ROYAL BOROUGH OF KINGSTON RETAIL CAPACITY STUDY

July 2003

Roger Tym & PARTNERS

Royal Borough of Kingston

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Appendices:

1 INTRODUCTION

1.1 This report was commissioned by the Royal Borough of Kingston (RBK) and prepared by Roger Tym & Partners (RTP). The report assesses the need for further retail development within Kingston town centre and the capacity of the centre to accommodate new retail provision.

1.2 The work builds on the January 2003 Borough-wide Retail Study prepared by RTP, which identified current shopping patterns in a widely drawn Study Area and assessed resident, shopper and retailer attitudes in respect of the existing shopping provision within the four principle shopping centres in the Borough – these being the Metropolitan Centre - Kingston, and the three District Centres - New Malden, Surbiton and Tolworth.

1.3 The Retail Study concluded that in the District Centres, other than incremental floorspace additions, there is no need for major additions to the retail floorspace, but that there is a need for significant new retail development in Kingston town centre. The need for additional retail floorspace in Kingston is driven by the continued growth in comparison goods retail expenditure in the UK and the significant level of demand from retailers for representation in Kingston town centre. To ensure that Kingston town centre retains its status as Southwest London's pre-eminent shopping destination the town needs to continue to compete with other town centres that are expanding and improving their offer such as Guildford and Croydon, and also with new competitors like Bluewater.

1.4 The Retail Study concluded that because of the continued growth in comparison goods expenditure in particular, and on the basis of Kingston town centre maintaining its existing market share, the centre could support a significant (but unspecified) amount of additional retail floorspace. The Retail Study also briefly addressed the physical capacity of Kingston to accommodate additional growth within the town centre. The fact that Kingston town centre is very compact and tightly constrained by the River Thames on the western side and by the ring road that envelops the town centre on the other three sides was highlighted. The physical barriers currently curtail the opportunity to extend the town centre beyond its existing limits, and opportunities for additional retail development will need to be identified within the present town centre boundary.

1.5 There are existing areas within the town centre (notably the urban blocks north and south of Clarence Street), which are currently used predominantly for retailing, but some of that retail accommodation is somewhat dated and inefficient by modern retailing standards. These areas could be redeveloped at an increased density to expand the amount of modern retailing floorspace in the town centre. The Retail Study concluded that the opportunity to intensify the retail space through redevelopment should be pursued, but to address the likely quantitative need for new retail floorspace a major site is required to ensure Kingston retains its pre-eminent role and status. The Study identified the Ashdown Road site (Site PS22) as having the potential to satisfy the need, in addition to which it offers the potential to strengthen the retail circuit in Kingston town centre at its weakest point and could, if sensitively designed, integrate successfully with the Eden Walk centre.

1.6 This report has two objectives – firstly to establish the quantitative need for additional retail floorspace in Kingston town centre, and secondly to assess the capacity of the centre to absorb additional retail development.

1.7 The report is structured as follows:

- Section 2 outlines the requirements of national, regional and local policies, which form the backdrop to the retail capacity exercise;
- Section 3 provides a summary of the current patterns of retail spending for both comparison and convenience shopping based on the results of the household survey that was undertaken to inform the Retail Study;

- Section 4 sets out the quantitative aspects of our assessment of retail capacity taking into account the change in expenditure potential brought about by population change and real growth in per capita spending levels;

- Section 5 provides our review of the physical capacity to accommodate new retail development in Kingston town centre;

- Finally, Section 6 puts forward our recommendations in respect of the need to provide addition retail development, and where that development should be located.

2 STRATEGIC PLANNING POLICY CONTEXT

National Policy Context

2.1 The government's policy on town centres and retail development is principally set out in PPG6, but PPGs 1 and 13 also relate to town centres and new retail development as does the Urban White Paper. There have also been a number of Ministerial Statements that have attempted to add clarity in respect of the interpretation and application of policy, most recently in April 2003.

2.2 The combined effect of all these national policy documents has been to establish the Government's key principles in respect of town centres and retail development, which we summarise as follows :

i) the Government's primary objective is to promote, sustain and enhance the vitality and viability of existing town, district and local centres as part of a package of initiatives to promote sustainable development (PPGs 1, 6 and 13 and 'a better quality of life');

ii) the need 'to focus development, especially retail development, in locations where the proximity of businesses facilitates competition from which all consumers are able to benefit and maximises the opportunity to use means of transport other than the car' (paragraph 1.1 of Revised PPG6);

iii) the objective of 'concentrating development for uses which generate a large number of trips in places well served by public transport, especially town centres, rather than in out-of-centre locations' (paragraph 7 of PPG1 (Revised));

iv) the need 'to maintain an efficient, competitive and innovative retail sector' (paragraph 1.1 of Revised PPG 6);

v) the need 'to ensure the availability of a wide range of shops, employment, services and facilities to which people have easy access by a choice of means of transport' (paragraph 1.1 of Revised PPG 6);

vi) the need for structure plans and UDP Part Ones to establish a hierarchy of centres and a strategy for the location of employment, shopping, leisure, hospital, education and other uses which generate many trips so as to identify the preferred locations for major retail and leisure investment in particular and ensure that all significant generators of travel are well served by public transport (paragraphs 1.4 to 1.7 of PPG6 and paragraph 35 of PPG13);

vii) the need to adopt a plan-led approach to the promotion of all types of new development which generate many trips so as to ensure that they are well served by public transport (paragraphs 1.4 to 1.7 of Revised PPG6 and paragraph 20 of PPG13);

viii) the need to adopt a sequential approach to selecting sites for new retail and leisure development and other town centre uses - in areas where there is a need and capacity for such development - which is an approach which requires flexibility on the part of local planning authorities, developers and retailers (paragraphs 1.8 to 1.17 of Revised PPG6 and paragraph 20 and 30 of PPG13);

ix) the need to incorporate the principal of 'severability' (otherwise known as the 'class of goods' approach) in applying the sequential approach, so that large retail and leisure development proposals are broken down into their constituent parts in seeking to fit them into existing town, district and local centres (the Government's response to the fourth report from the House of Commons Select Committee on the Environment, July 1997 and ministerial speeches of 30 October 1997 (Mr Caborn) and 29 February 2000 (Mr Raynsford) and paragraph 27 of PPG13);

x) the need to reduce overall travel and the demand for car travel in particular (PPG13 and 'a better quality of life');

xi) the need to resist applications for retail development on land designated for other uses in an approved development plan (paragraphs 3.23 to 3.25 of Revised PPG6);

xii) the twin requirements that 'new retail developments should support the Government's objectives for sustaining and enhancing existing centres and should be in accordance with the strategy for retail development set out in the development plan' (paragraph 4.1 of Revised PPG 6);

xiii) the need to promote mixed-use developments, especially within town centres, and maximise the use of previously developed brownfield land (paragraphs 8 to 12 of PPG1 (Revised)); and

xiv) the need to improve access to leisure, retail and other services – particularly in local centres – for residents of deprived areas as part of the drive to promote social inclusion ('a better quality of life' – the first of the White Paper's four core objectives and paragraphs 1.8, 7.29 and 7.33 of the White Paper).

2.3 These represent a rigorous set of principles which confirm the preference for town centre locations for all types of new development which generate many trips. Edge-of-centre and out-of-centre retail and leisure developments represent, respectively, the less favoured and last resort options; such retail and leisure developments can only be justified by exceptional circumstances where they pass each of the six key national policy tests, as follows.

- the 'need' test introduced by Mr Caborn in February 1999;
- the sequential approach, first introduced by PPG 13 in 1994 and confirmed by PPG 6 in 1996;
- the likely impact on the development plan's strategy;
- the likely impact on the vitality and viability of existing centres;
- accessibility by a choice of means of transport, including the by foot and bicycle modes; and
- the likely effect on travel and car use.

2.4 The areas which have fuelled most debate relate to the interpretation of the sequential test and the need test in respect of which the Government's approach has recently been clarified by a Parliamentary Statement by the Deputy Prime Minister[1].

2.5 The Statement clarified that developers need to be flexible in the scale and format of the proposed development and where non-town centre schemes are proposed developers will need to apply a class of goods approach to site selection and provide evidence that they have considered all means of providing the development in sequentially preferable locations. However, the major clarification concerns the need assessment. The Statement has clarified that quantitative need will be the most important consideration, and issues such as any regeneration benefits or employment benefits that have previously been put forward by developers as indicators of a qualitative need, are not considered to be aspects of retail need, although they could constitute legitimate material considerations.

2.6 The Statement also clarified the Government's position in respect of bulky goods retailing. The Government has long recognised that it will not be possible to accommodate some types of retailing in, or even on the edge of, town centres. The Statement clarified that the key retail planning policy tests apply equally to proposals involving the sale of bulky goods, and that the onus is on the developer to demonstrate that the majority of goods cannot be sold from town centre stores.

2.7 However, there are in our opinion some types of comparison goods retailing that have never traditionally been represented in town centres, and which would be difficult to accommodate even were

[1] Government Statement from the ODPM 10th April 2003

it considered desirable to do so, namely garden centres and bulky DIY items such as timber, bags of sand and cement. Per capita expenditure on such goods is included within the total comparison goods expenditure figures produced by MapInfo, and used in this assessment. In our view it is realistic to make an allowance for the expenditure on such goods when considering the level of expenditure available to support new town centre floorspace. The proportion of expenditure that is spent in such outlets varies depending on the maturity of the retail market and the range varies between approximately 5% and 10%. It should be emphasised that this allowance does not include expenditure on such items as computers, furnishings and carpets, the sale of which over recent years has become the norm in retail warehouse parks. We discuss these items more fully later in this report.

Regional Policy Context

2.8 Strategic Guidance for London Planning Authorities (RPG 3) was published in 1996. The guidance reiterates the aims and objectives of PPG 6 particularly in terms of sustaining and enhancing the vitality and viability of town centres by making them the main focus for new retail development.

2.9 The Guidance sets out the hierarchy of centres, which range from International Centres, such as the West End, through Metropolitan Centres, Major Centres to District Centres. Kingston town centre is identified as one of the ten Metropolitan Centres, and New Malden, Surbiton and Tolworth are categorised as District Centres. The Guidance recognises that the hierarchy is not rigid and may change over time as some centres increase their position in the hierarchy while others may revert to a more local role.

2.10 RPG 3 will eventually be superseded by the Mayor of London's Spatial Development Strategy, The London Plan, which was published in Draft in June 2002 and has been considered at the EIP that closed in April 2003. The Draft Plan continues to identify a hierarchy of centres across the capital while also recognising that the role of centres may change over time and thus require reclassification. Annex 5 of the Plan sets out the retail hierarchy for London's town centres and the strategic policy objectives for each, together with guidance on the approach that should be taken in respect to future capacity for new development. The Plan does not change the designation of any of the four Kingston centres.

