (figures may not sum due to rounding)

- 5.12 This shows that the larger foodstores in the borough attract the majority of the spending in the borough (over 50%), with the Sainsbury's at Clay Lane and the Tesco on Ashenden Road attracting significant levels of spending. The overall retention

level of zone 1 is 73.8%. As expected, the foodstores all draw the majority of their trade from the local zone but also attract 16.7% of the expenditure from the wider study area.

### Expenditure leakage

- 5.13 There is limited expenditure leakage from zone 1 to convenience stores in other zones. The stores listed in Table 5.6 attract a share of over 2.5%. Table 5.6 shows the broad destinations for expenditure leakage from zone 1.

**Table 5.6 Convenience spending destinations outside zone 1 in 2010**

	Zone 1 expenditure (£m)	Zone 1 expenditure (%)
Waitrose, Godalming	8.6	3.6%
Sainsbury's, Cobham	7.6	3.2%
Waitrose, Cobham	7.0	3.0%
Morrisons, Woking	6.0	2.5%
Sainsbury's, Godalming	6.0	2.5%
Sainsbury's, Cranleigh	5.8	2.5%

Source: Table 14, Appendix 3 (figures may not sum due to rounding)

- 5.14 There is more extensive leakage to the north and south with no significant leakage to the east or west. All the above destinations are within close proximity to the borough boundary, and the zone 1 study zone boundary. Some of this leakage is to be expected given the geography of the zone and overlapping catchments.
- 5.15 There is limited evidence of 'linked trips', shoppers combining their main food/grocery shopping trips with other shopping activities – only 30.8% of respondents visit other shops or services as part of their main food shopping trip, mainly 'other non-food shops' (14.7%).

### Changes between 2006 and 2010

- 5.16 The survey results in the GRS and the specifically commissioned survey for this update enables us to compare the shopping patterns in 2006 with those in 2010. This is due to identical study area zones being used for both surveys. Whilst some broad conclusions can be drawn from this exercise, some changes might be due to a revised survey technique rather than a clear change in market share such as:
- The inclusion of a question on secondary convenience shopping destinations:
  - Additional questions on comparison categories that were not included in the previous study i.e. comparison goods purchased at the time the main convenience shop was undertaken;

- Optimising the wording of the questions on comparison shopping i.e. the categories were slightly different from those used in the GRS to more accurately capture the turnover of retail parks

5.17 The changes in market share are presented in the following table.

**Table 5.7 Changes in GBC’s market share between 2006 and 2010**

Zones	Comparison goods				Convenience goods	
	Guildford TC in '06	Guildford TC in '10	Retail Parks in '06	Retail Parks in '10	GBC in '06	GBC in '10
1	50.4%	61.2%	6.5%	15.8%	68.5%	73.8%
2	35.8%	36.9%	4.2%	7.1%	5.0%	6.6%
3	10.9%	18.1%	1.0%	5.8%	3.6%	12.4%
4	26.2%	12.1%	0.4%	0.6%	2.4%	1.3%
5	11.4%	21.7%	0.5%	1.0%	3.0%	0.7%
6	2.9%	5.7%	0.2%	0.2%	3.0%	2.2%
7	20.7%	15.3%	0.9%	0.9%	4.5%	0.4%
8	41.7%	36.4%	3.3%	6.7%	8.8%	3.9%
<b>TOTAL</b>	<b>24.7%</b>	<b>25.8%</b>	<b>2.0%</b>	<b>5.0%</b>	<b>15.1%</b>	<b>16.7%</b>

Source: GRS (2006) and Appendix 3

5.18 Allowing for our caveats, these data reveal the following changes:

- Across the study area, Guildford town centre has improved its market share of comparison goods expenditure in the study area slightly from 24.7% in 2006 to 25.8% in 2010, with a sharp improvement locally in zone 1, increasing from 50.4% in 2006 to 61.2% in 2010.
- Retail parks in Guildford have significantly improved their market share of comparison goods expenditure in the study area, increasing from 2.0% in 2006 to 5.0% in 2010, with an improvement locally in zone 1 from 6.5% in 2006 to 15.8% in 2010.
- For convenience goods, in zone one all destinations in the Borough have improved their zonal market share from 68.5% in 2006 to 73.8% in 2010, whilst the overall study area market share has improved from 15.1% to 16.7%.

5.19 As explained above, there are various reasons for these changes. However, there are some messages that we can draw from this analysis:

- Guildford town centre has managed to maintain and slightly improve its market share, despite competition and a lack of significant development proceeding in the

town. This is consistent with national trends that suggest larger centres are strengthening vis-à-vis smaller centres.

- There is evidence to suggest that retail parks are improving their market share, likely to be a combination of investment in the stock and widening the class of goods sold, and have thus absorbed some of the spending growth experienced since 2006.
- The aggregate convenience market share for the Borough has increased slightly and appears to be broadly self contained (i.e. there is no concern over the extent of expenditure leakage).

## Commercial leisure spending patterns

### Study area wide food and drink leisure spending

- 5.20 As with the retail sector, it is possible to assess the patterns of commercial leisure spending on food and drink uses. In this context, 'food and drink' refers to spending in restaurants, cafes, pubs etc... Compared to retail, food and drink spending is much more mobile due to the trend for people to travel long distances to socialise and since there are no constraints connected with transporting goods to the home.
- 5.21 Furthermore, the assessment of leisure need is not as well established as the retail approach and so less weight can be afforded the conclusions from this exercise. In any event, it does provide a useful indicator of how the evening economy performs within the borough. **Table 5.8** sets out the level of commercial leisure spending on food and drink within and outside the study area.

**Table 5.8 Study area commercial leisure spending on food and drink**

	2010 (£m)	2010 (%)
Guildford	240.4	23.9%
Elsewhere in study area	763.5	76.1%
<i>Study area total</i>	<i>1003.9</i>	<i>57.1%</i>
Outside study area	<b>753.4</b>	<b>42.9</b>
<b>Total Expenditure</b>	<b>1,757.3</b>	<b>100.0%</b>

Source: Table 16, Appendix 3 (figures may not sum due to rounding)

- 5.22 This demonstrates that, in aggregate, destinations in the study area retain 57.1% of the commercial spending on food and drink, with the borough achieving (23.9%). The Borough achieves a high spending level given the size of the study area. 42.9% of expenditure goes to destinations outside of the study area. This data is not surprising given the connectivity to Kingston and Central London.
- 5.23 The telephone survey of households also included a number of questions that asked residents of the study area where they spent most money in relation to various types of leisure services, as follows:

- Restaurants;
- Cafes, pubs, bars;
- Cinemas/theatres;
- Bingo/casinos/bookmakers;
- Health and fitness centres, and;
- Family entertainment centres (i.e. ten pin bowling and skating).

5.24 The most popular destinations for these different activities for residents of each survey zone, is set out in Table 5.9.

**Table 5.9 Most Popular Destinations for Expenditure on Leisure Services**

Zone	Restaurants / Cafés	Pubs / Bars / Nightclubs	Cinemas	Museums / Galleries	Theatres / Concerts	Bingo / Casinos / Bookmakers	Health / Fitness	Family Leisure
1	Guildford	Guildford	Guildford	London	London	Woking	Guildford	Guildford
2	Guildford	Haslemere	Guildford	London	London	Cranleigh	Haslemere	Guildford
3	Woking	Woking	Woking	London	Woking	Woking	Woking	Guildford
4	Weybridge	Weybridge	Woking	London	Woking	Woking	Woking	Guildford
5	Dorking	Dorking	Dorking	London	London	Crawley	Dorking	Guildford
6	Horsham	Horsham	Crawley	London	London	Brighton	Horsham	Crawley
7	Farnham	Farnham	Guildford	London	London	Aldershot	Farnham	Guildford
8	Godalming	Godalming	Guildford	London	London	Godalming	Godalming	Guildford

Source: NEMS household survey results

### **Restaurants and Cafés**

5.25 Almost 85% of households across the study area undertake visits to restaurants and cafés. The most popular destinations, by far, are Guildford (9.5%) and Woking town centre (7.1%). Generally the responses of each zone are consistent with the dominant centre in that zone.

### **Pubs, Bars and Nightclubs**

5.26 54.8% of the households surveyed stated that they visited pubs, bars or nightclubs. Guildford (9.5%) is by far, the most popular destination for pubs, bars or nightclubs; the second most popular specific destination is Horsham with 4% although 'other' outscores it with 8.1%.

### **Cinemas**

5.27 60% of those interviewed visit the cinema. The most popular cinema destinations are Guildford (23.3%) and Woking (11.5%).

### **Museums and Galleries**

- 5.28 Only 55.6% of respondents ever visit museums or galleries. Of those that do the vast majority go to London – 42.6% of all respondents, or over three quarters of those that visit these facilities.

### **Theatres and Concerts**

- 5.29 A total of 71.1% of respondents sometimes visit theatres or attend concerts. Again London (30.3%) is the most popular destination, followed by Woking (17.6%). Guildford is the most popular destination in zone 8 (Godalming) but comes second to London in zone 1, the zone containing Guildford centre.

### **Bingo/Casinos/Bookmakers**

- 5.30 96% of respondents claim not to undertake activities which involve gambling, such as visits to bingo halls, casinos and bookmakers. Of those that do participate, Woking is again the most popular location although it is important to note that there is a new casino in Guildford which may post-date many respondents last visit.

### **Health and Fitness Centres**

- 5.31 59.7% of respondents claim not to undertake health and fitness activities which they spend money on i.e. in gymnasiums, swimming pools etc. Of those that do, although overall Guildford is the most popular destination (7.8%) there is no clear dominant centre; each individual zone is dominated by the principle centre in that zone, indicating people mainly chose the most convenient location.

### **Family Entertainment Centres (i.e. Ten Pin Bowling, Skating and so on)**

- 5.32 64.1% of respondents claim not to visit family entertainment centres such as ten pin bowling alleys and skating rinks. However, the Guildford Spectrum in Guildford is the dominant location for this activity, overall as well as in each individual zone except zone six (where Crawley and Horsham are more popular with 19.7% and 14.1% respectively). There are also a bowling alley and Laser Quest within the Big Apple in Woking town centre but this although overall this is the second most popular destination it is not the most popular in any individual zone, including zone three which contains Woking centre.

