

# Reigate & Banstead

## BOROUGH COUNCIL

Banstead | Horley | Redhill | Reigate

## **Reigate & Banstead Retail Needs Assessment Volume 1 Report**

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# 1 INTRODUCTION

- 1.1 Peter Brett Associates LLP (PBA) was instructed in February by Reigate & Banstead Borough Council (RBBC) to undertake a Retail Needs Assessment (RNA) to inform future planning policies for the borough. In the remainder of this introductory section, the purpose of the study is explained alongside the terms of reference for the study.

## Purpose of study

- 1.2 The Council adopted its Core Strategy in July 2014. The Core Strategy sets out the overall scale and general location of growth planned for the borough until 2027. It sets out the framework for retail development in the borough, planning to deliver additional retail floorspace across the borough's four main towns (Redhill, Reigate, Banstead Village, Horley) to ensure they maintain a constant market share. It identifies that the main focus of retail development will be in Redhill town centre, as part of the Council's wider regeneration proposals for the town.
- 1.3 The Council is now bringing forward its Development Management Plan (DMP), which will provide detailed policies and site allocations to guide future development.
- 1.4 As part of this work, and to inform the identification of development sites to meet retail needs in the borough, the retail evidence is being updated and hence this new study. At the time the Core Strategy was developed, the difficulties of long term retail forecasting were recognised. Whilst the Core Strategy includes indicative retail floorspace figures for convenience and comparison floorspace, it recognises that these will be subject to regular monitoring of demand levels.
- 1.5 The existing Retail and Leisure Needs Update Study (RLNUS) from 2011 is increasingly dated since it is based on household survey information from 2006 and expenditure forecasts from 2010 and does not fully reflect recent economic and market changes/trends. Therefore preparing the DMP provides an opportunity to update the retail evidence base and revisit the Core Strategy retail floorspace requirements to ensure they remain robust and justified.

## Terms of reference

- 1.6 The Council requires a new Retail Needs Assessment Report. The Report will present the findings of three main tasks carried out by the selected consultants:
- **Task 1 - Quantitative retail needs assessment:** identifying the scale of comparison and convenience floorspace required for the borough and its distribution across town and local centres
  - **Task 2 - Qualitative retail needs assessment:** identifying the type, format and nature of retail space likely to be required across the borough
  - **Task 3 - Deliverability assessment:** advising on the options available to the Council to deliver the quantitative and qualitative retail needs identified.

## Structure of report

- 1.7 This retail needs assessment is provide in three volumes, as follows:
- **Volume 1:** this is the main study report, setting out detailed town centre health checks, key findings and recommendations;
  - **Volume 2:** this sets out the appendices to the main report including detailed site assessments and retail capacity tables.
  - **Volume 3:** this sets out the full results of a household telephone survey of shopping patterns, undertaken in support of this study by NEMS Market Research.
- 1.8 Responding to the three tasks as set out in the terms of reference, Volume 1 of the report is structured as follows:
- Section 2 explains the planning policy context for the study
  - Section 3 describes the main market and economic trends in the retail sector
  - Section 4 provides an assessment of the vitality and viability of the four main centres in the borough, records the function of other smaller centres and out of centre retail provision and briefly identifies the main competition
  - Section 5 explains the retail spending patterns of the borough's residents
  - Section 6 provides an assessment of quantitative need for retail floorspace, including potential options for the distribution of floorspace
  - Section 7 provides an assessment of qualitative need for retail floorspace
  - Section 8 assesses the deliverability of any needs that have been assessed, considering mechanisms which need can be met and assessing the potential for development sites within the borough
  - Section 9 provides a set of overarching recommendations for the Council to bring forward within planning policy and includes a glossary of key retail terms.
- 1.9 This report is supported by Volume 2 which contains the following appendices to the study:
- Appendix A contains the GOAD summary tables for each main centre, updated in March 2016
  - Appendix B provides a profile on the role and function of the main competing centres;
  - Appendix C contains a detailed study area map
  - Appendix D contains a map of foodstores within the study area
  - Appendix E presents summary tables of comparison shopping patterns on a category and zone-by-zone basis
  - Appendix F contains the quantitative retail capacity tables
  - Appendix G provides a summary of the quantitative retail need methodology
  - Appendix H contains the detailed sites assessments and maps for Reigate, Redhill, Horley and Banstead town centres



1.10 Volume 3 provides the detailed household survey results in full which inform this study.

## 2 PLANNING POLICY CONTEXT

### Introduction

- 2.1 The study is being prepared in the midst of a renewed focus on the changing role and function of town centres. It is widely accepted that the traditional role of town centres has been undermined by the continued attraction of out-of-town retail locations, the growth in popularity of multi-channel shopping, the recent economic downturn and associated decline in expenditure growth.

### Policy context

#### NPPF & PPG

- 2.2 The National Planning Policy Framework (NPPF) was published in March 2012; it sets out the government's planning policies for England.
- 2.3 Section 2 of the NPPF relates to town centres. In respect of ensuring the vitality of town centres, paragraph 23 states that *'planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period'*.
- 2.4 Paragraph 23 requires local planning authorities to, inter alia, *'define a network of centres that is resilient to anticipated future economic changes' and 'promote competitive town centres that provide consumer choice and a diverse retail offer and which reflects the individuality of town centres'*.
- 2.5 The sixth bullet point under paragraph 23 states that *'it is important that needs for retail, office and other main town centre uses are met in full and are not compromised by limited site availability'. Whilst paragraph 161 states that local planning authorities should assess 'quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development'*.
- 2.6 Section 8 of the NPPF relates to healthy communities, which has relevance in shaping retail and town centre policies. Specifically, paragraph 70 relates to the formulation of planning policy (and decision making) to enable the delivery of *'social, recreational and cultural facilities and services'* to meet the needs of the community through:
- Positive planning for more sustainable communities through the provision of shared spaces, community facilities including local shops, public houses, cultural buildings, and other local services;
  - Protecting *'against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs'*;
  - Allowing *'established shops, facilities and services'* to sustainably modernise and be retained for the benefit of the community; and

- Adopting ‘an *integrated approach*’ to the location of housing, economic uses and community facilities and services.
- 2.7 In support of the NPPF, the National Planning Policy Guidance (NPPG) has been published (March 2014) as an online document. This study has been prepared in a way that is consistent with the NPPG. In particular, The Ensuring the Vitality of Town Centres<sup>1</sup> NPPG is relevant, and PBA note the requirement for a strategic vision for town centres (ref: 2b-002-20140306) and the guidance on the need for a town centre strategy (ref: 2b-003-20140306).

## Development plan

- 2.8 The Development Plan for RBBC consists of the Core Strategy (2014) and, the Borough Local Plan saved policies and proposals map (2005).

## Core Strategy

- 2.9 The Reigate and Banstead Core Strategy was adopted in July 2014 and it is the overarching framework for planning and development in the borough until 2027.
- 2.10 Section 6.3 of the Core Strategy identifies Redhill, Reigate, Horley and Banstead Village as the town centres of the borough. The overall aim for these centres is to preserve and enhance their character, whilst also providing a range of shops and services, to ‘*create visually attractive places that will draw in increased numbers of visitors and customers*’.
- 2.11 Part 1 of policy CS7 outlines how the multi-purpose role of town and local centres will be maintained and improved. These centres will accommodate most of the borough’s new retail, social, community and leisure uses.
- 2.12 Part 2 of policy CS7 describes the hierarchy of town centres in the borough as follows:
- a) Primary town centre: Redhill is the prime focus for large-scale leisure, office, cultural and retail uses and developments,
  - b) Town centres: the Council will seek to maintain a balance of uses and development that promote both the vitality and viability of each individual centre:
    - i Reigate town centre
    - ii Horley town centre
    - iii Banstead Village centre
  - c) Local centres: these provide for more local needs and either offer now, or will be the focus for investment in, accessible local services.

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<sup>1</sup> <http://planningguidance.communities.gov.uk/blog/guidance/ensuring-the-vitality-of-town-centres/ensuring-the-vitality-of-town-centres-guidance/>

- 2.13 As part of the 'Shaping our places' objective, the Core Strategy outlines to what extent the town centres can accommodate future retail growth, or future changes to their retail offer.
- 2.14 Paragraph 6.4.7 identifies Banstead Village as a centre which can accommodate at least an additional 1,300 sqm comparison and 1,200 sqm of convenience.
- 2.15 Paragraph 6.6.6 states that Redhill is the town centre where the 'majority of both comparison retail and convenience retail development in the borough will be accommodated'. Redhill could have capacity for an additional 15,480 sqm of comparison floorspace and 7,020 sqm of convenience floorspace. The Core Strategy recognises that there may be potential for an extension to the town centre boundary in the longer term, subject to realisation of wider regeneration objectives and further testing.
- 2.16 Paragraph 6.7.6 acknowledges Reigate's importance as a unique town centre; however, it outlines how its historic buildings and conservation area designation will limit potential for future growth or intensification.
- 2.17 Paragraph 6.8.6 identifies Horley as an essential convenience destination with the need to enhance the quality of the retail offer in the form of additional A1 and A3 floorspace. It is estimated that Horley could accommodate an additional 3,870 sqm of comparison and 2,340 sqm of convenience.

## Borough Local Plan

- 2.18 The Borough Local Plan was adopted in 2005, and the majority of policies were saved under a Direction under Paragraph 1(3) of Schedule 8 to the Planning and Compulsory Purchase Act 2004 issued by the Secretary of State on 24 September 2007. The saved policies relevant to town centre and retail uses are outlined below.
- 2.19 Policy Sh1, General Approach to Shopping, outlines the borough's aim to improve shopping provision within Town Centre Shopping Areas and in Local Shopping Centres, whilst also encouraging environmental improvements including works to reduce conflict between pedestrians and vehicles.
- 2.20 Policy Sh2, Design and Layout, states that all retail proposals will be required to be of an appropriate scale, form and design which integrates with other shopping facilities and does not adversely affect the amenities of adjoining properties. Shop fronts, landscaping, and advertisements must also be appropriate.
- 2.21 Policy Sh3, New Provision, outlines the Integrated Mixed-use Schemes which will provide new retail floorspace within the borough:
  - a) land at the South-East Quadrant, Redhill (development ongoing);
  - b) land at the North-West Quadrant, Redhill (completed);
  - c) land at the north side of High Street, Horley (completed);

- d) land at the former Henry's Garage, Victoria Road, Horley (development ongoing);  
and
  - e) land at High Street, Banstead (completed).
- 2.22 Policy Sh5, Other Retail Provision, states that class A1 proposals will normally be permitted if they are a suitable type, size, character and design, and it would not affect the viability of other shopping facilities.
- 2.23 Policy Sh6, Open Air Markets, details the borough's support for the establishment and maintenance of open stall markets at Redhill, Reigate and Horley.
- 2.24 Policy Sh7, Control of Class A2 and A3 Uses in Redhill and Reigate town centres, sets guidelines for the protection of class A1 retail within Redhill and Reigate. It states that unless the proportion of street frontage occupied by class A1 in Primary Shopping Areas is above 80% or above 66% in Secondary Shopping Areas, then the loss of class A1 retail will not be permitted.
- 2.25 Policy Sh8, Control of Class A2 and A3 Uses in Horley Town centre and Banstead Village centre sets the guidelines for the protection of class A1 retail within Horley and Banstead Village. It states that unless the proportion of street frontage occupied by class A1 in Primary Shopping Areas is above 75% in Banstead Village, and above 70% in Horley, then the loss of class A1 retail will not be permitted.
- 2.26 For both Policy Sh7 and Sh8, if a proposal falls below the relevant threshold it will be assessed against criteria designed to sustain and enhance the vitality and viability of the centre.
- 2.27 Policy Sh9, Control of Sale of Food and Drink Uses, outlines that the borough will normally permit proposals for the sale of food and drink uses within the shopping areas of the town centres, as long as proposals accord with policies Sh7 and Sh8, it does not detract from residential amenity, it meets design criteria, and customer parking would not inhibit the free flow of traffic or danger pedestrians.
- 2.28 Policy Sh10, New Retail Provision, states that new class A1 retail uses will normally be permitted if the proposal is of the correct scale, type, character, design, and does not have an adverse impact on the town centre and local shopping in the surrounding area.
- 2.29 Policy Sh11, Proposals involving the loss of 'Local Shopping', states that class A1 retail must be retained unless the site cannot be let for A1 use and alternative shopping provision is available. The proposals must also not adversely affect the viability or vitality of the local area, and must be of an appropriate character and design.
- 2.30 Policy Sh12, Control of Sale of Food and Drink Uses, states that at the local level, the borough will resist proposals for the sale of food and drink uses if it does not comply with Policy Sh11, it will result in the loss of convenience shops and detract from residential amenity, and if customer parking inhibited the free flow of traffic.

- 2.31 Policy Sh14, Retail development outside of town centres, states that, with the exception of Retail Warehousing Areas, retail proposals outside of town centres will be permitted if there is a need for the development, there are no alternative sites, it will not adversely affect the vitality and viability of nearby town or local centres, it would not negatively impact the environment, and it must be of an appropriate design and be accessible by a choice of transport methods.

## Changes to Permitted Development Rights

- 2.32 The Town and Country Planning (General Permitted Development) (England) Order 2015 (GPO) came into force in April 2015 and a subsequent amendment came in to force on 6th April 2016. The GPDO 2015, as amended, makes provision for a range of permitted development rights affecting main town centre use classes, as follows:
- Allowing the change of use from shops (A1), financial and professional services (A2) (limited up to 150 sqm), betting offices, pay day loan shops and casinos to restaurants and cafes (A3), subject to prior approval;
  - The removal of betting offices and pay day loan shops from the A2 use class and reclassification as sui generis.
  - Allowing the change of use from retail (A1) and specified sui generis uses (betting offices, pay day loan shops and laundrettes) (limited up to 150 sqm) to residential (C3), subject to prior approval;
  - Allowing the change of use from shops (A1) to financial and professional services (A2). Prior approval not required;
  - Permitting up to 200 sqm of shops (A1) and financial professional services (A2) to change to assembly and leisure uses (D2), subject to prior approval;
  - Making permanent the existing time limited rights for extensions to shops, offices, industrial and warehouse buildings. Prior approval not required;
  - Permitting one click and collect facility per retail premises (maximum 4m height and 20 sqm gross floorspace), subject to prior approval;
  - Allowing retailers to modify the size of existing shop loading bays up to 20%, subject to prior approval;
  - Allowing the change of use between offices (B1(a)) and residential (C3) subject to prior approval except for excluded areas (Listed under Part 3 of Schedule 1 of the GPDO Order 2015) which will have their exclusion extended to May 2019; and,
  - Allowing for the change of use between light industrial (Class B1(c)) to residential (C3) (limited up to 500 sqm) for a temporary period up to 30th September 2017, subject to prior approval.
- 2.33 While the majority of these changes are subject to prior approval, the Coalition government has clarified that prior approval applications are not planning applications, and they are therefore not required to be determined against the development plan. Instead the legislation sets out a number of matters against which applications are considered, a test of impact on 'key shopping areas' is one of these requirements.

- 2.34 This provides local authorities some scope to consider impact on existing centres but the ethos of allowing greater flexibility within town centres to ensure their longevity sitting behind the legislation is clear and represents a sea change from the policies still in the saved Borough Local Plan which seek to more closely control the mix of uses, particularly the proportion of A1 retail uses within designated town centres.

## Emerging policy

- 2.35 RBBC is now bringing forward its DMP, which will provide detailed policies and site allocations to guide future development. Once adopted these policies will largely replace the saved Borough Local Plan policies.

## Development Management Plan

- 2.36 Before preparing the DMP, an initial consultation on the Issues and Options Development Management and Site Allocations Development Plan Document was carried out in December 2010 – January 2011. The DMP is now being prepared, and this document will enter its first phase of consultation in July 2016. It is estimated that the document will be adopted in February 2018.
- 2.37 As part of its work on the DMP, the Council is considering the need to include detailed retail site allocations. The DMP will guide future retail provision within the borough, outlining where opportunity sites are located and the form of retail and other town centre uses that may be accommodated on sites.

## Policies Map

- 2.38 The policies map is to be progressed along with the DMP. The map will be an update to the current 2005 policy map, and it will illustrate the application of DMP policies, including local and national policy designations and local and county development allocations.

## Other studies and evidence

### Draft Redhill Town centre Area Action Plan

- 2.39 The draft Redhill Town Centre Area Action Plan (RTCAAP) was originally proposed to form part of the Council's new Borough Local Plan. The draft RTCAAP was subject to public consultation but did not undergo examination or formal adoption by the Council. The document included a number of opportunity sites within the town; however, several of the key sites have since been brought forward for development. As such, the decision was taken to incorporate the main policies and site allocations into the DMP.
- 2.40 This section will summarise the RTCAAP identifying those site allocations which have been developed, and undeveloped sites which will be considered for inclusion within the DMP where they present viable opportunities.
- 2.41 The RTCAAP supports the vision that *'Redhill will be a thriving town centre which is a prominent commercial location, a competitive retail destination and a great place to*

*live*'. The plan provides a spatial vision, building upon the Core Strategy, to guide the regeneration of the town centre. It sets area specific proposals and a timetable for the implementation of these proposals.

2.42 The specific strategic objectives for Redhill are that it will become:

- The main retail centre for the borough
- A diverse commercial location of choice
- A vibrant place to live, shop and work
- A place with strong physical and social infrastructure facilities
- A location with a diversified evening economy offer
- A town which benefits its local residents
- An attractive and well-designed town
- A place without negative perceptions.

2.43 The key proposals within the draft RTCAAP include:

- Provision for at least 15,500 sqm of comparison shopping floorspace and 7,000sqm of convenience shopping floorspace within the town centre
- The introduction of up to 3,000 sqm of leisure and food and drink uses within the town centre
- The development of at least 700 new homes
- The creation of significant new jobs and training opportunities and provision for up to 7,000 sqm of office/flexible small business space.

2.44 The draft RTCAAP proposes the redevelopment of a number of key sites throughout the town centre. The identified sites and their current status are outlined below, and further details on the progress of these sites can be found in the Redhill town centre health check in Section 4 of this report.

- Marketfield Way – A screening application was recently determined for a mixed-use retail, leisure and residential development. A full planning application is anticipated in summer 2016.
- Cromwell Road – Proposals for comprehensive development to provide a large foodstore were submitted but withdrawn. Two individual proposals for enhanced retail units with residential use at upper floors are now being progressed.
- Warwick Quadrant North – Currently being redeveloped to provide a new Sainsbury's superstore, hotel, gym and associated improvements.
- Liquid & Envy – Currently being redeveloped to provide residential with retail units.
- Station car park and Redstone Hill – A planning application has been approved for a mixed use retail and residential development, new station facilities and station car parking.

2.45 Those sites which are identified for redevelopment in the RTCAAP but which have not progressed are detailed below:



- Colebrook - identified for continued community uses alongside the introduction of a residential element.
- Longmead - identified for continued community uses alongside the introduction of a residential element.
- Gloucester Road - identified for residential and office / flexible business space.
- Royal Mail Depot - identified for residential and office / flexible business space.
- Brighton Road - identified for long term retail expansion location.
- Warwick Quadrant South - identified for long term retail expansion.
- Belfry Centre - identified for long term retail intensification and amalgamation of units.
- Central Parade - identified for long term retail expansion through adjustment of buildings.

## 2011 Retail Needs Assessment

- 2.46 The previous borough-wide retail evidence base, the RLNUS, was published in 2011 and prepared by Roger Tym and Partners (RTP) (now PBA). This study examined shopping provision in the borough and updated forecasts of capacity for new retail floorspace over the period 2012 to 2027. The assessment of shopping patterns was based on the 2006 household telephone survey produced for the previous Retail and Leisure Needs Assessment, published in 2006.
- 2.47 In terms of retail capacity projections, the study produced two sets of quantitative borough-wide outputs for comparison and convenience goods. The first set was based on a constant market share and the second set, upon increased market shares reflecting the policy aspiration to reduce expenditure leakage and improve sustainability.
- 2.48 For comparison goods, the increased market share scenario resulted in the borough increasing its permanent comparison goods market share by five percent. Although, there is recognition in the RLNUS that this will only occur if a retail development of sufficient critical mass comes forward to change shopping patterns throughout the borough.
- 2.49 For convenience goods, the increased market share scenario is calculated for zone 1 and 2 only, in order to understand the needs of Redhill. This scenario reflects zones 1 and 2 achieving a 30 percent improvement on its current market share, reflecting a situation where Redhill 'claws back' expenditure from stores elsewhere in the study area and beyond. The RLNUS comparison and convenience need projections for 2012-2027 are summarised in Table 2-1.

**Table 2-1 Comparison and convenience need 2012-2027 (sqm net)**

Year	Comparison goods (sqm net)		Convenience goods (sqm net)	
	Constant market shares (borough-wide)	Improved market shares (borough-wide)	Constant market shares (borough-wide)	Improved market shares (Zone 1 and 2)
2012	-279	5,746	6,424	1,555
2016	5,540	16,954	7,725	5,147
2021	14,380	27,882	9,687	6,031
2027	25,841	42,048	11,652	6,920

Source: RLNUS (2011)

## 3 MARKET AND ECONOMIC TRENDS

### Introduction

- 3.1 Since the last economic downturn a considerable number of independent studies have been published considering the future role and function of town centres. It is widely accepted that the traditional role of town centres has been undermined by the continued attraction of out-of-town retail locations, the growth in popularity of multi-channel shopping, and the decline in expenditure growth. This section reviews the key trends in respect of retail and town centre uses.