2.11 The Annex categories centres into three types :

i) Regeneration - where the policy objectives aim to realise the potential of centres with surplus capacity to enable them to benefit the local community and contribute to the regeneration of the wider area;

ii) Neutral/Trend - where the aim is to maintain and enhance the viability of centres and access to services they provide; and

iii) Consolidation - centres considered to be 'overheating' and to have constrained capacity for growth. The emphasis is on sustaining the strengths of these centres in terms of land, labour, environment or transport through qualitative improvements, rather than increases in capacity.

2.12 Kingston is identified as a centre for Consolidation, the only Metropolitan centre to be so classified, and the other three Kingston centres are classified as being Neutral/Trend.

2.13 Lastly the Plan urges authorities to carry our retail capacity studies to identify the need for additional retail floorspace and regular healthchecks of centres to measure their vitality and viability. In this respect in August 2002 the GLA published 'A London Review of Retail Need Methodologies'. The methodology adopted in carrying out this capacity assessment generally accords with that suggested in the GLA document.

Local Policy Context

2.14 The UDP shopping policies contained in the March 2001 Proposed Alterations seek to protect and reinforce the role of Kingston town centre subject to there being no serious adverse effect on the vitality and viability of any nearby town centre, and to maintain the distribution and prosperity of the district and local centres. These aims are to be achieved by focusing development to town centre locations.

2.15 The Plan policies for Kingston town centre seek to "reaffirm Kingston's strategic role whilst reflecting the need to maintain improvements in order to survive in the fierce competition". This objective is supported by Strategic Policy STR21, which seeks to provide a suitable range of functions in the town centre. The Policy states that uses in the town centre should be compatible with "the objective of maintaining or, where appropriate, enhancing the character and vitality of the town centre". The Policy goes on to state that "larger shopping proposals will be considered with regard to any impact on the vitality and viability of any nearby town centre as a whole".

2.16 The detailed policy dealing with shopping provision in Kingston town centre states that "the Council will seek to protect and consolidate Kingston town centre's retail trading position and enhance its regional shopping role by encouraging improvements in the quality of shopping, the shopping environment, and the provision of a wide range of retail facilities within the town centre". The supporting text does go on to say that additional large scale increases in retail floorspace are not envisaged due to a lack of suitable sites.

2.17 The UDP policies therefore do not prohibit additional retail development in Kingston town centre per se, and indeed the policies support development that would enhance the range of shopping provision and strengthen and consolidate Kingston's role as a Metropolitan shopping centre.

2.18 The Mayor of London's Draft London Plan designates Kingston town centre as the only Metropolitan centre with 'consolidation' status as opposed to 'neutral' or regeneration'. We understand that this has been challenged at the EIP into the draft plan as being out of date and inappropriate in terms of safeguarding the future role and health of the centre and realising its retailing potential. The implications of 'consolidation' are not clear, but GLA Officers have indicated that it would not necessarily preclude significant growth commensurate with Kingston's position in London's town centre network.

2.19 In order to protect and consolidate Kingston town centre's trading position it is necessary to encourage improvements in the quality and overall provision of the shopping, because qualitative environmental improvements alone will not maintain the attraction of the centre, faced with the increased competition and expansion of centres elsewhere in London and beyond. A failure to improve the attraction of the centre in shopping terms will lead to increased numbers of shopping trips being undertaken to centres further afield that are able to provide the quality of provision sought by shoppers, and to the erosion of Kingston's regional shopping role. Qualitative improvements in the retail offer cannot be achieved without the development necessary to bring forward an improved range of much larger stores. Kingston suffers from a lack of opportunities for larger shops.

3 CURRENT HOUSEHOLD SHOPPING PATTERNS

3.1 One of the principal objectives of the January 2003 Retail Study was to establish shopping patterns in respect of Kingston town centre. A telephone based survey of a sample of 1,500 households within a defined Study Area was undertaken in May/June 2002 (as illustrated on the map replicated at Appendix 1) and used to determine the shopping habits of the resident population.

3.2 On the basis of the penetration rates for Kingston town centre (the proportion of shoppers that use Kingston town centre for their "high street" comparison goods (*clothing & footwear)* shopping needs) the Study Area was subsequently sub-divided into a series of zones (nine in all) based on ward-level geography. The zone configuration was as follows:

i) *Kingston*, the inner core of the survey area, composed of 39 wards where the penetration rate of Kingston town centre for "high street" comparison goods is greater than 50%.
ii) *Richmond*, nine wards grouped around Richmond.
iii) *Wimbledon*, 12 wards grouped around Wimbledon.
iv) *Hounslow*, 22 wards grouped around Hounslow.
v) A *West* zone, of 10 wards that look towards Staines and Ashford, both outside the survey area.
vi) *Epsom*, 16 wards grouped around Epsom.
vii) A *Southwest* zone, of 13 wards that look towards Guildford, Walton and other centres in this sector.
viii) A *Northeast* zone, of 18 wards that look towards Central London.
ix) *Sutton*, 18 wards grouped around Sutton.

3.3 The Kingston zone (Zone 1) represents Kingston's primary catchment area. In addition to Kingston town centre the zone includes the other RBK centres and Walton-on-Thames and Esher town centres. The other eight zones represent Kingston's outer catchment.

3.4 The zoning plan is reproduced at Appendix 2 along with a full schedule of the wards that make up each of the nine zones (Table 1), the household survey methodology, the questionnaire and a full set of survey results.

3.5 The survey was used to derive market shares for the centres within the Royal Borough and those beyond by category of retail goods. The market shares for Kingston town centre are summarised in Table 3.1 over the page. The categories of retail goods follow the standard convention of identifying separately shopping patterns for comparison goods (goods such as clothing, footwear, electrical goods, carpets and DIY) and for convenience goods (food and household goods). The comparison goods sector was further subdivided into "high street" comparison goods (clothing and footwear), bulky goods (electricals and carpets) and DIY.

Table 3.1 Kingston Town Centre Current Market Shares

Study Area Zone	1	2	3	4	5	6	7	8	9	All Zones
	%	%	%	%	%	%	%	%	%	%
Comparison Goods										
Non-Bulky Comparison Goods[1]	70.0	36.1	29.7	33.1	34.9	31.2	29.9	18.2	19.5	36.6
Bulky Comparison Goods[2]	49.6	43.9	38.3	19.2	25.2	32.1	28.2	12.9	13.6	29.6
DIY Goods[3]	0.4	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.0	0.2
Convenience Goods										
Supermarket [4]	10.6	4.8	2.7	0.6	0.8	0.7	0.0	1.3	0.5	3.5
Day-To-Day Convenience [5]	11.1	2.0	1.1	1.1	0.0	1.5	0.0	0.0	0.0	3.0

Source : 1 – RBK Retail Study Table 2.3, 2 - Table 2.10, 3 - Table 2.11 , 4 - Table 2.6, 5 - Table 2.7

3.6 Looking firstly at the comparison retail goods category the market share data demonstrates that in respect of non-bulky comparison goods, Kingston town centre draws extensively from its 'home' zone, Zone 1, and also retains a significant market share from all the outer zones. Kingston town centre also retains a healthy share of the bulky comparison goods trade from Zones 1, 2 and 3 and derives not insignificant trade draw from the other zones. We suspect that the department stores in the town centre and stores such as Marks & Spencer, Habitat and Heals are responsible for much of this bulky goods trade. This finding demonstrates that a significant proportion of bulky goods (such as white goods, furniture and carpets) are successfully traded from Kingston town centre in accordance with the Government's class of goods approach to the location of new retailing. However, in respect of the DIY goods trade, Kingston town centre's share of the market is almost negligible. This finding provides evidence that DIY goods retailing is not a town centre activity that is important for Kingston.

3.7 Kingston town centre's share of the convenience trade is much lower right across the Study Area, which is as expected because convenience goods shopping tends to be done on a much more localised and regular basis, and there is a much greater distribution of foodstore facilities across the Study Area to cater for local needs. For the purposes of this retail capacity assessment we have drawn a much tighter Study Area for convenience goods retailing to reflect the existing catchment area of stores within the Borough, which is illustrated on the map at **Appendix 3**.

3.8 Prior to the Government's clarification[2] that most classes of goods can and should be sold from town centres, the traditional approach to retail capacity assessments was to allocate a proportion of all the expenditure growth to retail warehouse formats. The proportion varied between 15% and 20%, with the higher proportion being appropriate in the more mature retail systems. However, in accordance with recent Government guidance this capacity assessment focuses on the quantitative need for additional retail provision and adopts the Government's class of goods approach that indicates that all convenience and almost all comparison goods can be sold from town centres. The exception in respect of comparison goods are goods sold from garden centres and DIY outlets, as these types of goods are truly bulky, and the large space requirements for display and carriage make them inappropriate for high land value town centre sites.

3.9 RTP have recently conducted research based on the ONS Consumer Trends publication to establish the proportion of total comparison spending that is undertaken in garden centres and DIY outlets. The research demonstrates that 2.5% of all comparison goods expenditure is made in garden centres and that 7.5% currently is spent on all DIY type products, with the combined proportion being 10%. This research is based on national expenditure data and there will be much local variation, but in our view it provides an indication on the proportion of comparison goods expenditure that is appropriate to locate beyond town centres.

3.10 The survey findings referred to in Table 3.1 above provide the justification for this approach. In our view Kingston town centre neither contains, nor will it support in the future, new proposals for DIY/garden centre retailing.

[2] Government Response to the Select Committee Report 'Environmental Impact of Supermarket Competition', May 2000

4 NEED ASSESSMENT

Introduction

4.1 In this section we set out our assessment of the need for additional retail floorspace in Kingston town centre to the end of the plan period for both comparison and convenience shopping based on the changes in expenditure potential brought about by population change and real growth in per capita spending levels.

4.2 We have employed a step-by-step approach to the need assessment modelling exercise, in accordance with standard practice and which is consistent with the recommended approach of the GLA[3]. The approach is as follows:

Step 1 : Establish the base year position (all monetary values being maintained at constant 2000 prices for comparison goods shopping :
- the quantum of expenditure in the Study Area;
- Kingston town centre's turnover derived from the Study Area;
- Kingston town centre's total turnover and overall sales density;

The needs assessment for convenience goods floorspace starts from the position that convenience goods expenditure and floorspace are currently in equilibrium.

Step 2 : Obtain population estimates for each Study Area zone for the two projection years (2006 and 2011);

Step 3 : Obtain local area per capita expenditure estimates for comparison goods and convenience goods for all of the zones within the Study Area for the projection years;

Step 4 : Calculate the total available expenditure and growth in expenditure within each of the Study Area zones by applying population data to the per capita expenditure over the period 2002 to 2011.