### **Summary**

- 5.33 The assessment of spending patterns has revealed where residents of the study area are spending their money on both retail and leisure services. The assessment of spending patterns finds the following:
- In aggregate and for the whole study area, the Borough retains 31.3% of comparison spending, 16.7% of convenience spending and 23.9% of leisure spending on food and drink services
  - The main comparison goods spending competition to the Borough are Woking and Kingston

- Across the study area, convenience shopping is an inherently local activity with the study area as a whole, and locally in zone 1, retaining a high proportion of its convenience spending
- The mobility of food and drink leisure spending is evidenced by other destinations attracting a high degree of trade

5.34 Table 5.9 summarises the change in the Borough’s market share since the GRS for both the comparison and convenience retail sectors.

**Table 5.9 Retained expenditure in Guildford compared 2006 vs 2010**

Comparison 2006 (%)	Comparison 2010 (%)	Convenience 2006 (%)	Convenience 2010 (%)
26.8	31.3	15.1	16.7

Source: GRS (2006) and data in Section 5

5.35 The spending patterns observed are integrated into our quantitative and qualitative assessments of retail and leisure need at Sections 6, 7 and 8.



## 6 QUANTITATIVE NEED RETAIL ASSESSMENT

### Methodology and key assumptions

- 6.1 The assessment of quantitative need adopts the widely respected step by step methodology, which is consistent with CLG's practice guidance. The essential steps in the assessment of quantitative retail need are as follows:
- **Steps 1-4:** assess the scale of comparison and convenience expenditure growth in the study area up to 2026 (described in detail at Section 4);
  - **Step 5:** assess spending patterns (described in detail at Section 5) in order to understand the turnover performance of the centres in the study area, incorporating inflow expenditure where necessary (described below);
  - **Step 6:** make allowance for 'claims' on the growth in retained expenditure as a result of:
    - commitments to new floorspace (either schemes under construction or extant permissions that would result in additional retail floorspace);
    - sales density growth (that is the growth in turnover for existing retailers within existing floorspace);
  - **Step 7:** calculate the initial residual expenditure pot which is potentially available for new retail floorspace, introducing overtrading in the base year if justified;
  - **Step 8:** apply an estimated sales density (turnover per sqm) to covert this expenditure to a quantitative need for additional floorspace.
- 6.2 The key assumptions inherent in this methodology are as follows:
- A blanket sales density growth assumption is applied to the turnover of all existing floorspace in the Borough and is tied to the rate of expenditure growth;
  - Constant market shares are assumed, which means existing destinations in the Borough maintain their share of available expenditure vis-à-vis other destinations outside the Borough;
  - Commitments are assumed to be trading by 2016.
- 6.3 A further feature of our analysis is that we make a judgment about whether to make an allowance for over or under trading in the base year, taking into account the turnover of existing floorspace against accepted benchmarks. This judgment is explained in the text below.
- 6.4 The following paragraphs contain our analyses for the comparison and convenience sectors.

### Comparison goods sector

#### *Turnover performance*

- 6.5 The comparison goods turnover of the floorspace in the Borough, as derived from expenditure within the study area, is presented in Section 5. However, before the turnover performance of the centres is assessed, an allowance must be made for

inflow expenditure. This can comprise spending through long distance shopping trips, workers or tourism that is generated from beyond the study area. The inflow estimate for the town centre is 10% (as a proportion of total turnover) for comparison goods, consistent with the assumption in the GRS. Whilst for the retail parks we have assumed 5% due to their more localised trade draw. The turnover performance of the centres in the study area is presented in Table 7, Appendix 3. The existing sales densities of the centres are set out in Table 6.1 below.

**Table 6.1 Existing comparison sales density of town centres**

Centre	Net comparison floorspace (sqm net)	Turnover (including inflow) (£m)	Sales density (£ per sqm)
Guildford town centre	89,102	612.3	9,162
Retail Parks	22,181	112.4	5,964

Source: Table 7, Appendix 3

- 6.6 This indicates that Guildford is generally achieving a very high turnover per sqm compared to acknowledged benchmarks for comparison floorspace. For example, Experian advised that modern in-town comparison floorspace achieves a sales density of £4,862 per sqm (adjusted to 2010 in 2008 prices). The turnover for the retail parks is £5,627 per sqm net also exceeds anticipated benchmarks, since the Experian advice for modern out of centre floorspace is £2,701 per sqm net.
- 6.7 The levels of sales density experienced by Guildford town centre indicates that there is a degree of pent up demand in the market, which is likely to be due to the high level of comparison expenditure growth experienced between 1992 and 2008 which has not been matched by significant new floorspace being developed in the town during that period. The conclusion on pent up demand is supported by the lengthy published demand for floorspace in the town (as evidenced further in Section 8).
- 6.8 The trading level for the retail parks, although higher than typical out of centre retail floorspace, is more aligned with our expectations. This is largely due to the tenant mix in the retail parks, with a number of electrical traders. It is accepted that electrical retailers (such as PC World or Currys) have a much higher sales density than DIY or furniture retailers. However, we expect that the high trading performance can also be explained by the lack of new floorspace in Guildford town centre and thus the retail parks have been performing a 'valve' role, relieving the spending pressure on the town itself.
- 6.9 The CLG practice guidance explains that it is difficult to devise a 'meaningful' benchmark for an acceptable performance of a whole centre (paragraph B.41). Indeed, as well as pent up demand, the high performance is likely to be due to the trend for household surveys to over estimate the turnover of larger centres and the relative affluence of the study area. Furthermore, parts of the study area are particularly affluent and as explained in Section 4, the turnover per capita in zone 1 is

approximately 22% higher than the UK average. Therefore, a higher turnover per sqm compared to national benchmarks is not necessarily unexpected.

- 6.10 Due to the uncertainty over an appropriate benchmark to apply and the lack of evidence to suggest the performance level is inhibiting consumer choice, for the comparison assessment it is assumed that the floorspace is in equilibrium; i.e. the level of available expenditure equals the turnover of the floorspace. This is standard practice for long term assessments of quantitative need and is identical to the approach adopted in the GRS. However, since PPS4 advises that overtrading forms part of qualitative need, the implications of the high levels of turnover of comparison floorspace are explored in more detail in Section 7.

### *Claims on spending growth*

- 6.11 There are two key claims on expenditure growth (step 6 of the methodology). These are firm commitments to new floorspace or any allowance of sales density growth, explained below.

### *Comparison commitments*

- 6.12 There are two main commitments to new floorspace within the Borough that will claim expenditure from 2016 (assuming that all commitments are operational by then). These are presented in at **Table 6.2** below.

**Table 6.2 Commitments to comparison floorspace**

Scheme	Net comparison floorspace (sqm net)	Claim on expenditure 2026 (£m)
The Friary Centre extension, Guildford	16,637	80.9
B&Q, Ladymead Retail Park	3,422	8.3
<b>Total</b>		<b>89.2</b>

Source: Table 7b, Appendix 3

- 6.13 This indicates that existing commitments will claim £89.2 million of the overall expenditure growth for the Borough by 2016. However, we appreciate that the Friary extension is unlikely to proceed in its current form and if this permission lapses, there would be a significantly greater quantitative need in the short term to 2016.

### *Sales density growth*

- 6.14 Sales density growth (also known as floorspace productivity growth) is the amount of expenditure ring fenced for existing floorspace to improve its turnover each year. The CLG practice guidance advises (paragraph B.48) that such allowances should be 'realistic' and the choice will depend on the 'capacity of existing floorspace to absorb increased sales' and should be 'compatible with assumptions about the growth in per capita expenditure'.

- 6.15 Allowances for sales density growth are linked to expenditure growth as explained in detail in Appendix 5. The level of comparison sales density growth for the borough is summarised in Table 6.3.

**Table 6.3 Sales density growth for comparison goods expenditure**

Timeframe	Per annum allowance (% per annum)	Growth from 2010 (£m)
2010-2016	1.27%	57.2
2016-2021	1.25%	108.3
2021-2026	1.23%	162.7
<b>2010-2026</b>	<b>-</b>	<b>162.7</b>

Source: Table 8, Appendix 3 (note growth from 2010 is cumulative)

- 6.16 This is a blanket sales density growth for all floorspace in the Borough (including primary town centre locations and retail parks). Inevitably, different types of floorspace have different abilities to absorb expenditure growth, with the modern floorspace better equipped than older stock. However, since this is a Borough wide study and we are aware that the town has both modern and older floorspace, we consider the blanket approach is a reasonable compromise in the circumstances.

***Quantitative need for comparison floorspace***

- 6.17 Drawing together steps 1-6 means that the amount of available expenditure remaining in each of the forecast years can be calculated and converted to a quantitative need floorspace figure, having allowed for all of the claims on the growth in retained expenditure – that is, growth over time in SFT, growth in sales densities and commitments.
- 6.18 The process for converting the amount of residual expenditure in each forecast year to a net quantitative need figure uses the application of an indicative sales density. It is appreciated that different formats achieve different levels of sales density and thus a degree of flexibility must be afforded. The comparison sales density used in this study is £4,862 per sqm, which is a typical town centre turnover in 2010 and is increased using the annual sales density growth, explained above. Clearly this is much lower than sales density existing floorspace is achieving (summarised in Table 6.1 above) and this level is used for three important reasons as follows:
- Modern floorspace will usually have much larger floorplates thus a lower sales density (i.e. £ per sqm) will be achieved due to the dilution of trade over a wider area;
  - If new floorspace is developed in a town centre, particularly where it is trading successfully, there is normally a degree of internal or mutual impact, where trade is re-distributed in the centre and thus the new floorspace will not achieve the same levels as the existing stock;

- There is a propensity for household surveys to over estimate the turnover of larger centres, which is a recognised feature of such research (see paragraph B34 of CLG’s practice guidance).

6.19 This is then converted to a gross requirement using a net to gross ratio of 75%. The resulting quantitative need is summarised in Table 6.4 and represent gross requirements presented on a cumulative basis.