### Research

- 3.2 This section will summarise the most notable independent studies published since the last economic downturn, which include:
- The Portas Review, Mary Portas (2011)<sup>2</sup>
  - The Grimsey Review, Bill Grimsey (2013)<sup>3</sup>
  - Beyond Retail: Redefining the Shape and Purpose of Town Centres, British Council of Shopping Centres (2013)<sup>4</sup>
  - 21st Century High Streets, British Retail Consortium (2013)<sup>5</sup>
  - Digital High Street 2020 Report , Digital High Street Advisory Board (2015)<sup>6</sup>
- 3.3 The key messages and recommendations from each of these studies are set out in the following paragraphs. In summary, the wide-ranging recommendations proposed in these reports have two overall aims, namely:
- To increase footfall and expenditure in town centres - to increase store turnover and to improve vitality and viability of town centres.
  - To reduce costs of operating and investing in town centres – to level the playing field between physical ‘bricks and mortar’ and online retail businesses.

### The Portas Review

- 3.4 In May 2011, retail expert Mary Portas was appointed by the Coalition Government to lead an independent review into the future of the high street in response to the decline of town centres nationally, seen as a consequence of reduced spending on the high street. The report supported the call to strengthen planning policy in favour of ‘town centre first’ and includes 27 separate recommendations to tackle the further decline of the high street.

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<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6292/2081646.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6292/2081646.pdf)

<sup>3</sup> <http://www.retail-week.com/Journals/2013/09/03/n/u/e/The-Grimsey-Review.pdf>

<sup>4</sup> <http://thegreatbritishhighstreet.co.uk/pdf/Beyond-Retail.pdf?2>

<sup>5</sup> <http://www.brc.org.uk/Downloads/21st%20Century%20High%20Streets.pdf>

<sup>6</sup> [http://thegreatbritishhighstreet.co.uk/pdf/Digital\\_High\\_Street\\_Report/The-Digital-High-Street-Report-2020.pdf?2](http://thegreatbritishhighstreet.co.uk/pdf/Digital_High_Street_Report/The-Digital-High-Street-Report-2020.pdf?2)

- 3.5 The core recommendations included measures to strengthen the management of high streets, improvements to the business rates system, reducing car parking charges, placing greater onus on landlords to proactively manage their assets or face the use of compulsory purchase powers by local authorities, and to increase community involvement in town centres.
- 3.6 The Coalition Government published its formal response to the Portas Review in 2012, which accepted virtually all of the recommendations and secured funding for 24 'Portas Pilot' towns to trial the recommendations. The Coalition Government established the future High Street Forum to implement Portas's recommendations and provided funding to establish business improvement districts (BIDs) and a 'Future High Street X Fund' (renamed the High Street Renewal fund) to reward towns delivering innovative plans to rejuvenate their town centres.

### The Grimsey Review

- 3.7 Bill Grimsey, the former managing director of DIY chain Wickes and food retailer Iceland, published his report as an 'alternative response' to the recommendations of the Portas Review. The report made a total of 31 wide-ranging recommendations, including encouraging more people to live in town centres, appointing a High Streets Minister, and freezing car parking charges for a year.

### Beyond Retail

- 3.8 Following the Portas Review, the Government supported the establishment of an industry task force to analyse retail property issues relating to town centres. The findings of the task force's report were presented in the Beyond Retail report.
- 3.9 One of the report's key observations was that the trend towards market polarisation has resulted in three broad types of town centre offer: strong centres with a wide retail and leisure offer; convenience food and service-based centres with an element of fashion and comparison goods; and, localised convenience and everyday needs-focused centres. The report makes a number of recommendations, including:
- Strong and dynamic leadership, led at the local authority level also including business and community involvement, to bring about long-term change in town centre functions;
  - Undertake bold, strategic land assembly, to assemble redevelopment opportunities of scale and worth;
  - Provide greater flexibility in the planning system to enable redundant retail premises to be converted to 'more economically productive uses';
  - Consider the mechanisms to address funding gaps to encourage local authorities to commit to long-term planning for town centres;
  - Town centres must take advantage of technology to assist in marketing, driving footfall, and assisting independents and SMEs; and,
  - Review of the business rate system and publishing of new retail valuation guidance.

## 21st Century High Streets

3.10 In 2013, the British Retail Consortium published the second '21st Century High Streets' report as an update to the original report published in 2009. This sets out key policy recommendations to help secure 'flourishing 21st Century high streets' under six key topics:

- A unique sense of place: Local partnerships, authorities and retailers must create a brand for the town centre to engender consumer loyalty through differentiation and informative marketing.
- An attractive public realm: Local partnerships and authorities must actively manage the public realm creating attractive public spaces.
- Planning for success: Local authorities should develop a clear strategic vision focused on the role of the town centre and cooperate with neighbouring authorities to maintain viable and complimentary retail destinations.
- Accessibility: Local authorities should manage accessibility holistically and responsively and should provide adequate parking to assist in driving footfall.
- Safety and security: Local police should work with retailers to better understand the impacts of retail crime to promote town centres as safe, secure and effectively managed trading locations.
- Supportive regulatory and fiscal regimes: Central government should reform the Business Rate Multiplier to reduce the cost of operating and investing in town centres.

## Digital High Street

3.11 The Digital High Street Advisory Board was established following the work of the Future High Streets Forum to consider the revolutionary impact of digital technologies on future success of high streets. The report makes four principal interrelated recommendations that are critical to the revitalisation of high streets in the impending digitally dominated world. These include the following:

- Internet infrastructure: raise connectivity standards for residences and business by 2020 and provide clear consistent public access WIFI standards for consumers between venues and providers to increase deployment of digital technology.
- Digital skills: eliminate 'digital skills gap' in communities among residents, employees and business owners.
- High street digital lab: a platform for digital consumer services which functions as a central resource for digital training programmes and provides widely available digital technology.
- High street digital health index: adopt the index concept as a method for the Government to assess the competitiveness of high streets, measure the economic value creation from digital developments, set goals for digital integration and inspire local governments and enterprises to adopt digital technologies.

## Key market trends

3.12 The market context for town centres, and retail in particular, is continuously evolving. The role of the town centre is not as clearly defined as it has historically been, and indications are that the town centres which have best weathered the recent economic downturn are those which have a diverse range of uses. In this section the key changes in the retail and leisure market which are considered likely to have the most significant implications on town centres over the study period are discussed. These include:

- Polarisation to higher-order centres
- Restructuring of the convenience (food) goods sector
- Growth of commercial leisure sector
- Effects of digital technology

### Polarisation to higher-order centres

3.13 The 'polarisation trend' refers to the restructuring of the comparison sector and the preference for these retailers to concentrate trading activities within larger retail centres. Since the economic downturn a number of factors have created a need for retailers to rapidly adapt their business strategies, store formats and requirements to changing circumstances. These factors include:

- Reduced consumer expenditure growth
- Changes in customer requirements
- Growth of internet and multi-channel retailing

3.14 Retailers recognise that greater efficiency can be achieved by having a strategic network of large stores in larger retail centres offering a full range of their products, rather than a network of smaller-format stores which are only able to offer a limited range of products. Many retailers have sought to alter their business model in this way in order to compete with internet based retailers (which have significantly lower overhead costs) and to provide larger show-room type stores in attractive retail destinations or easily accessible out of centre retail park locations. As a result of this trend, the share of non-food retail sales conducted through town centre shops has declined; from 64% in 2002 to just over 40% by 2013<sup>7</sup>.

3.15 For example, key anchor retailers such as Next, Mothercare, John Lewis and Marks & Spencer are actively searching for new large-format stores in and out of centre locations to accommodate new retail formats such as John Lewis at Home stores to display their full range of products and provide click and collect facilities.

3.16 National retailers are becoming increasingly concentrated within the larger regional 'top 100' centres which benefit from large catchment areas and are able to meet the demand for larger modern premises. As a result of this trend, according to Deloitte, retailers will require less physical stores in future:

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<sup>7</sup> Peter Brett (2013) Investing in the High Street: Town Centre Investment Management

*'The increasing costs of operating stores, changes in consumer behaviours, and the growing online opportunity, coupled with the rise of shopping centres with larger catchment areas and improvements in infrastructure facilitating travel suggest that retailers will need fewer stores in the future'<sup>8</sup>*

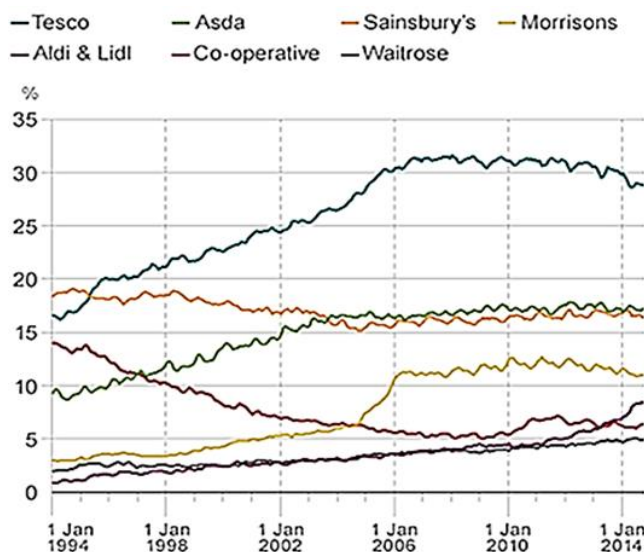
- 3.17 Deloitte estimate that portfolio reductions of between 30 to 40% are foreseeable in the short to medium term in certain retail categories. The implications of this trend for many small and medium sized town centres may mean that centres are required to refocus their role and function away from solely being shopping destinations to incorporate a much broader retail, leisure, culture and residential offer.

### Restructuring of the convenience sector

- 3.18 During the economic downturn the convenience goods sector was a key driver of growth. This sector has traditionally been dominated by the 'Big Four' supermarket operators: Asda, Morrison's, Tesco and Sainsbury's. Historically, large foodstores (2,300 sqm net) have been the primary driver of growth in the sector. However, over the last decade, structural changes have taken place in the sector, including:

- Discount food operators: operators such as Aldi and Lidl have increased market share of the grocery market significantly during the economic downturn and are continuing to expand.
- 'C-format' stores: to increase market shares, major grocery retailers have expanded their network of small in-centre convenience stores (such as Tesco Express, Sainsbury's Local and Little Waitrose) as large stores become increasingly unprofitable to operate.
- Online shopping: the 'race for space' over the last decade has resulted in major operators investing in online grocery shopping in order to increase market shares.

**Figure 3-1 UK Major Grocery Operators Growth 1994-2014**



Source: Kantar (2014) Kantar World Panel

<sup>8</sup> Deloitte LLP (2011) The Changing Face of Retail

- 3.19 Discount retailers have posted significant year-on-year growth in recent years and are now important forces in the convenience goods market. Data from Kantar shows that between January 2014 and January 2015, Aldi's and Lidl's market shares increased by 0.8% and 0.4% respectively, while the market shares of the Big Four all reduced. In 2015 Aldi overtook Waitrose as the sixth largest retailer with a market share of 5.3% up from 4% in 2014. These discount retailers are expected to continue to take market share from the Big Four supermarket operators in future years .
- 3.20 Verdict forecasts that within the convenience sector, the proportion of floorspace accounted for by 'smaller stores' will increase from 37.6% in 2007 to 41.6% by 2017. Verdict explains this trend as follows:
- 'The second dip of the double-dip recession in 2012 has knocked consumer confidence and shoppers are sticking more tightly than ever to their budgets. They are shopping little and often ... increasing fuel prices, deterring out-of-town trips, and the move towards online food shopping each feed into this trend towards top-up shopping. Out-of-town space is increasingly difficult for grocers to make profitable.'*
- 3.21 Both Sainsbury's and Tesco now have more c-stores than large supermarkets and in January 2015, Tesco announced they would be closing 43 unprofitable stores; the majority of these were large foodstores. Operators are now favouring expansion of these smaller stores and in the same month Tesco announced that they would abandon the development of 49 'very large' foodstores. Added to this, both Sainsbury's and Morrison's have sought to rein in their development pipeline and to this end have withdrawn from a number of large store format development schemes over the last year.
- 3.22 Verdict predict that 53% of floorspace will continue to be accounted for by 'superstores' by 2017 with the market share accounted for by 'food specialists' and off-licences to continue to reduce. Industry body IGD predicts that the convenience goods market will grow by 29% between 2012 and 2017, from £33.9bn to £43.6bn, and the main retail operators are responding quickly by opening new format stores.

## Growth of the commercial leisure sector

- 3.23 Most commentators predict that commercial leisure, such as cafes, bars, restaurants and cinemas, will constitute a growing share of town centre floorspace. This is partly a replacement activity generated as a consequence of the reduced demand for traditional retail space, and partly driven by the increase in leisure expenditure as discretionary household expenditure rises. Although the scope of this report will not assess the need for leisure floorspace, trends in the leisure sector have an impact on the wider uptake of town centre floorspace. These key trends include :
- **Cinema sector:** is expected to expand via acquisition and diversification of the market despite falling attendance figures over the last two years. The main three operators in the market are primarily opting to focus on larger markets where there is limited competition, whereas the second tier and boutique operators are focusing on the qualitative difference in their offer to enable them to create specialist markets.



- **Restaurant sector:** contributed significantly to the continued growth of the leisure sector throughout and since the recession. Demand for A3 space is being driven by the regional expansion of successful A3 operators established in London.
  - **Health and fitness:** the market is expected to experience continued growth in market value with annual memberships increased from 12.6% to 13.2% and 177 new facilities opened in the year up to 2014 predominantly in the budget sector.
- 3.24 When considering leisure expenditure available to households, spending on food and drink typically accounts for more than 50% of total leisure spending, compared to around 15% on 'cultural services' (e.g. going to the cinema, theatre, art galleries or live music) and under 10% on hotels, games of chance and recreation/sporting services.
- 3.25 There is scope for town centres to capitalise on this trend, redefining their function as leisure 'destinations' in their own right. The development of a strong commercial leisure offer can help to increase footfall, particularly outside of retail hours, and visitors undertaking 'linked trips' between retail, leisure and other uses also spend increased dwell-time in centres.

## Effects of digital technology

- 3.26 Digital technologies, facilitating increased online sales, have had a noticeable impact on the ways in which retailers utilise physical floorspace. Some of the key trends witnessed to date include:
- Growth in multi-channel retailing such via smart phones
  - Shift towards national retailers operating fewer larger 'show room' stores
  - Increasing in-store ordering and collection points
  - Incorporation of multi-channel retailing within retail stores
  - Examples of multi-channel retailing being incorporated within stores include online in-store ordering points and special promotions advertised to shoppers via smart phone devices.

## Implications for Reigate and Banstead

- 3.27 This section has reviewed published industry research on the future role and function of town centres and identified the key trends which are likely to influence the demand for new retail floorspace over the study period.
- 3.28 The recession caused consumers to adopt more conscientious spending habits, demonstrated by the rising popularity of discount retailers across the convenience (Aldi, Lidl) and comparison sectors. These trends have not reversed despite the economy recovery and, as a result expenditure growth is not expected to return to pre-recession levels.
- 3.29 The combined effects of polarisation, driven by shifting consumer behaviour, and the growth of internet shopping present both an opportunity and a threat for small and medium sized towns like Redhill and Reigate which compete for expenditure with higher-order centres such as Croydon.

- 3.30 There is a threat that if town centres fail to respond positively to these trends that they will continue to lose market share to larger centres. However, there is also significant opportunity if centres succeed in harnessing the benefits of omni-channel retailing such as promoting click and collect schemes and allowing showrooming to effectively increase the retail offer and drive footfall in the town centre. The rise of commercial leisure presents another opportunity for small/medium town centres, such as Horley and Redhill, to incorporate a wider mix of uses in order to drive footfall and support the vitality and viability of centres.
- 3.31 With regard to the smaller local centres in the borough, the shift in convenience shopping patterns may have implications for shoppers' expectations. The increasing dominance of the Big Four in the 'c-store' market has significantly improved the quality and range of offer. Where existing provision fails to match this improved offer, there is a risk that people will divert to shops in other centres to meet their needs. If this trend is sufficiently pronounced, it poses a risk to the longevity of such stores and therefore the overall role of smaller centres in meeting the day-to-day needs of the immediate catchment.
- 3.32 There is a role for local authorities to ensure that the strategy adopted for any new and existing centre is appropriate and takes account of market signals, for example, by achieving the right balance of retail and leisure provision in each centre to enable it to fulfil its role and meet the needs of its catchment.
- 3.33 At a national level, the NPPF provides the framework for these strategies but the Government continues to emphasise the importance of local issues in formulating local policy. In light of the recent raft of permitted development changes (GPDO 2015 as amended) which introduced further flexibility within A Class uses, having a robust and up-to-date evidence base on retail and leisure matters is particularly important in order to support locally-formulated policy solutions.

#### KEY FINDINGS

This report has identified a number of market trends which are likely to influence the demand for commercial floorspace in town centres over the study period:

- **Polarisation to higher-order centres:** National comparison retailers are increasingly rationalising their property portfolios with a fewer large stores concentrated in high order centres shopping malls and regional centres.
- **Restructuring of the convenience goods sector:** Since the economic downturn major retailers have increased their network of small in-centre stores and invested in online shopping while discount food operators such as Aldi have increased market shares significantly.
- **Growth of commercial leisure sector:** Commercial leisure uses will constitute a growing share of town centre floorspace driven in part by the increase in household leisure expenditure and reduced demand for retail space in secondary centres.

## 4 HIERARCHY OF CENTRES

### Introduction

- 4.1 In this section, the role and function of the hierarchy of centres is considered. There are four main town centres in the borough; Redhill, Reigate, Horley and Banstead Village. The PPG outlines 10 key health check indicators in paragraph: 005 Reference ID: 2b-005-20140306 of the PPG, as set out in Table 4-1 and these are applied to the four centres. Additionally, a brief consideration of out of centre floorspace and the role of competition outside the borough is provided.

**Table 4-1 PPG health check indicators**

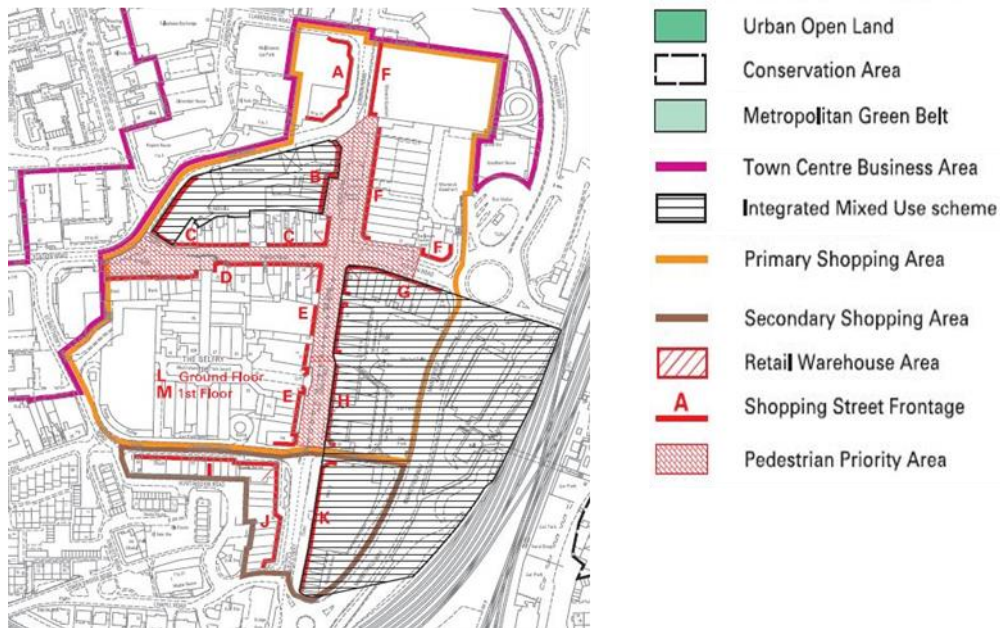
Vitality and viability of town centres: key Indicators	
Diversity of uses	Proportion of vacant street level property
Commercial yields on non-domestic property	Customer view's and behaviour
Retailer representation and intentions to change representation	Commercial rents
Pedestrian flows	Accessibility
Perception of safety and occurrence of crime	State of town centre environmental quality

- 4.2 Our analysis of the centres is based on the following:
- Site visits undertaken by PBA in March 2016
  - Experian GOAD land use data for Redhill, Reigate, Horley and Banstead Village centres
  - Information provided by RBBC.
- 4.3 Experian GOAD undertakes regular land use assessments of centres. PBA updated the GOAD assessments in March 2016 for each centre, and we make reference to this data throughout the health check.

### Redhill town centre

- 4.4 Redhill town centre is considered the principal centre in the borough and is identified in the Council's Core Strategy (2014) as part of the borough's regional transport hub. Redhill is a comparison and convenience goods shopping and leisure destination, and serves the local and wider area of eastern Surrey. The adopted Borough Local Plan (2005) identifies Redhill's primary and secondary shopping area, and the primary shopping frontages. These are shown in the extract below.

**Figure 4-1 Redhill town centre as identified in the adopted Borough Local Plan (2005)**



4.5 The centre is focused around the pedestrian priority area on High Street, Station Road, and Warwick Quadrant, as well as the Belfry Shopping Centre located on the High Street. Cromwell Road and London Road also have a small retail offer, however, many of the units on Cromwell Road are vacant, and will be undergoing redevelopment.