Step 5 : Identify the comparison goods expenditure potential available for town centre and non-town centre (i.e. DIY and garden centre goods) retailing, and the convenience goods expenditure potential for supermarkets and the convenience store sector;

Step 6 : And finally, calculate the comparison goods floorspace growth potential at the projection years based on a) maintaining the existing market shares; and b) by making adjustments to market share to reflect the planned and potential expansion of centres elsewhere, and the convenience goods floorspace growth potential by maintaining market share.

4.3 Below, we firstly consider the floorspace requirement for comparison goods followed by that for convenience goods. All the tabulations referred to in the assessment are presented in Appendix 4 to this report.

Comparison Goods Sector

Step 1: The Base Year Position

4.4 The first step in this assessment is to establish the current trading position for Kingston town centre in the base year, which is 2002 to correspond with the 2002 survey base. The base year assessment, which is set out at Table 1, Appendix 4, involves a number of stages commencing with the calculation of the comparison goods expenditure generated in the Study Area zones and then moving on to make deductions for claims on that expenditure. Next the turnover derived from the Study Area is calculated by applying the existing non-bulky comparison goods market share figures for Kingston town centre, and finally we calculate the total turnover of Kingston town centre and the current sales density.

[3] GLA 'A London Review of Retail Need Methodologies' SDS Technical Report 15, August 2002

Expenditure Potential

4.5 The calculation of the expenditure potential has two components – population and per capita expenditure.

4.6 We have obtained the latest available ward-level population estimates and projections from Surrey County Council and the GLA[4] for the whole of the Study Area for the years 2001, 2006 and 2011. To obtain base year (2002) estimates we have applied the average annual ward-level growth rate for the 2001 – 2006 period to the 2001 base data. The population figures by zone are set out in the first row of Table 1 and show that the total population in the base year within the whole of the Study Area is approximately 1.27 million with the highest proportion, almost a quarter, located in Zone 1.

4.7 The per capita comparison goods expenditure estimates for each of the Study Area zones were obtained from our in-house GIS software[5]. The data is the latest available, that is 2000 expenditure estimates at 2000 prices. MapInfo estimates are derived from statistics contained in the CSO UK National Accounts, referred to as the 'Bluebook'.

4.8 The 2000 per capita expenditure estimates for each of the Study Area zones are projected forward to the base year (2002) by applying the MapInfo expenditure growth rate projections. MapInfo provide a series of consumer retail expenditure growth rate projections based on trends over time (short, medium, long and ultra long term)[6]. The data indicates that growth in consumer spending is highest in the short term and reduces progressively as the time horizon lengthens. MapInfo therefore advise that for projections over more than just a few years, as is the case with this study, growth rates over the long or even ultra-long term trend are likely to be the most reliable. In our calculations we have therefore adopted the MapInfo ultra-long term average per annum expenditure growth rate trend, which on the latest available data is 3.6% for comparison goods expenditure.

4.9 The MapInfo estimates give the <u>total</u> annual retail expenditure figures and therefore include a proportion of expenditure that will be spent via special forms of trading (SFT) such as mail order and internet shopping. To accurately project the amount of expenditure available for conventional forms of retailing it is necessary to make an appropriate deduction from the total expenditure figure to account for future expenditure via SFT. For comparison goods per capita expenditure figures we have deducted 7.6% in the base year (2002) to accord with MapInfo advice[7].

4.10 The comparison goods per capita expenditure growth figures are presented in the second row of Table 1. The figures demonstrate that there are some significant variations in the amount of expenditure available in the various zones. Zone 2 (Richmond) has the highest comparison goods expenditure figure in the base year at £2,911. The lowest figure is for Zone 4 (Hounslow) where an average of £2,231 was available in the base year. There is little variation between the amounts of per capita comparison goods expenditure available in the other zones, with £2,600 (the figure for Zone 1) representing the approximate median value.

4.11 Having calculated the per capita expenditure figures for each of the Study Area zones we next move on to calculate the <u>total</u> available comparison expenditure in each zone by applying the population projections to the per capita expenditure figures. The resulting total comparison expenditure estimates in the base year are presented in the third row of Table 1. The Study Area as a whole currently generates £3.26 billion of comparison goods expenditure per annum. Zone 1 (Kingston's "home zone") generates the largest share of this at £746 million.

4.12 As we demonstrate in the preceding section (3.8 and 3.9) not all of the comparison goods expenditure is spent in town centre locations. A significant proportion of the bulky goods, and virtually all the DIY

[4] Source : '2000 Round' GLA Population Projections (May 2001).

[5] supplied by MapInfo (formerly Data Consultancy)

[6] Table 2, Data Consultancy Information Brief 99/2

[7] Appendix, Data Consultancy Information Brief 99/2

and garden centre goods expenditure is spent in non-town centre locations such as retail warehousing parks. To account for the expenditure **currently** spent in non-town centre locations we have deducted 20% from the total available comparison goods figure. This figure is the top end of the 15% to 20% range and represents the proportion that is spent in retail warehouses in a mature shopping system such as that in Southwest London. Accounting for non-town centre expenditure has the effect of reflecting current reality and reducing the total retail spend attracted to Kingston from the whole Study Area by approximately £650 million to £2.6 billion, with approximately £600 million generated in Zone 1 alone (as set out in the fourth row of Table 1).

Kingston Town Centre Turnover from the Study Area

4.13 The penultimate stage of Step 1 is the calculation of the turnover of Kingston town centre from the Study Area. We do this by applying the current market shares for Kingston from each zone (as set out in row five of Table 1) to the available expenditure figure. The results of this calculation are set out in the sixth row of Table 1. The figures demonstrate that Kingston's turnover from the Study Area is £970 million, of which over 40% is generated from Zone 1.

Kingston Town Centre Total Turnover and Sales Density

4.14 In the final stage in Step 1 we estimate the total comparison goods turnover of Kingston town centre and calculate the comparison goods sales density of the existing floorspace within the centre. The calculations are set out in rows 7 to 10 of Table 1.

4.15 Our starting point is the turnover generated from the Study Area, but to calculate Kingston's total turnover we also need to account for the proportion that comes from beyond the Study Area. On the basis of the household survey we consider that a reasonable assumption is that 10% of the centre's turnover will derive from beyond the Study Area, equating to some £110 million, bringing the total turnover to some £1.08 billion. Next we divide the total turnover by the net comparison goods sales area to derive the floorspace sales density, which gives an indication of the current performance of the centre as a whole. Kingston town centre accommodates 164,739 sqm net (241,378 sqm gross [8]), of comparison goods floorspace, which yields an average sales density of £6,500/sqm. This figure is high, but not unexpected given the trading success of Kingston town centre.

4.16 We now move on in Step 2 to calculate the amount of expenditure growth generated in the Study Area in the projection years 2006 and 2011.

Step 2: Study Area Population in the Projection Years

4.17 We have obtained the latest available ward-level population estimates and projections from Surrey County Council and the GLA for the whole of the Study Area to provide population estimates for the projection years 2006 and 2011. The ward-level data has been aggregated on the basis of the Study Area zones and the resulting population projections for the projection years are set out at Table 2, along with the change in population in each zone between the base and projection years (both in terms of absolute numbers and percentages).

4.18 Across the Study Area as a whole population is projected to rise by approximately 33,000 (2.6%) in the period from the base year to 2006, growing by a further 31,000 (2.4%) in the 2006-11 period. Over the whole ten years to 2011 the population within the Study Area is projected to grow by just over 64,000 (5%). These are marginally lower growth figures than the projection growth figures for London as a whole (3% and 6% to 2006 and 2011 respectively[9]).

[8] Source : the RBK 2001 Shop Survey

[9] Source : '2000 Round' GLA Population Projections (May 2001).

[9] The draft London Plan, June 2002

4.19 In Zone 1 (Kingston's "home" zone) population is projected to rise a little more sharply than the average for the whole of the Study Area adding an extra 8,200 persons (or 2.9%) by 2006 and 9,200 (or 3.1%) by 2011. Overall population within Zone 1 will increase by 17,400 over the decade to 2011, the majority of which is forecast to be in the Hampton wards and Teddington in LB Richmond, and Canbury and Chessington North wards in RBK.

4.20 Zone 2 to the north (Richmond) is projection to experience the highest growth in population of all of the Zones over the decade, a rate three times the Study Area average (7.9% to 2006 and 7.8% to 2011). This will add some 15,000 extra persons to the population of that zone.

4.21 Zones 3 (Wimbledon) and 4 (Hounslow) will also experience significant population growth over the period as will Zones 8 (Northeast) and 9 (Sutton). However, Zones 5 (West), Zone 6 (Epsom) and Zone 7 (Southwest), collectively the three Northeast Surrey zones, are forecast to experience a marginal reduction in population over the period.

Step 3: Per Capita Expenditure Estimates in the Projection Years

4.22 The per capita comparison goods expenditure estimates for each of the Study Area zones in the two projection years were once again sourced from MapInfo using the same methodology as explained above in respect of the base year position.

4.23 We expect growth in SFT over the next decade due in the main to the expansion of internet retailing, and we have therefore build-in growth in SFT of 10% in the period to 2006 taking the SFT share of the market to 8.4%, and a further 10% to 2011 taking the market share of SFT to 9.2%. Given that the household survey suggests that SFT currently accounts for somewhere between 1% and 4% of comparison goods expenditure across the Study Area we consider that the deductions made in this study represent a 'worst case' estimate in terms of the amount of expenditure available for conventional forms of retailing, meaning that we have adopted a cautious approach to the generation of future floorspace capacity projections.

4.24 The resultant comparison goods per capita expenditure growth figures are presented in Table 3. Once again Zone 2 (Richmond) has the highest comparison goods expenditure figure (£3,325 in 2006 rising to £3,933 in 2011). The lowest figure is for Zone 4 (Hounslow) where an average of £2,549 is available in 2006 rising to £3,015 by 2011. There is very little variation between the figures for all the other zones that average approximately £2,950 in 2006 and £3,500 in 2011.

Step 4: Total Expenditure Estimates and Growth

4.25 Having calculated the per capita expenditure figures for each of the Study Area zones we next move on to calculate the <u>total</u> available comparison expenditure in each zone by applying the population projections to the per capita expenditure figures. The resulting total comparison expenditure estimates are presented in Table 5 and identify the amount of expenditure generated and the total expenditure growth in each Study Area zone over the time horizon to the projection years.