**Table 6.4 Cumulative Quantitative Need in the Comparison Goods Sector**

Year	Quantitative Need (sqm gross)
2016	3,659
2021	36,222
2026	73,340

Source: Table 8, Appendix 3 (floorspace need is cumulative from 2010)

- 6.20 We advise caution over the longer term forecasts to 2026 and suggest that any policy documents include caveats that explain these are indicative only. Indeed, after 2021, there is a sharp increase in floorspace requirements, which is a function of the compound effect of per capita expenditure growth over this timeframe combined with population growth.
- 6.21 We afford more weight to the short term (to 2016) and medium term (to 2021) outputs. The reason is that typically large scale town centre schemes can take in the region of ten years to come forward from design to opening. Therefore, we consider that it is appropriate to base a strategy on the medium term outputs to 2021, subject to careful monitoring (explained in Section 9).
- 6.22 Turning to the figures themselves, the quantitative need in the short term to 2016 is limited. This is largely due to the Friary extension commitment absorbing a large proportion of the growth available. This could be reviewed in late 2015, and should the Friary Extension permission expire (October 2015) unimplemented, this would be added to retail need. However, moving forward, the quantitative need for comparison floorspace increases again by 2021 to 36,222 sqm gross based on constant market shares.
- 6.23 The consequence of the identified needs not being met in the town centre can manifest itself in three ways. Firstly, the existing floorspace in the Borough may absorb a larger proportion of the growth than we have forecast, although given the high turnover levels currently being achieved, we expect this is unlikely. Secondly, the need could be met through expansion of out of centre facilities in the Borough, which is a trend that appears to be happening already. Finally, the third possibility is that as ‘stalled’ schemes in competing centres recommence as the economy recovers, Guildford loses market share to places such as Crawley, Woking or Kingston.

- 6.24 If no comparison floorspace comes forward in the town centre during the period to 2026, we expect that the reality would be a combination of the latter two scenarios and thus it is important that policy responds to the needs identified in this study. We elaborate on our advice on this matter in further detail in Section 9.

### *Approach to bulky goods*

- 6.25 The GRS 2006 ring fences expenditure to fund a 'bulky goods' need (40% of total expenditure) and converts this into a need for bulky goods floorspace. PPS4 does not recognise 'bulky' as a specific class of goods. PPS4 Annex B refers to "Retail Warehouses" as "large stores specialising in sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers. Para 6.31 of PPS4 Guidance refers to "retailers selling **bulky durable goods** such as DIY, furniture, carpets and domestic appliances." However, there are difficulties in defining exact what comprises 'bulky goods'; we are aware that different approaches are adopted across the Country. Furthermore, many goods in some of the historical 'bulky' categories can adequately be sold from town centre locations (i.e. audio visual equipment and some soft furnishings).
- 6.26 Our assessment of quantitative need for comparison is based on a macro approach to comparison expenditure spent in town and out of centre destinations and then apportion this growth based on policy considerations.
- 6.27 It is appreciated that certain goods do have bulky durable characteristics, for example DIY, furniture, carpets and domestic appliances that are more appropriately sold in out of centre locations. The proportion of total comparison expenditure spent on "bulky durable household goods" varies between 15 and 30%. This is lower than the 40% of expenditure allowed for in the 2006 Study. In many cases retail warehouses are regarded as complementary to the role of town centre retailing, and do not generate sufficient sales productivity to trade in prime town centre locations.
- 6.28 Bulky goods are not explicitly recognised a class of goods in PPS4 (see EC1.4cii). Due to the uncertainty over how to define them, we have not included specific bulky goods quantitative outputs in our assessment. 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 have significantly lower (circa £3,000 per sqm) retail densities than most typical town centre comparison stores. The comparison floorspace provided as retail warehousing would take up less of the available expenditure than typical comparison floorspace within town centres. In policy terms, our preference is for the strategies to be based on comparison and convenience needs, with any bulky goods applications treated on their merits in light of the policies in PPS4, and any subsequent development management policies in a development plan document.

## Convenience goods quantitative need

### Turnover performance

- 6.29 When estimating turnover, we have made no allowance for inflow spending. This is because convenience shopping has a much more local function than comparison shopping and a wide study area has been drawn. Furthermore, the survey results indicate that convenience shopping in Guildford have a limited influence over the outer zones in the catchment.
- 6.30 Since there is published data on average (or benchmark) turnover for the main foodstore operators, we can draw more accurate conclusions on whether stores are overtrading or not, compared to company averages. We have assessed the survey derived turnover of stores against company benchmarks in Table 6.5.

**Table 6.5 Convenience Sales Densities in 2010**

Stores	Net conv. flsp (sqm)	Average sales density (£/sqm)	Survey derived turnover '10 (£m)	Under /Over Trading (£m)
Sainsbury's, High Street	785	12,810	28.1	18.0
Sainsbury's, Clay Lane	5,554	12,810	86.9	37.1
Tesco, Ashenden Road	3,987	13,219	65.0	29.6
Other stores in zone 1	6,221	-	36.1	1.7
<b>Total</b>	-	-	<b>216.1</b>	<b>86.5</b>

- 6.31 The assessment of turnover performance is included at Table 13a, Appendix 3. The total amount of these stores are over trading equates to £86.5 million. In particular it is evident that in quantitative terms the three major existing foodstores in the Borough are trading significantly in excess of their company average. To some extent, this is an indicator of pent up demand in the existing floorspace and potentially can represent overtrading in the base year. As explained above, this matter has been separated into a second scenario, whilst the merits of overtrading as an indicator of qualitative need are considered in Section 7.
- 6.32 Overtrading is well accepted as an indicator of qualitative need, as it demonstrates by overcrowding and congestion in aisles and at tills. Recent case law has confirmed that overtrading can be a measure of both qualitative and quantitative need, as it can be an indication of an imbalance between demand and supply of floorspace.
- 6.33 Demonstration of overtrading should be backed up by corroborating evidence such as overcrowding and congestion rather than simply by comparison with a retailer's company average turnover. Indeed, information from several leading operators'

shows that there is considerable variation around their company averages for convenience sales densities. It is not unusual for individual stores to trade at 20% to 30% above or below the company average, and a few stores trade at 100% or more above the company average.

- 6.34 Generally overtrading occurs when there is an imbalance between demand (i.e. available spend) and supply (i.e. existing floorspace). These variations can also occur because of factors like efficient management or attractive store design and not just lack of competition.
- 6.35 In aggregate the benchmark turnover of the main foodstores exceed the turnover according to our survey. This outcome is consistent with the findings in the original GRS. However, in order to maintain consistency with the GRS, with our first scenario, we exclude overtrading from the quantitative assessment. However, to enable the Council to understand the implications of overtrading on quantitative need, at Step 7 we adjust the equilibrium position in the base year for convenience goods assessment to allow for overtrading and include this as a second scenario.

#### *Claims on expenditure growth*

- 6.36 As with the comparison assessment, the two claims on expenditure growth are commitments to new floorspace and allowances for sales density growth. The definitions and approach to this element of the assessment are identical to the comparison assessment.

#### *Commitments*

- 6.37 The one major commitment to new convenience floorspace within the Borough is in the extant planning permission for an extension to the Friary Centre in the town centre. The 2010 committee report (09/P/20043) for renewal of the 2004 outline planning permission recognises that the indicative plans supporting the 2004 application show a new foodstore in the basement of the existing Friary.
- 6.38 The projected expenditure has been calculated based upon the net additional retail floorspace (as a gross figure) taken from Table 7 of JHD RIA (2003) and 100% of convenience floorspace assumed to be in the form of a foodstore. A typical gross to net ratio of 65% for town centres has been applied which gives a net convenience floorspace of 3,816 sq m. The turnover of this element of the scheme is net floorspace multiplied by sales density, and is presented in **Table 6.6** below.

**Table 6.6 Commitments to convenience floorspace**

Scheme	Net convenience floorspace (sqm net)	Claim on expenditure 2026 (£m)
The Friary Centre extension, Guildford	3,816	47.9

<b>Total</b>	-	47.9
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Source: Table 13b, Appendix 3

- 6.39 This indicates that this existing commitment will claim £47.9million of the overall expenditure growth for the borough by 2026. This is based on the assumption that 100% of the convenience floorspace in the extension will be devoted to a supermarket.

*Sales density growth*

- 6.40 As with the comparison assessment, the approach adopted links the level of sales density growth with the per capita expenditure assumptions. The sales density growth assumptions are set out in Table 6.7.

**Table 6.7 Sales density growth for convenience goods expenditure**

Timeframe	Per annum allowance (% per annum)	Growth from 2010 (£m)
2010-2016	0.26	3.4
2016-2021	0.30	6.7
2021-2026	0.30	10.0
<b>Total</b>	-	<b>10.0</b>

Source: Table 14a, Appendix 3 (note growth from 2010 is cumulative)

- 6.41 As with the comparison assessment, a blanket approach is applied to all floorspace in the Borough. However, it should be recognised that since the floorspace is already trading very successfully, and in some cases is overtrading, the potential for the existing stock to absorb this growth might be limited and highlights the importance monitoring as explained in Section 9.

*Floorspace Need*

- 6.42 For convenience goods, we calculate quantitative need by applying the sales density and then present the outputs both with and without overtrading. This effectively provides two sets of quantitative outputs for convenience goods floorspace.
- 6.43 We use a sales density of £12,544 per sqm in 2010, increasing to £13,126 per sqm in 2026 (which is the average sales density Tesco, Asda, Sainsbury's, Morrisons, Waitrose and Marks and Spencer) and apply this to the residual expenditure.
- 6.44 The net floorspace is converted to a gross requirement using a net to gross ratio of 65%, which is higher than comparison goods assumption on the basis that foodstores need more storage space than comparison outlets.

**Table 6.8 Cumulative Quantitative Need in the Convenience Goods Sector**

Year	Convenience goods (sqm gross)
2016 (without overtrading)	-4,657
2016 (with overtrading in base year)	5,786
2021 (without overtrading)	-3,512
2021 (with overtrading in base year)	6,776
2026 (without overtrading)	-2,147
2026 (with overtrading in base year)	7,988

Source: Table 15a and b, Appendix 3 (floorspace need is cumulative from 2010 and includes the friary extension commitment of 5,870 sq m before 2015)

- 6.45 The influence of overtrading on quantitative outputs is clear, with the outputs without overtrading showing negative outputs (i.e. no quantitative need). Whilst, the outputs with overtrading show a quantitative need for additional floorspace.
- 6.46 It should be noted that the sales densities applied are averages and should a trading format be promoted that achieves a different typical turnover, then the floorspace outputs should be adjusted accordingly. This is especially relevant for smaller foodstore operators and deep discounters that have far lower sales densities i.e. the average sales density of Co-op, Iceland, Lidl and Aldi is £6,609 per sqm in 2010.

### Summary

- 6.47 In this section, we have undertaken a comprehensive assessment of quantitative need for additional floorspace. Throughout, we have based our assumption on a policy neutral 'constant market share' approach. We consider that this is justified, on a Borough wide level, due to the high levels of locally retained expenditure in zone 1 (i.e. the Guildford zone). Furthermore, in aggregate, the Borough has maintained its market share for both comparison and convenience shopping since 2006. The rounded outputs for additional comparison and convenience floorspace for the Borough are presented in Table 6.9.