### Diversity of uses

**Table 4-2 Redhill town centre diversity of uses compared to national average**

Use	Redhill units %	UK units average %	Redhill sqm %	UK sqm average %
Convenience Goods	8.5	9.22	13.12	18.32
Comparison Goods	45.75	39.75	59.55	44.95
Food and Drink	10.46	17.01	9.01	12.54
Service Retailers	22.22	20.51	12.3	12.83
Miscellaneous	0.65	1.18	0.44	1.01
Vacant Units	12.42	12.33	5.58	10.34

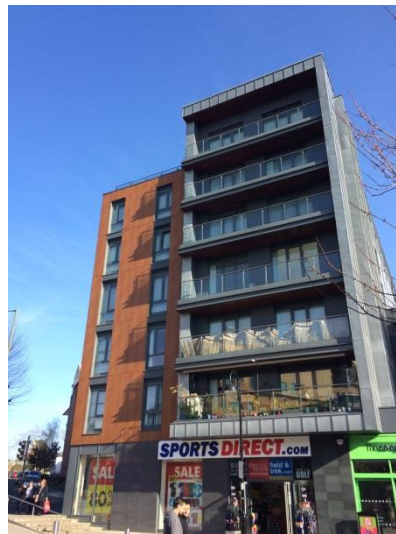
Source: GOAD and PBA Update (2016) Appendix A, Volume 2

### *Convenience goods*

4.6 Table 4-2 compares the proportion of different types of units found in Redhill town centre, and their floorspace, against the national average figure, and as such allows us to identify under or over provision in certain areas. The figures are taken from the Redhill GOAD table at Appendix A, updated by PBA in March 2016.

- 4.7 The table shows that there is a relative undersupply of convenience units and floorspace in the centre, these only account for 9% and 13% respectively, compared to the national averages of 9% and 18%. There is a larger difference between the floorspace percentages, showing that there is a more significant under supply of floorspace for convenience goods due to the prevalence of small scale units in the centre.
- 4.8 The convenience offer comprises a Sainsbury's Superstore and Iceland on London Road, as well as a Marks and Spencer's Food Hall in The Belfry and a small Cooperative store on Station Road. There is a small selection of independent food stores including Mr Simms Olde Sweet Shop, and also some specialist stores such as Holland and Barrett Health Foods, and a number of small convenience stores.
- 4.9 This is complemented by the open air market held on Redhill High Street every Thursday, Friday and Saturday. There are a variety of food stalls at this market, selling fresh meat, fish and vegetables. The market also sells a variety of clothing and household goods, adding to the comparison offer.

**Figure 4-2 Redhill's historic retail frontage (left) and recent modern development (right)**



### *Comparison goods*

- 4.10 Table 4-2 shows that there is a relatively higher proportion of comparison retail units and floorspace within Redhill town centre, accounting for 46% and 60% respectively, compared to the national average of 40% and 45%. The Belfry shopping centre contributes significantly to this floorspace figure, providing 40% of Redhill's comparison floorspace.
- 4.11 Within the comparison sector, the clothing and footwear offer in the town centre is limited. Most retailers occupy small premises and are positioned at the value end of the market, including the Choice Discount store. There is a small selection of mid-range high street retailers, including Topshop, Millets and Clarks, but once again, these stores occupy small premises and do not offer much variety.

- 4.12 The remaining comparison sector retail offer provides a selection of household goods, books, health and beauty, and mobile phone stores, including Linens Direct, Waterstones, The Body Shop, and The Carphone warehouse. There is a high proportion of charity and second hand stores within the centre.
- 4.13 In relation to representation from multiple operators, of the Experian GOAD 31 key attractors, the town centre has 15, including Argos and Clinton Cards. Overall, the comparison offer in the centre is oriented towards the lower/middle market, with very few independent retailers, and a lack of larger units.

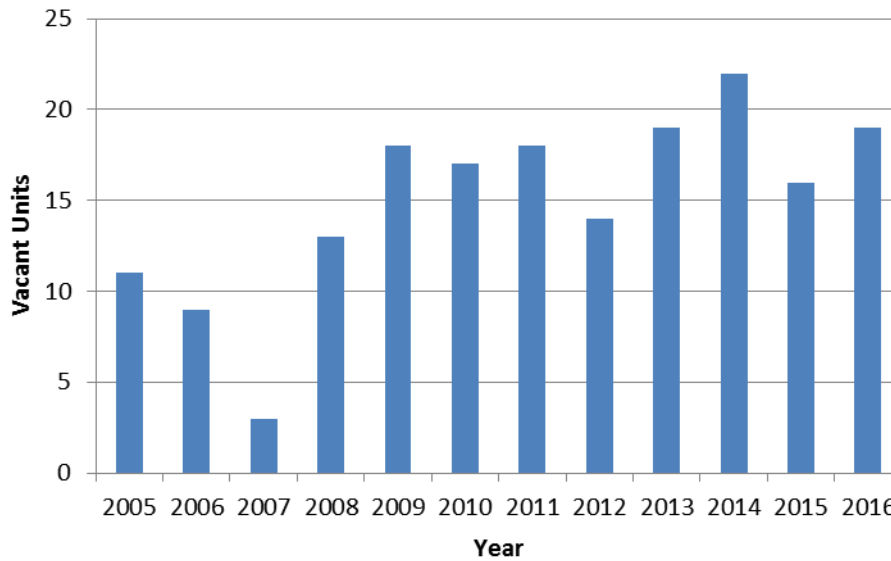
### *Service retailers*

- 4.14 Table 4-2 also shows the proportion of service retailers compared to the national average, this includes restaurants and cafes, as well as hairdressers, travel agents, banks and estate agents. The data shows that these services are below the national average, both in terms of floorspace and units. Within this sector, it is the restaurants and cafes which are most unrepresented as they only contribute 11% to Redhill's retail units, compared to the national average of 17%.
- 4.15 The A3 to A5 leisure offer is limited in choice and variety, and there are relatively few representations from national operators, those which are present include Costa, Frankie & Benny's, KFC and McDonalds. Provision is therefore primarily through independent operators and tends to cater to the lower end of the market, with occupiers such as Café Ho Sete and Peri Peri takeaway.
- 4.16 D2 leisure facilities within the centre are somewhat limited. The Harlequin Theatre and Cinema is the most significant leisure facility, and this provides the local population with evening cinema and theatre entertainment. In relation to private gym operators, there is one facility within the town centre, Lifeline Fitness, and there are also regular Curves Fitness classes held within the Tower House section of The Belfry shopping centre.

### **Proportion of vacant street level property**

- 4.17 Figure 4-3 shows that the number of vacant units in Redhill is almost in line with the UK national average. However, the proportion of vacant floorspace in Redhill is 6%, significantly less than the national average of 10%. Vacancy levels increased significantly between 2007 (3 units) and 2009 (18 units) although in the highest vacancy level recorded over the period was in 2014 (22 units).
- 4.18 Site visits conducted by PBA in March 2016 identified that there are a large proportion of vacant units on Cromwell Road, as eight out of the eleven units with frontages on this road are vacant. The other vacant units are dispersed throughout the town centre. There are three vacant units within the Belfry shopping centre, and it was noted that The Belfry makes a significant effort to place temporary uses in vacant retail units, with one unit being used as a temporary Sports Relief activity venue at the time of the site visit.

**Figure 4-3 Redhill vacancy levels (units)**



Source: Reigate and Banstead vacancy data (2005-015) and PBA vacancy data (2016)

## Commercial rents on non-domestic property

- 4.19 The level of rent that businesses are prepared to pay for retail space in a centre provides a further indication of the relative strength of the centre and its prime retail pitch as a shopping location. Our market research indicates that current rents achieved for retail units in the prime retail area are around £540 to £700 per sqm which reflects the variety of the stock available in the centre. This data shows a reduction based on historic values achieved, which reached £810 per sqm. However such levels are not considered to be low based on the current retail market.

## Retailer requirements

- 4.20 The level of retailer demand provides an important indication of the centre's health. Table 4-3 shows the current list of published retailer requirements for Redhill town centre, provided by Perfect Information Property ('PIPNet')
- 4.21 Redhill has the second highest level of retailer demand out of the four RBBC town centres after Reigate, according to published retailer requirements. Although this is not a complete picture of retailer demand in the centre, it is a useful tool to compare the relative attraction of RBBC centres to operators.
- 4.22 There are seven published retailer requirements for Redhill and six of these are for national multiples. There is demand for space from both High Street retailers (Warren James, Poundland) and bulky-goods retailers (Topps Tiles, Halfords) which typically locate edge or out of centre. In general, the demand from retailers is for small to medium sized units, however, TK Maxx have a published requirement for a large unit of up to 3,716 sqm. Redhill is characterised by primarily small and medium sized units, and therefore the scope to accommodate such a large scale store without major redevelopment will be limited.

**Table 4-3 Redhill retailer requirements**

Operator	Date	Max (sqm)	Min (sqm)
Topps Tiles	06/05/2016	279	743
Halfords	01/03/2016	325	557
Poundworld	09/02/2016	372	465
Warren James Jewellers	03/02/2016	65	0
Pampurredpets	09/11/2016	279	465
Headmasters	30/06/2016	84	186
TK Maxx	04/03/2016	1672	3716

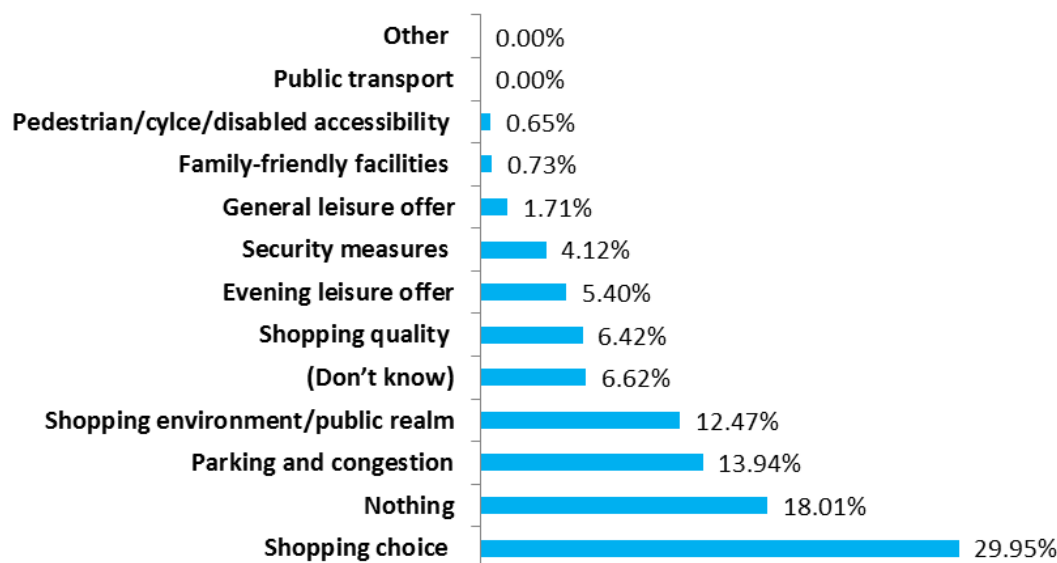
Source: PIPNet (2016)

## Customer views and behaviour

- 4.23 The household survey undertaken in support of this study included questions designed to understand residents' opinions of the centres in the borough. The study specifically sought to understand how people who currently use the town centres felt that they could be improved.
- 4.24 Figure 4-4 clearly shows how local residents felt Redhill town centre could be improved. Improvements to shopping choice, was the most popular view expressed by respondents, gaining almost 30% of responses. The next most popular response shows that 18% felt that nothing within the town centre needed improvement. This suggests that a good proportion of local residents feel that Redhill is a good quality centre, but that the variety of retail could be improved.



**Figure 4-4 Improvements to Redhill town centre**



Source: Q32A, NEMS household survey, Volume 3

- 4.25 The third most popular answer was improvements to parking and congestion, highlighting the high levels of congestion witnessed during the PBA site visit. It is interesting to note that almost 13% thought that the shopping environment and public realm needed improvement. Redhill has the largest pedestrianised of all the centres, although the survey suggests the centre requires further improvements to create a high quality public realm.

## Pedestrian flows

- 4.26 Redhill town centre has a high level of pedestrian accessibility. High Street, Warwick Quadrant, and Station Road are all pedestrianised streets, providing access to the majority of the town centre shops without the presence of traffic. These pedestrianised facilities are also used by the street market on a Thursday, Friday, and Saturday, and its presence increases the local footfall. Typically shopping centres negatively impact the pedestrian flow within a town centre, however, with many access points, The Belfry aids pedestrian accessibility. There have been recent improvements to the area surrounding the station; however, Princess Way and Marketfield Way are busy streets which remain challenging for pedestrians to cross.

## Accessibility

- 4.27 As the local transport hub, Redhill is accessible by a range of bus services linking the town centre to Reigate, other local villages, and higher order centres outside the borough. The bus terminus is located centrally, at the roundabout junction with Princess Way and Station Road, providing easy access to the main shopping offer.
- 4.28 The town centre is also accessible by train, with the station located directly opposite the bus terminus, on Station Road. The station is only a short walk from the main town centre area, however, crossing Princess Way to access the shopping offer can

be challenging at busy times of the day. Redhill has a regular service, every half an hour, to central London, with trains going directly to London Victoria and London Bridge. Redhill also connects directly with Gatwick airport, on a southerly service which takes under ten minutes.

- 4.29 The town centre is well served by car parking facilities. There is a large parking area adjacent to Princess Way (c. 270 spaces) which provides parking facilities for the station, a smaller parking area adjacent to Marketfield Way (97 spaces), Gloucester Road parking (285 spaces), and Clarendon Road (191 spaces). The Belfry (c. 780 spaces) and the Sainsbury's supermarket (c. 391 spaces) both provide parking facilities for customers. The current Sainsbury's redevelopment will increase parking provision by around an additional 550 spaces, some of which will be available for general town centre users.
- 4.30 There are ample bike parking facilities within the town centre, with the majority located outside the train and bus station. There is also a disabled accessibility centre within the Belfry, which provides help and advice for those requiring assistance to navigate the town centre.

### Perception of safety and occurrence of crime

- 4.31 There is a high footfall throughout the town centre, especially on market days and within the pedestrianised area. This creates a positive perception of town centre safety, and the large number of people would deter any potential crime.
- 4.32 The pedestrianisation creates a safe town centre area which is protected from traffic. However, the roads surrounding this pedestrianised area are often very busy, and crossing some roads, especially Marketfield Way can be dangerous.
- 4.33 Figures obtained from Surrey Police department's crime statistics database reveals the number of crimes committed in Redhill town centre has increased over the four years from 2011 to 2015. Table 4-4 shows the changes between 2011 and 2015. The data from Surrey Police shows that 33% of crimes in Redhill are anti-social behaviour related; shoplifting also accounts for a considerable proportion of crimes committed (14%).

**Table 4-4 Annual number of crimes committed in Redhill town centre (Surrey Police)**

2011	2012	2013	2014	2015	% Change 2011-2015
468	563	568	679	535	14.3% increase

Source: Surrey Police crime data (2016)

### Town centre environmental quality

- 4.34 The town centre is characterised by small traditional units concentrated along Station Road, with the 1990's Belfry shopping centre and associated units dominating the High Street. There is a modern development at the northern end of Station Road, which provides larger retail units on the ground floor. The completion of this

development has encouraged the improvement of the local public realm, with new planters, seating and paving, improving the general quality of the area.

- 4.35 There are plans for the redevelopment of Warwick Quadrant which will bring much needed improvements to that area. Warwick Quadrant is currently dominated by poor quality retail units, the Harlequin Cinema and Theatre and its canopy entrance way, and the Sainsbury's Supermarket. All of these aspects, especially the entrance way blight the shopping area, and create an unpleasant environment. Construction work in this development has begun, and is due for completion in late 2016.
- 4.36 The general town centre environmental quality is of a good standard, with no evidence of littering or vandalism. There are seating facilities throughout Redhill, complimented by a number of planters along the pedestrianised area.
- 4.37 Just to the north of the town centre is Memorial Park, a local park which has recently been significantly upgraded and provides an attractive and valued area of green open space in close proximity to the town centre.

**Figure 4-5 Public realm improvements (left) and the Warwick Quadrant information centre (right)**



## Site allocations and available sites

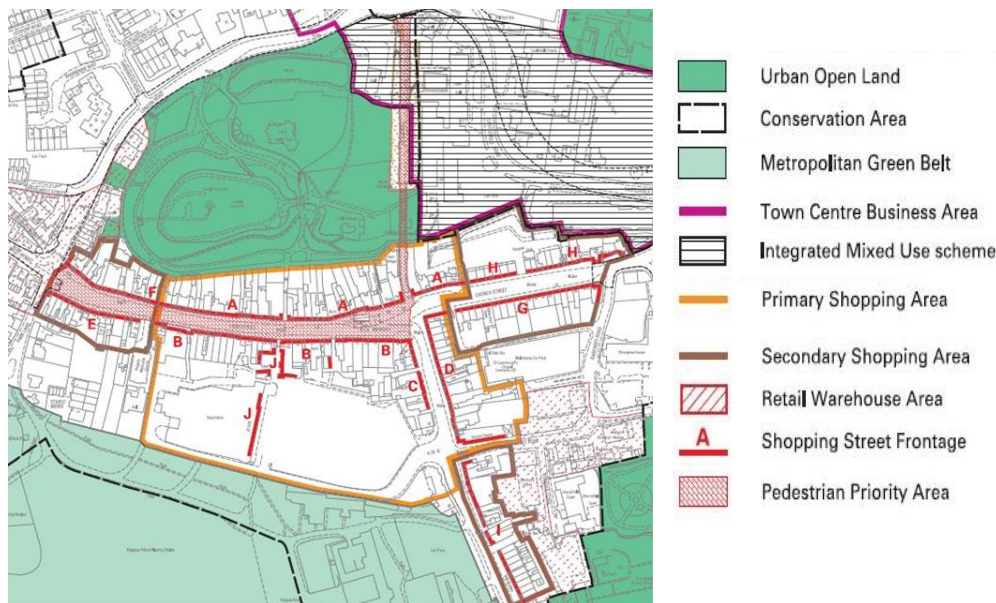
- 4.38 The Draft RTCAAP outlined development opportunities within Redhill town centre, a number of these sites are already coming forward for development. The allocated sites and their current status are outlined in the paragraphs below.
- 4.39 Marketfield Way – identified for retail led mixed use scheme to include food and drink and leisure uses. A screening application (16/00268/SCREEN) was approved on 3 February 2016 for the mixed use development of retail, leisure, employment and residential uses. A detailed planning application is anticipated to follow in summer 2016, outlining the development of 154 residential dwellings at the southern end of the site, accompanied by 4,276 sqm of A1 retail, 2,147sqm of A3 uses, and 1,807 sqm of D2 leisure in the form of a six screen cinema.

- 4.40 Cromwell Road – identified for new food store provision. A planning application was submitted for a new supermarket (7,765sqm gross) in 2011; however, this was subsequently withdrawn. Comprehensive development is no longer being pursued and instead, redevelopment proposals for individual land holdings are being progressed. This includes:
- High Street frontage: conversion and extension of upper floors to create residential units (currently underway)
  - Cromwell Road frontage: proposals to refurbish ground floor shop units and convert/extend upper floors to create 24 residential units.
- 4.41 Warwick Quadrant North – identified for extended food store provision and public realm enhancements. The site is current under development, and will provide: a new Sainsbury's supermarket, a Travelodge Hotel, and a new gym; improvements to the Harlequin Theatre and Library entrance canopy; and, comprehensive public realm improvements. Completion is planned for 2017.
- 4.42 Liquid & Envy – identified for residential led redevelopment to include some retail. The site is currently undergoing redevelopment following the approval of a planning application (14/00846/F) on 7 April 2015, for the creation of 76 residential units with additional class A1/A2 retail at ground floor.
- 4.43 Station car park and Redstone Hill – identified for a new station redevelopment to include some retail and residential provision. Planning permission (13/00848/F) was granted on 9 January 2014 for the redevelopment of the existing station buildings and car park to provide a new concourse, A1 foodstore, parking spaces (including a multi-storey commuter car park), 150 residential units, and flexible A1, A2, and A3 use class floorspace.
- 4.44 No progress has been made to date in bringing forward the other sites and opportunities identified in the draft RTCAAP. Section 9 presents a deliverability assessment of these sites.

## Reigate town centre

- 4.45 Reigate functions as a comparison, convenience and food and drink destination to the local population. The centre is distinct from others in the borough due to its historic character and range of small independent, specialist and boutique shops and restaurants. Reigate was identified as a Conservation Area in 1973, and the nature of the historic built environment makes it an unsuitable location for major redevelopment.
- 4.46 The adopted Borough Local Plan (2005) identifies Reigate's primary and secondary shopping area, and the primary shopping frontages. These are shown in the extract below.

**Figure 4-6 Reigate town centre as identified in the adopted Borough Local Plan (2005)**



4.47 Reigate town centre is focused on the High Street, Bell Street and Church Street. Although High Street is identified as a pedestrian priority area, no part of the centre is pedestrianised. There is a large Morrison's Supermarket at the south of the centre on Bell Street. All other retail units are densely packed within small units throughout the town centre. There is also a central Market Square at the junction with the three main streets, providing seating and a café.