4.26 Table 5 indicates that the Study Area as a whole currently generates £3.26 billion of comparison goods expenditure per annum and is projected to grow to £3.82 billion in 2006, an increase of £560 million, and to rise still further to £4.63 billion in 2011, a growth of over £800 million in the period between 2006 and 2011. Over the ten year period (2002 – 2011) comparison goods expenditure is projected to grow by just over £1,370 million. This level of growth is substantial and largely resultant from the national trend of continuing growth in per capita comparison goods expenditure and the population growth within some of the Study Area zones.

4.27 Zone 1 (Kingston's "home zone") is projection to experience the highest growth in expenditure at £130 million to 2006 rising by a further £190 million in 2011, which equates to a growth in expenditure of £320 million over the whole period. All the other Greater London zones (zones 2, 3, 4, 8 and 9) also show significant levels of expenditure growth, but not of the scale forecast in the Kingston home zone. However, the Northeast Surrey zones (Zones 5, 6 and 7) are forecast to have much lower growth, in accordance with the projections for marginal decline in population.

Step 6: Town Centre and Non-Town Centre Expenditure Growth

4.28 Not all of the expenditure growth generated within the Study Area can be accommodated in town centres, and we have identified in preceding sections the reasons why this is the case. Kingston is a mature retail system with a good selection of DIY/garden centre sector stores available. We have therefore allocated the maximum proportion of total comparison goods expenditure growth (10%) on DIY/garden centre spending, in line with our research (refer to paragraph 3.9), to spending in such locations The resulting expenditure growth figures for town centre and non-town centre retailing are set out in our calculations in Table 5.

4.29 The table demonstrates that in the period to 2006 comparison goods expenditure available for town centre retailing will grow by approximately £500 million and in the 2006-11 period by a further £727 million. Over the entire decade the growth in comparison goods expenditure available for town centre retailing will be more than £1.2 billion. Zone 1 accounts for around a quarter of the total Study Area growth, which is the largest share of any zone.

4.30 The figures for expenditure growth available for non-town centre retailing are correspondingly lower with approximately £60 million available to 2006 and £80 million in the 2006-11 period equating to approximately £140 million over the decade.

Step 6: Expenditure Potential to Support New Retail Floorspace

4.31 Having assessed the quantum of comparison expenditure growth in the Study Area available to Kingston town centre the next step in the assessment is to calculate the amount of residual expenditure (after accounting for claims on that expenditure) available at the projection years and to convert this to a floorspace requirement. We undertake this step of the assessment by presenting two scenarios. Firstly a scenario that assumes no significant new retail developments come forward to alter the existing pattern of market shares, and as a consequence market shares are kept constant (presented in Tables 6 and 7). Secondly, a scenario that reflects the future development requirements and aspirations of the neighbouring authorities and that retains Kingston's share from its home zone (Zone 1), but that makes downward adjustments to Kingston's market share from the outer zones. The assessments for the projection years on the basis of the adjusted market shares are presented in Tables 8 and 9.

Scenario a) Constant Market Shares

4.32 Table 6 sets out the floorspace capacity calculations for comparison goods retailing in 2006. The table assumes that the market share for Kingston town centre from each zone remains unchanged. The table identifies the total amount of available expenditure and then applies current market shares for Kingston town centre. The resultant expenditure figures quantify the amount of expenditure growth available for stores/development in Kingston town centre. The table demonstrates that by applying current market shares to the total growth in expenditure across the Study Area as a whole (some £500 million), Kingston town centre would generate a further £190 million by 2006, almost half of which is generated from Zone 1.

4.33 Next we make a deduction to account for the 'claim' on the expenditure growth resulting from future improvements in the sales efficiency of the existing retail floorspace stock. This is common practice and reflects the fact that businesses require efficiency improvements to return a profit. The Retail Study did refer to anecdotal evidence that some of the large stores in the town centre are currently experiencing static turnover, but this is unlikely to be the case more broadly across the retail sector in Kingston. We have applied a reasonably optimistic projection of a 1.5%/annum improvement in sales densities throughout the period to reflect our cautionary approach to calculating expenditure potential for floorspace growth. Table 6 indicates that by 2006 the stores in Kingston town centre will have accounted for a further £60 million of Study Area expenditure.

4.34 The other 'claim' on the expenditure growth normally built-in to expenditure potential calculations is that for comparison goods retail floorspace commitments, that is extant permissions (both those unimplemented to date and those currently under-construction) within the Study Area. However, at the present time there are no such commitments in Kingston town centre.

4.35 Therefore by 2006, and based on constant market shares, there will be a residual of £131 million/annum available for new comparison goods retail development in Kingston town centre.

4.36 The final two rows on Table 6 set out the calculations of the floorspace requirement in 2006. We have applied the same sales density for new retail floorspace (£6,500/sqm), as the existing comparison goods provision as we consider new floorspace stock will operate at the same high level of efficiency as the existing stock in Kingston town centre. The table demonstrates that the residual expenditure from the Study Area will be sufficient to support approximately 20,000 sq metres net of comparison goods floorspace (29,000 sqm gross).

4.37 Table 7 sets out the comparison goods floorspace capacity position in 2011 based on expenditure growth in the 2006 – 2011 period and the application of constant market shares. The available expenditure in 2011 will be £275 million/annum of which £80 million will be accounted for by improvements in the efficiency of the existing floorspace, a residual of £195 million will be available for new comparison goods floorspace in Kingston town centre.

4.38 In order to be consistent with our cautious approach we have adopted the higher sales density figure of £7,000/sqm for 2011, which represents an increase in sales density of 1.5%/annum over the 2006-11 period. This approach ensures that we do not over-state the floorspace requirement. On the basis of the above the expenditure surplus from the Study Area in 2011 will be sufficient to support approximately 28,000 sq metres net of comparison goods floorspace (40,000 sqm gross).

4.39 The above projections, made on the basis of no change in the retention rates from each of the zones, indicate that there is substantial expenditure potential for additional comparison goods retail floorspace both in the medium and longer term. In summary, by 2011 there will be expenditure potential to support 48,000 sq metres net of comparison goods floorspace (69,000 sqm gross) in Kingston town centre.

Scenario b) Adjusted Retention Rates

4.40 At the present time Kingston town centre retains a high proportion of the comparison goods expenditure generated from within the Study Area, which is a consequence of the wide reaching attraction of Kingston as a shopping and leisure destination. However, all centres need some investment and development to add new vitality and attraction to the shopping environment. Whilst it is appropriate for Kingston to retain or even expand its market share in its home zone, it is equally valid for Kingston's influence in the outer zones to diminish. This can only be achieved through development taking place in other centres, increasing the attraction of these centres from their catchment areas and reducing the attraction of Kingston.

4.41 There are other attractive and successful shopping locations close to Kingston's 'home zone' such as Wimbledon and Richmond. Wimbledon has seen significant retail investment in recent years, but there is little opportunity for retail expansion in Richmond, and the existing floorspace will continue to rely on increasing sales density to drive profitability.

4.42 Further afield the dominance of Kingston over the past decade has not precluded significant investment in other neighbouring centres such as Hounslow. Major retail development will shortly commence in Hounslow town centre. Key Site 1 is a site that will provide a mix of retail and leisure development in the heart of Hounslow town centre. The retail provision includes a department store, large space users and a number of other unit shops that in total will provide 13,365 sqm gross of addition comparison goods shopping provision. The proposals also include a 6,435 sqm gross foodstore. The development of Key Site 1 will be a major boost to Hounslow town centre and reduce the outflow of expenditure from its catchment area to centres such as Kingston.

4.43 Beyond the Study Area there are significant developments that will impact on the market share of Kingston town centre most notably in Guildford and Croydon. In Guildford there are proposals to extend the Friary Centre with the addition of 70 new shop units.

4.44 In Croydon the opening in June 2003 of the first phase of the Centrale Centre, off North End Road, at the northern end of the main shopping circuit, and the second phase including a new House of Frazer department store and a further 40 unit shops, which is timetabled to open for Easter 2004, will add approximately 30,000 sqm gross of retail floorspace to the town. At the southern end of North End Road the Park Place scheme has recently passed the 'hurdle' of GoL scrutiny and the LPA can now move forward and determine the application. This development will add a further 30,000 sqm gross of retail floorspace including a replacement Allders department store and is seen by the Council as a major opportunity to revive Croydon's shopping fortunes.

4.45 To account for these new developments / firm proposals coming forward, and to build-in an allowance for the future development requirements and aspirations of the neighbouring authorities, in Scenario B we have adjusted the market share for Kingston town centre from each of the zones across the Study Area to levels which we believe reflect likely impact.

4.46 Table 8 re-calculates the floorspace capacity for 2006 by making adjustments to Kingston town centre's market share from each of the zones within the Study Area. The only difference between the Scenario A and B calculations are the changes made to the market shares. We set out the adjustments to market shares in Table 4.1 below:

Table 4.1 Kingston Town Centre Current and Adjusted Market Shares

Study Area Zone	1	2	3	4	5	6	7	8	9
	%	%	%	%	%	%	%	%	%
Current Market Shares	70	36.1	29.7	33.1	34.9	31.2	29.9	18.2	19.5
Adjusted Market Shares	70	30	20	20	25	25	20	10	10
% Reduction	0	17	33	40	28	20	33	45	49

4.47 We make no adjustment to Kingston's 'home' zone, but reduce Kingston's market share in all the other zones to reflect commitments and / or the aspirations of the neighbouring authorities. Thus we have reduced Kingston's market share in Zone 4 (the zone where Hounslow town centre is located) by 40% from 33% to 20% to reflect the increased retention of expenditure in Zone 4 resulting from the significant improvements to Hounslow town centre that the opening of Key Site 1 in the next two to three years will provide. The other major reductions in market share for Kingston town centre are likely to be experienced in Zones 3, 6 and 9 as a result of the schemes coming forward in Croydon - the Centrale scheme is coming forward now, and the Park Place scheme possibly by 2006. We make a cautious assumption that these developments will lead to a reduction of half Kingston's market share in Zone 9, around a third in Zone 3 and one-fifth in Zone 6.

4.48 Developments in Guildford that may also come forward by 2006 will improve the attraction of that centre, particularly from Zone 7, and we have reduced Kingston's market share from this zone by a third from 30% to 20% to reflect what we consider to be the 'worst case' trade diversion scenario.

4.49 The adjustments to the market shares, as set out in Table 4.1 above and in Table 8, indicate that the expenditure available for new floorspace in Kingston town centre in 2006 will be in the order of £155 million, which after deductions for improvements in floorspace efficiency leaves a residual expenditure for new floorspace of £95 million. At the assumed sales density of £6,500/sqm equates to a potential floorspace requirement of approximately 14,500 sq metres net of comparison goods floorspace (21,000 sqm gross).