**Table 6.9 Summary of quantitative need**

Year	Comparison goods (sqm gross)	Convenience goods (sqm gross)
2016 (without overtrading)	3,700	-4,657
2016 (with overtrading in base year)	-	5,786
2021 (without overtrading)	36,200	-3,512
2021 (with overtrading in base year)	-	6,776
2026 (without overtrading)	73,300	-2,147
2026 (with overtrading in base year)	-	7,988

Includes the friary extension commitment of 5,870 sq m gross before 2015)

- 6.48 For comparison goods, this demonstrates that the Friary extension would absorb much of the need generated to 2016. For convenience goods, the Friary extension could also absorb much of the need up until 2026 if the figures excluding overtrading are used. However, including the overtrading outputs reveals that there remains a need for convenience floorspace to 2016 and 2021 in the Borough. The level of need is significantly increased if the Friary extension is not implemented before it expires in October 2015.
- 6.49 It should be noted that for both comparison and convenience sectors, the evidence suggests a high degree of pent up demand due to apparent ‘overtrading’ of existing floorspace. Whilst an output has been presented on the convenience side, we have not allowed for any overtrading for the comparison sector. This is potentially a further source of capacity that could justify additional floorspace in the town centre, over and above our estimates. We address the trading performance of the existing floorspace in more detail in our qualitative assessment at Section 7.
- 6.50 Finally, we should emphasize that the outputs in our assessment should not preclude new development coming forward that either exceed these estimates or that opens earlier in the period to 2026 if they would maintain or enhance a more localised market share and improve consumer choice, subject to compliance with development management policies. In a do nothing scenario, centres will decline and over time will lose market share to competing developments as consumers seek enhanced choice and retailers seek improved accommodation.
- 6.51 Our policy advice based on these quantitative need findings are explained in Section 9.



## 7 QUALITATIVE RETAIL NEED ASSESSMENT

- 7.1 In the PPS4 plan making policies (i.e. policies EC2-EC8) there is one fundamental change from PPS6. PPS4 now awards equal weight to both quantitative and qualitative needs. Therefore, there is less focus on a specific floorspace output and there is more flexibility to plan for different levels of growth if supported by qualitative factors.
- 7.2 Policy EC1.4d states that when assessing qualitative need, local planning authorities should assess whether there is distribution of shopping services sufficient to allow genuine choice to meet the needs of the whole community. It also states that local planning authorities should take into account the degree to which shops may be overtrading and whether there is a need to increase competition and retail mix.
- 7.3 CLG's practice guidance provides further detail on what represents qualitative need. Since it is a subjective concept, a number of factors can apply. But the practice guidance outlines five frequently identified factors, namely:
- Gaps in existing provision.
  - Consumer choice and competition.
  - Overtrading.
  - Location specific issues.
  - The quality of the existing provision.
- 7.4 Assessments of qualitative need should take these factors into account. We draw on the Guildford Vitality and Viability Study (reviewed at Section 3), the household survey results and spending patterns (Section 5), our own audit of the retail provision, published demand for retail floorspace, the quantitative findings on turnover (Section 6) and finally data from the Indices of Multiple Deprivation. We review each of these sources before summarising our qualitative conclusions based on the five factors identified above.

### Town Centre Vitality and Viability Report 2010

- 7.5 The Vitality and Viability report, as summarised in Section 3, provides much information to inform our qualitative assessment.
- 7.6 The report identifies the majority of out-of-centre floorspace as located at Ladymead and Woodbridge Road retail parks, which together with Guildford town centre, provide for local comparison needs. The report notes that there are two out-of-centre superstores, whilst the town centre itself contains only two small supermarkets and other smaller convenience stores. This indicates trade is being drawn out of the centre.
- 7.7 The report notes that the town centre's designated frontage is approximately 65% national multiple retailers, which is considered a good proportion that will attract trade whilst maintaining a local identity (i.e., not being so dominated by multiples that it becomes a "clone town").

- 7.8 Guildford's low vacancy rate relative to competitors (9%) and the relatively short time periods units lie vacant for, indicate that gaps in provision are tending to be filled quickly. Linked to this, low retail yields indicate Guildford is perceived as a good place to invest.
- 7.9 The Vitality and Viability report drew on the Guildford Visitor Survey, noting that 45% of visitors thought Guildford was better for shopping than their alternative shopping destination, emphasising Guildford's strength as a comparison shopping destination.

### Household survey results and spending patterns

- 7.10 The spending patterns derived from the household survey results are explained in detail at Section 5 and within Appendix 5. Our assessment has revealed that:
- Destinations within the Borough attract some 31.3% of the study area's comparison spending, with zone 1 itself (i.e. Guildford Borough) retaining some 77.0% of its comparison spending.
  - Destinations within the Borough attract some 16.7% of convenience spending, with zone 1 itself retaining some 73.8% of its convenience spending.
  - Market shares for both sectors in aggregate have remained similar since 2006, although the comparison goods market share of retail parks has increased since 2006.
- 7.11 In terms of expenditure leakage, there is no evidence that consumer choice is suffering with both sectors comparison and convenience sectors in zone 1 benefiting from a healthy retention level. This effectively means that local residents in zone 1 do not feel it necessary to travel long distances to undertake either their convenience or comparison shopping.
- 7.12 In addition, Guildford's comparison goods market share of 31.3% (including the town centre and retail parks) across the wider study area is healthy, particularly in light of the competition, and is reflective of the town's size and choice.
- 7.13 However, we have noted that the market share of out of centre floorspace in the Borough has increased compared to the 2006 position and there is limited evidence of linked trip spending with convenience shopping trips. The latter of these two issues is likely to be due to the out of centre location of the two main foodstores in the Borough.

### Audit of retail provision

- 7.14 As part of this study, a specific audit of existing retail facilities in the Borough has been undertaken. This involved a visit to the main retail destinations in the Borough and an initial qualitative assessment of trading performance and quality of buildings. This assists us in identifying any qualitative deficiencies in the Borough that can be addressed as part of the plan making process.

### Guildford town centre

- 7.15 As part of our audit of Guildford town centre, we have taken the opportunity to update the diversity of town centre uses in the town. The detailed breakdown of the town centre's diversity of uses is included at Appendix 8, whilst a summary can be found below at Table 7.1.

**Table 7.1 Diversity of uses summary for Guildford town centre**

Use Class	Units	Floorspace (sqm)	Floorspace (%)	GB Average (%)
A1 Convenience	25	3,576	4.0%	16.7%
A1 Comparison	262	57,234	63.8%	51.1%
A1 Service	29	2,754	3.1%	4.9%
A2 Financial & professional	43	9,101	10.1%	7.7%
A3 & A5 Food & drink	66	8,510	9.5%	9.2%
Miscellaneous	8	839	0.9%	1.1%
Vacant	54	7,749	8.6%	9.3%
<b>Sub-Total Experian Retail</b>	<b>487</b>	<b>89,762</b>	<b>100.0%</b>	<b>100.0%</b>
Other floorspace <sup>1</sup>	126	58,020	-	-
<b>GRAND TOTAL</b>	<b>613</b>	<b>147,782</b>		

Source: Goad 2007, updated by RTP 2010 (note that this includes ground floor floorspace only where there is only an entrance on one level – it does not include upper floors in department stores)

- 7.16 Approximately 64% of the town centre's floorspace is devoted to comparison goods, which is higher than the national average of 51%. Whilst the convenience proportion at 4.0% is significantly lower than the national average of 16.7%. The remainder of the diversity of uses are broadly consistent with national averages, albeit financial and professional services are slightly higher at 10% compared to the national average of around 8%. Vacancy is consistent with the national average, at around 9%.
- 7.17 The only two supermarkets in the centre (Tesco and Sainsbury) and both are fairly small, the largest being just over 1,000 sqm gross. Both stores appear to be trading well, but there was no demonstrable evidence of overtrading at the time of our visits (around 3-4 pm on a weekday). There are other small convenience stores around the town, including an M&S Simply Food by the station, the M&S Foodhall and Kendrews independent convenience grocers / newsagent store, but very little in the way of

<sup>1</sup> 'Other floorspace' is floorspace without a Goad code and thus does not benefit from a UK Average figure, the main relevant use in this category is A4 uses, i.e. public houses

specialist convenience outlets; for example, there are no butchers, greengrocers or fishmongers in the town.

- 7.18 The comparison offer is very good, with a high proportion of national multiples. The offer includes three department stores that anchor the centre, House of Fraser, Debenhams and Marks and Spencer. The town includes 22 of the Goad anchors including Waterstones, Sainsbury's and Burton as well as the three department stores. There are several high end stores in the Tunsgate Shopping Centre, such as T M Lewin and Case.
- 7.19 In terms of covered shopping centres, the Friary shopping centre appears to be performing well with few vacant units, although the physical fabric of the units is poor compared to the remainder of the town centre, including the High Street and the recently refurbished parade at Friary Street. The centre also contains White Lion Walk, an indoor parade running between the High Street and North Street and has a number of vacant units (approximately 22% of floorspace). The indoor Tunsgate centre contains quality comparison goods retailer, particularly selling clothing and home furnishings.
- 7.20 Overall, the town centre appears to be trading well but there is no evidence that the trading levels are jeopardising consumer choice through an uncomfortable shopping experience. Whilst in general the environmental quality of the town is good, there are areas of potential improvement, particularly around the Friary shopping centre and along Commercial Road and North Street.

### ***District centres***

#### ***East Horsley***

- 7.21 In terms of convenience offer, East Horsley had a Budgens store which is 190 sq m gross and approximately 90% convenience floorspace. At the time of our visit (weekday afternoon) there were only short queues and the shelves were well stocked. There were ample parking spaces in the car park. There are other small convenience stores in the centre comprising a bakery, butchers and Costcutter store.
- 7.22 The comparison retail offer comprises a number of gift shop, a sports shop, wine merchants and higher quality charity shops. The stores are mostly occupied by independent retailers. There is a beautician, estate agents, banks, a library and a post office. There are also a number of restaurants. The centre is attractive with a number of high quality older buildings.

#### ***Ash***

- 7.23 Ash also has a Budgens store (415 sqm gross) which is approximately 95% convenience floorspace. At the time of the visit (weekday lunchtime) there were no queues at the checkouts, no congestion in the car park and no evidence of empty shelves. There is a post office within the store. A bakery store on the High Street appears to have recently closed.
- 7.24 The retail offer comprises two furniture shops, charity shop, hairdressers, estate agent, an optician, pharmacy, pet shop, dry cleaners, party shop and a number of

take away outlets. The majority of the stores are independent but of a low quality in comparison to those in East Horsley.