## Diversity of Uses

### *Convenience goods*

- 4.48 Table 4-5 compares the proportion of different types of units found in Reigate town centre, and their floorspace, against the national average figure, and as such allows us to identify under provision in certain areas. The figures in Figure 4 4 are taken from the Reigate GOAD table at Appendix A, updated by PBA in March 2016.
- 4.49 From the table, it is evident that the number of convenience units in Reigate is relatively in line with the national average of 9%. In terms of floorspace, the centre has significantly more convenience floorspace, providing 25% compared to the national average of 19%. The high convenience floorspace is due to the large Morrison's supermarket, on Bell Street located within the town centre.
- 4.50 The convenience offer also extends to a Marks and Spencer's Simply Food on High Street, and this is complemented by a small selection of convenience stores, including Martin's and Reigate Convenience. Reigate specialises in small independent occupiers, and this is evident in the selection of butchers, bakers, and specialist food stores, including Chalk Hill's Bakery, Robert & Edwards Butchers, and Valentina's Delicatessen.
- 4.51 There is a monthly farmers market in Reigate, which takes place on Tunnel Road on the fourth Friday of every month, between 9am and 2pm. This offers a range of

Italian, French, and other Continental products, alongside local fresh vegetables, fish and meats.

**Table 4-5 Reigate town centre diversity of uses compared to national average**

Use	Reigate units %	UK units average %	Reigate sqm %	UK sqm average %
Convenience Goods	7.02	9.22	25.35	18.32
Comparison Goods	53.22	39.75	43.36	44.95
Food and Drink	16.96	17.01	14.91	12.54
Service Retailers	21.64	20.51	15.79	12.83
Miscellaneous	0.58	1.18	0.25	10.34
Vacant Units	0.58	12.33	0.34	10.34

Source: GOAD and PBA Update (2016) Appendix A, Volume 2

### *Comparison goods*

- 4.52 Table 4-5 shows that Reigate has a relatively high proportion of comparison retail units, accounting for 53% of the town centre units, compared to the national average of 40%. However, in terms of floorspace, only 43% provides for comparison goods, compared to the national average of 45%. This can be explained by the historic nature of the town centre, which means that units are significantly smaller than a modern town centre.
- 4.53 The comparison offer within the town centre is well developed and of a high quality. The centre has diverse clothing and footwear offer, especially given the size of the centre, with specialist ladies, men’s and children’s stores. Although these stores are within small premises, they offer high quality goods catering for the middle to luxury market. In contrast, there are a significant number of charity shops throughout the centre. The comparison offer is primarily independent boutiques; however, there is also a selection of high street retailers, including Accessorize, Whistles, Jack Wills and Fat Face.
- 4.54 The non-fashion comparison offer provides a wide selection of household goods, health and beauty, and jewellery stores, including a Benefit Cosmetics boutique. The centre has a large selection of florists and gift stores, as well as specialist stores.
- 4.55 In relation to representation from multiple operators, of the Experian GOAD 31 key attractors, the town centre has just 3, including Boots and WH Smith. Overall, the comparison offer in the centre is oriented towards the middle/luxury market, with some national retailers, a lack of larger units, and a large selection of independent and specialist stores.

**Figure 4-7 Reigate's historic town centre**



**Figure 4-8 The Everyman Cinema (left) and seating within Reigate's public realm (right)**



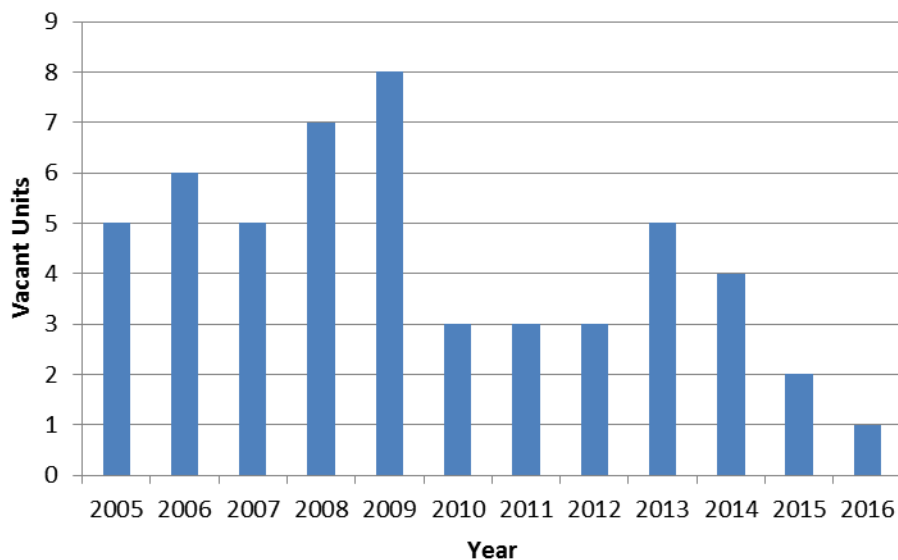
### *Service retailers*

4.56 The proportion of service retailers compared to the national average is also shown in Table 4-5; this includes restaurants and cafes, as well as hairdressers, travel agents, banks and estate agents. The table shows that Reigate's service retailer units are in line with the national average of 38%. It also reveals that there is a higher proportion of Reigate's floorspace for service retailers compared to the national average, with 30% in Reigate, and 25% as the UK average. Within this sector, it is the restaurants and cafes which have the strongest representation, as these facilities occupy larger units than other uses within the town centre. There is also a significantly higher number of estate agents in the centre indicative of a strong local housing market; 8% of Reigate's units are occupied by the use compared to the national average of 4%.

- 4.57 There is a large and varied A3 to A5 leisure offer, with representation from both independent and national brands. National operators include Café Rouge, Pizza Express, Costa, and Carluccio's. The independent offer is of a high quality, and includes The Giggling Squid restaurant and Little Tuscany café. There is a good balance between national and independent operators which tend to cater to the middle end of the market. There is a small selection of takeaways, including Gourmet Wok and Papa John's.
- 4.58 There is a broad range of D2 leisure facilities within the centre. The Everyman Cinema provides 2 screens as well as late night bar. The town centre has two private gyms, The Fitness Zone and FitHub, and a yoga studio 'Yogamoo'. Just outside the town centre there is the Reigate Priory Bowling Club and the Reigate Heath Golf Club.

## Proportion of vacant street level property

**Figure 4-9 Reigate vacancy levels (units)**



Source: Reigate and Banstead vacancy data (2005-2015) and PBA vacancy data (2016)

- 4.59 Table 4-5 shows that the number of vacant units in Reigate is significantly lower than the national average, with only a 1% vacancy rate in the centre compared to the national average of 12%. This shows that there is only 1 unit, of 80sqm vacant within Reigate.
- 4.60 Figure 4-9 shows that vacancy levels in Reigate have recovered since the recession, and that the attractiveness of the centre to occupiers has improved since 2005. The highest vacancy level was recorded in 2009 at the end of the recession (8 units) while in 2016 PBA recorded just 1 vacant unit.



## Retailer requirements

- 4.61 The level of retailer demand provides an important indication of the centre's health. Table 4-6 shows the current list of published retailer requirements for Reigate town centre, provided by PIPNet.
- 4.62 Reigate has the highest level of retailer demand out of the four RBBC town centres, according to published retailer requirements. Although this is not a complete picture of retailer demand in the centre, it is a useful tool to compare the relative attraction of RBBC centres to operators.

**Table 4-6 Reigate retailer requirements**

Operator	Date	Min (sqm)	Max (sqm)
Shoon	11/05/2016	56	93
Loungers	06/05/2016	186	418
Topps Tiles	06/05/2016	279	743
Cara	25/04/2016	74	111
Mattressman.co.uk	21/04/2016	186	465
Fego Caffe	12/04/2016	93	232
The Works	09/03/2016	93	232
Poundworld	09/02/2016	372	465
Barkers	15/01/2016	93	139
Cycle Surgery	16/12/2015	232	372
Pampurredpets	09/11/2015	279	465
Joes Kitchen	30/09/2015	279	372
Magnet Ltd	22/09/2015	139	279
Boston Tea Party	06/07/2015	139	372
Headmasters	30/06/2015	84	186
Calliope	27/04/2015	116	116
Valentinas	14/04/2015	186	279
C & H Fabrics Ltd	17/02/2015	186	279
Wagamama	21/11/2014	279	372

Source: PIPNet (2016)

- 4.63 The majority of demand comes from comparison retailers including High Street retailers (Cycle Surgery and The Works) and bulky goods retailers (Topps Tiles and Mattressman) that would typically located edge or out of centre.
- 4.64 There are a significant number of food and drink operators looking to locate in Reigate, including a mix of national chains (Wagamama) and independents (Fego Caffe, Joes Kitchen). It is interesting to note that Reigate is the only RBBC centre

which has significant demand from food and drink operators with 5 published requirements. As Reigate has a historic town centre with small scale units, the requirements from retailers are typically also for small scale units except for the bulky goods retailers.

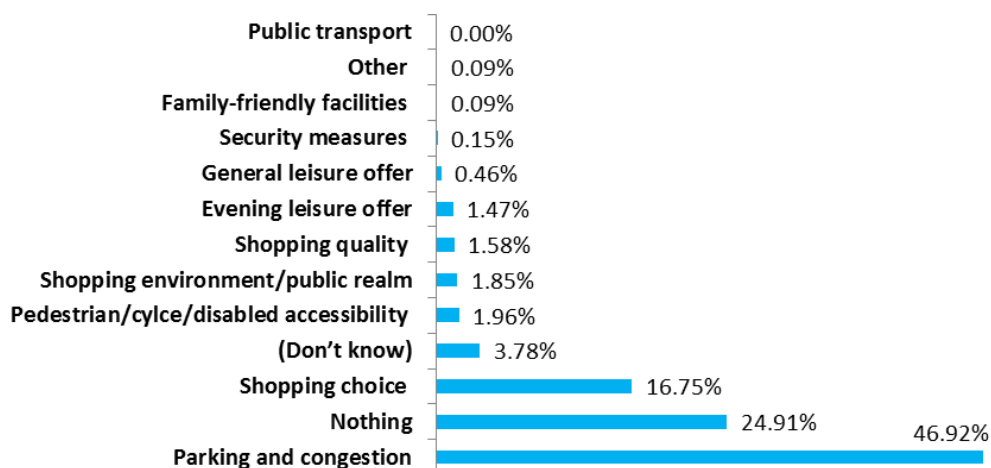
## Commercial rents on non-domestic property

- 4.65 The level of rent that businesses are prepared to pay for retail space in a centre provides a further indication of the relative strength of the centre and its prime retail pitch as a shopping location. Our market research indicates that current rents achieved for retail units in the prime retail area are around £750 per sqm. This compares to the rents achieved in Redhill at between £540 and £700 per sqm.

## Customer views and behaviour

- 4.66 The household survey undertaken in support of this study included questions designed to understand residents' opinions of the centres in the borough. The study specifically sought to understand how people who currently use the town centres felt that they could be improved and the results are summarised in Figure 4 10.
- 4.67 Figure 4-10 shows that parking and congestion is the most significant issue within Reigate, as almost 47% of respondents stated that this needed improvement. Reigate is an extremely busy and small town centre. During the site visit PBA observed a significant level of congestion within the town centre, caused by traffic accessing the main through road towards the south, the A217.
- 4.68 The second most popular response was nothing, followed by 17% of respondents stating that the shopping choice needs improvement. This shows that overall, with the exception of the congestion issue, Reigate is a high quality town centre, and local residents feel that a wider variety of shops would be welcomed.

**Figure 4-10 Improvements to Reigate town centre**



Source: Q33A, NEMS household survey, Volume 3

## Pedestrian flows

- 4.69 PBA observed high flows of pedestrian activity during the site visit, particularly given that these visits were undertaken on a week day. Reigate has no pedestrianised streets, and as such pedestrians are constrained to narrow pavements throughout the town centre.
- 4.70 Although generally narrow, there are areas where the pavements have been widened in recent years to improve pedestrian flow. Along the High Street and Bell Street there are several pedestrian crossing points to enhance accessibility. Church Street and Bancroft Road are extremely busy, especially at peak times. These roads have poor crossing facilities, and impede the flow of pedestrians.

## Accessibility

- 4.71 There are four car parking facilities within the town centre, the Morrison's supermarket (c. 390 spaces), adjacent to Bell Street (112 spaces), Upper West Street (109 spaces), and Bancroft Road multi-storey (315 spaces). The car park at the Town Hall can also be used by the public at off-peak times and weekends. All of these facilities are located at the outer edges of the town centre, to avoid cars driving through the centre to access parking.
- 4.72 The town centre benefits from relatively direct access to the M25 (at junction 8); however, at peak times the roads can experience high levels of congestion. The Reigate level crossing to the north of the town centre can often worsen this congestion, causing queues south through the town centre and north up to the M25. This impacts the pedestrian movement throughout the town, making crossing the roads more challenging.
- 4.73 Reigate is served by a variety of bus services, connecting the town centre to Redhill, Dorking and Guilford, as well as smaller village centres. The bus stops are located at the edge of the town centre shopping area to prevent congestion within the centre.
- 4.74 The train station is located a short distance to the north of the town centre. The train service connects Reigate to Redhill and Gatwick. There are some direct trains to central London stations although this often requires a change of trains at Redhill.
- 4.75 There are a small number of bike parking facilities dispersed throughout the town centre, however, these are sparse, and Reigate could provide more facilities for cyclists including dedicated cycle lanes.

## Perception of safety and occurrence of crime

- 4.76 Reigate is a busy town centre, with a large pedestrian footfall on a daily basis. The presence of a large number of people creates a safer shopping environment through deterring crime. As there are no pedestrianised areas, the large number of cars using the town centre creates a safety issue, especially as crossing points are less available in certain areas.
- 4.77 Figures obtained from Surrey Police department's crime statistics database reveals that the annual number of crimes committed in Reigate town centre has increased

between 2011 and 2015 although not significantly. The data from Surrey Police shows that 36% of crimes in Reigate are anti-social behaviour relate and 10% of crimes committed are theft 10%.

**Table 4-7 Annual number of crimes committed in Reigate town centre (Surrey Police)**

2011	2012	2013	2014	2015	% Change 2011-2015
231	247	260	228	283	22.5% increase

Source: Surrey Police crime data (2016)

## Town centre environmental quality

- 4.78 Reigate is a historic town centre, with relatively few modern buildings including the Morrison’s supermarket, and a new residential development at the south of Bell Street. Market Square provides a pleasant seating and meeting point at the centre of the town. Throughout the rest of the town centre, the general environmental quality is of a high standard, with benches and attractive planters dispersed throughout. The shop fronts throughout are well maintained and are of a high quality design standard.
- 4.79 Priory Park provides a large area of green open space within very close proximity to the town centre. There is also the Castle Grounds Park and gardens to the north of the town centre. Due to the historic and densely populated nature of the town centre, there is no scope for additional green space within the centre.

## Site allocations and available sites

- 4.80 During the site visit conducted by PBA, a number of sites were identified for their development potential. These sites and their current development status are outlined below:
- Library/Pool House – Currently used for a library, community services and small retail and commercial units, this site is in a strategic location only 100 metres from the retail centre, and would be suitable for retail-led mixed use redevelopment.
  - Town Hall – Currently used for car parking, located approximately 300m from the retail centre. Proposals are being progressed for a mixed-use scheme comprising a ground floor convenience retail store with residential units at upper floors. A planning application is anticipated in late 2016.
  - Morrison’s – Currently used as a Morrison’s supermarket. This site could be intensified to provide additional convenience floorspace to the town centre if required.

## Horley town centre

- 4.81 Horley town centre performs a service and convenience role for the local area, and has undergone significant redevelopment within recent years, improving the local offer. As a result, the centre is a mix of modern and historic buildings, providing a selection of smaller and larger units for retail occupiers.

- 4.82 The Borough Local Plan (2005) identifies Horley’s town centre boundary, the primary and secondary shopping area, and the primary shopping frontages. These are shown in Figure 4-11.
- 4.83 Located to the west of the railway line, Horley town centre is focused on Victoria Road and the High Street, although it does extend eastwards under the railway line to Station Road. A section of the High Street is a pedestrian priority area, and provides a fully pedestrianised surface for shoppers. The most recent improvement to the town centre is Russell Square, a mixed use retail and residential development on Victoria Road.

**Figure 4-11 Horley town centre as identified in the adopted Borough Local Plan (2005)**



## Diversity of uses

### *Convenience goods*

- 4.84 Table 4-8 compares the proportion of different types of units, and their floorspace found in Horley town centre, against the national average figure, and as such allows us to identify under provision in certain areas. The figures contained in the table are taken from the Horley GOAD table at Appendix A, updated by PBA in March 2016.
- 4.85 The table shows that the proportion of convenience units and floorspace within Horley is above the national average, with 11% and 31% in Horley respectively, compared to national averages of 9% and 18%. The Waitrose contributes to a significant amount of this floorspace- approximately one fifth of the total convenience floorspace.

- 4.86 As well as Waitrose, there is a large Lidl supermarket and an Iceland, both on Victoria Road. These larger stores are complimented by a small selection of local convenience stores, as well as a Morrison’s local. Local independent occupiers include King’s Bakery and Chris White Family Butchers.
- 4.87 There is a weekly farmers market in Horley, which takes place in the market car park every Saturday between 9am and 2pm. This market compliments the permanent convenience offer by supplying a range of local stalls for butchers, greengrocers, and traders selling a variety of homeware goods.

**Table 4-8: Horley town centre diversity of uses compared to national average**

Use	Horley units %	UK units average %	Horley sqm %	UK sqm average %
Convenience Goods	10.68	9.22	30.56	18.32
Comparison Goods	33.01	39.75	36.21	44.95
Food and Drink	20.39	17.01	12.07	12.54
Service Retailers	32.04	20.51	19.44	12.83
Miscellaneous	0	1.18	0	10.34
Vacant Units	3.88	12.33	1.72	10.34

Source: GOAD and PBA Update (2016) Appendix A, Volume 2

### *Comparison goods*

- 4.88 It is evident from the table that Horley is under performing in its comparison goods offer with just 33% of comparison units, compared to the national average of 40%. The floorspace provision is also proportionately lower than the national average. Although Horley is a small town centre there is scope for further retail floorspace through intensification and redevelopment of sites.
- 4.89 The clothing and footwear offer is limited, with just three units, which include Dapper Shoes, M & Co clothing, and Orchid ladies and menswear. A large proportion of units are occupied by charity shops and second-hand stores, including the Salvation Army and Age UK.
- 4.90 In terms of non-fashion retailing, there are a number of specialist stores, with a high proportion catering for vehicle accessories and repairs, such as Horley Tyres and Exhausts. There is also a large department store, Collingwood Batchellor, which sells homeware and furniture.
- 4.91 In relation to representation from multiple operators, of the Experian GOAD 31 key attractors, the town centre has only one, Boots. Overall, the comparison offer in the centre is oriented towards the lower/middle end of the market, with very few national retailers, and a poor selection of fashion and footwear stores.

Figure 4-12 Large discount retail store (left) and Horley's Victoria Road (right)



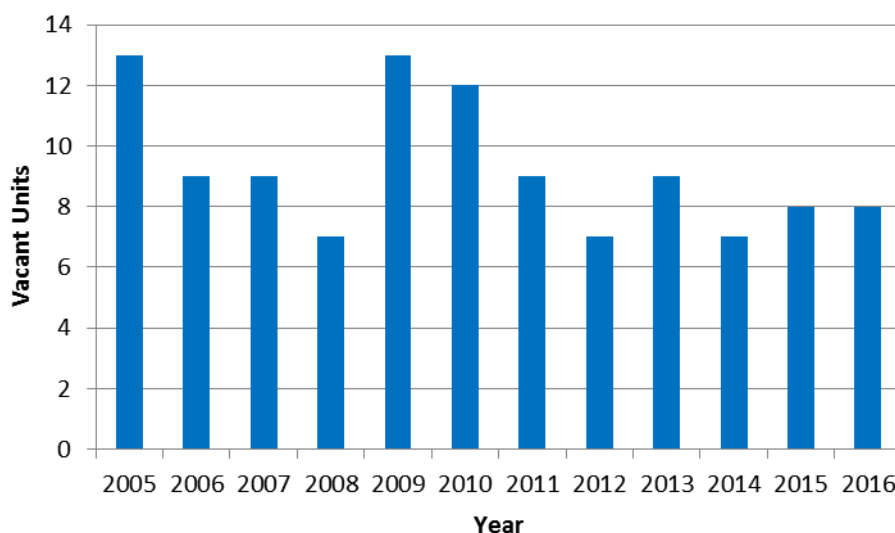
### *Service retailers*

- 4.92 Table 4-8 shows the proportion of service retailers compared to the national average; this includes restaurants and cafes, as well as hairdressers, banks and estate agents. The table shows that Horley has significantly more service retailers than the national average of 38%, with 49% in the centre. The floorspace figure is also higher, but the difference is less significant, showing that these occupiers typically locate within smaller units.
- 4.93 The most significant contribution to this figure comes from the selection of restaurants and cafes; together they make up 17% of the service units. The biggest deviation from the national average comes from the proportion of hairdressing and beauty facilities, which occupy 14% of the centres units, compared to the national average of 10%.
- 4.94 There is a varied A3 to A5 leisure offer, with a higher representation from local operators compared to national brands. National operators include Domino's Pizza and Costa. The independent offer is of a medium quality, and includes Blue Lake restaurant, Horley's Fish and Chips, and Da Peppino Italian restaurant. There is a selection of fast food takeaways of varying quality, including Horley's Kebab Centre and Spice Boys.
- 4.95 There is a very small selection of D2 leisure facilities within the centre. The majority of local leisure facilities are located outside the town centre. To the east of the centre is Oakwood Sports Centre and a Gymnastics and Trampoline Club. There is also the Athena Martial Arts centre and Horley Leisure Centre, slightly further afield.

### **Proportion of vacant street level property**

- 4.96 Table 4-8 shows that the number of vacant units in Horley is lower than the national average, with only a 4% vacancy rate compared to the national average of 12%.