4.50 The figures for 2011, as set out in Table 9, are additional to those for 2006, and indicate that there will be available expenditure of just over £224 million, which after deductions leaves a residual expenditure figure of £144 million to support additional comparison goods floorspace in 2011. The residual expenditure, at an assumed sales density of £7,000 /sqm equates to a potential floorspace requirement of approximately 20,500 sqm of net comparison goods floorspace (29,000 sqm gross).

4.51 In summary, on the basis of the adjustments that we have made to Kingston town centre's market share to reflect commitments and the aspirations of neighbouring authorities by 2011 there will be expenditure potential to support 35,000 sq metres net of comparison goods floorspace (50,000 sqm gross) in Kingston town centre.

Conclusions on Comparison Goods Floorspace Capacity

4.52 Scenario a) which applies Kingston town centre's current market share to future estimates of available expenditure demonstrates there is sufficient expenditure to support in the region of 20,000 sq metres net of comparison goods floorspace (29,000 sqm gross) by 2006 and a further 28,000 sq metres net (40,000 sqm gross) by 2011. Over the whole period 2002-2011, and without increasing market shares Kingston town centre could absorb a total of 48,000 sq metres net (69,000 sqm gross) of comparison goods floorspace. However, it is most likely that new development both within and beyond the Study Area will be developed in this period, and that this will reduce Kingston's market share from the outer zones.

4.53 Our assessment of a scenario where market share is adjusted (scenario b) to reflect development plans and aspirations elsewhere, indicates that there will be sufficient expenditure by 2006 to support approximately 14,500 sq metres net comparison goods floorspace (21,000 sqm gross) in Kingston town centre, and a further 20,500 sqm of net (29,000 sqm gross) by 2011. Over the whole period expenditure growth at the adjusted market shares will be sufficient to support 35,000 sqm net of comparison goods floorspace (50,000 sqm gross).

Convenience Goods Sector

4.54 Our approach to the assessment of the convenience goods floorspace requirement is less detailed and more 'broad brush' than the assessment of comparison goods floorspace requirement. Due to the much more dispersed provision of convenience goods this assessment considers the Borough-wide requirement.

4.55 We adopt the position that convenience goods expenditure and floorspace are in equilibrium. This position is not unreasonable given the quantity and quality of the existing provision within the Borough's centres. Indeed the three District Centres all function primarily as convenience goods shopping centres and are successful in doing so, Surbiton and New Malden in particular, and the household survey indicated a high level of satisfaction with the existing convenience goods provision right across the Study Area.

Step 1: Study Area

4.56 As referred to earlier in this section convenience goods shopping patterns are much more localised than those for comparison goods retailing. Accordingly we have defined a much smaller Study Area for the convenience goods assessment. The Study Area (illustrated on the map at Appendix 3) includes all the RBK wards, but also includes Long Ditton in Elmbridge and Hampton Wick in Richmond. This Study Area is selected to equate to the primary catchment area for convenience goods provision within the Borough.

Step 2: Study Area Population

4.57 The population estimates set out in the first row of **Table 10** are, as for the comparison goods assessment, the latest available ward-level population estimates and projections from Surrey County Council and the GLA for the whole of the convenience goods Study Area for the years 2001, 2006 and 2011. To obtain base year (2002) estimates we have applied the average annual ward-level growth rate for the 2001 – 2006 period to the 2001 base data.

4.58 The population data demonstrates that the Study Area population in 2002 was approximately 166,000, which will rise by 4,800 (a 3% rise) by 2006 and by a further 4,000 (a 2.4% rise) to 2011. Over the decade population within the Study Area will rise by approximately 9,000, a growth of 5%.

Steps 3 and 4: Expenditure Estimates and Growth

4.59 The per capita convenience goods expenditure estimates for the Study Area have, like the comparison goods estimates, been sourced from our in-house GIS software supplied by MapInfo. The data obtained is the latest available, that is 2000 expenditure estimates at 2000 prices. The calculations are presented in **Table 11**.

4.60 The MapInfo 2000 per capita convenience goods expenditure estimate for the Study Area is £1,513/annum. In parallel with our approach for the comparison goods estimates we again employ the MapInfo expenditure growth rate trends. We adopt the highest growth rate data (the medium term figure of 0.3%) because it is generally accepted that the longer term estimates of 0.1% are not realistic given that the retailers in this sector, including those that retail pure convenience goods, experience growth in turnover considerably above 0.1%. We apply this growth rate to the 2000 per capita expenditure figures and roll the data forward to base and forecast years. The first row on Table 11 sets out the convenience goods per capita expenditure figures, and demonstrates that per capita growth even on the basis of the highest growth rate estimate, will be extremely low over the entire period, rising from £1,522 in 2002 to £1,540 in 2006 and £1,564 in 2011.

4.61 We next need to make a deduction for the proportion of convenience goods expenditure that is likely to be spent via SFT. The latest available MapInfo advice recommends a deduction of 0.9% for SFT spending, but to ensure that we maintain a cautious approach we have deducted a figure of 1.5% from the per capita expenditure estimates to reflect spending via SFT. Thus it can be seen in the second row on Table 11 that after the deduction for SFT the convenience goods per capita figure for 2002 falls by £23 from £1,522 to £1,499, and by the same amount in 2006 and 2011 to £1,517 and £1,540 respectively.

4.62 We next calculate the available convenience goods expenditure in the Study Area by applying the population projections to the per capita expenditure figures. The resulting total expenditure estimates for the Study Area, generated over the time horizon, are presented in row three on Table 11.

4.63 Table 11 indicates that there is currently approximately £250 million generated in the Study Area. The figure grows by £10 million in the four years to 2006 and by a further £10 million between 2006 and 2011. Overall, convenience goods expenditure is projected to grow by £20 million in the ten years to 2011. The projected expenditure growth for convenience goods is of a much lower order than that for comparison goods, even after discounting for the fact that the convenience goods Study Area is considerably smaller. The main reason being that convenience goods expenditure growth rates are much lower than comparison goods growth rates on account of convenience goods market saturation in the more mature shopping systems.

Step 5: Expenditure Growth Available for Supermarkets and the Convenience Stores Sector

4.64 In the interest of supporting the continued provision of local convenience shopping facilities (as distinct from supermarkets) that provide a valuable local service in the Borough, it is necessary to ensure that a proportion of expenditure continues to be made available in the future to support small convenience stores. The latest Expenditure and Food Survey[10] identifies that nationally supermarkets account for approximately 70% of convenience goods spending in retail outlets. Therefore in this Study we allocate 70% of expenditure growth for new supermarket shopping leaving 30% for expansion of the local convenience store sector. This approach effectively 'ring fences' a proportion of the expenditure growth for the local convenience stores although it does not guarantee that convenience stores will take up the allocation.

4.65 Table 12 sets out the amount of convenience goods expenditure growth available for supermarket and local convenience store retailing on the basis of the 70:30 ratio. By 2006 there will be a further £7.2 million of expenditure to support supermarket growth rising by a further £7.1 million in 2011, equating to £14.3 million over the decade. The corresponding figures for local convenience stores are £3.1 million and £3.1 million, equating to an overall figure of £6.2 million.

Step 6: Capacity for New Convenience Goods Floorspace

4.66 Before we can convert the available expenditure into a floorspace capacity requirement it is necessary to take account of 'claims' on the expenditure growth by way of existing commitments, that is extant permissions (both those unimplemented and those under-construction) within the Study Area. However, in common with the assessment of comparison goods floorspace growth capacity there are no commitments at this time that need to be factored in.

4.67 The floorspace capacity calculations for supermarket retailing in the base and projection years are set out in Table 13. The table assumes that all of the residual expenditure is available for new floorspace in the Borough's centres and does not build-in any growth allowance for the existing floorspace.

4.68 Floorspace capacity is calculated by applying a sales density for new retail floorspace to the residual expenditure. The sales density that new floorspace could achieve is dependant upon the operator, and so in this assessment we have considered a range of sales densities, between £8,500/sqm and 11,000/sqm, to represent the likely range that could be achieved by new foodstore floorspace within any of the Borough's centres. On this basis there will be expenditure potential to support between 650 sqm and 850 sqm net additional convenience goods floorspace in the Borough's centres by 2006, with potential for the same amount again by 2011, equating to a total of between 1,300 sqm and 1,700 sqm net over the whole period to 2011.

Conclusions on Convenience Goods Floorspace Capacity

4.69 The results of the household survey indicated that residents are satisfied with the existing quality and quantity of convenience store provision in the Borough, which has recently been consolidated by the addition of large new foodstores in Kingston and Surbiton. The scale of the future capacity for floorspace growth within the Study Area over the whole period is limited. On this basis we consider that there is no need to allocate any additional supermarket provision within RBK and that this additional floorspace would best be absorbed through extending the existing town centre stock. However, any proposals that come forward within the Borough's town centres should be supported in principal provided that they are of appropriate scale and will not lead to a significant detrimental impact on the existing provision in the defined centres.

[10] ONS, Family Spending. A report on the 2001-2002 Expenditure and Food Survey (2003)

Need Assessment Conclusions

4.70 This assessment demonstrates that over the next decade there will be considerable expenditure growth within the Study Area that will be available to support additional retail floorspace in Kingston town centre. The growth in expenditure will be considerably higher for comparison goods shopping compared with that for convenience goods.

4.71 On the basis of adjusting existing market shares to reflect the likely impact of new and future development we calculate that by 2011 there will be a comparison goods floorspace requirement in Kingston town centre of 35,000 sqm net (50,000 sqm gross). The expenditure potential to support new convenience goods floorspace in 2011 will be somewhere between 1,300 sqm and 1,700 sqm net respectively (2,000 sqm to 2,600 sqm gross).

4.72 We consider that a strategic planning approach based on reducing Kingston's comparison goods market share in relation to competing centres, but still promoting some additional development to meet mainly locally generated expenditure growth is entirely consistent with an overall objective to strengthen, improve and consolidate Kingston town centre. Without some additional development Kingston inevitably will decline.

5 PHYSICAL CAPACITY TO SUPPORT ADDITIONAL RETAIL DEVELOPMENT

5.1 In the previous section we established the quantum of additional floorspace that the growth in expenditure within the Study Area could support in the period to 2006 and to 2011. Allowing for adjustments to market shares the comparison goods floorspace potential for Kingston town centre is 21,000 sqm gross to 2006 and a further 29,000 sqm gross to 2011, and a Borough-wide aggregate over the entire period of between 2,000 sqm and 2,600 sqm gross for convenience goods floorspace. In this section we assess the opportunities to accommodate additional floorspace growth within Kingston town centre, given that we have earlier concluded that retail development beyond the existing town centre boundary is neither viable nor desirable.

