Background Paper - Needs Assessment – Retail

1. Policy Background

National

National Planning Policy Framework, 2012
Key policies within the National Planning Policy Framework, relevant to retail are:

With respect to town centres (paras 23-27),
- local plans should recognise these as being the heart of their communities and have policies to support their viability and vitality, promoting competitive town centre environments.
- Local authorities should define a town centre hierarchy, and the extent of the town centre, primary shopping areas and designated shopping frontages, setting clear policies on which uses will be permitted in such locations.
- Markets should be encouraged.
- In drawing up town centre policies local authorities should seek to allocate a range of suitable sites and meet the needs for retail, leisure, office and other main town centre uses.
- The sequential test should be applied to planning applications. An impact test is also to be applied to developments over an established threshold.

Regional

The London Plan (July 2011)
Key policies for retail and town centres include:

2.15 - *Town centres* – support for sustaining centres to provide choice of goods and services which are accessible. Planning decisions should inter alia sustain and enhance viability, accommodate growth through intensification and selective expansion in appropriate locations, should promote access by public transport, walking and cycling, and be in scale with the centre. LDFs should in the context of regional capacity requirements and the London Plan town centre network identify town centre boundaries and primary and secondary shopping areas.

4.7- *Retail and town centre development* – support for assessing need and bringing forward capacity in town centres. 4.7 B relating to Planning decisions: criterion (a) the scale of retail, commercial and leisure development should be related to the size, role and function of a town centre and its catchment, and criteria (b) & (c) relate to the location of sites, focusing development on sites within town centres. It goes on to state that LDFs should identify need, undertake monitoring, bring forward development in town, and where appropriate on edge of centre sites, firmly resist further out of centre retail and manage existing development.

4.8 – *Supporting a successful and diverse retail sector*. LDFs should bring forward comparison goods capacity particularly in major centres and above, support convenience in smaller centres, provide a policy framework for such centres, identify under-served areas, support for markets and e-tailing.

4.9 – *Small shops* – contributions are sought where feasible to support affordable shop units. LDFs should develop policies where appropriate to support the provision of small shop units.

The London Plan (July 2011) provides the regional planning policy context for Richmond Borough and together with the Richmond UDP and LDF, forms part of the adopted Development Plan.

It classifies centres in Greater London according to a town centre network (Annex 2). Richmond town centre is classified as a "major centre" (with a night-time cluster of regional/sub-regional importance and Twickenham, Teddington, East Sheen and Whitton are classified as "district" centres. The neighbouring centres of Kingston, Ealing and Hounslow are classified as higher tier "metropolitan centres".

Table 1: Classification of borough centres in Mayor's Town Centre Network

Centre	Borough Classification	Night time Economy clusters 2	Policy Directions 3	Office Guidelines 4
Richmond	Major	NT2	Low	A
Twickenham	District	NT3	Medium	A
East Sheen	District		Medium	
Teddington	District		Medium	
Whitton	District		Medium	

2 NT1 = International; NT2 = Regional/sub-regional; NT3 = More than local significance.
3 Policy directions (high/medium/low) are explained in paragraph A2.6. 'R' indicates centres in need of regeneration.
4 Office guidelines (see Policy 4.2) provide a broad indication of the approach to office development based upon research in the London Office Policy Review 2009, distinguishing between centres where: A speculative office development could be promoted on the most efficient and accessible sites in the context of wider schemes to enhance the environment and offer of the centre as a commercial location. This might entail some long-term net loss of overall office stock through change of use of provision on less attractive sites.

Under Policy 2.16 Richmond/ Kingston is also identified as a potential Outer London Development Centre for Leisure/tourism/arts/culture/sports having a strategic function of greater than sub-regional importance.

The GLA published Draft Supplementary Planning Guidance on Town Centres in January 2013. Changes to the designation of centres will be considered after the publication of the GLA London-wide town centre health checks being carried out in 2013.

Local policy

The Core Strategy is the strategic policy document.

CP 8 Town and Local Centres is the principal policy for governing the development of the borough's town and local centres. It classifies the borough's town and local centres into a hierarchy and specifies the approach taken with regard to the type and level of development expected in each tier.