**Figure 4-13: Horley vacancy levels (units)**



Source: Reigate and Banstead vacancy data (2005-2015) and PBA vacancy data (2016)

- 4.97 These vacant units are dispersed throughout the town centre, however, during site visits conducted by PBA in March 2016, it was noted that half of the ground floor commercial units provided as part of the recently completed Victoria Road scheme were vacant.
- 4.98 Figure 4-13 shows that vacancy levels in Horley have recovered since the recession. The peak vacancy rate was recorded in 2009 at 13 units, and the vacancy rate has reduced to 4 units in 2016.

## Retailer requirements

- 4.99 The level of retailer demand provides an important indication of the centre’s health. Table 4-9 shows the current list of published retailer requirements for Horley town centre, provided by PIPNet.
- 4.100 Horley has the lowest level of retailer demand out of the four RBBC town centres, according to published retailer requirements. Although this is not a complete picture of retailer demand in the centre, it is a useful tool to compare the relative attraction of RBBC centres to operators.
- 4.101 There is very limited information listed on PIPNet for Horley, indicative of low demand from retailers. The retailer requirements show that there is demand for one small store for Savers, and a large warehouse style unit for a timber merchant.

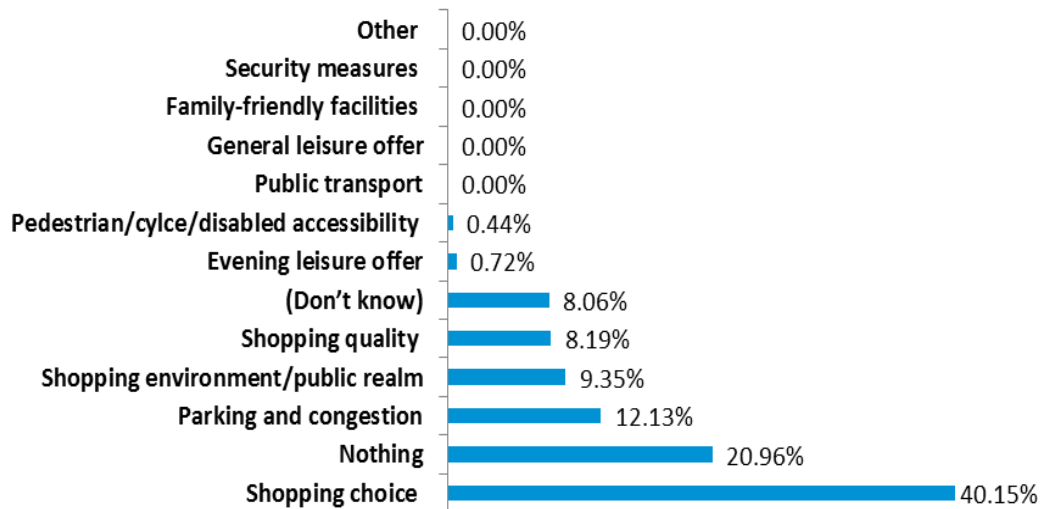
**Table 4-9 Horley retailer requirements**

Operator	Date	Min (sqm)	Max (sqm)
Savers Health & Beauty Ltd	14/01/2016	139	279
AW Champion Timber Merchants	23/07/2014	1500	-



## Customer views and behaviour

**Figure 4-14: Improvements to Horley town centre**



Source: Q33A, NEMS household survey, Volume 3

- 4.102 The household survey undertaken in support of this study included questions designed to understand residents' opinions of the centres in the borough. The study specifically sought to understand how people who currently use the town centres felt that they could be improved.
- 4.103 Figure 4-14 clearly shows that local residents felt Horley town centre could be improved. Shopping choice is the most significant aspect of Horley's town centre which requires improvement, as 40% of respondents picked this response. It was evident during the site visit that the shopping choice is poor, especially within fashion stores, as there are only three fashion units within the whole town centre.
- 4.104 The second most popular response was nothing, followed by parking and congestion, showing that respondents may be more likely to use the town centre if parking and congestions issues were improved.

### Pedestrian flows

- 4.105 Other than a small pedestrianised area on the High Street, pedestrians within Horley are confined to narrow pavements alongside busy roads. Victoria Road is the busiest road within the centre which interrupts pedestrian movement through a lack of convenient crossing points.
- 4.106 The pedestrianised area on the High Street provides a pleasant area of open space with freedom of movement for shoppers. Accessing the main shopping offer from public transport points is simple and convenient. However, accessing the shopping offer to the east of the railway line, along Station Road and Smallfield Road, requires pedestrians to use an unpleasant underpass. This connectivity could be improved with better lighting and signposting.

## Accessibility

- 4.107 There are ample car parking facilities within the centre, including the Waitrose car park (c.220 spaces), the Central and High Street surface car parks (163 and 86 spaces), Victoria Road (200 spaces) and a small car park on Kings Road (22 spaces).
- 4.108 There are bus stops throughout the town centre, all providing regular services to Crawley in the south, Redhill in the north, and surrounding smaller local villages. There are also regular services to Gatwick Airport, which is only a short ten minute bus journey to the south.
- 4.109 The train station is located at the southern edge of the town centre and this provides regular services through to Redhill, and beyond to central London. Horley station also provides a very quick service to Gatwick Airport.
- 4.110 Cycle parking facilities were only evident at the station however; cycle lanes were present throughout the town centre, with dedicated lanes passing through the pedestrianised area on the High Street.

## Perception of safety and occurrence of crime

- 4.111 Horley town centre mainly offers convenience shopping for the local population, and has a lacking evening leisure offer, as a result it is quiet on weekdays, with slightly more footfall at the weekend and early evening. Having a busy town centre filled with people creates natural surveillance and deters crime, and therefore this lack of people within Horley does not create the perception of a safe town centre. Furthermore, the underpass providing accessibility between High Street and Station Road is unpleasant and does not feel safe at any time of day.
- 4.112 The roads throughout the town centre are busy and crossing points give preference to the car, making pedestrian crossing less convenient, and therefore less safe. There are also a large number of HGV's which use Victoria Road as a through road, increasing congestion and making roads more dangerous.
- 4.113 Figures obtained from Surrey Police department's crime statistics database reveal that the annual number of crimes committed in Horley town centre reduced significantly between 2011 and 2015. Although, as one of the smaller centres in this assessment, there is a significantly high number of crimes recorded within the town centre. According to the data from Surrey Police, anti-social behaviour and violence and sexual offences are the most significant crimes, with 35% and 20% respectively.

**Table 4-10: Annual number of crimes committed in Horley town centre (Surrey Police)**

2011	2012	2013	2014	2015	% change 2011-2015
497	429	418	303	373	24.9% decrease

Source: Surrey Police crime data (2016)

## Town centre environmental quality

- 4.114 The pedestrianised area on High Street is a pleasant area of public realm, with outdoor seating, planters and high quality paving and surfaces. There have been improvements to the southern end of Victoria, including high quality public realm, pedestrian facilities and seating areas.
- 4.115 Throughout the rest of the town centre the general environmental quality is poor, with narrow and poorly maintained pavements. The underpass acts as a gathering point for litter and graffiti, creating a very unpleasant area.

## Site allocations and available sites

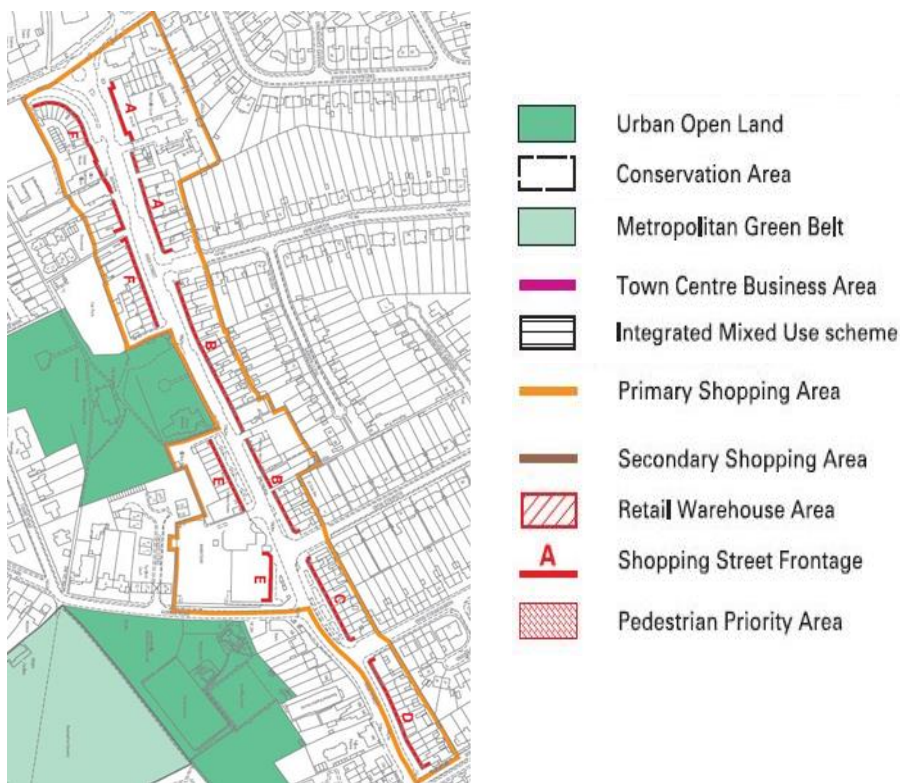
- 4.116 During the site visit conducted by PBA, a number of sites were identified for their development potential. These sites and their current development status are outlined below.
- High Street car park – Currently used as a car park. This site has potential to accommodate additional retail floorspace in highly accessible town centre site.
  - 39-49 High Street – Currently used for retail, office and a church. This site has potential to accommodate additional retail floorspace in highly accessible town centre site.
  - Telephone Exchange – Currently used by BT as a telephone exchange. The site has potential to accommodate additional retail floorspace, although any redevelopment would be subject to the relocation of the Telephone exchange.
  - Police Station – There has been recent active marketing for the disposal of the site, which could be suitable for retail development.
  - Royal Mail Site – Currently owned and occupied by Royal Mail. As a town centre location this would be a highly suitable site for retail development, with potential to enhance the retail offer.
  - 50-66 Victoria Road – Currently small comparison retail units. As a town centre location this would be a highly suitable site for retail development, with potential to enhance the retail offer. This site could also be enhanced to provide a vibrant entrance to the town centre. Figure 4-15 Vacant retail units on recently completed development (left) and the High Street car park (right)



## Banstead Village centre

- 4.117 Banstead Village centre is the smallest town centre within the borough and it performs a convenience role for its local residential catchment. With the exception of the Waitrose supermarket, this centre is mainly smaller historic buildings, located along a linear High Street.
- 4.118 The Borough Local Plan (2005) identifies the primary and secondary shopping area, and the primary shopping frontages, of Banstead Village. These are shown in Figure 4-16 below.

**Figure 4-16: Banstead Village centre as identified in the adopted Borough Local Plan (2005)**



## Diversity of uses

**Table 4-11: Banstead Village centre diversity of uses compared to national average**

Use	Banstead units %	UK units average %	Banstead sqm %	UK sqm average %
Convenience Goods	9.01	9.22	19.41	18.32
Comparison Goods	45.95	39.75	40.62	44.95
Food and Drink	11.71	17.01	13.80	12.54
Service Retailers	27.03	20.51	19.35	12.83
Miscellaneous	0.90	1.18	1.55	10.34
Vacant Units	5.41	12.33	5.27	10.34

Source: GOAD and PBA Update (2016), Appendix A, Volume 2

### *Convenience goods*

- 4.119 Table 4-11 above compares the proportion of different types of units found in Banstead Village centre, and their floorspace, against the national average figure, and as such allows us to identify under provision in certain areas. The figures contained in Table 4-11 are taken from the Reigate GOAD table at Appendix A, updated by PBA in March 2016.
- 4.120 According to the table, the provision of convenience units and floorspace within Banstead Village is in line with the national averages of 9% and 18%. Within these figures, the only deviation from the average is the local convenience stores, of which there is 4.47% more floorspace than the national average.
- 4.121 The convenience offer is anchored by the largest store in the centre, the Waitrose supermarket. Smaller food stores include the Tesco Express and a Marks & Spencer Simply Food. There are also a number of specialist convenience stores, including Coughlans Bakery, a Boutique Bakery, Banstead Fruiterers and Edibles Delicatessen. There are no farmers markets or street stalls within Banstead Village.

**Figure 4-17: Banstead's High Street (left) and some of the more historic frontages (right)**



### *Comparison goods*

- 4.122 Table 4-11 shows that 46% of the villages retail units are comparison, compared to the 40% national average. However, there is less comparison floorspace compared to the national average of 45%, as there is only 41% within the centre. This shows that the comparison stores which are present locate within smaller units. The most significant difference within this sector is the chemist and opticians, as there are 6% more units, and 8% more floorspace within the centre than the national average.
- 4.123 The selection of clothing and footwear stores on offer is suitable for this size of centre, with a variety of men's, ladies, and footwear stores, including Shoehouse, Woodward menswear, and Agenda Ladies Accessories. The majority of stores on offer are small independent units which fit the middle to luxury market. There is a significant proportion of charity stores along the High Street, including a Cancer Research and the Children's Trust.
- 4.124 The non-fashion retail offer provides a variety of homeware, gifts and jewellery stores. The majority are small independent stores providing a specialist service, including Campbells of Banstead jewellers, The Lemon Tree gift store, and Marth's Vineyard furniture store.
- 4.125 In relation to representation from multiple operators, of the Experian GOAD 31 key attractors, the town centre has only four, Boots, Tesco, Waitrose, and Marks & Spencers. Overall, the comparison offer in the centre is oriented towards the middle end of the market, with very few national retailers, and a lack of larger units.

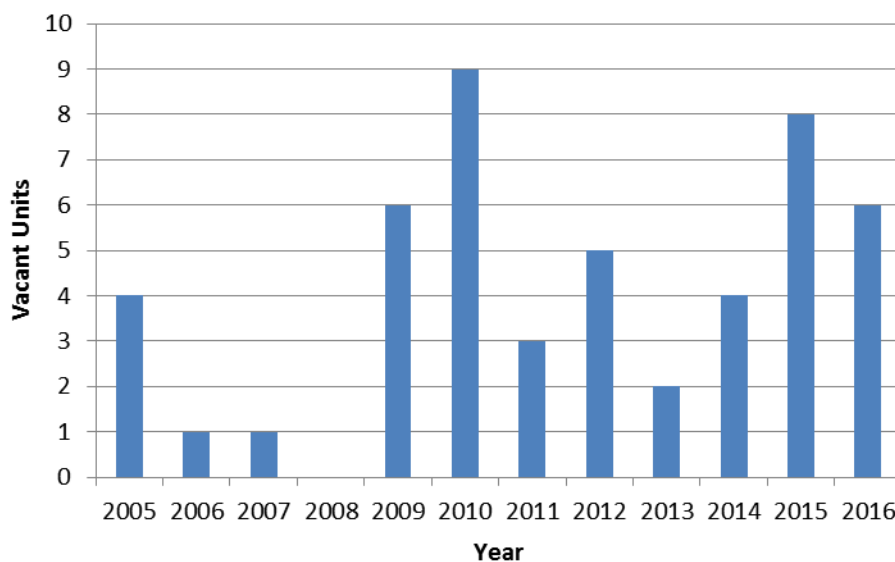
### *Service retailers*

- 4.126 Table 4-11 also shows the proportion of service retailers compared to the national average, this includes restaurants and cafes, as well as hairdressers, travel agents, banks and estate agents. The table shows that Banstead Village is in line with the national average for service retailers units, with 38% in the centre. The floorspace figure is significantly higher, with 34% of the villages floorspace being used for service retailers compared to the national average of 25%. The most significant contribution to this is from hairdressing and beauty services, with these uses contributing 13% to the total unit count in Banstead Village.
- 4.127 The A3 to A5 leisure offer is dominated by restaurants and cafes, with a balanced representation from local operators and national brands. National operators include Zizzi's, Pizza Express, Caffè Nero, and Costa. The independent offer is of a medium quality, and includes Banstead Tandoori, Mococo's Ice Cream parlour, and Luigi's Café. There is a small selection of fast food takeaways, including Papa John's and Flame Grill.
- 4.128 There are no D2 leisure facilities within the town centre, although Tadworth Leisure Centre is located a short distance away to the south of the village. The nearest cinema and theatre are located within Epsom.

## Proportion of vacant street level property

- 4.129 Table 4-11 shows that the number of vacant units in Banstead village is lower than the national average, with only a 5% vacancy rate in the centre compared to the national average of 12%. Furthermore, the amount of vacant floorspace suggests that these units are relatively small units. These units are dispersed evenly throughout the town centre, without any significant clustering.
- 4.130 Figure 4-18 shows that vacancy levels in Banstead village recovered since the recession between 2011 and 2014, although more recently vacancies have increased to near-recession levels. In 2015, the vacancy rate recorded was 8 units, compared to a peak vacancy level of 9 units in 2010 following the recession.

**Figure 4-18: Banstead Village vacancy levels (units)**



Source: Reigate and Banstead vacancy data (2005-2015) and PBA vacancy data (2016)

## Retailer requirements

- 4.131 The level of retailer demand provides an important indication of the centre's health. Table 4-12 shows the current list of published retailer requirements for Banstead village, provided by PIPNet.
- 4.132 Banstead has the second lowest level of retailer demand behind Reigate and Redhill, according to published retailer requirements. This is to be expected given the size and function of Banstead compared to those larger centres. Although the published requirements do not provide a complete picture of retailer demand in the centre, it is a useful tool to compare the relative attraction of RBBC centres to operators.
- 4.133 There are very few retailer requirements in Banstead and the demand is for small scale retail units, to accommodate comparison retailers such as gift store 'Between the Lines'.

**Table 4-12 Banstead retailer requirements**

Operator	Date	Max (sqm)	Min (sqm)
Between The Lines Ltd	09/03/2016	79	111
Tijuana	17/08/2015	279	465
Calliope	27/04/2015	84	116

Source: PIPNet (2016)

## Customer views and behaviour

- 4.134 The household survey undertaken in support of this study included questions designed to understand residents' opinions of the centres in the borough. The study specifically sought to understand how people who currently use the town centres felt that they could be improved. Figure 4-19 shows how local residents felt Banstead Village centre could be improved.
- 4.135 Figure 4-19 shows that the issue that residents considered required improvement is parking and congestion. During the site visit, it was evident that Banstead Village is designed to give priority to the car over sustainable modes of transport, as the train station is a significant distance from the centre. This results in a large number of cars being parked along the High Street, creating congestion at busy times. 22% of respondents believe that there are no improvements needed within Banstead Village, however, a further 16% stated that the shopping choice requires improvement. This shows that the current retail is not meeting the expectations of all residents.

**Figure 4-19: Improvements to Banstead Village centre**



Source: Q33A, NEMS household survey, Volume 3



## Pedestrian flows

- 4.136 Although there are no pedestrianised areas, pedestrian accessibility within Banstead Village is of a good standard, with wide pavements along the High Street, and pleasant areas of seating and planting throughout. Pavements have been made wider in areas with a high footfall, such as at crossing points and outside the small retail units near Waitrose.
- 4.137 Although the town centre promotes freedom of pedestrian movement, accessing the train station without a car is unpleasant, as pedestrians are required to walk along narrow pavements adjacent to a busy access road.

## Accessibility

- 4.138 Car parking facilities can be found at Waitrose (c.140 spaces), High Street car park (91 spaces) and The Horseshoe car park (c.70 spaces) which is adjacent to the town centre. There are also a significant number of on-street parking bays along the High Street.
- 4.139 There are numerous bus stops along the High Street which provide services to West Croydon and beyond, as well as smaller villages in the local area. The train station is at least a fifteen minute walk from the centre of Banstead Village, and is accessible from a very busy road. There are regular, but infrequent, services to Epsom Downs and to London Victoria via Sutton and Clapham Junction.
- 4.140 There is ample cycle parking facilities located throughout the town centre.

## Perception of safety and occurrence of crime

- 4.141 This is a quiet town centre; however, there is a continuous footfall of shoppers throughout the daytime, providing local natural surveillance. Banstead has a 'village' feel, and as such it seems like a safe and welcoming town centre. There was no evidence of crime during the site visit.
- 4.142 The High Street is busy with traffic, however, there are very frequent crossing points, and traffic moves slowly and did not appear to be a safety hazard. Traffic may only be a safety hazard during the walk from the town centre to the train station, which involves crossing very busy roads.
- 4.143 Figures obtained from Surrey Police department's crime statistics database reveal the annual number of crimes committed in Banstead Village centre have increase between 2011 and 2015 as show in Table 4-13. As the smallest centre, it is unsurprising that Banstead Village experiences significantly less crime that the other town centres. Within the past year, the data from Surrey Police reveals that the most significant number of crimes were anti-social behaviour related, at 32% of the total number of crimes.

**Table 4-13: Annual number of crimes committed in Banstead Village centre**

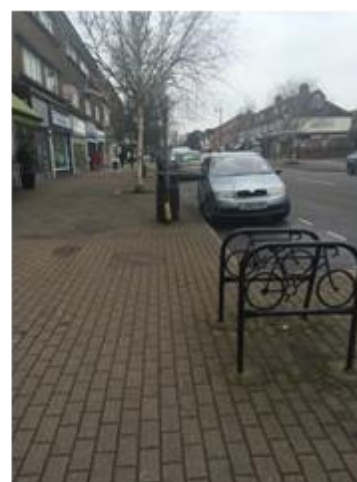
2011	2012	2013	2014	2015	% change 2011-2015
157	182	147	171	189	20.4% increase

Source: Surrey Police crime data (2016)

## Town centre environmental quality

- 4.144 The town centre is mainly comprised of small retail units, with the exception of the Waitrose store at the corner of Avenue Road. There was no evidence of litter or graffiti anywhere in the town centre.
- 4.145 Banstead Village has a very pleasant town centre environment, with well-maintained pavements, and seating and planters all along the High Street. The area of widened pavement outside the shops to the west of Waitrose is a particularly pleasant area, with planting creating a pleasant meeting space.
- 4.146 There is a local park to the south of the Waitrose store, as well as a small area of green open space at All Saints Church. These both act as pleasant additions to the town centre, providing green open space for local shoppers.