### **Out of centre retail parks and stand alone stores**

#### *Retail parks*

- 7.25 There are two adjoining retail parks to the north of Guildford centre, Woodbridge Road and Ladymead. Woodbridge Road consists entirely of bulky goods, including C P Hart. With the exception of a new Dreams superstore, the buildings are in general poorly maintained. Ladymead retail park provides a mix of bulky and non bulky goods, largely housed in high quality buildings. There are three electrical retailers (Comet, Currys and PC World) as well as home furnishings and DIY (Homebase, B&Q, Carpetright and Furniture Village). There is also a Sports Direct and a Halfords, and a Burger King takeaway restaurant.

#### *Tesco, Ashenden Road, Guildford*

- 7.26 This store was visited on a weekday lunchtime. Whilst the majority of the floorspace is devoted to convenience goods, about 35% of the sales area is devoted to comparison floorspace selling health and beauty and stationery goods. At the time of the visit there were large queues at the checkouts and only a few free spaces in the car park. The aisles and store itself were generally very busy. However, there were only a few shelves in need of replenishment with the exception of 'food-to-go'.

#### *Sainsbury's, Burpham*

- 7.27 The store is located out of centre and is a stand alone store. We visited the store early afternoon on a weekday. The store has approximately 40% comparison floorspace which largely comprises clothing and footwear, household goods and electrical items. There is a Starbucks within the store. The store was not overly busy at the time of the visit which is expected for the time of the day and week.

### **Published retailer demand**

- 7.28 The FOCUS database (Appendix 7) shows that there are currently requirements in Guildford from 50 operators including Urban Outfitters, Trailfinders and Costa Coffee. We expect that economic climate will have impacted on the outcome of this study specifically in relation to operator demand. Demand is currently low, the previous GRS noted that there were 203 requirements in 2005, but as the economic climate improves over time so will demand and this should be acknowledged. Furthermore, demand is often generated when there is a large new development that can provide modern facilities and large units.
- 7.29 The main conclusions from the demand analysis are:
- There is demand for A1 units in particular (23 requirements), with a range of types of retailer seeking retail space including Kathmandu, Card Factory, Moben Kitchens and Comptoir des Cotonniers (an up-market fashion shop).
  - There are three A3 requirements (including Taco Bell) and two for A5 space, including Papa John's.

- The majority of requirements are for unit size of between around 50 and 200 sqm, although there are requirements for larger units most notably Urban Outfitters (929 to 1,394 sqm).

### **Trading performance**

- 7.30 The trading performance (from a quantitative perspective) of centres and stores in Guildford has been explored, using benchmarks. The practice guidance accompanying PPS4 advises caution in using benchmarks prescriptively. However, Policy EC1.4 of PPS4 states that when assessing qualitative need for retail and leisure uses local planning authorities should take into account the degree to which shops may be overtrading and whether there is a need to increase competition and retail mix.
- 7.31 Assessments of over-trading can however be supported through qualitative observations on the performance of stores, i.e. anecdotal observations on the trading performance of stores such as whether there are significant queues at checkouts, and the rate at which stock is replenished. This exercise is commonly undertaken for the convenience sector, but is much harder to assess for comparison goods shopping. We now explore our conclusions on the trading performance for both the comparison and convenience sectors.

### **Comparison sector**

- 7.32 The assessment of quantitative need revealed that for the comparison sector, Guildford town centre is trading very successfully at over £9,000 per sqm net. However, there is no evidence to suggest that the comparison operators are overtrading to the detriment of consumer choice. It is expected that high levels of turnover per sqm are in part due to the relative affluence of the area and the constrained nature of some of the older floorspace (i.e. more money is spent in less floorspace, thus driving up the sales density).
- 7.33 The delay to the Friary extension is also likely to be a contributory factor to the high trading performance of the comparison floorspace. It is expected that this scheme would have absorbed the growth in expenditure from 2006 and thus is a contributory factor to the pent up demand observed. Despite the failure of this scheme to come forward to date, the centre has managed to maintain its market share by absorbing expenditure growth, whilst the high trading performance is not putting off shoppers or retailers. However, once the market recovers and competing schemes come on stream, there is a possibility that the town may lose market share.

### **Convenience sector**

- 7.34 For the convenience sector the quantitative assessment revealed that stores in aggregate are overtrading by over £90 million. Although, this overtrading should not be considered in isolation, it does indicate a significant imbalance between the supply and demand of floorspace in the Borough. Our audit suggests that there are potentially qualitative indicators of overtrading within the Tesco on Ashenden Road.

- 7.35 More detailed surveys of the trade would be required to fully understand whether there is any demonstrable qualitative deficiency associated with the trading performance of these stores. But due to the scale turnover above benchmarks, it can be reasonably concluded that if unchecked, the overtrading of these foodstores could potentially cause a qualitative deficiency within the period to 2026, to the detriment of consumer choice.

### Index of multiple deprivation

- 7.36 CLG's practice guidance refers to location specific needs and specifically states that the Indices of Multiple Deprivation (IMD) provide useful measures of deprivation. Furthermore, PPS4 affords more weight to qualitative deficiencies in deprived areas. It is important to understand the IMD for the local geography and its relationship with any qualitative deficiencies, such as a lack of access to certain shops or services.
- 7.37 The IMD 2007 is based on the small area geography known as Lower Super Output Areas (LSOAs) and is the most recent dataset available. Each LSOA has between 1,000 and 3,000 people living in it with an average population of 1,500 people. There are 32,482 LSOAs in England. The LSOA ranked 1 by the IMD 2007 is the most deprived, and that ranked 32,482 is the least deprived. Within each LSOA deprivation is measured by seven measures or indicators known as domains. These comprise:
- Income deprivation: this domain looks at, amongst other things, the proportion of people in Income Support Households or Child Tax Credit Households.
  - Employment deprivation: this domain measures the involuntary exclusion of the working age population from the world of work.
  - Health deprivation and disability: this domain identifies areas with relatively high rates of people who die prematurely or whose quality of life is impaired by poor health or who are disabled.
  - Education, skills and training deprivation: this domain measures deprivation in educational attainment, skills and training for children, young people and the working age population.
  - Barriers to housing and services: this domain measures 'geographical barriers' to housing and services, as well as 'wider barriers' which includes issues such as affordability.
  - Living environment deprivation: this domain focuses on deprivation with respect to the characteristics of the local environment, both within and beyond the home.
  - Crime: this domain measures the incidence of recorded crime for four major crime themes, thus representing the occurrence of personal and material victimization at a small area level.
- 7.38 These seven indicators are then weighted and aggregated into summary measures of deprivation. This data enables an assessment of the zonal position as set out at Table 7.2 whilst Appendix 9 presents the IMD scores for the Guildford area.

**Table 7.2 - Zonal IMD scores and ranking**

Zone	Income Score	Employment Score	Health Score	Education Score	Housing Score	Crime Score	Living Score	IMD Score	Average IMD Rank
1	0.07	0.05	-1.26	9.03	19.13	-0.65	13.24	8.09	26,315
2	0.06	0.04	-1.23	5.76	25.64	-1.28	10.23	7.18	27,049
3	0.08	0.05	-1.07	9.53	17.67	-0.46	13.04	8.86	25,767
4	0.06	0.04	-1.38	8.97	18.86	-0.66	12.69	7.21	27,189
5	0.07	0.04	-1.29	7.08	21.17	-0.88	13.33	7.54	26,752
6	0.07	0.04	-1.52	6.51	18.82	-0.92	7.73	6.16	28,081
7	0.08	0.05	-0.82	14.37	15.28	-0.62	9.13	9.34	25,273
8	0.08	0.05	-0.98	11.16	16.24	-1.02	7.92	8.16	26,436
<b>England Average</b>	<b>0.16</b>	<b>0.10</b>	<b>0.00</b>	<b>21.69</b>	<b>21.69</b>	<b>0.00</b>	<b>21.69</b>	<b>21.67</b>	<b>-</b>

Source: The English Indices of Deprivation 2007

- 7.39 The IMD data shows that to a large extent the areas within the study area which suffer from the greatest levels of deprivation are within the urban areas of Guildford, Woking and to a lesser extent Aldershot. It can also be seen that there are very few areas of extreme deprivation (i.e. in the most deprived 20% of SOAs in England), certainly compared to Greater London as the map indicates.
- 7.40 The LSOA that encompasses part of Guildford town centre is relatively deprived compared to the rest of the Borough. However, it has access to all the shops and services in Guildford town centre itself and compared to England as whole even the most deprived SOAs lie towards the middle; for a town centre this is relatively low.
- 7.41 The most deprived parts of the borough are towards the north of the A3 – the Slyfields Green area, and the South-Western part of Westborough. The deprived parts of Westborough are reasonably well served by foodstores, with the large Tesco on Ashenden Road and a medium-sized Co-operative within easy reach; however the Slyfields Green pocket is less well served; there is a small (240 sqm net) Welcome which is accessible to the south-west, aside from that store the area is served only by the Sainsburys' at Burpham, which is not within walking distance.
- 7.42 All the zones are to shown perform relatively well – the most deprived are zones 3 (Woking) and 7 (Aldershot), but nonetheless the average IMD rank for both falls within the 25% least deprived in England. As demonstrated by the shopping provision map at Appendix 9, each of these zones is served by two superstores and adequate provision in terms of smaller stores.
- 7.43 More generally, the pattern of deprivation shows the continued importance which much be placed on ensuring that the retail offer in each of the main town centres adequately meets the needs of local residents. Town centres are readily accessible

by public transport, which out-of-centre developments are typically not, which can serve to isolate the more deprived sections of the community.

### Assessment of qualitative considerations

- 7.44 Using the data collected in the above analyses, we have assessed qualitative need for retail floorspace against the five frequently used factors identified in the practice guidance to PPS4.

#### *Gaps in existing provision*

- 7.45 The spending patterns derived from the household survey indicate that both the comparison and convenience sectors benefit from a healthy retention level. This indicates that residents are spending money locally and there is no clear gap in existing provision in the Borough. However, the dominance of the market share of out of centre foodstores may indicate that there is a gap in foodstore provision in the town centre.