CP 9 Twickenham town centre identifies how the Council and its partners intend to revitalise Twickenham town centre specifically. 9C of the policy seeks promotion of "the town centre as a:

- employment location particularly for new or refurbished high quality offices;
- district retail centre including specialist shops and ensuring the protection of retail use in the key shopping frontages;
- visitor and tourist destination;
- centre for sports, leisure, arts and cultural activities;

- place with a more diverse evening economy attractive to all age groups; "

The Development Management Plan takes forward the Core Strategy with more detailed policies for the control of development.

Key town centre policies are as follows:

Policy DMTC 1: Larger town centres – including that:

Proposals for retail should be within or well related to designated frontages.

(d) Proposals will be acceptable if they are …of a scale that enhances the vibrancy and vitality of the centre and do not erode the core function of the centre, or another neighbouring centre or compromise an existing use. This will apply to all proposed uses, including supermarkets.

(f) Maintain or enhance the amount of active frontage, subject to Policy DM TC 3 'Retail Frontages'

Policy DM TC 3: Retail Frontages – outlining where and if change of use from retail is acceptable depending on designation. Its purpose is to identify the best location for retail and ensure an appropriate balance of uses in town centres.

Policy DM TC 5: The Evening Economy – in relation to Twickenham, it encourages diversification of the evening economy.

Twickenham Area Action Plan
The TAAP was adopted in July 2013. It contains 3 policies on retail and economic development and also a number of proposal sites in the town centre.

Policy TWP 1: Policy for Retail Development in Twickenham seeks to enhance retailing in the town centre through supporting proposals the specialist role of Twickenham, providing a limited number of small retail units within the retail core, providing for the expansion or upgrading of existing units to meet modern needs. Permanent and temporary markets will be encouraged in suitable.

Other relevant Borough policy

Corporate Plan

Under the "Place" Section, commitments include:-

- Supporting Business and the Arts
- Ensuring that the borough continues to be a good place to start and do business by enhancing the competitiveness of local centres.
- Promoting Richmond upon Thames as a visitor destination and centre for sport, culture and the arts.
- Promoting growth opportunities for micro and small businesses, with a particular focus on social enterprise.

Projects & programmes include developing a BID for Twickenham (a ballot is expected in Autumn 2013) and developing Town Teams as local consortiums to work with us to improve high streets and town centres.

Key activities relevant to the Site Allocations Plan are:

- Council support for small shops and high streets, and encouragement for businesses and sole traders.

- Working with local businesses and their representative organisations to help identify and address issues and to capitalise on the opportunities that the coming year brings. We will do this by enhancing the borough's profile as a place to visit and do business, encouraging social enterprise and supporting initiatives to boost our town and village centres.
- Focus on attracting inward investors and retailers to town centres.
- Develop capacity for local traders to address local issues by helping to develop new business and traders associations.
- Ensure that businesses are aware of business rate relief and deferral opportunities.
- Raise awareness of and interest in the development of social enterprises.
- Deliver a full programme of sports and cultural events in partnership with local cultural sector organisations.
- Work with key business and higher education sector partners to develop and improve publicly accessible sports and cultural facilities in the borough.
- Continue to provide information, advice and guidance to young people to access a wide range of post-16 learning and training opportunities

The aim is to reduce the number of empty shops and increase the percentage of residents satisfied with their local high street.

Community Plan 2013-2018

Priorities for supporting business are as follows:

- We will support town and local centres to maintain their vitality and viability for all businesses and providing for a range of uses and activities.
- We will develop proposals for a Business Improvement District in Twickenham.
- We will support town centre associations through the Town Centre Opportunities Fund.
- We will improve the public realm within the commercial areas to improve the business environment and as a shared venue for cultural activities and help maintain active interesting high streets.
- We will use opportunities to promote the borough as a tourist destination, including that provided by the 2015 Rugby World Cup.
- We will provide more opportunities for all people to participate in cultural and sporting activities.
- We will maintain the existing network of libraries and develop their use as community hubs.
- We will work together to improve and sustain the local voluntary and community infrastructure.

Economic development strategy

Add when background paper done on Employment

1.1 Supplementary Planning Guidance/Documents, including site briefs

A Site Brief has been adopted for Richmond Station which is the only retail allocation amongst saved UDP proposal sites which remain adopted policy. The adopted Twickenham Area Action Plan includes proposal sites with a potential for a retail element: Regal House (active frontage on London Road), York House (possibly one-off or regular markets), Telephone Exchange, Garfield Road (active frontage facing Garfield Road), Police Station, London Road, Twickenham Riverside (part of site).