**Figure 4-20 Banstead's planters (left) and cycle parking spaces (right)**



## Site allocations and available sites

- 4.147 During the site visit conducted by PBA, a number of sites were identified for their development potential. These sites and their current status are outlined below:
- 4.148 136-168 High Street – Currently used for low density A1/A2 units, a church and a police station. Within 300m of the retail centre, this site is low density and presents an opportunity for intensification.
- 4.149 Banstead Community Centre – Currently used as a community centre, this site, which is only 300m from the retail centre, is of an appropriate size and location for retail provision.

- 4.150 The Horseshoe – Currently used for community, residential, open space and parking. This site is being promoted by Surrey County Council for development.

## Retail provision elsewhere in RBBC

### *Out of centre retail provision*

- 4.151 Not all of the retail provision in RBBC is concentrated in the network of town centres. In common with elsewhere in the country, the established centres compete with freestanding retail warehouses and a network of large format out of centre stores for expenditure. Typically this floorspace offers ‘bulky goods’ retailing, such as DIY goods and furniture, although there is increasing demand from ‘high street’ retailers to take space in such developments, where planning restrictions allow.
- 4.152 RBBC has limited of out-of-centre retail provision with most of the offer provided by convenience retailers rather than DIY or bulky goods retailing. Table 4-14 below summarises out-of-centre retail provision.

**Table 4-14: Out-of-centre retail facilities**

Centre	Store/facility	Location
Redhill	Pets at Home/Halfords	Brighton Road
Reigate	Homebase	Rushworth Road
	Reigate Garden Centre	Sandcross Lane
Horley	Tesco Extra	Reigate Road
	Asda Superstore	Reigate Road

### *Local centres*

- 4.153 RBBC is also served by 18 local centres which play a significant role in the retail hierarchy, providing retail facilities and services for the immediate catchment. A desk-top review of each centre, drawing on RBBC monitoring data from January 2016 has been conducted and the main findings are outlined below:
- Burgh Heath: provides 1,224sqm floorspace, predominantly a mix of convenience stores and retail services useS. However there are a high proportion of takeaways. RBBC monitoring data shows the centre has a low vacancy rate with just 1 vacant unit recorded out of a total of 17 units.
  - Drift Bridge: comprises 1,975 sqm floorspace including a diverse range of units for its size including convenience stores and retail services along with some comparison units, such as Corridori Cycle shop. RBBC monitoring data shows the centre is performing well with no vacant units recorded.
  - Lower Kingswood: comprises 1,319 sqm floorspace including a good mix of convenience stores, including a small M&S store within BP garage. Retail services include hairdressers, a pub and Chinese restaurant, there is also a trade counter. The environmental quality of the centre is undermined to an extent y

traffic flow along the A217. RBBC monitoring data shows the centre has a low vacancy rate with just 1 vacant unit recorded out of a total of 13 units.

- Nork Way: comprises 2,750 sqm floorspace with a good mix of convenience stores, including a Cooperative supermarket and some comparison units, including furniture store and DIY store. The service offer includes hairdressers, pubs, estate agents and a number of restaurants. RBBC monitoring data shows the centre has a low vacancy rate with just 1 vacant unit recorded out of a total of 38 units.
- Waterhouse Lane: provides 1,808 sqm floorspace with a mix of convenience store and diverse range of services including a gym, travel agents and state agents . There is a mix of food and drink outlets including a pub, café and restaurants. RBBC monitoring data shows the centre is performing well with no vacant units recorded.
- Shelveys Way: comprises just 958 sqm floorspace although the centre has a diverse mix of essential shops and services for its size, including dentists, laundrette and funeral services. RBBC monitoring data shows the centre has a low vacancy rate with just 1 vacant unit recorded out of a total of 14 units.
- Chipstead Station Approach: provides 1,648 sqm of floorspace including 4 convenience stores and some comparison stores including an interiors shop. The centre contains a good range of services including a vets, accountants and estate agents. RBBC monitoring data shows the centre has a relatively high vacancy rate with just 4 vacant units out of 21.
- Tadworth: comprises 2,023 sqm floorspace predominantly providing a mix of convenience stores and a diverse range of services including estate agent, bank and opticians. RBBC monitoring data shows the centre has a relatively high vacancy rate with 4 vacant units out of 22.
- Tattenham Corner: comprises 2,462 sqm floorspace, predominantly providing a mix of convenience stores and a diverse range of services including 5 restaurants/cafes. RBBC monitoring data shows the centre is performing well with no vacant units recorded.
- Walton on the Hill: comprises 2,431 sqm floorspace providing a good mix of convenience stores, comparison units and services. The centre has a good food and drink offer for its size with 6 restaurants/cafes. RBBC monitoring data shows the centre is performing well with just 1 vacant unit recorded out of a total of 32 units.
- Lesbourne Road: comprises 1,078 sqm floorspace providing a good mix of convenience stores, comparison units and services for a centre of its size along with some offices. There are a number of comparison units including a dress agency, bridal ware and party store. RBBC monitoring data shows the centre is performing well with just 1 vacant unit recorded out of a total of 32 units.
- Woodhatch: is the largest local centre with 3,143 sqm floorspace providing a diverse mix of convenience stores, comparison units and services. Comparison

units include a bath showroom, music store and jewellers. RBBC monitoring data shows the centre is performing well with no vacant units recorded.

- Linkfield Corner: comprises 2,728 sqm floorspace providing a good mix of convenience stores and services. There is a good comparison offer for a centre of its size including a dance shop, art and framing gallery and game store. RBBC monitoring data shows the centre is performing well with no vacant units recorded.
- Merstham Village: comprises 1,901 sqm floorspace including a good mix of convenience stores and services. There is a good comparison offer including an art/photography gallery, computer shop and antiques store. RBBC monitoring data shows the centre is performing well with no vacant units recorded.
- Nutfield Road: comprises 1,060 sqm floorspace predominantly providing a mix of convenience stores and services units. The centre has a high proportion of take-away units for its size. RBBC monitoring data shows the centre has a relatively high vacancy rate with 5 vacant units out of 22.
- Portland Drive: comprises 2,035 sqm floorspace predominantly providing a mix of convenience stores and services units and, again, the centre has a high proportion of take-away units for its size. RBBC monitoring data shows the centre has 4 vacant units out of a total of 23 units.
- Salfords Brighton Road: comprises 2,035 sqm floorspace providing a good mix of convenience stores and services although there are a high number of takeaways. The comparison offer includes kitchen and conservatory show rooms. RBBC monitoring data shows the centre is performing well with just 1 vacant unit recorded out of a total of 19 units.
- Horley Brighton Road: comprises 1,373 sqm floorspace providing a good mix of convenience stores, comparison units and services for a centre of its size. The convenience offer is anchored by Tesco Express. RBBC monitoring data shows the centre is performing well with no vacant units recorded.

### *Competing centres*

4.154 Table 4-15 sets out the VENUESCORE ranking for the main centres that exert influence over the study area and RBBC specifically.

4.155 The VENUESCORE is provided by Javelin Group and is calculated for each centre using a scoring system that takes account of the presence of multiple retailers, anchor stores and fashion operators which is then weighted to reflect the relevant centre's overall impact on shopping patterns:

*'The score attached to each operator is weighted to reflect their overall impact on shopping patterns. For example, anchor stores such as John Lewis, Marks & Spencer and Selfridges receive a higher score than other unit stores. The resulting aggregate score for each venue is called is VENUESCORE.'*

4.156 Operators are differentiated into different classes: at the top of the hierarchy sit Premier Department Stores (e.g. Harrods, Selfridges in London), down to the bottom

tier of Other Multiple Retailers (e.g. 99p Stores, Carphone Warehouse and Clarks). The classifications include both comparison and convenience retailers.

- 4.157 It is important to note that the geographical area used to define the town or city centre is unlikely to coincide with the adopted primary shopping areas. In the case of Reigate, for example it is likely that the edge-of-centre offer including Homebase will be included within the score attributed. This is constant across all the centres and as such, as a comparison tool, it is still considered useful.

**Table 4-15: VENUESCORE ranking of RBBC town centres and competing centres**

Town centre	Market position	Location grade	Venuescore rank 2015/
Redhill	Middle	Sub-Regional	253
Reigate	Upper Middle	Major District	435
Horley	Middle	District	918
Banstead	Upper Middle	District	943
Croydon	Middle	Major Regional	21
Crawley	Middle	Regional	76
Epsom	Middle	Regional	166
Dorking	Upper Middle	Sub-Regional	307

- 4.158 Table 4-15 identifies how centres within RBBC compare with the main competing centres outside for the study area and Appendix B presents a profile of each centre, identifying any planned town centre developments or investments which will improve the town centre offer.
- 4.159 Croydon presents the greatest competition for RBBC centres and Croydon is also the only town centre where significant new retail development is planned. This is reflective of the polarisation trend explained in Section 3. It is expected that Croydon will exert a greater influence over shopping patterns in RBBC, mainly in the comparison goods sector but also in terms of leisure spending.
- 4.160 There is no significant retail development planned in any other competing centres. Epsom and Dorking are historic market towns which face similar challenges to Reigate, in so far that have limited capacity to accommodate retail growth. In Epsom, the Council has addressed this issue by implementing works that will improve the quality of the town centre in order to drive up footfall and improve the turnover of existing floorspace.
- 4.161 In Crawley there are no major retail developments proposed for the town centre although there is a significant amount of new out of centre floorspace being delivered, Acorn Retail Park will provide three units which have been pre-let to a mix of convenience and comparison retailers, including Aldi. It can be expected that this development will draw a significant amount of trade from RBBC which has limited out

of centre retail facilities and relatively limited representation from discount convenience retailers.

## KEY FINDINGS

The borough contains four main centres which each perform a different role in retail hierarchy with a distinct retail offer:

- Reigate is a traditional market town with attractive historic buildings and a linear street layout which is largely designated a conservation area. Its main strengths include the high quality fashion offer and provision of quality food and drink units. Although, due to the historic fabric of the town, the retail stock does not meet the requirements of modern retailers and there is limited scope for new development.
- Redhill is a medium sized town centre with good representation from mid-market national retailers. The centre performed well throughout the recession and has capacity to accommodate an improved retail and leisure offer. The main strengths of the centre are its connectivity to London via rail services, the provision of significant employment space on the edge of the town centre and the availability of suitable sites for redevelopment.
- Horley is a small town centre which is underperforming against a number of key health check criteria. The town centre offer is focused towards the low-mid end of the market with a limited number of national retailers. While the centre has physical capacity to accommodate an improved retail offer in the short-term the focus should be on improving the quality of the existing offer and upgrading the public realm.
- Banstead is a large village centre which performs well against the majority of health check criteria. The town centre offer is focused towards the mid-high end of the market with a number of national retailers and food and drink operators. There is also limited physical capacity to accommodate an expanded retail offer.

The main RBBC centres face competition from larger centres located outside of the borough boundary. Croydon and Crawley represent the main source of competition; both centres have greater representation from national multiples and food and drink outlets. Major retail development is planned for Croydon which is expected to exert a greater influence over comparison shopping patterns across the borough in future.

## 5 SPENDING PATTERNS

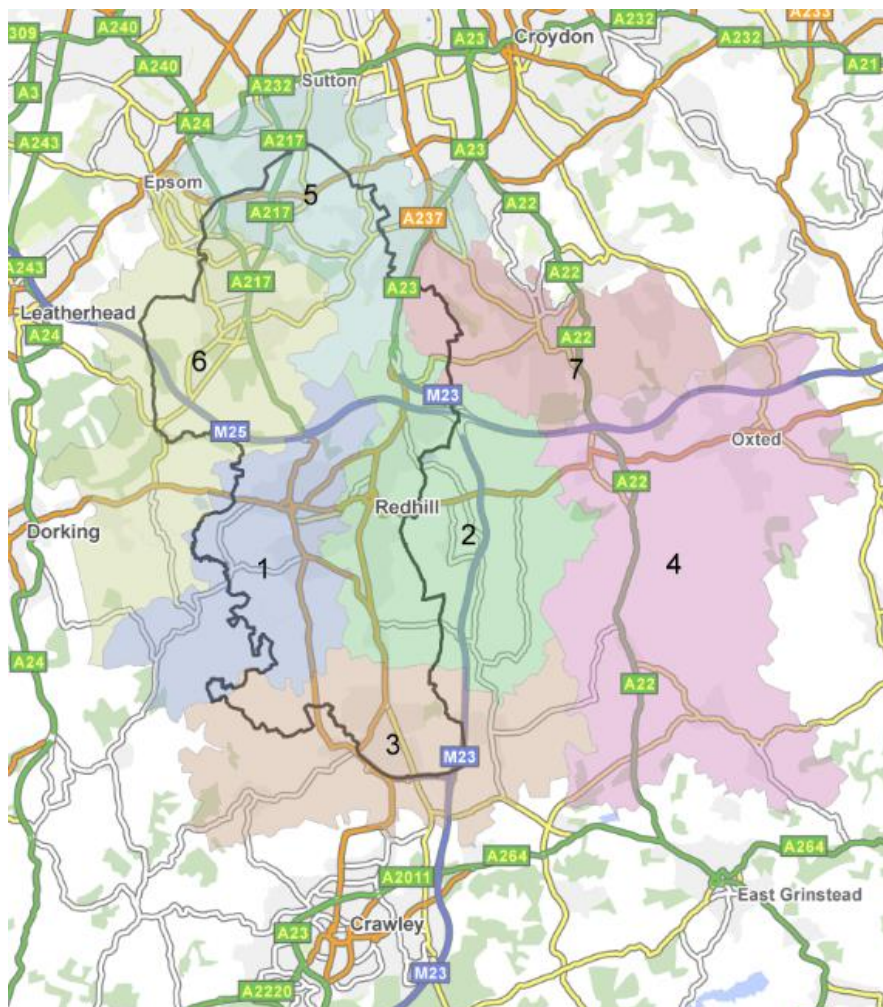
### Introduction

- 5.1 This section sets out where residents in RBBC are currently undertaking their spending on convenience (food) and comparison (non-food), establishing how much is spent at centres in the borough and how much 'leaks' to destinations further afield. This section also sets out the study area which has been used as the basis of our assessment, and assesses the extent of growth in spending on retail goods which can be expected to come forward over the course of the study period.

### Household survey and study area

- 5.2 The findings of this section are informed by a household telephone survey of shopping patterns, which was undertaken by NEMS Market Research in March 2016. The NEMS survey data is provided in full at Volume 3 to this study. The approach to these studies is described in full below.

**Figure 5-1 Study area**





- 5.3 In order to establish where residents in different parts of the borough are currently undertaking their retail spending, it is necessary to firstly define a study area; and secondly to split this study area into zones in order for a sufficiently fine-grain of analysis of spending patterns to be provided.
- 5.4 The study area map, reproduced in Figure 5-1 and enclosed at Appendix C identifies the borough boundary and the seven study zones. Appendix D contains a map of foodstores in the study area.
- 5.5 The study area was defined with reference to the administrative boundary of the borough and also had regard to the shopping patterns derived from the 2006 household survey that underpinned the 2011 RLNUS. The study zones which most closely relate to the borough boundary include zones 1, 2, 3, 5 and 6. The geography of the borough means that residents in the zones far north and south of the borough are more closely related to centres outside of Reigate & Banstead than to centres in the borough. The majority of Zone 5 is located within the M25, as such residents in this zone will look to centres within Greater London to meet their shopping needs, particularly in the comparison sector.
- 5.6 The postcode sectors which correspond to the study zones are set out in Table 5-1.

**Table 5-1: Study zone postcode sectors**

<b>Zone name</b>	<b>Postcode sectors</b>
Zone 1 Reigate	RH2 0,7,8,9
Zone 2 Redhill	RH1 1,2,3,4,5,6
Zone 3 Horley	RH6 0,7,8,9
Zone 4 Oxted	RH7 6; RH8 0,9; RH9 8
Zone 5 Banstead	CR5 2,3,4; KT17 3; SM2 5,6,7; SM5 4; SM7 1,2,3
Zone 6 Tadworth	KT17 4; KT18 5,6; KT20 5,6,7; RH3 7
Zone 7 Caterham	CR3 5,6,7; CR5 1

- 5.7 The survey comprised 800 households and included questions on convenience and comparison shopping, commercial leisure use and a number of qualitative questions on residents' views of the main centres in the borough.

## **Population and expenditure growth**

- 5.8 This report will present two sets of quantitative retail capacity forecasts in Section 6 based on Experian population forecasts (scenario A) and based on RBBC dwelling-based population forecasts (scenario B).
- 5.9 Table 5-2 summarises population forecasts for the scenario A and scenario B.
- 5.10 At Appendix E, Table CM/CV1a and Tables CM2a and CV2a set out the population growth and retail expenditure growth over the study period for scenario A. Table CM/CV1b and Tables CM2a and CV2 set out the same data for scenario B. The data

is presented on a zone-by-zone basis, as well as providing overall figures for the whole study area.

**Table 5-2: Study area population growth summary 2016-2032**

Year	Population	Growth from 2016	Population	Growth from 2016
	Scenario A		Scenario B	
<b>2016</b>	307,022	-	307,022	-
<b>2019</b>	317,523	10,501	319,882	12,860
<b>2022</b>	328,218	21,196	336,191	29,169
<b>2027</b>	344,445	37,423	346,341	39,319
<b>2032</b>	358,972	51,950	356,773	49,751

Source: Table CM/CV1a and Table CM/CV1b, Appendix E

- 5.11 Table 5-2 summarises population growth forecasts for scenario A based on Experian forecasts. For scenario B, we have converted the dwelling based population forecasts provided by RBBC into implied growth rates which we apply to the 2016 base Experian population for each of the study zones within the borough (Zones 1, 2, 3, 5 and 6). For the remaining zones outside of the borough, zones 4 and 7, the Experian population projections are applied.
- 5.12 By comparing the figures in Table 5-2 it is clear that the Experian population data forecasts greater population growth over the study period as a whole (scenario A). However, the RBBC dwelling based population data indicates greater population growth in the earlier parts of the plan period between 2019 and 2027 (scenario B). The observed differences in population growth over time will affect the rate at which retail capacity emerges across the study period under scenario A and B, and this is explained in greater detail in Section 6.
- 5.13 Table 5-3 provides a summary of the study area-wide total comparison spending growth across the study period from Table CM2a in Scenario A. This includes a deduction made for special forms of trading (SFT), based on the rates set out in Experian Retail Planner Briefing Note 13 (ERPBN). Excluding SFT, the level of comparison expenditure is expected to grow by £1,020m over the study period under Scenario A.
- 5.14 Table 5-4 sets out the same data taken from Table CM2b in scenario B, under this scenario the level of comparison expenditure is slightly lower as it is expected to grow by £991m, excluding SFT.

**Table 5-3: Scenario A total comparison expenditure growth summary**

Year	Comparison expenditure incl. SFT (£m)	SFT %	SFT (£m)	Comparison expenditure exc. SFT (£m)
2016	1,355	12%	168	1,187
2019	1,530	14%	220	1,309
2022	1,727	15%	263	1,465
2027	2,117	15%	315	1,801
2032	2,582	15%	374	2,207

Source: Table CM2 a, Appendix E, Volume 2

**Table 5-4: Scenario B total comparison expenditure growth summary**

Year	Comparison expenditure incl. SFT (£m)	SFT %	SFT (£m)	Comparison expenditure exc. SFT (£m)
2016	1,355	12%	168	1,187
2019	1,537	14%	221	1,316
2022	1,760	15%	268	1,493
2027	2,116	15%	315	1,801
2032	2,548	15%	369	2,179

Source: Table CM2 b, Appendix E, Volume 2

- 5.15 Comparing Table 5-3 and Table 5-4 it can be seen that the growth in comparison expenditure reflects that of population growth. Expenditure growth is greatest under scenario B in the earlier parts of the plan period up to 2022; however expenditure growth is greatest under scenario A overall.
- 5.16 In relation to SFT, the proportion of non-store comparison spending is forecast to increase in the medium term up to 2022, although after this growth, the proportion of non-store spending is forecast to plateau.
- 5.17 Table 5-5 and Table 5-6 provide an equivalent summary for convenience goods expenditure in scenario A and scenario B, with an appropriate deduction made for SFT. The level of convenience expenditure is expected to grow by £107m over the study period in scenario A, as show in Table CV2a. Under scenario B, the level of convenience expenditure is expected to grow by £101m, as shown in Table CV2b.
- 5.18 Across both scenarios, there will be far greater growth in comparison spending across the study area. In relation to SFT, the proportion of non-store convenience spending is forecast to increase in the long term up to the end of the study period, in contrast to the trends observed in the comparison sector where growth in non-store spending is expected to plateau after 2022

**Table 5-5: Scenario A total convenience expenditure growth summary**

Year	Convenience expenditure incl. SFT (£m)	SFT %	SFT (£m)	Convenience expenditure exc. SFT (£m)
2016	714	3%	21	693
2019	744	4%	28	715
2022	771	5%	35	735
2027	813	5%	42	771
2032	851	6%	51	800

Source: Table CV2 a, Appendix E, Volume 2

**Table 5-6: Scenario B total convenience expenditure growth summary**

Year	Convenience expenditure incl. SFT (£m)	SFT %	SFT (£m)	Convenience expenditure exc. SFT (£m)
2016	714	3%	21	693
2019	749	4%	28	720
2022	788	5%	36	752
2027	816	5%	42	773
2032	844	6%	51	794

Source: Table CV2 b, Appendix E, Volume 2

## Existing shopping patterns

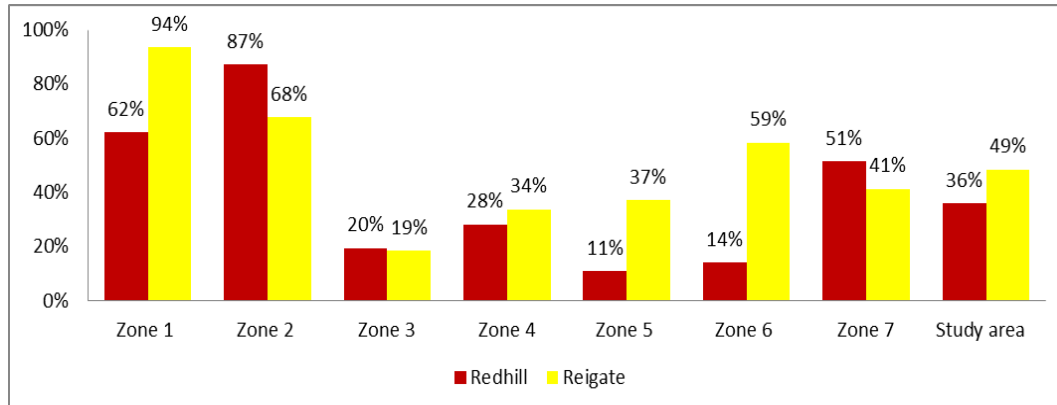
- 5.19 The household survey includes a number of detailed questions on convenience and comparison shopping patterns, the results of which are reviewed in further detail below. However, to provide context, it is useful to understand the overall level of attraction exerted by Reigate, Redhill, Horley and Banstead on the study area.