#### *Consumer choice and competition*

- 7.46 Guildford town centre appears to generally be well provided for in terms of comparison floorspace, with a high proportion of Goad's 30 major retailers (22), and good mix of multiples and independents according to the Vitality and Viability report. Our diversity of uses analysis shows a higher proportion of floorspace as comparison than the national average and analysis of spending patterns indicates good performance. Furthermore, there is a good range of bulky goods floorspace on the nearby retail parks.
- 7.47 However, the Vitality and Viability report finds that there is poor convenience provision in the town centre. Furthermore, our assessment of spending patterns shows the existing provision (including two large out of centre stores) to be substantially overtrading, potentially indicating need for more convenience floorspace. Our diversity of uses analysis also indicates that there is very little specialist convenience in the town centre – for example there is no baker or greengrocer.
- 7.48 Taking the convenience analysis further, shopping patterns are dominated by Tesco and Sainsbury's, two of the larger food operators in the UK. In terms of the other major foodstore operators in the UK, we note that there is no Asda or Morrisons in the town. Turning to the traditional 'high quality' offer, there is an M&S food hall and a Simply Food in the centre. However, the food hall is part of a larger department store and the Simply Food is a very small store at the railway station. Surprisingly, given the relative affluence of parts of the Borough, there is no Waitrose store in the town. We also note that there is no stores operating in the established 'deep discount market', such as Aldi or Lidl. Therefore, we consider that there is scope for at least one new foodstore operator to the town to increase competition and choice for local residents.

### *Overtrading*

- 7.49 The quantitative need assessment produces no evidence that Guildford is overtrading in comparison terms. However it indicates that it is overtrading significantly in convenience terms, by some £90 million, and our audits noted qualitative evidence of overtrading in the Ashenden Road Tesco store. This indicates that there is scope for new convenience provision in the Borough to improve consumer choice.

### *Location specific issues*

- 7.50 The Index of Multiple Deprivation shows the study area and the Borough as a whole to be relatively affluent. However, there are pockets of deprivation north of the A3 including around Slyfields Green which has poor access to convenience floorspace compared to elsewhere in the Borough.

### *The quality of the existing provision*

- 7.51 Most retail provision in the Borough (both comparison and convenience) is housed in reasonable quality attractive buildings, and the environmental quality of the centre is generally high. The exception is the Friary Centre and the surrounding roads (Onslow Street and Commercial Road). If developed, the Friary Centre is expected to see environmental improvements.

## **Summary**

- 7.52 In this section, we have reviewed the Council's Vitality and Viability Report, undertaken our own qualitative audit of retail facilities, analysed published retailer demand and assessed the Index of Multiple Deprivation. In summary, this revealed the following:
- The Vitality & Viability report notes Guildford's good mix of multiples and independents, it's relatively low vacancy rate and it's popularity as a shopping destination
  - Our household survey indicated that the borough enjoys a healthy retention rate for both convenience and comparison spending, although the comparison goods market share of retail parks has increased since 2006.
  - Our audit of Guildford centre showed a high percentage of comparison floorspace and a low percentage of convenience floorspace compared to national averages. The centre is supplemented by two retail parks providing mainly bulky goods. There is some evidence of overtrading at the Tesco at Ashenden Road.
  - The FOCUS database shows there are far fewer requirements than before the economic downturn. Requirements today are mainly for A1 small units.
  - The Index of Multiple Deprivation indicates the borough as a whole is relatively affluent. However, there are pockets of deprivation north of the A3, in Westborough and around Slyfields Green.
- 7.53 Applying our findings to the five accepted qualitative indicators, we found the following:

- 
- Patterns of local spending indicate no obvious gaps in provision across the Borough, although there is potentially a gap in foodstore provision in the town centre
  - Foodstore shopping is dominated by two operators, restricting consumer choice with few 'high quality' and no 'deep discount' brands in the Borough and limited small convenience businesses (i.e. butchers, bakers, greengrocers) in the town centre
  - Our expenditure analysis indicates the Borough is trading very well in both comparison and convenience sectors and indicators
  - The pocket of deprivation around Slyfields Green has poor access to convenience floorspace compared to other parts of the Borough
  - Whilst the quality of the retailer offer is generally good, there is scope to improve the quality of the offer in and around the Friary centre, including incorporating environmental improvements and regeneration of the area.



## 8 COMMERCIAL LEISURE ASSESSMENT

8.1 This section consists of an assessment of the quantitative and qualitative needs likely to arise in the leisure sector in the period up to 2026. It follows from Section 4 where we identified current and future leisure expenditure, and the most popular spending locations within the study area (Section 5). As previously mentioned, it is important to note the caveat inherent in assessing this sector, namely that the techniques used to determine leisure needs are not as well developed as those utilised in assessing retail needs. Nevertheless, despite this limitation, we use practical resources and effective methodologies to assess this sector for the borough as robustly as possible. Our assessments are included at Tables 16 to 20 in Appendix 3.

### Expenditure growth in leisure services

8.2 As identified in Section 4, the overall growth in expenditure in leisure services across the study area up until 2026 is £444.1 million. This can be subdivided as follows:

- £253.7 million to support restaurants, cafes and bars (the scope for additional A3, A4 and A5 uses within the Borough is explained below).
- £54.9 million to support cultural services, with £1.7 million attributed to cinema admissions (albeit, this amount is not likely to be significant enough to require the provision of new facilities) and £3 million attributed to theatre admissions, which will contribute to the turnover of new G-Live development.
- £55.2 million to support accommodation services (which could support new hotel development within the Borough).
- £34.1 million to support games of chance (such as bookmakers, bingo halls and casinos).
- £25.9 million to support recreation and sport and we expect that this expenditure is likely to be focused upon physical fitness facilities.
- £20.2 million to support personal services such as hairdressing and beauty treatments. This use is often associated with other uses such as retail or gym facilities.

8.3 It should be emphasised that this expenditure growth is long term over the whole of the study area and our terms of reference do not extend to detailed assessments of the potential for each sub-category of leisure service. However, this scale of growth can assist us in exploring the potential need for additional commercial leisure floorspace in the Borough.

### Indicative floorspace need for A3, A4 and A5 uses

8.4 As explained above, £253.7 million of expenditure growth is allocated food and drink uses for the A3, A4 and A5 use class categories. Using an indicative market share of 23.9%, we have converted the anticipated growth into an indicative floorspace requirement based on turnover which we have forecast to increase by 0.4% per

annum to 2026. The indicative level of quantitative need (gross floorspace) for the borough up to 2026 is presented in Table 8.1.

**Table 8.1 Borough wide quantitative need for A3, A4 and A5 uses (gross sqm)**

2016	2021	2026
2,362	4,484	6,791

Source: Table 20 Appendix 3 (all figures presented are cumulative)

- 8.5 This demonstrates that across the borough, there is scope by 2021 for over 4,484 sqm gross of additional A3, A4 and A5 floorspace, increasing to 6,791 by 2016. It is expected that this floorspace would be developed alongside a retail led scheme to form a mix of uses. However, there may be scope for a small amount of this growth to be achieved through the change of use of existing premises or stand alone developments.
- 8.6 These quantitative results are combined with qualitative messages to assess whether there is a need for further commercial leisure facilities within the district.

### Existing commercial leisure facilities

- 8.7 Figure 3 at Appendix 1 shows the fitness centres, cinemas, theatres, bingo halls and family leisure (i.e. bowling, ice skating, laser tag etc..) within the Borough and in the surrounding area. The majority of food and drink uses (A3-A5 uses) can be found in Guildford town centre.

### A3, A4 and A5 floorspace

- 8.8 Guildford is reasonably well provided with eating and drinking establishments with a selection of both spread throughout the centre. However, our diversity of uses analysis shows the proportion of eating establishments (A3 and A5) floorspace is slightly below the national average at 7% compared to 9% nationally.
- 8.9 In total, there is some 14,900 sqm of eating and drinking floorspace, of which 46% is A3, 43% is A4 and 11% is A5. There is a range of types of both eating and drinking establishment, a selection of cafés as well as mid-range multiple restaurants such as Nandos and independent restaurants providing a range of cuisines, and a mix of chain pubs (such as Weatherspoons), bars and nightclubs.

### Indoor gyms and leisure centres

- 8.10 There are 10 private gyms or leisure centres within the Borough. These vary in terms of the quality and type of activities offered. Details are given in Table 8.2 below.

**Table 8.2 Gyms and leisure centres in Guildford borough**

Gym / leisure centre	Address	Type	Facilities
ActivZone	Guildford College, Stoke Road, Guildford	Private	Gym
Dragons Health Club	Epsom Rd, Guildford	Private	Gym, swimming pool, physio area, squash and racquetball, sauna, steam room, spa
Guildford Spectrum	Parkway, Guildford	Public	Swimming pool, gym, spa, jacuzzi, steam room and aroma room.
The Gym	Woodbridge Road retail park, Guildford	Private	Gym
Quantum Health & Fitness	University of Surrey, Guildford	Private	Gym
Spirit Health and Fitness	Post House Hotel, Egerton Road, Guildford	Private	Gym, swimming pool, Jacuzzi, steam room, sauna, physio, nutritionist, beauty treatments
Guildford Lido	Stoke Rd, Guildford	Public	Gym and swimming pool
Esporta Health & Fitness	Queen Elizabeth Park, Railton Rd, Guildford	Private	Gym, swimming pool, hydrotherapy pool, spa, yoga studio, cycle studio
LA Fitness	Epsom Road, Guildford	Private	Swimming pool, spa, sauna & steam rooms, gym, two squash courts, beauty therapist
Ash Manor Sports Club	Manor Rd, Ash, Aldershot	Public	Gym, sports hall, outdoor pitch.
Aqua Roma Leisure	Newlands Corner, Guildford	Private	Swimming pool, gym, sauna and jet spa, steam room, tanning booth, dance studio

Source: RTP research

### **Cinemas and theatres**

- 8.11 The town centre and wider area are well supplied with both cinemas and theatres. As well as the Odeon on Beckford Road there are cinemas in Godalming, Woking, Farnham, Leatherhead, Dorking and Cranleigh. Guildford also has the Yvonne Arnaud Theatre on Millbrook and there are theatres in Woking, Leatherhead, Dorking, Horsham and Haslemere. G Live, a new auditorium in Guildford, is expected to open this autumn. It will be used as a theatre as well as an auditorium to host concerts.

### **Family entertainment**

- 8.12 Family entertainment facilities for bowling, laser tag and ice skating are all located within easy reach of Guildford. Guildford Spectrum on Parkway in the town centre provides ice skating and bowling although there is no laser tag facility in the centre since LazerQuest was relocated to the Big Apple in Woking (which also provides bowling). Veqtor in Godalming is a leisure facility aimed especially at children; it also provides laser tag as well as a kids gym, climbing wall and a range of children's activities.