5.2 We have also identified earlier in this assessment, and indeed in the 2003 Retail Study that there are opportunities to intensify the amount of retail floorspace in certain urban blocks within the town centre through comprehensive redevelopment, and also to expand the retail area through the development of the Ashdown Road site, known as PS22. Below, we firstly consider the opportunities for intensification setting out the existing provision, the opportunities for redevelopment and calculating the quantum of net additional floorspace that such redevelopment could yield. We then briefly assess the merits of developing a retail-led scheme on site PS22.

Intensification Options

5.3 This section assesses the quantum of floorspace growth that could be achieved through the comprehensive redevelopment of three urban blocks (identified for review by the client) in Kingston town centre. The three blocks are :

Block One South-side of Clarence Street extending to Eden Street;

Block Two North-side of Clarence Street bounded to the east by Castle Street; and

Block Three North-side of Clarence street bounded by the ring road.

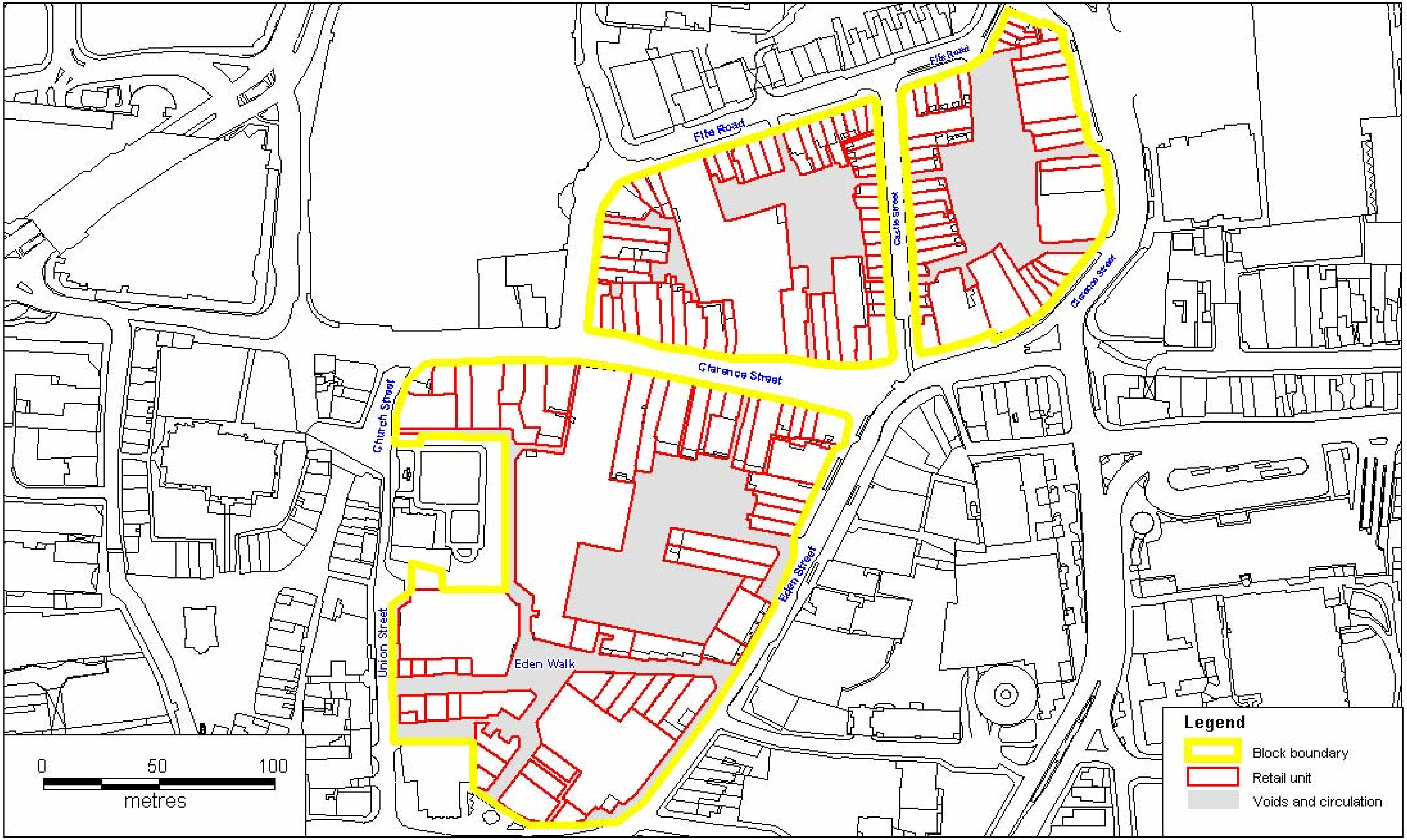
5.4 All three blocks are identified on Map 5.1 over the page.

5.5 The assessment presents data on the composition of the existing floorspace, followed by the floorspace figures that we consider are achievable if each block were to be comprehensively redeveloped. Redevelopment would provide a mix of retail units trading on one or two levels. We have not made an allowance for trading above first floor in this assessment as only department stores regularly trade on more than two levels.

5.6 In order to calculate the gross internal floorspace areas of the existing floorspace stock in each block we used a GIS platform and digital mapping, supplied by RBK, and undertook our own field work to establish current occupancy, use class and the number of trading floors.

5.7 The results of the assessment are presented in Tables 5.1, 5.2 and 5.3 below. Each table presents in the three columns the existing and potential A1 retail floorspace figures, along with the amount of net additional floorspace (the amount of additional floorspace that could be accommodated over and above the amount existing) for each of the respective blocks. Each table follows the same format, which is firstly to indicate the total block footprint, i.e. the ground floor area within the block, including in addition to the area covered by buildings, all the external areas. Next the tables set out the floorspace breakdown by retail and other activity on the ground floor, and then the proportion of A1 retail floorspace within the entire block footprint. The existing amount of A1 retail floorspace on the first floor is then identified and expressed as a proportion of the total block footprint. We have not been able to quantify how the remaining first floor area is currently used, but this is likely to be a mix of storage, office and circulation space and voids. The final row sums the total A1 retail within the block. Our calculation of what is realistically achievable in terms of the potential floorspace in each block is based.

Figure 5.1 Kingston Retail Study: All Blocks



on a ratio of A1 floorspace to total block footprint of 75% for the ground floor and 50% for the first floor space. The potential and net additional figures present a “best case” scenario for the potential net gain of A1 retail floorspace, because we do not allocate any potential space for A2, A3 or non-retail uses

Block One

5.8 Block One (illustrated on Map 5.2) is the largest and most centrally located of the three blocks, and covers the area to the south of Clarence Street. The floorspace data for the block is set out in Table 5.1 below.

Table 5.1 : Block One Floorspace Assessment

	Existing	Potential	Total Additional
	Sqm gross	Sqm gross	Sqm gross
Total Block Footprint	26,820	26,820	
Ground Floor			
A1	16,046	20,115	4,069
A2	1,837	-	
A3	85	-	
Non-retail	50	-	
Circulation and Voids	8,802	6,705	
A1 Retail Area as a Proportion of Total Block Footprint	60%	75%	
First Floor			
First Floor A1 Retail	9,261	13,410	4,149
A1 Retail Area as a Proportion of Total Block Footprint	35%	50%	
Total A1 Retail	25,307	33,525	8,218

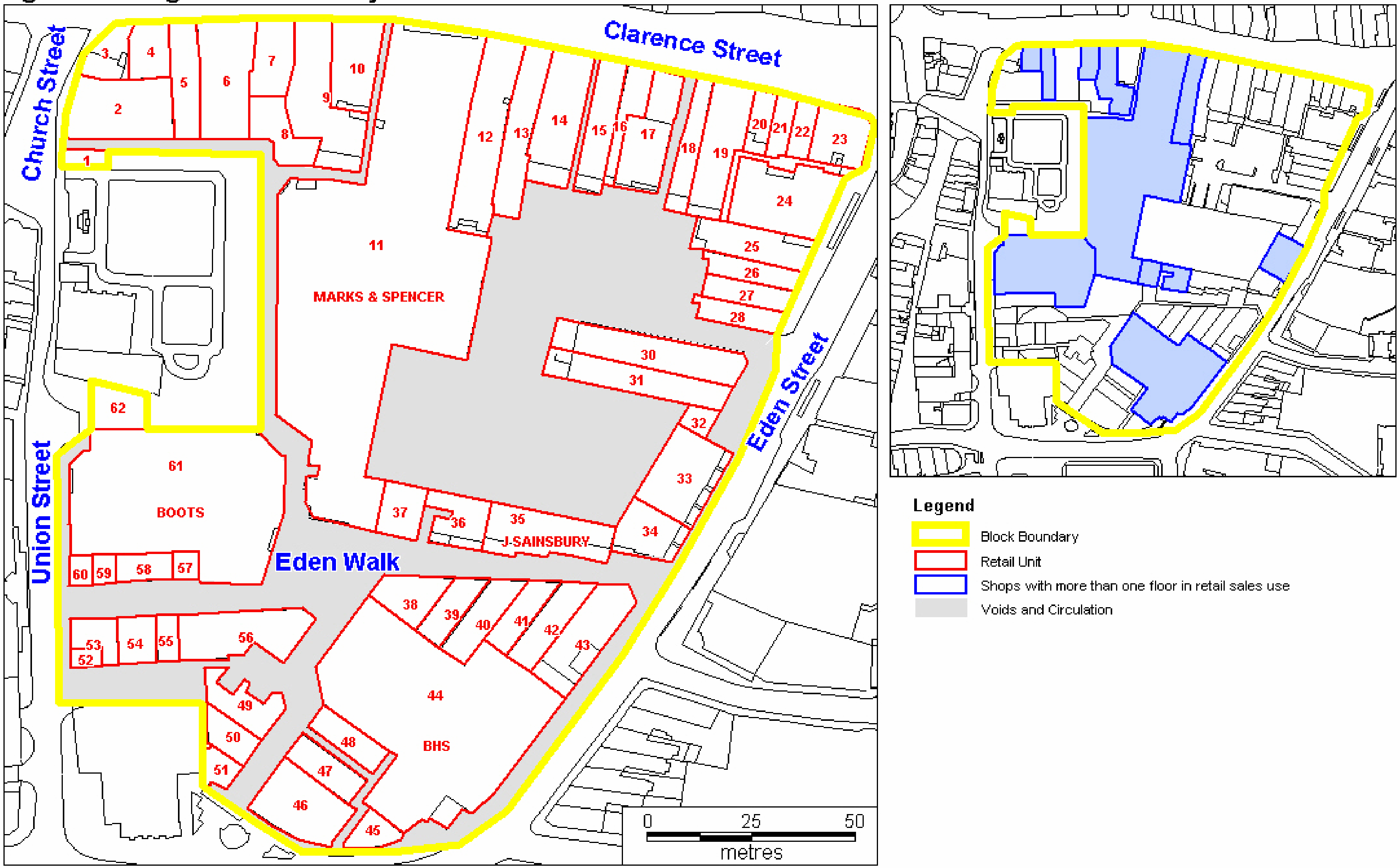
5.9 The total footprint of the block is approximately 27,000 sqm and currently accommodates a total of 61 separate units, 50 of which are A1 retail with half of these located within the Eden Walk centre. The Marks and Spencer unit is the largest store within the block providing 8,000 sqm of retail floorspace on two trading floors. There is a total of approximately 18,000 sqm of ground floor accommodation within the block, the vast majority of which (16,000 sqm) is in A1 retail use. The A1 floorspace represents 60% of the total footprint of the block, which is a reasonably high proportion.