A number of other planning briefs have been prepared by the Council, some of which are in town centres. However, none are primarily for retail use.

2. Research and Evidence

There are a number of studies which are key to the Council's evidence base on this subject, in addition to the regular monitoring undertaken – the Annual Town Centre Land Use Survey and reporting on key indicators relating to town and local centres included in the Authority's Monitoring Report.

London Borough of Richmond upon Thames Retail Study & Appendices, GVA Grimley (March 2006)

The purpose of the study was to assess the Borough's potential for further retail growth for both convenience (food) and comparison goods (non-food), to analyse the scope for new development in the main centres and suggest possible strategies for the LDF. Capacity projections were made using a model which predicts the amount of shopping floorspace required based on variables including the predicted level of population growth and expenditure. Several sets of projections were produced.

In summary, it revealed that for convenience goods[1] (food) there is overall potential for an estimated 2,535 m2 of floorspace in the borough. Much of this is in the east of the Borough. For comparison goods (non-food)[2] there is greater overall potential, an estimated 7,222 m2 floorspace. As with food, the majority is also to the east of the borough.

A number of possible sites for retail/ mixed use allocations were also considered as part of the study. GVA Grimley gave an initial assessment of their suitability.

November 2009 Update to Capacity Projections

Consultants GVA Grimley were commissioned to update the quantitative part of the assessment in 2009. For this assessment, elements of the model were updated including the use of higher population estimates which increased the available expenditure. Expenditure growth rates were lowered to reflect the then latest forecasts from Experian taking account of the recession and an increase in internet sales, offsetting higher population figures, particularly for comparison goods. Sales efficiency growth was also adjusted. A new telephone survey was not commissioned.

The amount is broadly the same as the earlier assessment, with overall net retail potential of c.12,900m2 (both convenience and comparison) compared with a figure of 13,900m2 in 2006.

Global potential:

The global potential **for convenience** (food) floorspace is 10,266m2 by 2016, rising to 12,093m2 by 2021[3]. After this point potential it rises again to 14,096m2 by 2026, although such long range forecasts should be treated with caution.

The global potential capacity **for comparison** (non-food) floorspace is considerably less, being estimated at 2,588m2 by 2016, rising to 8,929m2 by 2021[4]. After this

[1] net figures for 2013

[3] Residual expenditure is converted to floorspace using a sales density of £10,000 per m2, a minimum level required by most major food retailers.

[4] Residual expenditure is converted to floorspace using a sales density of £10,000 per m2, a minimum level required by most major food retailers.

point potential almost doubles to 16,470m2 by 2026, although as stated above such long range forecasts should be treated with caution.

Town centre potential:
Table 2 below sets out the forecasts at a town centre level. The majority of the convenience goods potential in the Borough is being generated in Richmond, Teddington and East Sheen. There is also a small quantum of capacity being generated in Whitton. In Twickenham, there is negative capacity until after 2021, when a minimal amount arises.

At present, the performance of the Borough's town centres in terms of comparison goods, generates potential for 2,023 sqm net of town centre comparison goods floorspace by 2016, rising to 6,929 sqm net by 2021. The majority of this is in Richmond town centre. This is significantly lower than in the 2006 Retail Study as a result of lower expenditure growth rates, which offset higher population projections.