### Penetration rates

- 5.20 Figure 5-2 and Figure 5-3 record the percentage of residents, on a zone-by-zone basis that regularly visit any of the Reigate, Redhill, Horley, or Banstead centres for either shopping, leisure or work.
- 5.21 Figure 5-2 shows the dominant role of Reigate across the study area, albeit with a more limited influence in the far north (zone 5- Banstead) and south (zone 3- Horley) of the borough as well as zone 4 which lies outside the borough boundary.
- 5.22 Reigate exerts the greatest sphere of influence over the whole study area as a whole, attracting visitors from a wider catchment. It is interesting to note that Reigate has the highest penetration rate within zone 4, revealing that a higher percentage of visitors choose to bypass Redhill and Horley, in favour of Reigate. Redhill performs well within its local area of zone 2 and its neighbouring area in of zone 1, with a

penetration rate of 87% and 62% respectively. The penetration rates of Redhill and Reigate show that they each perform best in their home zone, but that they also draw trade from each other. This suggests that these centres complement one another, with Reigate as a boutique and high-end destination, and Redhill as a mid-market location for national retailers.

**Figure 5-2 Penetration of Reigate and Redhill within the study area**

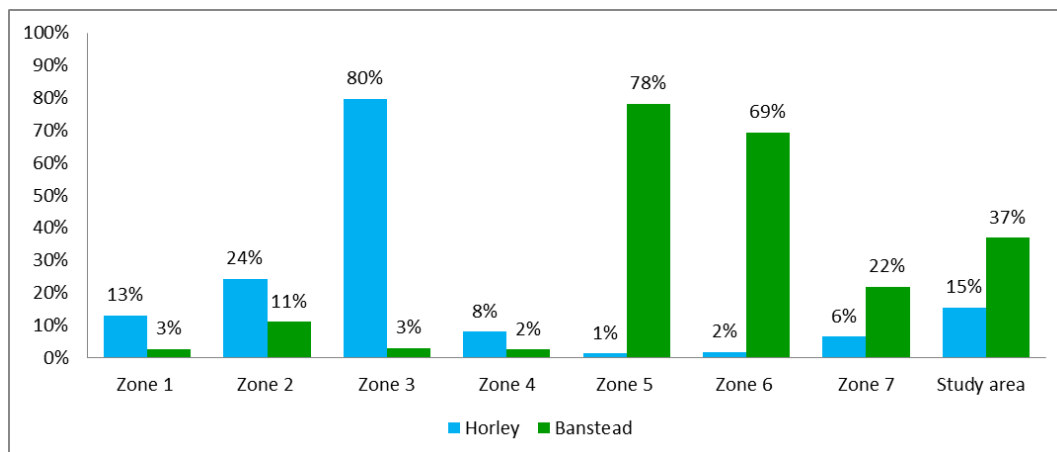


Source: NEMS household survey 2016 (Q32, 33, 34 & 35), Volume 3

5.23 Figure 5-3 shows that Horley performs a more localised role within the study area. Horley exerts a significant influence over its home zone (zone 3) however its overall attraction across the study area is limited. Banstead performs well within zone 5, its home zone and in neighbouring zone 6.

5.24 When comparing Figure 5-2 and Figure 5-3, it is surprising to note that the household survey recorded Banstead as the second most dominant centre within the study area in terms of overall attraction with Redhill following closely behind.

**Figure 5-3 penetration of Horley and Banstead within the study area**



Source: NEMS household survey 2016 (Q32, 33, 34 & 35), Volume 3

## Comparison goods

5.25 Experian provides comparison expenditure by goods category. By deriving the split of expenditure for the study area across the different comparison goods categories, composite comparison goods market shares have been generated (Table CM3).

Table CM4a converts these shares to monetary values by applying the total comparison expenditure generated for the study area.

- 5.26 Table 5-7 summarises the proportion of comparison goods spending retained within RBBC from each study zone. Retention of comparison goods expenditure is greatest in zones 1 (Reigate) and zone 2 (Redhill). Although in both of these zones, the market share of RBBC stores is just over half, indicating that there is scope to improve the performance of RBBC town centres in the comparison goods sector.
- 5.27 Beyond these core zones, stores in RBBC exert a relatively limited influence over comparison shopping patterns. The level of comparison retention is relatively low within the other zones within the borough boundary (zones 3, 5 and 6). This is most pronounced in zone 5 (Banstead) to the far north of the borough, where the vast majority of residents undertake comparison shopping outside of RBBC.

**Table 5-7: Comparison goods leakage**

Comparison goods spending	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
RBBC Stores	57%	52%	23%	11%	8%	18%	17%
Leakage from RBBC	43%	48%	77%	89%	92%	82%	83%

- 5.28 Table 5-8 below summarises the three most popular comparison shopping destinations, on a zone-by-zone basis, and identifies the proportion of comparison goods spending retained within the borough. Table 5-9 shows the proportion of comparison expenditure retained within each RBBC town centre from its 'home zone'.
- 5.29 The comparison shopping patterns analysis shows that there is no one destination which exerts a dominant influence across the borough as a whole which reflects the diverse geography of the borough.
- 5.30 Reigate and Redhill town centres are both the most popular locations within their home zones, resulting in a high town centre retention rate and a high retention rate for the borough. Horley is only the second most popular location within its home zone; Crawley exerts a much greater influence as the most popular comparison location in zone 3 with over 50% market share.
- 5.31 Banstead is not one of the popular locations within zone 5 for comparison shopping. Croydon, Sutton, and Kingston all exert a significant influence over zone 5 and this reflects the fact that Banstead, located within the M25, is more closely related to these centres than either Redhill or Reigate.
- 5.32 Comparison spending retention within RBBC is only significant within zone 1 (Reigate) and zone 2 (Redhill). Across the borough as a whole, the main competing centres are Croydon and Crawley. Both of these destinations exert a significant influence over spending patterns with a market share of 33% and 4.6% respectively.
- 5.33 In the northern part of the borough, Kingston exerts a significant influence over comparison spending patterns within zone 5 (Banstead) and zone 6 (Tadworth).

**Table 5-8: Main comparison shopping destination by zone (2016)**

Zone	Main Stores/Locations	RBBC Retention
1	Reigate Town Centre (36%) Crawley (20%) Redhill Town Centre (19%)	36.7%
2	Redhill Town Centre (35%) Crawley (22%) Reigate Town Centre (12%)	35.5%
3	Crawley (52%) Horley Town Centre (13%) Other outside RBBC (10%)	13.3%
4	Other stores outside study area (23%) Oxted Town Centre (20%) Croydon (15%)	-
5	Croydon (28%) Sutton (28%) Kingston (12%)	4.4%
6	Epsom (26%) Croydon (17%) Kingston (9%)	7.3%
7	Croydon (33%) Caterham (23%) Redhill Town Centre (9%)	-

Source: Table CM3 and CM4, Appendix E

**Table 5-9 Comparison goods expenditure retention for RBBC town centres**

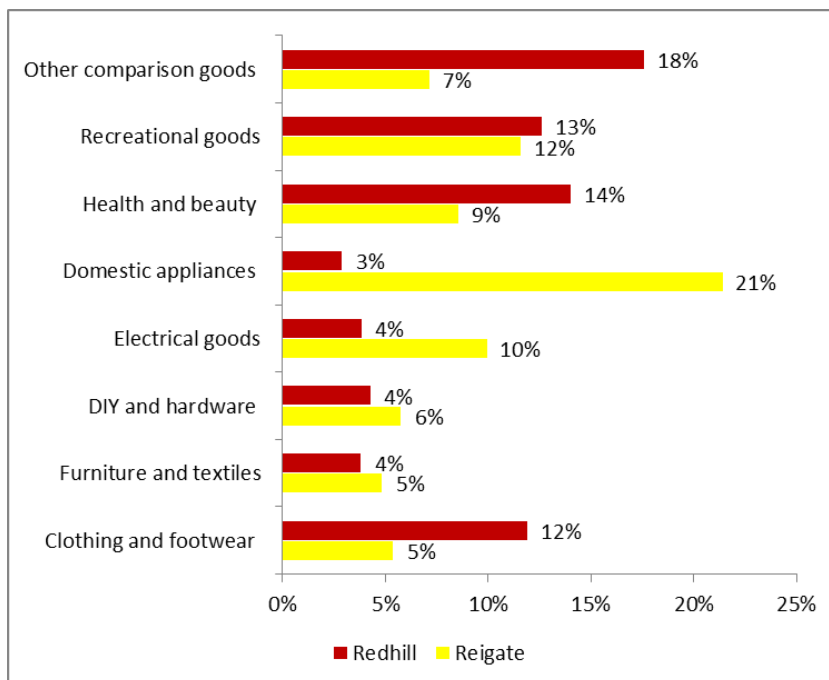
Centre	Zone	Retention in Town Centre
Reigate	1	35.6%
Redhill	2	35.4%
Banstead	5	4.4%
Horley	3	13.3%

Source: Table CM3 and CM4, Appendix E

- 5.34 The household survey identifies where residents in the study are currently undertaking shopping for 8 main categories of comparison goods. Figure 5-4: Reigate and Redhill comparison goods market share by category shows, by category of comparison goods, the level of market share achieved by the two main centres of Reigate and Redhill across the study area.
- 5.35 Appendix F provides further analysis of comparison shopping patterns in Reigate and Redhill on a zone by zone basis. The key trends that can be observed from these shopping patterns are as follows:

- Clothing and footwear: Redhill has a 30% market share within its home zone, whereas Reigate only has a 18% market share within its home zone
- Furniture and textiles: The majority of shoppers look to other destinations, in their home zones Reigate and Redhill only have a market share of 22% and 15% respectively
- DIY, electrical and domestic appliances: Reigate attracts a greater market share across these categories compared to Redhill. Within its home zone Reigate has a market share of 52% for domestic appliances, whereas Redhill has a market share of just 4%. This will reflect the presence of two dedicated domestic appliance retailers in Reigate, RDO and Keymex.
- Health and beauty: Reigate and Redhill both maintain over half of spending within their home zones but attract an insignificant market share from other zones within the borough which reflects the role of foodstores in selling these items.
- Recreation: Reigate and Redhill both maintain over half of spending within their home zones but again attract an insignificant market share from other zones within the borough.
- Other goods: Reigate retains 40% of spending on other comparison goods in its home zone, whereas Redhill retains c. 60% of spending in its home zone.
- Reigate and Redhill attract a limited market share across the study area as a whole with the exception of domestic appliances in which Reigate has a 21% market share.
- Zone1 and zone 2 represent the core catchment area for Reigate and Redhill town centres. The other zones within the borough (zone 3, 5 and 6) look primarily to other centres for comparison goods

**Figure 5-4: Reigate and Redhill comparison goods market share by category**



Source: NEMS household survey 2016, Volume 3



## Convenience goods

- 5.36 Composite convenience market shares and spending patterns, presented in Tables CV3 and CV4 (Appendix E) have been derived from household survey responses on main food shopping, top-up shopping and the use of small local shops.
- 5.37 Convenience spending tends to be more localised than comparison shopping spending. Table 5-10 summarises the proportion of convenience goods spending retained within RBBC from each study zone.
- 5.38 Retention of convenience spending is greatest again in zones 1 (Reigate) and zone 2 (Redhill). Although the market share of RBBC food stores is only above 50% in three out of the five zones within the borough. Zone 3 (Banstead) has the highest proportion of expenditure leakage out of all the zones within the borough. As zone 4 is outside the borough boundary, it is unsurprising to see that RBBC food stores have just a 4% market share.

**Table 5-10: Convenience goods leakage**

Convenience goods spending	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
RBBC Stores	82%	76%	41%	4%	40%	66%	4%
Leakage from RBBC	18%	24%	59%	96%	60%	34%	96%

- 5.39 Table 5-11 below summarises the three most popular convenience shopping destinations, on a zone-by-zone basis, as well as the proportion of convenience goods spending retained within the borough. Table 5-12 shows the proportion of convenience expenditure retained within each RBBC town centre from its 'home zone'.

**Table 5-11: Main convenience shopping destination by zone (2016)**

Zone	Main Stores/Locations	RBBC Retention
1	Morrisons, Bell Street (37%) Sainsbury's, London Road (18%) Marks & Spencer Simply Food, High Street (10%)	52.6%
2	Sainsbury's, London Road (39%) Tesco Extra, Reigate Road (11%) Morrisons, Bell Street (10%)	51.8%
3	Tesco Extra, Reigate Road (49%) Waitrose, Victoria Road (16%) Lidl, Victoria Road (13%)	40.5%
4	Morrisons, East Hill (41%) Waitrose (11%) Sainsbury's, Limpsfield Road (10%)	-
5	Waitrose, High Street (19%) Asda, Reigate Road (13%)	24.7%

Zone	Main Stores/Locations	RBBC Retention
	Wallington (8%)	
6	Asda, Reigate Road (44%) Sainsbury's, Kiln Lane (15%) Waitrose, High Street (10%)	52.1%
7	Tesco Superstore, Guards Avenue (24%) Morrisons, Church Walk (22%) Waitrose, Station Avenue (14%)	-

Source: Table CV3 and CV4, Appendix E

- 5.40 As with the comparison goods shopping, there is no one most popular destination with a dominant market share over the borough as a whole which reflects the localised nature of convenience spending.
- 5.41 Within RBBC, zones 1, 2 and 6 have relatively high town centre retention levels and borough retention levels at around 50% of market share. In Reigate (zone 1), Redhill (zone 2) and Banstead (zone 5) the most popular convenience shopping destinations are within the main town centre.
- 5.42 Zones 3 and 5 located to the far north and south of the borough have lower borough retention rates than the other zones within RBBC. In both of these zones, competing centres outside the borough have greater levels of influence over convenience shopping patterns. For example, in zone 5 (Banstead) the third most popular destination is located outside of the borough.

**Table 5-12 Convenience goods expenditure retention for RBBC town centres**

Centre	Zone	Retention in Town Centre
Reigate	1	50.2% £32m
Redhill	2	47.8% £49.2m
Banstead	5	23.3% £46.5m
Horley	3	34.3% £24.1m

Source: Table CV3 and CV4, Appendix E

## KEY FINDINGS

The shopping patterns of the boroughs four main centres are substantially different which relates to the geography of the study area:

- **Reigate** exerts a significant influence over comparison spending patterns in zone 1 and 2, which comprises its core catchment, while Crawley, Croydon and Bluewater Shopping Centre all exert a significant influence over shopping patterns in zone 1. Convenience expenditure retention in the town centre has increased since 2006 from 42.6% to 50.2%. Tesco Extra in Hookwood attracts a significant amount of convenience expenditure from zone 1.
- **Redhill** also exerts a significant influence over comparison spending patterns in zone 1 and 2, which comprises its core catchment, while Crawley, Croydon and Bluewater Shopping Centre all exert a significant influence over shopping patterns in zone 2. Convenience expenditure retention in the town centre has increased since 2006 from 45.4% to 47.8%. Waitrose in Horley and Tesco Extra in Hookwood both attract a significant amount of convenience expenditure from zone 2.
- **Horley** primarily serves the convenience goods needs of the local population within zone 3. Redhill and Reigate exert a limited influence over comparison goods spending patterns while Crawley has a dominant market share within zone 3 (52%). Convenience expenditure retention in the town centre has decreased slightly since 2006 from 35.4% to 34.3%, although Waitrose draws a significant amount of trade from zones 1 and 2. Food stores in Crawley also draw a significant amount of trade from zone 3.
- **Banstead** primarily serves the convenience goods needs of the local population within zone 5. Centres within Greater London exert a dominant influence over comparison shopping patterns; Croydon, Sutton and Kingston all draw a significant amount of trade from zone 5. Convenience expenditure retention in the town centre has increased since 2006 from 20.4% to 23.3%. Foodstores in Sutton and Wallington, located in neighbouring authorities, draw a significant amount of trade from zone 5.

## 6 QUANTITATIVE NEED FOR RETAIL FLOORSPACE

### Introduction

- 6.1 This section of the study sets out the quantitative need for additional retail floorspace in the borough across the study period. Two sets of quantitative capacity forecasts are presented, as explained in Section 6, scenario A is based on Experian population forecasts while scenario B is based on RBBC dwelling-based population forecasts. Both scenarios maintain a constant market share across the study period although alternative options are considered at Section 8.
- 6.2 It must be emphasised that capacity forecasts should, in line with the PPG, be subject to regular review throughout the plan period, in order to ensure an up-to-date evidence base which is based on accurate economic and market trends. PBA also advise that longer-term quantitative forecasts set out in this assessment (post-2022) should be treated as indicative only. These figures are likely to change over the plan period since retail forecasts are highly sensitive to changes in the economy. As such, we advise regularly reviewing quantitative forecasts to take account of market signals.

### Quantitative methodology

- 6.3 A summary of the quantitative methodology is provided at Appendix E. However, the key inputs and assumptions are explained below, following on from the baseline population, expenditure and market share data presented in the previous section.

### Retained expenditure

- 6.4 The quantitative need forecasts are derived from the total amount of comparison and convenience goods expenditure which is retained within the borough. Table 6-1 sets out the total amount of expenditure retained within the study area and RBBC, taken from Tables CM4 and CV4 (Appendix E).

**Table 6-1: Summary of expenditure retention in the study area and borough (2016)**

	Available expenditure within study area (£m)	Expenditure retained within study area %	Expenditure retained within study area (£m)	Expenditure retained within RBBC %	Expenditure retained within RBBC (£m)
Comparison	1,187	31%	364	23%	271
Convenience	693	75%	520	45%	313

Source: Table CM4 and CV4, Appendix E

- 6.5 It is assumed that convenience and comparison goods market shares will remain constant across the study period.

## Claims on expenditure growth

- 6.6 As set out in the previous section, SFT such as online shopping has been removed from the baseline expenditure forecasts, in line with current forecasts of growth in this sector set out in Experian's Retail Planner Briefing Note 13. The total expenditure figures summarised in Tables 5-3 and Table 5-4 make allowance for this.
- 6.7 In addition to SFT, account needs to be taken of commitments for new retail floorspace (schemes implemented but not yet trading at the time of the household survey, or extant planning permissions which would result in additional retail floorspace) ; and sales density growth (which is the growth in turnover for existing retailers within the study area).

### *Commitments to new floorspace*

- 6.8 The retail commitments, identified by RBBC are taken into account in the quantitative need assessment. These are identified in Table 8a and 8b (Volume 2) and summarised in Table 6-2 below.

**Table 6-2: Retail commitments**

	Net sales area (sqm)	Comparison net sales area (sqm)	Convenience net sales area (sqm)
<b>Reigate</b>			
Surrey Mirror, Trinity House, London Road	378	92	286
<b>Redhill</b>			
Sainsbury's, London Road	4,370	2476	1894
Former Liquid & Envy Nightclub	260	52	208
Redhill Railway Station, Princess Way	2,919	1105	1814
<b>Merstham</b>			
Former Iron House Pub, Bletchingley Road	441	181	260
<b>Horley</b>			
Land Parcel at 71 Victoria Road	187	187	0
Neighbourhood centre, North West Sector	720	360	360
<b>Banstead</b>			
Oscars, High Street	122	122	0
<b>Tadworth</b>			
Shelvers Hill Store, Shelvers Hill	131	13	118
Citygate Mini Dealership, The Avenue	280	140	140
<b>Out of centre</b>			
Mercedes-Benz of Redhill, Brighton Road	1,200	1200	0
Wessex Garage Doors, Brighton Road	144	144	0

Note: floorspace splits from application documents and RBBC estimates

### *Sales density growth*

- 6.9 Sales density growth (floorspace productivity or efficiency growth) is the amount of expenditure which is 'ring fenced' for existing floorspace to improve its turnover each year. Sales density growth is linked to expenditure growth. In the comparison sector, an expenditure growth rate of 1.5% per annum has been applied from 2016 onwards. This is a PBA estimate which is considered to be consistent with the long-term year on year expenditure growth forecast at around 3.0% by Experian<sup>9</sup>.
- 6.10 The ability for the convenience sector to improve its turnover year on year is restricted due to the fact that very low levels of year on year expenditure growth are forecast by Experian (just 0.1%) and due to the high trading levels that already exist compared to the comparison sector. For these reasons PBA have not allowed for the existing floorspace to improve its turnover year on year.
- 6.11 Although different types of floorspace will have different abilities to absorb expenditure growth, with more modern floorspace being more able to accommodate growth than older floorspace. However, given there is a mix of floorspace types within the borough, this average approach is considered to be robust.