5.10 A number of the retailers in the block trade on two floors and altogether currently provide just over 9,000 sqm of A1 retail accommodation at first floor level, representing a third of the total first floor footprint area. The remainder of the first floor is used for storage, office space and for access to the car park above the Eden Walk centre.

5.11 The analysis indicates that comprehensive redevelopment of the block could provide scope for a further 4,000 sqm of A1 retail floorspace on the ground floor and approximately the same amount on the first floor, which in total could add 8,200 sqm of A1 floorspace to the block bringing the total A1 accommodation to 33,500 sqm of gross. The additional A1 floorspace (8,200 sqm) would provide approximately 5,700 sqm of net floorspace.

Figure 5.2 Kingston Retail Study: Block 1

Inset: First Floor



Block Two

5.12 Block Two (illustrated on Map 5.3) extends on the northern side of Clarence Street between Castle Street to the east, and Fife Road to the north and west. The floorspace data for the block is set out in Table 5.2 below.

Table 5.2 : Block Two Floorspace Assessment

	Existing Sqm gross	Potential Sqm gross	Total Additional Sqm gross
Total Block Footprint	11,620	11,620	
Ground Floor			
A1	7,624	8,715	1,091
A2	846	-	
A3	389	-	
Non-retail	812	-	
Circulation and Voids	1,949	2,905	
A1 Retail Area as a Proportion of Total Block Footprint	66%	75%	
First Floor			
First Floor A1 Retail	3,170	5,810	2,640
A1 Retail Area as a Proportion of Total Block Footprint	27%	50%	
Total A1 Retail	10,794	14,525	3,731

5.13 The total block footprint of Block Two is much smaller than Block One in terms of at 11,600 sqm, but accommodates almost as many units, 55 of which 35 are A1 retailers. Much the largest unit within the block is once again the Marks and Spencer store that provides 5,500 sqm of retail accommodation again on two levels.

5.14 On the ground floor two-thirds of the block footprint area is currently used for A1 retail purposes compared to only just over a quarter of the area at first floor level and the Marks and Spencer store accounts for the vast majority of the first floor space, with the units fronting Clarence Street account for the residual.

5.15 The opportunity to add additional floorspace to the overall total on the ground floor in Block Two are limited due to the existing high ratio of A1 space to total footprint. We consider that there is potential to provide only an additional 1,100 sqm on the ground floor. There is more scope to add floorspace at first floor level where we calculate that an additional 2,600 sqm could be provided. Therefore the entire block could accommodate an extra 3,700 sqm gross (or 2,600 sqm net) of A1 retail floorspace raising the block total to 14,500 sqm.

Block Three

5.16 Block Three (illustrated on Map 5.4) is located on the northern side of Clarence Street extending north to Fife Road and to Castle Street to the west and to the ring road on the eastern side. The central area of the block is currently occupied by a surface level car park. The floorspace data for the block is set out in Table 5.3 below and demonstrates that Block Three is the smallest of the three blocks having a total footprint of 9,500 sqm. The block accommodates 42 units, of which 24 are used for A1 retail.

Figure 5.3 Kingston Retail Study: Block 2

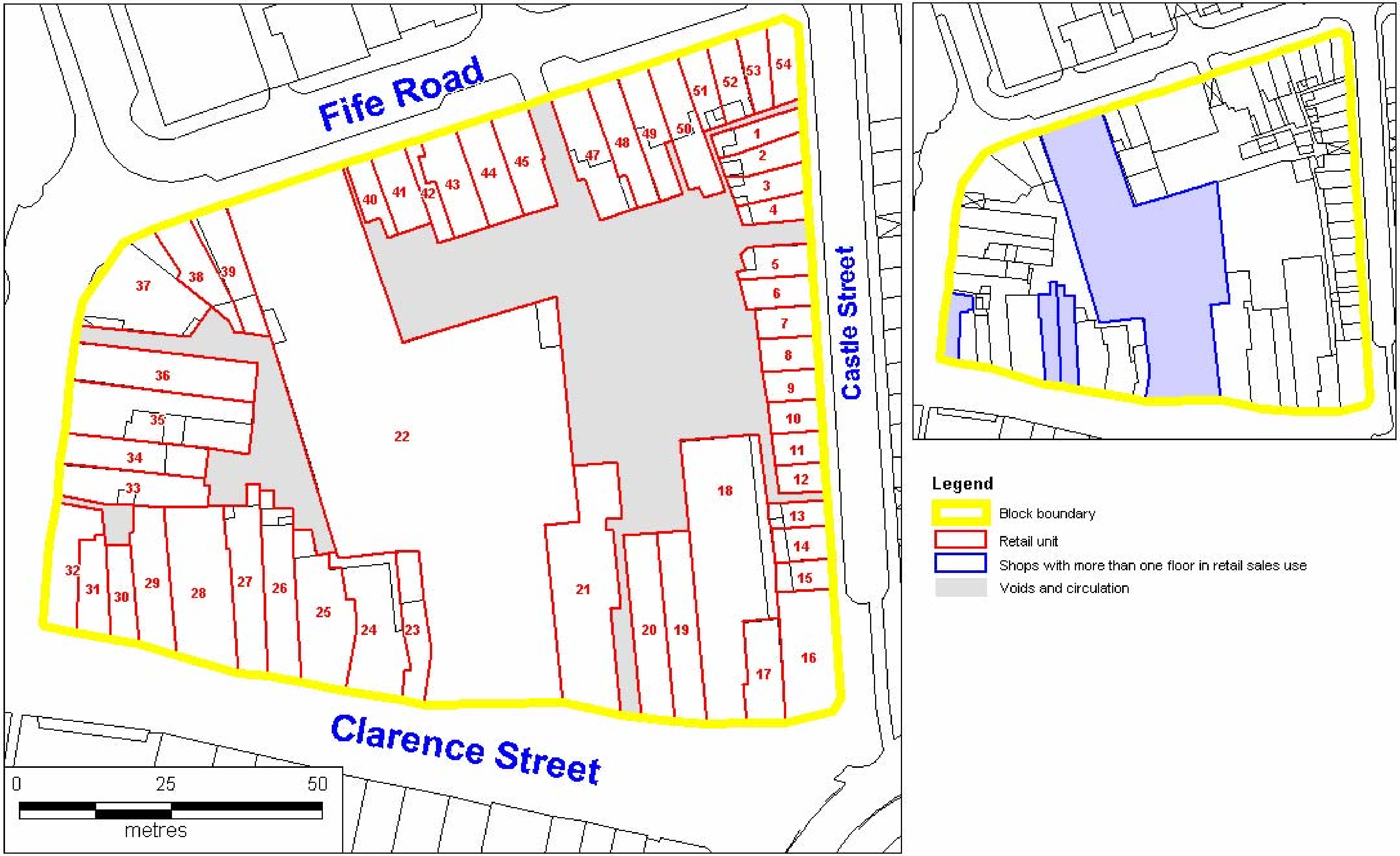


Table 5.3 : Block Three Floorspace Assessment

	Existing Sqm gross	Potential Sqm gross	Total Additional Sqm gross
Total Block Footprint	9,544	9,544	
Ground Floor			
Total Retail			
A1	5,056	7,158	2,102
A2	264	-	
A3	2,055	-	
Non-retail	494	-	
Circulation and Voids	1,675	2,386	
A1 Retail Area as a Proportion of Total Block Footprint	53%	75%	
First Floor			
First Floor A1 Retail	1,358	4,772	3,414
A1 Retail Area as a Proportion of Total Block Footprint	14%	50%	
Total A1 Retail	6,414	11,930	5,516

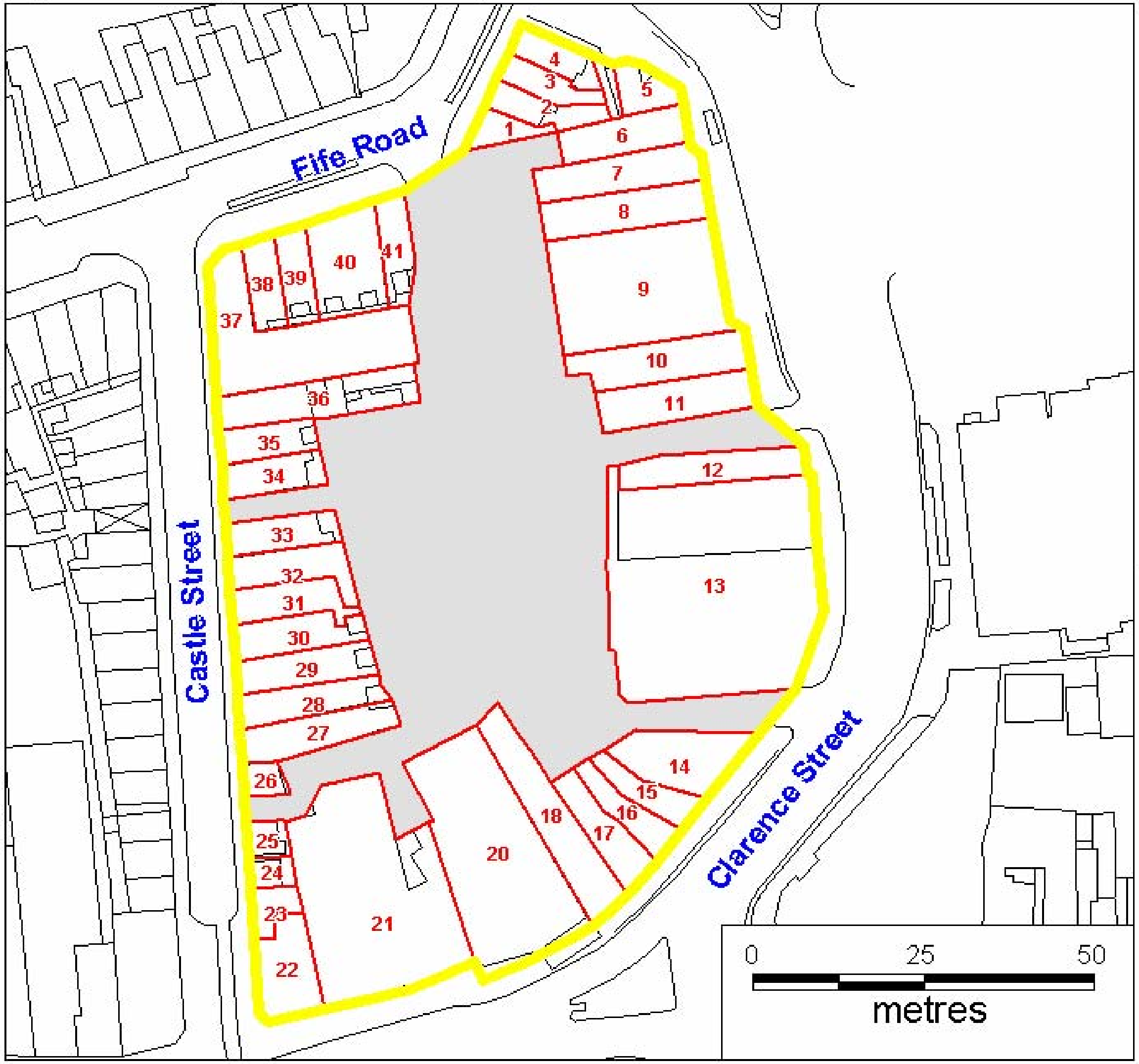
5.17 On the ground floor the block currently accommodates 5,000 sqm of A1 retail floorspace, which is half the footprint total. The block supports a high proportion of A3 floorspace, which includes two large public houses. At first floor level some 1,400 sqm of A1 floorspace is currently provided, which represents only 14% of the footprint area.