Table 2: Capacity forecasts for convenience and comparison retail

VARIABLE	MARCH 2006 STUDY		NOVEMBER 2009 UPDATE	
	Convenience	Comparison	Convenience	Comparison
CAPACITY FORECASTS (CONVENIENCE AND COMPARISON) SQM NET	**Borough Wide** 2008: 1,440 sqm 2013: 2,535 sqm 2016: 3,094 sqm 2018: 3,474 sqm	**Borough Wide** 2008: 2,276 sqm 2013: 7,222 sqm 2016: 10,742 sqm 2018: 13,460 sqm	**Borough Wide** 2011: 8,292 sqm 2016: 10,266 sqm 2021: 12,093 sqm 2026: 14,096 sqm	**Borough Wide** 2011: 153 sqm 2016: 2,588 sqm 2021: 8,929 sqm 2026: 16,470 sqm
	Richmond 2008: 1,107 sqm 2013: 1,351 sqm 2016: 1,476 sqm 2018: 1,561 sqm	**Richmond** 2008: 1,149 sqm 2013: 3,646 sqm 2016: 5,424 sqm 2018: 6,796 sqm	**Richmond** 2011: 2,744 sqm 2016: 3,203 sqm 2021: 3,605 sqm 2026: 4,042 sqm	**Richmond** 2011: 98 sqm 2016: 1,465 sqm 2021: 4,988 sqm 2026: 9,172 sqm
	East Sheen 2008: 371 sqm 2013: 502 sqm 2016: 569 sqm 2018: 614 sqm	**East Sheen** 2008: 156 sqm 2013: 495 sqm 2016: 736 sqm 2018: 922 sqm	**East Sheen** 2011: 897 sqm 2016: 1,110 sqm 2021: 1,311 sqm 2026: 1,535 sqm	**East Sheen** 2011: 3 sqm 2016: 148 sqm 2021: 542 sqm 2026: 1,014 sqm
	Twickenham 2008-2018: Negative Capacity	**Twickenham** 2008: 205 sqm 2013: 651 sqm 2016: 968 sqm 2018: 1,213 sqm	**Twickenham** 2011-2021: Negative Capacity 2026: 50 sqm	**Twickenham** 2011: 17 sqm 2016: 226 sqm 2021: 755 sqm 2026: 1,383 sqm
	Teddington 2008-2018: Negative Capacity	**Teddington** 2008: 95 sqm 2013: 303 sqm 2016: 451 sqm 2018: 565 sqm	**Teddington** 2011: 1,231 sqm 2016: 1,511 sqm 2021: 1,777 sqm 2026: 2,074 sqm	**Teddington** 2011: 2 sqm 2016: 95 sqm 2021: 350 sqm 2026: 658 sqm
	Whitton 2008: 25 sqm 2013: 67 sqm 2016: 88 sqm 2018: 102 sqm	**Whitton** 2008: 86 sqm 2013: 272 sqm 2016: 405 sqm 2018: 508 sqm	**Whitton** 2011: 150 sqm 2016: 226 sqm 2021: 294 sqm 2026: 367 sqm	**Whitton** 2011: 7 sqm 2016: 89 sqm 2021: 294 sqm 2026: 535 sqm

Source: GVA Grimley Retail Study Update November 2009.

The Study concludes that in general, proposals coming forward should be directed to the borough's town centres in the first instance. The scale of such development should be considered, as should the implications for existing floorspace and the potential to clawback money leaking from the catchment area. Since a proportion of the capacity arises from out of centre development, and bearing in mind that town centre sites should be considered first, there is potential to support more floorspace than identified in the analysis. It goes on to say that the Council should be proactive in planning for the borough's town centres bearing in mind the potential threat from Westfield shopping centre.

The above studies are the most useful in determining the quantitative need for retail in the borough. As a result the Core Strategy has allocated indicative floorspace requirements which are included in Table 6.1.1.4 reproduced below:

6.1.14 Future estimated increases in residential units, retail and employment floorspace to 2017/18, by area*

Area (+ wards)	**Residential*** (net. inc in units, larger sites plus an allowance for small sites to nearest 100)	**Employment**** (net inc. in jobs to 2021**)**	**Centre**	**Retail***** (net inc in m2)
Richmond Ham, Petersham & Richmond Riverside	**700-1,100**	3,000	**Richmond**	8,000
Twickenham Twickenham Riverside St Margarets & N. Twickenham S. Twickenham W.Twickenham	**700-1,100**	2,500	**Twickenham**	400
Teddington + Hampton Hampton North Hampton Fulwell & Hampton Hill Teddington Hampton Wick	**700-800**	1,600	**Teddington**	300
East Sheen East Sheen Mortlake + Barnes Common Barnes	**300**	100	**East Sheen**	1,500
Whitton Whitton Heathfield	**400**	50	**Whitton**	600

Notes

* The figures for residential development are based on Local Housing Availability Assessment (CD8/02) and relate to the areas specified. They include large sites over 10 units gross only. There will be approx 1, 700 units on smaller sites the locations of which are not yet known.

** Indicative figures for employment are based on Roger Tym London Employment sites employment capacity forecast tables for GLA and are subject to testing of site availability at the Site Allocations stage.

*** Estimated increase in retail floorspace relate to the town centres specified. Figures are based on the GVA Grimley Retail Study and are subject to more detailed testing in conjunction with the production of the forthcoming Site Allocations DPD.