### **Games of chance facilities**

- 8.13 There are no bingo halls in Guildford. There are two within the study area, both operated by Gala, one at High Street, Aldershot and one at Church Street East, Woking. The only casino is within the town centre on Onslow Street. There are four bookmakers in the centre, William Hill on the High Street and Ladbrokes, Coral and Betfred all on North Street.

### **Qualitative assessment**

- 8.14 Using the assessment in Section 7, we have identified the key qualitative factors in food and drink sectors (i.e. the evening economy). In particular, we note that:
- The provision of food and drink outlets within Guildford town centre are generally good, with a number of good quality bars and restaurants
  - In particular, the recently refurbished Friary Street area provides several restaurants housed in high-quality refurbished buildings
  - In the smaller centres, East Horsley has a relatively good selection of restaurants. The offer in Ash is mainly hot food takeaways.
- 8.15 These comments show that although there may be a quantitative requirement for additional A3, A4 and A5 floorspace, there is already a good offer within the Borough. Consequently we anticipate that the majority of additional 'food and drink' development will be alongside new retail development to form mixed use developments.

### **Gap analysis**

#### **Cinemas**

- 8.16 Cinema operators make decisions of expansion or location based on 'screen density' - that is, the existing provision within appropriate drive-time isochrones, taking account of population levels (or the number of screens available per 100,000 people). The latest information that we have access to indicates that the average travel time to a cinema is around 18 minutes (as defined by Caviar). We have therefore analysed cinema provision within an 18-minute drive-time of Guildford town centre.
- 8.17 Within this area there are two cinemas, the Odeon on Bedford Rd in Guildford which has nine screens and the Borough Hall Cinema in Godalming which has one screen. As shown in Table 8.3 below, after calculating the population of the 18 minute drive-

time as 142,052 this equates to 7.0 screens per 100,000 people, above both the national and South East averages.

**Table 8.3 Cinema Screen Density within an 18-minute drive-time of Guildford Town Centre**

Cinemas within 18 minute drive-time	No of screens within 18 minute drive-time	Population within 18 minute drive-time	Screen Density (i.e. screens per 100,000 people)	South East Average Screen Density	UK Average Screen Density
2	10	142,052	7.0	6.4	6.0

Source: UK Film Council Statistical Yearbook 2009/10 and MapInfo population data 2008.

- 8.18 This indicates that cinema provision is sufficient for the population of the Guildford area, especially bearing in mind that the close proximity of the Ambassadors cinema in Woking (located just outside of the drive-time) would mean many of the people in the northern part of the drive-time area would fall in both catchments.

**Private and public gyms**

- 8.19 The Business in Sport and Leisure (BISL) handbook 2009 states that around 12% of the UK population is a gym member. The resident population of Guildford Borough, according to the latest MapInfo data from 2008 is 135,700; therefore assuming gym membership to be in line with national averages, we can assume there are 16,284 gym members in the borough. As detailed in Table 8.1 above, there are ten health and fitness facilities in Guildford borough, so on average each facility has 1,480 members.
- 8.20 The BISL handbook states that at March 2008 there were 5,755 private fitness facilities in the UK and 7.2 million of the population held a private membership, meaning an average private health club has 1,251 members. Although the report contained no membership information for the 2,622 public fitness facilities, we see no reason it would differ radically and therefore assume 1,251 to be a reasonable benchmark membership for any given gym.
- 8.21 With 11 gyms, we calculate that Guildford can reasonably accommodate 13,761 gym members; the calculated membership figure for Guildford borough of 16,284 therefore indicates that Guildford's existing gym provision is oversubscribed by 2,523 members in total. Therefore if it is assumed that membership levels are maintained at the national average of 12% there is potentially capacity for up to two more gyms.
- 8.22 However the BISL handbook notes that the health and fitness sector has grown over recent years and suggests it is likely to continue to do so; in view of this, we consider the implications of membership level increasing to 15%. Based on Guildford's resident population of 135,700 this would mean 20,355 gym members (or an average of 1,850 members per gym) or an oversubscription of 6,594 members borough-wide, indicating capacity for up to six new gyms.

## Demand analysis

- 8.23 The FOCUS database (Appendix 7) shows that of the 50 current requirements in Guildford eight are from operators in the food and drink sector, including Caffe Nero and Taco Bell, as well as one from “The Little Gym”, a children’s leisure provider. We expect that economic climate will have impacted on the outcome of this study specifically in relation to operator demand, but as the economic climate improves over time so will demand and this should be acknowledged.
- 8.24 The main conclusions relating to leisure from the demand analysis are:
- There are three A3 requirements (including Taco Bell) and two for A5 space, including Papa John’s
  - The majority of food and drink requirements are for unit size of between around 50 and 150 sqm, although Noodle Nation requires a larger unit (232 to 325 sqm)
  - The Little Gym is seeking a unit of between 325 and 418 sqm
- 8.25 Aside from these specific requirements, we have calculated above that demand outstrips supply for health and fitness facilities in the Borough. It should also be noted that there is no Bingo Hall in Guildford, although since the smoking ban we understand that Bingo facilities are struggling across the Country.

## Summary

- 8.26 Our assessment of leisure need has considered broad quantitative needs (through expenditure growth) and qualitative needs through a consideration of the existing offer, a gap analysis and an examination of published demand. It should be emphasised that assessments of leisure need are less evolved than those for retail and thus our findings should be treated sensitively. In summary, we have found that:
- There is a theoretical requirement for additional A3, A4 and A5 floorspace within Guildford, however there is already a good offer. Consequently we anticipate that the majority of additional ‘food and drink’ development will be alongside new retail development to form mixed use developments.
  - There is scope to improve the food and drink offer in smaller centres such as Ash where the current offer largely comprises A5 take-aways.
  - The Borough is currently well served by cinemas and theatres and there is no current requirement for extra facilities.
  - If we allow for an increase in gym membership, then there is a need for additional facilities within the Borough to satisfy demand
  - The opening of G-Live in Guildford later this year will improve the leisure offer within Guildford.

## 9 RECOMMENDATIONS

### Policy context

- 9.1 PPS4 provides detailed guidance on the approach local authorities should adopt for promoting competitive town centres and selecting sites for new town centre uses. In the context of this study, the following PPS4 policies are considered:
- Define a hierarchy of centres and make choices about which centres will accommodate any identified need for growth in town centre uses (Policy EC3.1b.i);
  - Plan for a strong retail mix so that the range and quality of the comparison and convenience offer meet the requirements of the local catchment area, recognising that smaller shops can significantly enhance the character and vibrancy of a centre (Policy EC4.1b);
  - Identify a range of sites to meet the need for additional town centre uses and allocate sufficient sites in DPDs to meet at least the first five years of identified need (Policies EC5.1 and EC5.5).
- 9.2 PPS12's test of soundness requires the Council to demonstrate that its chosen strategy is the most appropriate, when considered against reasonable alternatives and, secondly, that the chosen strategy is effective and deliverable.
- 9.3 Our terms of reference do not extend to assess detailed choices about town centre strategies or site assessments. Therefore, our recommendations are limited to an outline for the main needs for retail and leisure floorspace in the Borough, comments on the Friary extension, broad advice on the implications of this update for the LDF and a suggested monitoring framework.

### Need for additional retail and leisure floorspace

- 9.4 A summary of the quantitative need for retail and commercial leisure (A3-A5) floorspace in the Borough is presented at Table 9.1. We afford more weight to the outputs to 2021, with the 2026 outputs indicative only. The data presented are cumulative, i.e. 3,700 sqm gross by 2016, increasing to 36,200 by 2021.

**Table 9.1 Summary of cumulative quantitative need**

Year	Comparison goods (sqm gross)*	Convenience goods (sqm gross)*	A3-A5 (sqm gross)
2016 (without overtrading)	3,700	-4,600	2,400
2016 (with overtrading)	-	5,700	-
2021 (without overtrading)	36,200	-3,500	4,500
2021 (with overtrading)	-	6,700	-
2026 (without overtrading)	73,300	-2,100	6,800
2026 (with overtrading year)	-	7,900	-

\* this capacity excludes existing non-implemented planning permissions (including approx 25,000sqm (comparison/convenience) at Friary Extension site.

9.5 Our qualitative assessment has revealed the following:

- Guildford is trading well in the comparison goods sector and has a good retail offer, whilst there is evidence of comparison retailers seeking space in the town and we understand long term vacant units are not frequent.
- Whilst the quality of the retailer offer is generally good, there is scope to improve the quality of the offer in and around the Friary centre.
- There is evidence of overtrading of the existing floorspace, particularly at the Sainsbury's store, Clay Lane.
- Guildford town centre would benefit from the provision of a new food supermarket or superstore in the town centre to relieve overtrading, improve consumer choice and increase linked trips spending.
- We expect the majority of additional 'food and drink' (A3-A5) development to take place alongside retail schemes as part of mixed use developments, but there is scope to improve the food and drink offer in smaller centres.
- There is a potential need for additional gym facilities within the Borough to satisfy demand, particularly if gym membership increases during the period to 2026.

9.6 We now turn to more specific comments on each category of floorspace covered in our assessment.

### **Comparison goods floorspace**

9.7 In the comparison sector (including durable household goods), the short term quantitative need is relatively limited at 3,700 sqm gross by 2016. The main reason is due to the stalled Friary Extension scheme being considered as a commitment, so that this development meets most of the needs to 2016. If this is not implemented by 2015 (when the permission expires), there would be an additional comparison need for 21,000sqm. The floorspace need grows in the medium term, increasing to 36,200

sqm gross by 2021. Furthermore, the existing floorspace in Guildford is trading very successfully and this indicates that there is a degree of pent up demand in the Borough.

- 9.8 Whilst there is not necessarily a requirement to allocate sites in the short term to 2016 assuming the Friary Extension permission is implemented before it expires in 2015, given the timescales for large redevelopments, we recommend that the Council should be actively considering how the Friary extension development will proceed. It might also think about whether it is possible to consider a re-designed scheme to meet at least a similar scale of floorspace as promoted previously in order to meet the existing needs to 2016 and 2021.
- 9.9 The consequence of not delivering a substantial quantum of comparison floorspace over the next 10 years, ideally at the Friary Extension site, is that there will be more reliance on edge and/or out of centre sites, and potentially the centre could lose market share as competing developments come on stream. Therefore, whilst the short term needs (excluding the floorspace approved in the Friary extension) are somewhat modest, this should not preclude the Council from taking active steps to bring forward improved retail floorspace in the town to maintain Guildford's position at the top of the retail hierarchy.