5.18 The low existing A1 floorspace ratios means that there is more potential scope for intensification, at least in physical capacity terms, in Block Three than in Block Two. At ground floor level the analysis indicates that a further 2,100 sqm of A1 retail could be accommodated, with a further 3,400 sqm at first floor. The block could therefore accommodate an additional 5,500 sqm gross of A1 retail floorspace (3,900 sqm net), raising the block total to 12,000 sqm.

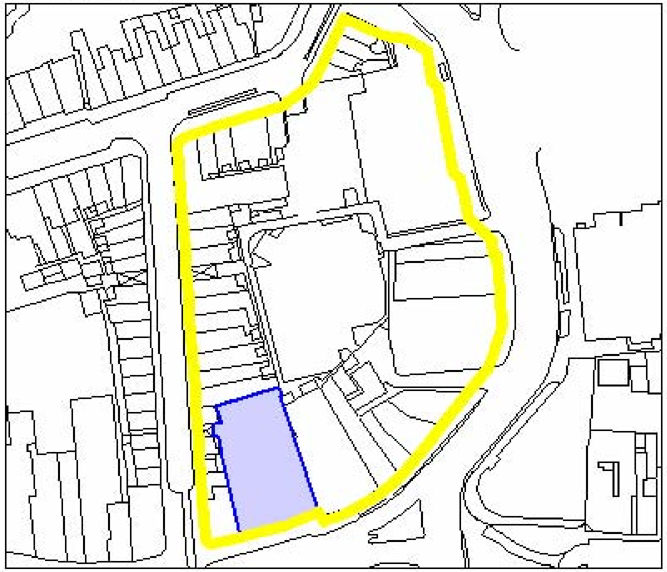
Summary

5.19 Currently the three blocks in total provide 42,500 sqm gross of A1 retail floorspace. Through the process of comprehensive redevelopment of each of these blocks we calculate that the maximum total floorspace that could be accommodated is 60,000 sqm gross. Therefore the amount of additional floorspace that can be provided through intensification is 17,500 sqm gross, which equates to 12,200 sqm net. This quantum of floorspace would exclude all A2, A3 and non-retail uses from ground and first floor accommodation within these blocks.

Figure 5.4 Kingston Retail Study: Block 3



Inset: First Floor



Legend

Block boundary
Retail unit
Shops with more than one floor in retail sales use
Voids and circulation

Expansion of the Retail Area

5.20 As mentioned in the introduction to this section the Retail Study identified the Ashdown Road site as the only opportunity in Kingston town centre for floorspace expansion on a significant scale. The site covers 1.77 Ha and could potentially accommodate a broad mix of uses, but the Eden Street frontage north of Ashdown Road and presently occupied by seven retail properties, provides an appropriate location for significant retail development.

5.21 Retail-led redevelopment of PS22 would realise a number of benefits for the town centre as a whole, which we summarise as :

- It would strengthen the shopping attraction in the town centre's south-east quadrant and consolidate the shopping circuit at its weakest point.

- Providing the type of modern retail accommodation that traders require.

- Providing the opportunity for retailers currently not represented in the town to enter the Kingston market.

- Ensure that Kingston town centre remains competitive with centres such as Bluewater, Guildford and Croydon especially in the key retail attractor sector – fashion wear. These centres currently offer more attractions for shoppers in the fashion wear sector, and the latter two centres are proceeding to improve the retail provision still further. Anecdotal evidence suggests that households from Kingston's core catchment area do visit these other centres, albeit that the household survey, undertaken in the course of the Kingston Retail Study, indicates that visits are on an infrequent basis.

- Providing shoppers in the core catchment area with the retail attractions that are available elsewhere will reinforce the offer in Kingston and reduce the need for trips to be made to the competing centres. A reduction in shopping trips to centres beyond the catchment area will encourage local shoppers to spend more time and money in Kingston town centre.

- Allow some existing retailers in the town centre, currently occupying premises that no longer meet modern day retail requirements, to relocate freeing up existing stock for redevelopment potential.

5.22 In our view PS22 offers the potential to provide a retail development in a traditional open shopping street format and could incorporate some much needed public open space in the town centre linking to the listed post office and telephone exchange buildings that have potential for leisure uses. The site could potentially accommodate some 27,000 sqm gross retail floorspace (19,000 sqm net) comprised of a main anchor department store of 12,000 sqm gross plus a further 15,000 sqm of unit shops that would be provided in some 30 plus unit shops.

5.23 A development in the order of 27,000 sqm gross represents 13% of the existing A1 retail floorspace within the town centre and would raise the total gross floorspace in the centre to approximately 230,000 sqm, which would still be 30,000 sqm less than the existing equivalent figure for Croydon, and 90,000 sqm less than the Croydon figure will be following the development of the Centrale and Park Place schemes.

Physical Capacity Conclusions

5.24 There is physical capacity to accommodate further retail floorspace in Kingston town centre through means of intensification of the existing stock and through an expansion of the retail area. Our assessment indicates that intensification could increase the floorspace in the town centre by as much as 12,200 sqm net and the site for expansion could accommodate a further 19,000 sqm net . Thus in total an additional 31,000 sqm of retail sales area could be accommodated in the town centre (45,000 sqm gross).

5.25 We do not envisage that a development in Kingston town centre on the scale outlined above would impact on the Borough's other town centres, or indeed centres elsewhere within the primary catchment area (Zone 1) because these centres perform a different kind of role to Kingston town centre, and the addition of more retailing in Kingston will retain more shopping trips in Kingston that would otherwise be made to the large competing centres further afield.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 This study set out to establish the quantitative need for additional retail floorspace in Kingston town centre and to assess the physical capacity of the centre to absorb additional retail development.

6.2 The policy context set by national, regional and local planning seeks to focus retail development on town centres that are the most preferable and sustainable locations for such trip generating developments. The UDP policies support development that would enhance the range of shopping provision and strengthen and consolidate Kingston's role as a Metropolitan shopping centre.

6.3 The current shopping patterns in the Study Area demonstrate the strength of Kingston town centre's draw. The attraction of the town centre is particularly strong from within the core area defined in this Study as Zone 1, and referred to as Kingston's 'home zone'.

6.4 Our assessment of comparison goods expenditure growth indicates that at current market shares there is expenditure potential in Kingston town centre to support in the region of 20,000 sq metres net (29,000 sqm gross) by 2006, and a further 28,000 sq metres net (40,000 sqm gross) by 2011. Over the entire period there will be expenditure potential to support an additional 48,000 sq metres net (69,000 sqm gross) in Kingston town centre.

6.5 However, market shares change in response to new developments coming forward. There are a number of such developments under construction or planned that will impact on Kingston's market shares from the various zones. We have modelled the 'worst case' changes to market share, and even after these changes there remains sufficient expenditure potential at 2006 to support an additional 14,500 sq metres net of comparison goods floorspace (21,000 sqm gross) and a further 20,500 sqm of net (29,000 sqm gross) by 2011. Over the whole period expenditure growth will be sufficient to support 35,000 sqm net of comparison goods floorspace (50,000 sqm gross). We therefore consider that RBK should plan to provide additional comparison goods floorspace, which will meet the aims and objectives of the Plan policies.

6.6 In contrast to comparison goods, convenience goods expenditure is growing at much lower levels, and there is little expenditure growth available to support new foodstore provision within the Borough. Consequently we do not believe that it is necessary to identify any new sites for convenience retail provision and that the limited additional floorspace identified would best be absorbed through extending the existing town centre stock.

6.7 We have made an assessment of the potential to intensify the amount of A1 retail floorspace in three urban blocks in Kingston town centre. The assessment concluded that such development could provide 12,200 sqm net (17,500 sqm gross) of additional floorspace.

6.8 The floorspace growth identified in para 6.5 above means that after accounting for the potential for intensification of the existing retail floorspace in the town centre, there will still remain expenditure potential in 2011 to support a further 22,500 sqm net (32,500 sqm gross) of comparison goods floorspace. The only significant additional site we consider to have retail potential is PS22. This site could accommodate in the region of 19,000 sqm net (27,000 sqm gross) retail floorspace.

6.9 The capacity calculations demonstrate that after the intensification of the urban blocks and the development of PS22 there will still remain a surplus of comparison goods expenditure growth capable of supporting a further 3,800 sqm net (5,500 sqm gross). This expenditure growth will either accommodate additional retail development, or will be absorbed by increased sales densities of the existing floorspace stock.

6.10 This report concludes that the overall objective of strengthening, improving and consolidating Kingston town centre can be met through the promotion of additional retail floorspace development in the order of 31,000 sqm net (44,000 sqm gross), while allowing for the continued growth of centres elsewhere.