The Council is considering whether to commission a further study after the GLA has published its updated regional comparison goods assessment.

Analysis of Town and Local Centres 2006/7 (Incorporating Health Checks for main town centres), LBRuT, published 2007

The purpose of the Study was to classify individual town and local centres according to their position in the proposed hierarchy (as appears in policy CP 8) based on their size, location and function, and whether the centre does or could be developed to fill a gap in retail provision. Account has been taken of whether a centre serves an area of relative disadvantage.

A detailed assessment of each centre was undertaken which included available economic data and the results of the Council's Town Centre Land Use Surveys which supply information on the diversity of use in centres and changes to this diversity, vacancy rates and the existence of a range of key shops and services represented. For the main town centres, a more detailed health check was carried out including nationally available datasets such as Map Info Experian GOAD's Centre Reports and estimated Zone A rents. The Report is accompanied by 2 Volumes of Appendices presenting the detailed data and maps of each centre's ground floor land uses. In classifying town and local centres the Council considered all three key retail studies.

On the whole the borough's centres were considered to be performing well and are relatively buoyant. Some centres, for example Richmond, perform very well compared to national datasets.

The health checks element of this document has been updated by further health checks published specifically for Twickenham in 2011 and for the largest five centres in the borough, plus Barnes, in 2013. See below.

Twickenham Town Centre Health Checks (Jan 2011)
A general assessment of the economic buoyancy of the centre, presenting data on a set of widely-used indicators which formed part of the LDF Evidence base for the Twickenham Area Action Plan.

Town Centre Health Checks 2013 Full Report & Summary

Town Centre Health Checks have been produced for the larger centres in the borough: Richmond, Twickenham, East Sheen, Teddington, Whitton and Barnes. Their main purpose is to assess the buoyancy of the centres, comparing them to each other and making national comparisons. This is one in a series produced over the years, in 1998, 2000, 2003, and more recently in 2006.

The report draws on a range of sources, some national, some local and some bespoke research. It is particularly timely because of two key factors: the country is in recession and the retail sector is changing, perhaps fundamentally, particularly because of the growth of internet shopping. Nationally, the retail sector appears to be in decline, with rising vacancy rates and retailers going into administration a regular topic in the news. A key question is whether Richmond's centres reflect these national trends or are they more resilient to the changes than elsewhere.

The number of shops in the borough's centres has fallen over the years, particularly in the food shopping sector, which is now more concentrated in supermarkets. Overall, Richmond's town centres compare well to the UK average, and Richmond town centre in particular shows good resilience. The picture is less clear for other centres such as East Sheen. It is positive that most centres have experienced falling vacancy rates between 2011 and 2012.

Distribution of convenience provision in London Borough of Richmond upon Thames: Identifying gaps in provision, LBRuT, published 2007

The purpose of the Study was to map the distribution of retail facilities in the borough and assess gaps in provision. It is a bottom-up approach to assessing whether existing provision meets the Council's aims of providing local shopping opportunities with easy walking distance of most residents homes. The exercise informed the decision of where to position centres in the hierarchy in conjunction with the other research. It took into account the location of areas of relative disadvantage3, areas where significant housing developments have recently been constructed/ are under construction or were anticipated and public transport accessibility levels.

On the whole it revealed good coverage throughout the borough and there are relatively few areas which are not within 400 metres from top-up shopping facilities. A number of smaller centres have a particularly important role in meeting local need including:

centres in Ham & Petersham
Hampton Nursery Lands (J Sainsbury neighbourhood store)
Powder Mill Lane & Kneller Road, Whitton
Hospital Bridge Road, Twickenham
Castelnau (including nearby Tesco Express)
Friars Stile Road, Richmond
St Margarets Rd, Twickenham
Kingston Road, & Hampton Wick, Teddington

Other

GLA research

Relevant GLA research includes Convenience Goods Floorspace Need Report & Appendices May 2005 and Consumer Expenditure, Comparison Goods Retail Floorspace Need in London March 2009 (due to updated imminently), and London Town Centre Health Check Analysis Report, Dec 2009 (also expected to be published in 2013).

Assessment of Employment Sites

The Council commissioned consultants to provide an **Assessment Of Employment Sites And Premises (March 2013)** - see Employment Background Paper.

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