### **Convenience goods floorspace**

- 9.10 The quantitative outputs for convenience floorspace are markedly different as to whether we include or exclude overtrading. Indeed, the outputs show a surplus of floorspace if we exclude overtrading due to an assumption that there will be a foodstore as part of the Friary extension.
- 9.11 Overtrading is certainly a qualitative consideration and can also represent quantitative need. Even allowing for the affluence of some parts of the Borough, in aggregate all convenience floorspace is trading very successfully and we expect that this is due, in part, to the dominance of Tesco and Sainsbury's over the local food shopping market. Therefore, we consider that there is merit in examining the outputs with overtrading, which indicates that there is scope for some 5,700 sqm gross of convenience floorspace (in a superstore/supermarket format) by 2016 (in addition to that committed to the supermarket in approved the Friary Extension), increasing to some 6,700 sqm gross by 2021. This is sufficient to accommodate one medium to large sized food superstore up to 2026. Other factors, including traffic flows and parking will be relevant in considering whether a superstore is suitable for the town centre.
- 9.12 Given the scale of overtrading observed, we consider that the provision of new convenience floorspace in the form of a supermarket or potentially a superstore should be incorporated into future plans for the town centre (if other planning constraints such as design and traffic impact can be overcome). This can be either through a re-designed Friary extension and potentially alternative site in or on the edge of the town centre. Ideally, the Council should seek to attract a new food superstore operator to the town in order to relieve the overtrading, encourage linked trips and promote competition and choice within the Borough.

- 9.13 It should be recognised that the convenience capacity calculations are based on an average sales density for the larger foodstore operators (excluding Co-op, One Stop etc). There are operators that will achieve lower sales densities such as convenience store operators (i.e. the Co-operative Group, Iceland or Budgens, deep discounters (i.e. Lidl or Aldi) or smaller independent traders. If these stores come forward their turnover will be less than the equivalent floorspace from a larger operator and thus the claim on available expenditure would also be less. In addition, extensions to existing superstore units will also achieve a lower sales density. This is because, typically, extensions trade at a lower level than the existing store due to an internal redistribution of trade.
- 9.14 Many smaller stores necessarily have smaller floorplates and consequently many such stores can often occupy existing units in district and local centres (although deep discounters generally look for stores with about 1,000 sqm gross). We do not consider that the Council needs to plan specifically for sites to accommodate smaller stores individually, although if clear development opportunities can be identified at this stage then these should be indicated in the relevant DPD. However, it will be important to monitor the additional supply of this floorspace (and extensions) as it will claim a proportion of the available expenditure and thus meet some of the Council's convenience goods need.
- 9.15 It is important to maintain a supply of floorspace in both the larger superstore/supermarket format and smaller stores in order to ensure adequate consumer choice. For example, as explained in our qualitative assessment, it is noticeable that there is a lack of deep discounters in the Borough and a lack of smaller convenience units in Guildford town centre. Therefore, existing provision in town centres should be protected and schemes that improve consumer choice and are consistent with the objectives in PPS4 should be encouraged through policy.

### **Commercial leisure floorspace**

- 9.16 Our indicative assessment of A3-A5 floorspace needs has revealed capacity for additional uses 2,400 sqm gross by 2016, increasing to 4,500 sqm gross by 2021. Whilst some of this floorspace could be met through individual developments or the improvement of the existing offer, we expect that the majority will come forward as part of larger mixed use developments. In terms of other types of commercial leisure facilities, our assessment found that the Borough is generally well served but there is potentially scope for further gym facilities to meet potential increases in membership.

### **Friary extension**

- 9.17 The policy response to the stalled Friary extension permission will influence the future direction of Guildford town centre. This is the largest site in the town centre and the most obvious development opportunity to deliver a significant scale of retail floorspace during the period to 2026, as well as a significant regeneration opportunity. Whilst it is beyond the terms of reference of this study to provide detailed recommendations, we consider that there is merit in the Council undertaking further

work that reconsiders the options for the site if the approved scheme is not deliverable in its current form.

- 9.18 The study found a need for small scale leisure facilities and identified scope for two new gyms within the borough, one of which could be accommodated within the Friary extension.
- 9.19 Further work could include a high level assessment that indicates whether there is a realistic prospect that it could be deliverable (e.g. through value engineering), or where there are fundamental issues that are likely to render it unviable. It should also explore options for a redesigned scheme that is attractive to the market and could potentially tap into the existing retail core and draw on the aspirations for the town centre as set out in the emerging town centre master plan.

### LDF implications

- 9.20 Our comments on the LDF implications draw on our findings in this update to the GRS, particularly in respect of quantitative and qualitative needs for retail and leisure floorspace in the Borough. As the preferred options and development sites evolve, as explained below, more detailed impact testing of growth might be necessary to ensure that any impact on existing centres is appropriate.
- i. Instigate measures to bring forward the Friary extension (or a re-configured scheme) to meet at least the existing floorspace proposed;
  - ii. Attain integration between the existing retail components of the town centre to develop a circuit comprising North Street, High Street and Friary Street, around the Northern Historic Fringe character area;
  - iii. Identified other areas of the town centre that would benefit from intensification and could potentially;
  - iv. Thoroughly assess the town centre sites available to support a new food supermarket or superstore store that can relieve overtrading of existing stores, improve choice and encourage linked trips spending;
  - v. Encourage investment in the retail stock within the town centre through infill developments or minor redevelopments that create more commercially attractive retail and leisure units;
  - vi. Resist major out of centre floorspace, particularly schemes that overlap significantly with the type of goods sold in the town centre and divert trade from the town centre.
- 9.21 Although we have drawn broad policy recommendations, the LDF should thoroughly test where the needs identified (quantitative and qualitative) can be met taking into account wider policy objectives such as sustainability, infrastructure, regeneration objectives and the criteria in policies EC3, 4 and 5 in PPS4.
- 9.22 As a general point, when considering sites for additional town centre floorspace in the Borough, the Council should carefully consider the criteria in PPS4 Policy EC5.4. This requires the Council to consider the impact of sites on existing designated centres. Depending on sites selected, further evidence on the impact on existing centres might

be required. If necessary, policy qualifications should be included within DPDs in order to ensure further retail impact testing accompanies planning applications where necessary.

## Monitoring

- 9.23 This study provides the Council with a set of floorspace requirements for the next 15 years, albeit with a caveat that limited weight should be afforded – in our view - to the final five years of this timeframe. To establish whether the requirements for new floorspace (by type) are being met and more generally to monitor the performance, the Council should monitor:
- i. Planning permissions for town centre uses - by type, amount (sqm gross and net) and location;
  - ii. Completions – by type, amount and location;
  - iii. Major changes of use that occur without the need for express permission;
  - iv. Vacancies;
  - v. Charity uses (number and location); and
  - vi. Health checks.
- 9.24 The monitoring recommended above is relatively straightforward and should be conducted on a rolling basis for items (i) and (ii) and annually or every two years for items (iii) to (vi). Time series data can thus be produced and continually updated, starting with this study or possibly with earlier work undertaken by the Council. Contingent on the timetabling of the Council's key development plan documents, such updating will prove to be valuable when this evidence is tested at examination in public.
- 9.25 The recommendations set out in this report may need to be adjusted, in the future, due to changing market conditions, demographic changes and the impact of developments elsewhere. They may also need to be adjusted if standard assumptions, in particular those relating to expenditure growth and e-tailing, change. The role of monitoring is crucial in highlighting changes in the assumptions that underpin this study and we recommend regular monitoring to the Council.
- 9.26 Finally, we are aware that the Council has not finalised its options for locations for housing growth. This potentially could influence the scale and location of our zonal population projections and thus if there is a major strategic decision on the location of a significant amount of housing growth during the period to 2026, then we suggest a review of both the quantitative outputs and the recommended strategies within this study.

## GLOSSARY OF TERMS

**Benchmark turnover:** turnover of a store if it were to trade at the company average.

**Base year:** the start year for any quantitative analysis; normally the year a household survey is undertaken (in this case 2010).

**Catchment area:** this is an area where a centre or store attracts most of its trade.

**Claw back:** this is a catchment area's expenditure that is currently spent outside a catchment, but is encouraged to be spent within a catchment through the development of new floorspace.

**Comparison spending:** spending on non-food items such as clothing, furniture and electrical goods for which some comparison is normally made before purchase.

**Convenience spending:** spending on everyday items such as food, newspapers and drinks, which tend to be purchased regularly.

**Forecast year(s):** these are the year(s) when growth is forecast and is used to inform policy options

**Gross floorspace:** the gross external floorspace area of a shop, including storage space and ancillary office space

**Inflow:** this is expenditure generated from beyond a study area/catchment area that is spent in centres/stores within the study area/catchment area.

**Linked trip:** Combining a visit to a supermarket with a trip to use other shops and services in the town/district/local/village centre.

**Leakage:** this is expenditure within a study area/catchment area that is spent outside the study area/catchment area.

**Market share:** this is the proportion of study area/catchment area's expenditure spent in a centre or store, expressed as a percentage.

**Net floorspace:** the sales floorspace of a store, which is defined as the area where members of the public have access.

**Net to gross ratio:** the amount of sales floorspace vis-à-vis the total gross external floorspace of the store

**Outflow:** this is expenditure generated from a study area/catchment area that is spent in centres/stores beyond study area/catchment area boundary

**Overtrading:** the amount of turnover in excess of a company benchmark turnover

**Per capita expenditure:** amount of money per annum spent on a category of goods by one person

**Per capita expenditure growth per annum:** annualised real growth in spending (using constant prices)

**Price base:** the base year of the expenditure data used, which is constant at 2008 prices in this study (note this is different from the base year of the quantitative analysis).

**Qualitative Need:** floorspace required to improve the provision and distribution of shopping and leisure services to improve choice, meet the needs of the community and promote the vitality and viability of town centres.

**Quantitative Need:** floorspace required to support the projected expenditure growth over the plan period.

**Sales density:** the turnover per sqm of net floorspace achieved by retail floorspace

**Sales density growth:** the annualised percentage growth in turnover of existing floorspace

**Special forms of trading:** non-retail spending, including via the internet, mail order, stalls and markets, door-to-door and telephone sales.

**Study area:** this is the area where a study of shopping patterns is based upon; it is normally divided into zones.

**Under trading:** the amount of turnover below a company benchmark turnover.