### *Trading performance*

- 6.12 In order to understand needs for new floorspace, it is important to understand the trading performance of existing floorspace. This is also relevant to the qualitative assessment (Section 7). This exercise has been undertaken in Tables CM6 and CV6, which addresses the comparison and convenience sector separately (Appendix E).
- 6.13 Within this analysis, it has been necessary to make assumptions on 'inflow expenditure'; this is expenditure generated from beyond the study area but spent within the study area. Inflow rates for each destination are based on informed assumptions about the relative attraction of each centre to shoppers located outside of the study area. These assumptions are based on three factors; the role and function of the centre; spending patterns data from neighbouring authority's retail studies; and the findings of the previous borough-wide retail evidence base.
- 6.14 It is also possible to make an adjustment in the base year (2016) to take into account any evidence of over or under trading. Overtrading refers to the performance of centres and stores within a catchment in relation to the expected benchmark turnovers. The benchmark turnover is the turnover the store would be expected to achieve if trading at company average turnover per sqm rates. Overtrading can also be assessed through qualitative indicators such as overcrowding and congestion in stores. As such, overtrading is both a quantitative and qualitative indicator of need.

### *Comparison goods sector*

- 6.15 Table CM6 (Appendix E) presents the survey derived comparison sales density for each town centre in 2016. This is calculated by dividing the survey derived

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<sup>9</sup> Figure 1a, Experian Retail Planner Briefing Note 13 (October 2015)

comparison turnover (£m) by the net comparison sales floorspace (sqm) within that centre. The resultant comparison sales density (£ per sqm) achieved for each centre is this is summarised below.

- Reigate: £9,585
- Redhill: £5,993
- Horley: £2,089
- Banstead: £2,994

- 6.16 The survey derived sales densities achieved are broadly consistent with the role and function of each centre. Neither Horley nor Banstead are main comparison destinations, and Reigate has a higher quality retail offer than Redhill with many high-end retail businesses. To put the performance of town centres in to context, Mintel Retail Rankings indicate that most national fashion retailers trade at sales densities between £3,600 and £6,000 per sqm across the Country (including VAT). By this measure stores in Reigate are trading strongly compared with typical turnover levels, whilst stores in Redhill also slightly exceed the typical range.
- 6.17 For comparison goods floorspace, it is not considered appropriate to make a quantitative allowance for any over or under trading. This is primarily because comparison floorspace is less susceptible to the adverse physical manifestations of overtrading such as congestion on the shop floor, out-of-stock items and queuing. Comparison floorspace is also more able to absorb growth as is evident in the higher level of sales efficiency growth explained above. Therefore, it is assumed that the comparison sector is in equilibrium in the base year (i.e. available floorspace equals turnover of existing floorspace).

### *Convenience goods sector*

- 6.18 In the convenience sector, it is more straightforward to make an allowance for overtrading due to the availability of average turnover levels for main foodstore operators. Indeed, within the RLNAU (2011), significant overtrading of the existing foodstores within the borough was observed and built into the quantitative assessment. Therefore, in this study, a benchmark assessment of over / under trading of the convenience sector is presented at Table CV6, which presents the trading performance of stores by zone (according to the household survey) and compares this to the benchmark turnover.
- 6.19 The benchmarking exercise is reliant on the use of operator average data in terms of the split between convenience and comparison goods floorspace within the stores (except in some stores where we have adjusted this based on our site visits to stores), and is based on national average sales densities. Nevertheless it provides a robust, and industry-accepted, method of assessing current trading performance.
- 6.20 As with the RLNAU in 2011, which identified £82.9m overtrading in 2011, a number of stores are trading very strongly against a national benchmark and there is aggregate overtrading for the borough of some £93.4 million in 2016. However, this needs to be considered in the local context, as follows:

- Households within the RBBC catchment area spend more on convenience goods per head compared to the national average.
  - According to Experian, the average spend on convenience goods in 2014 was equivalent to £2,115 per capita, yet the average spend across the RBBC catchment area (including Zones 1-7) is higher at £2,332 per capita in the same year.
  - Benchmark turnovers are based on national average and therefore do not take into account different levels of consumer expenditure locally, or indeed fluctuations in property costs
  - There is no clear qualitative indication that the scale of overtrading observed is restricting consumer choice (i.e. is the strong trading performance causing car park congestion, poor stock availability, excessive queues at checkouts)
- 6.21 Furthermore, as explained in Section 3, there has been a significant restructure in the food sector which has changed the nature of market demand from the supermarket operators. The demand for large stores is limited, albeit there remains a demand for medium sized stores in commercially attractive locations. Additionally, there remains strong demand from the convenience store sector (i.e. small stores under 280 sqm net) and the discounter format (principally Lidl and Aldi).
- 6.22 At the time of the 2011 study, it was considered appropriate to build in the quantum of overtrading into the quantitative model, which generated a need in the base year. Whilst some of the local issues outlined above were present in 2011, there were two clear differences in 2016. Firstly, there have been (or will be) the redevelopment of existing stores (i.e. Sainsbury's in Redhill and Waitrose in Banstead) and modern stores are much more capable of accommodating stronger trading levels than older stores. Secondly, in 2011 the foodstore market was much more buoyant with clear demand to meet the overtrading needs; this is no longer the case.
- 6.23 For the reasons explained above, the monetary value of the over trading value has not been included within the quantitative assessment (which is a change from the approach in the 2011 assessment). This is because it is considered that including a large quantitative need at the base year, which would be generated in locations where there is an existing overtrading store (such as in Banstead), would misrepresent the position on quantitative need and generated a quantitative pressure to allocate sites, when market signals would indicate that it could not be delivered. However, the strong trading performance of stores should not be ignored, as it is clear there is a degree of imbalance between supply and demand, and this is considered as part of the qualitative assessment at Section 7.

## Comparison goods need

- 6.24 Two sets of quantitative capacity forecasts have been produced comparison goods need. For scenario A, Table CM7a sets out the borough-wide comparison needs over the study period and Tables CM8-CM12a distribute this need by centre and elsewhere in RBBC (Appendix E). Similarly for scenario B, Table CM7b sets out the



borough-wide comparison needs over the study period and tables CM8-CM12b distribute this need by centre and elsewhere in RBBC (Appendix E).

- 6.25 Capacity is expressed with reference to the adopted interval years of 2019, 2022, 2027 and 2032. The tables assume that the existing floorspace is trading in equilibrium, i.e. there is no significant over or under trading.
- 6.26 In the comparison sector, a sales density of £6,000 per sqm net is used to convert expenditure capacity to a floorspace need. It is increased by 1.5% per annum to the forecast years to allow for growth in sales density. The tables are structured as follows:

**Table 6-3: Comparison need step-by-step approach**

Row	Description
A	<b>Total expenditure (£m):</b> this is the total available expenditure in the study area, presented in the base year (2016) and each forecast year (2019, 2022 and 2027)
B	<b>Market share of study area (%):</b> this is the expected market share that the borough will achieve of the total study area expenditure, derived from the household survey in 2016
C	<b>Retained expenditure (£m):</b> this is the total amount of retained expenditure achieved by the borough, which is a function of rows A and B
D	<b>Inflow expenditure (£m):</b> this is the total amount of spending attracted to the borough but generated from beyond the study area boundary
E	<b>Inflow proportion (%):</b> this is the percentage proportion of turnover, derived from the inflow expenditure (row D)
F	<b>Total available expenditure (£m):</b> this is the sum of retained expenditure (row C) and inflow expenditure (row D) and represents the expenditure available to support the turnover of retail floorspace
G	<b>Turnover of existing floorspace (£m):</b> this represents the existing turnover of floorspace, as calculated at row F in the base year and then increased to the forecast years using sales density growth rates (see above)
H	<b>Turnover of commitments (£m):</b> this represents the estimated turnover of commitments and assumes that they will be trading by 2019; the turnover is increased to the forecast years using sales density growth rates (see above)
I	<b>Expenditure capacity (£m):</b> this represents the surplus expenditure to support new retail floorspace, taking into account growth to the forecast years and claims on expenditure (sales density growth and commitments)
J	<b>Assumed sales density (£ per sqm net):</b> this is the sales density used to convert the expenditure capacity to a floorspace output. The sales density is increased to the forecast years using sales density growth rates (see above)
K/L	<b>net/gross quantitative need:</b> the net figure (in the retail sector) is the product of rows J and K, with the gross figure calculated by applying standard gross to net ratios.

Source: Tables CM7a and CM8-CM12a, Appendix E

- 6.27 The quantitative need outputs in Table 6-4 and Table 6-5 are presented under a constant market share. The figures are rounded to the nearest 100 sqm and the borough-wide figures are the sum of the disaggregated figures which are presented on a cumulative basis.
- 6.28 Table 6-4 summarises the quantitative needs t up to 2032 in Scenario A. In the short-term there is very little comparison need across the borough in the short term up to 2019 and this need is concentrated locally in Reigate. The negative capacity figures presented for Redhill in 2019 are a result of the high turnover of commitments compared to the growth in expenditure.
- 6.29 In the medium-term there is need for around 4,000 sqm net additional floorspace up to 2022. Looking at the distribution of this locally, Reigate has the greatest need, followed by Redhill. This reflects the fact that Reigate has a greater market share than Redhill, at 9.6% and 8.3% respectively (Table CM3, Appendix E). There is relatively little need locally for comparison goods floorspace in Horley and Banstead. This is consistent with the role and function of these centres which predominantly provide convenience stores and services for the local population. In the long-term there is substantial capacity emerging for over 22,000 sqm of floorspace across the borough, although these long-term forecasts should be treated as indicative only.
- 6.30 Comparing Table 6-4 and Table 6-5 reveals that comparison need is greater in the earlier parts of the plan period, up to 2027, under scenario B, however comparison need is greater over the study period as a whole under scenario A. The general trends identified in scenario A, in terms of the distribution of need between centres also apply to scenario B.

**Table 6-4: Scenario A comparison needs 2019-2032**

	2019	2022	2027	2032
<b>RBBC total (sqm net)</b>	200	4,200	12,900	22,500
<b>RBBC total (sqm gross)</b>	300	5,600	17,200	29,900
Reigate (sqm net)	900	2,200	5,100	8,200
Reigate (sqm gross)	1,200	3,000	6,800	10,900
Redhill (sqm net)	-400	1,300	5,000	9,100
Redhill (sqm gross)	-500	1,800	6,700	12,100
Horley (sqm net)	0	200	800	1,500
Horley (sqm gross)	0	300	1,100	1,900
Banstead village (sqm net)	200	500	1,100	1,800
Banstead village (sqm gross)	200	600	1,400	2,400
Elsewhere RBBC (sqm net)	-500	0	900	1,900
Elsewhere RBBC(sqm gross)	-600	0	1,200	2,600

Source: Tables CM7a and CM8-CM12a, Appendix E

**Table 6-5: Scenario B comparison needs 2019-2032**

	2019	2022	2027	2032
<b>RBBC total (sqm net)</b>	500	5,400	12,900	21,400
<b>RBBC total (sqm gross)</b>	700	7,200	17,100	28,600
Reigate (sqm net)	1,000	2,600	5,100	7,900
Reigate (sqm gross)	1,400	3,500	6,700	10,500
Redhill (sqm net)	-300	1,800	5,000	8,600
Redhill (sqm gross)	-300	2,400	6,700	11,500
Horley (sqm net)	0	300	800	1,400
Horley (sqm gross)	0	400	1,100	1,900
Banstead village (sqm net)	200	500	1,100	1,700
Banstead village (sqm gross)	200	700	1,400	2,300
Elsewhere RBBC (sqm net)	-400	100	900	1,800
Elsewhere RBBC(sqm gross)	-600	100	1,200	2,400

Source: Tables CM7b and CM8-CM12b, Appendix E

- 6.31 Since the distribution of comparison need is based on current market shares, the capacity forecasts presented in Table 6-4 and Table 6-5 do not reflect the scope of centres to accommodate need. Section 8 explores how this need can be met within the boroughs centres, taking into account the qualitative factors covered in Section 7.

## Convenience goods need

- 6.32 Two sets of quantitative capacity forecasts have been produced for convenience goods need. For scenario A, Table CV7a sets out the borough-wide convenience needs over the study period and Tables CV8-CV12a distribute this need by centre and elsewhere in RBBC (Appendix E). Respectively for scenario B, Table CV7b sets out the borough-wide convenience needs over the study period and tables CV8-CV12b distribute this need by centre and elsewhere in RBBC (Appendix E).
- 6.33 Capacity is expressed with reference to the adopted interval years of 2019, 2022, 2027 and 2032. The tables assume that the existing floorspace is trading in equilibrium, i.e. there is no significant over or under trading. The reasons why it is not considered appropriate to account for quantitative overtrading in RBBC are explained under 'Quantitative Methodology' at the beginning of this section.
- 6.34 In the convenience sector, a sales density of £10,472 per sqm net is used to convert expenditure capacity to a floorspace need. This is an average of the national foodstore operators. An allowance has not been made for growth in sales density.
- 6.35 The quantitative need outputs in Table 6-6 and Table 6-7 are presented under a constant market share. The figures are rounded to the nearest 100 sqm and the

borough-wide figures are the sum of the disaggregated figures which are presented on a cumulative basis.

**Table 6-6 Scenario A convenience needs 2019-2032**

	2019	2022	2027	2032
<b>RBBC total (sqm net)</b>	-2900	-2200	-900	100
<b>RBBC total (sqm gross)</b>	-4500	-3400	-1400	200
Reigate (sqm net)	0	100	400	600
Reigate (sqm gross)	0	200	600	900
Redhill (sqm net)	-2900	-2700	-2300	-2000
Redhill (sqm gross)	-4400	-4100	-3600	-3100
Horley (sqm net)	-100	0	200	400
Horley (sqm gross)	-100	100	400	600
Banstead Village (sqm net)	0	100	100	200
Banstead Village (sqm gross)	100	100	200	200
Elsewhere RBBC (sqm net)	0	200	600	1000
Elsewhere RBBC(sqm gross)	0	300	1000	1500

Source: Tables CV7a and CV8-12 a, Appendix E

- 6.36 Under a constant market share, there is no significant borough-wide need for additional floorspace over the whole study period in scenario A. Need for additional convenience floorspace locally does emerge towards the end of the plan period in Reigate, Horley, Banstead and elsewhere in RBBC, which includes the boroughs local centres. However, at borough level, the surplus convenience floorspace in Redhill will wipe out any need for new convenience floorspace emerging from the other centres.
- 6.37 Redhill will maintain a surplus of convenience floorspace across the whole plan period. This is due to the turnover of commitments exceeding the growth in expenditure. There are two significant commitments in Redhill; the extension of Sainsbury's on London Road and the proposal for a new supermarket on Princess Way, proposed as part of the redevelopment of Redhill Station (see Table 6-2).
- 6.38 The general trends identified in scenario A, in terms of the distribution of need between centres and borough-wide need also apply to scenario B.
- 6.39 Comparing Table 6-6 and Table 6-7 it is clear that convenience need is greater in the earlier parts of the plan period, up to 2027 however, under scenario B comparison need is greater over the study period as a whole in those centres with surplus expenditure to support additional convenience floorspace.

**Table 6-7 Scenario B convenience needs 2019-2032**

	2019	2022	2027	2032
<b>RBBC total (sqm net)</b>	-2,800	-1,600	-800	-100
<b>RBBC total (sqm gross)</b>	-4,200	-2,500	-1,300	-200
Reigate (sqm net)	0	300	400	600
Reigate (sqm gross)	0	400	600	900
Redhill (sqm net)	-2,800	-2,500	-2,300	-2,100
Redhill (sqm gross)	-4,300	-3,800	-3,500	-3,200
Horley (sqm net)	-100	100	200	400
Horley (sqm gross)	-100	200	400	600
Banstead Village (sqm net)	0	100	100	100
Banstead Village (sqm gross)	100	100	200	200
Elsewhere RBBC (sqm net)	0	400	700	900
Elsewhere RBBC(sqm gross)	100	600	1,000	1,400

Source: Tables CV7b and CV8-12b, Appendix E

### KEY FINDINGS

This report contains two sets of quantitative capacity forecasts for retail need, scenario A is based upon the Experian population forecasts and scenario B is based upon RBBC dwelling-based population forecasts.

- **Convenience goods:** at borough-level there is limited capacity for additional floorspace, based on current market shares up to 2032 (100 sqm net) in scenario A, however in scenario B there is no capacity across the entire study period.
- **Comparison goods:** at borough-level there is surplus expenditure to support additional floorspace emerging in the long term, based on current market shares.
  - **2022:** 4,200 sqm net (scenario A) / 5,400 sqm net (scenario B)
  - **2027:** 12,900 sqm net (scenario A) / 12,900 sqm net (scenario B)
  - **2032:** 22,500 sqm net (scenario A) / 21,400 (scenario B)

The RBBC population projections have a limited effect on retail needs across the study period as a whole. In scenario B retail need is slightly greater in the earlier parts of the study period (up to 2027) however, over the whole study period as a whole the level of need is not significantly different. Long-term forecasts are treated as indicative figures only and should be reviewed regularly to account for changing market signals.

## 7 QUALITATIVE NEED FOR RETAIL FLOORSPACE

### Introduction

- 7.1 Qualitative need concerns the type and quality of retail floorspace that might be required in a particular area. Typically, issues concern identifying gaps in local provision, consumer choice and competition, overtrading, location-specific issues (such as accessing retail in deprived areas) and the quality of existing provision. These overlapping criteria are reviewed below with reference to qualitative comparison and convenience goods needs for each centre.
- 7.2 The health check assessments at Section 4 assess the vitality and viability of centres in the borough, this includes evidence on suggested improvements to the centres which provide a helpful indicator of qualitative need. Additionally, at Section 5, the spending patterns within the borough are explained, including commentary on different retail sectors and changes in market share over the last 10 years. This analysis is drawn upon to reach conclusions on qualitative need.
- 7.3 Gaps in provision are ultimately subjective; what one particular shopper may consider a gap in provision may not be of particular concern to another. Ultimately, subject to their position in the hierarchy, centres need to be able to meet a range of shopping requirements, to help minimise expenditure leakage and promote sustainable patterns of shopping. The assessment of qualitative needs takes this into account.

### Reigate town centre

- 7.4 The review of spending patterns in Section 5 identified the core catchment area for Reigate town centre as comprised of zone 1 and zone 2. Reigate exerts a limited influence on spending patterns in the other parts of the borough, with the exception of the domestic appliances sub-category. Since the last household survey was undertaken in 2006, Reigate has increased its market share across the study area as a whole from 6.2% to 7.2%. This has contributed to a strong trading performance in excess of £9,000 per sqm net in the comparison sector, which is higher than other centres in the borough.
- 7.5 As explained in Section 6, fashion retailers would typically turnover around £5,000 per sqm net (including VAT) and so it can be seen that this is a higher turnover level. It is expected that this is due to the affluent market and improved retailer profile, combined with some constrained property which means retail units are delivering higher turnover levels out of smaller floorspace (pushing up the turnover per sqm).
- 7.6 In the convenience sector, the proportion of expenditure within zone 1 which is retained within Reigate town centre has also increased from 42.6% in 2006 to 50.2% in the 2016 household survey.

- 7.7 The health check of Reigate town centre, presented in Section 4, concludes that the centre performs well against the majority of indicators. The quality of the town centre environment could be improved by traffic calming measures to improve safety for pedestrians and reduce congestion in the town centre.
- 7.8 In terms of the convenience sector, there are no major gaps in provision although there is scope to increase the market share of Reigate in the convenience sector. The quantitative analysis presented in Section 6 identified a number of foodstores that are significantly overtrading and at present, almost 50% of residents still look to other locations for food shopping. There is scope to increase the presence of national operators and market research indicates that there are retailer requirements from both discount (Aldi and Lidl) and high end foodstore operators.
- 7.9 In terms of the comparison sector, there are gaps in the provision of the main bulky goods sub-categories (furniture, carpets, DIY, electrical goods, sports and toys). However there is no scope to meet retailer requirements for large units within the centre and out of centre floorspace is limited within the borough as a whole. Reigate also has a limited representation from the main national multiples compared to Redhill which is due to the fact that the majority of the retail stock is accommodated within older buildings.
- 7.10 Reigate has good representation from high-end fashion retailers and there are a number of retailer requirements particularly in the fashion sub-category. The household survey results also show that a significant proportion of respondents (30%) considered that the choice of shops in Reigate could be improved. These requirements are unlikely to be met since there is a lack of available sites and the majority of existing units are located within old buildings which do not meet modern retailer requirements for larger floorplates.
- 7.11 Reigate has a higher proportion of food and drink units than the national average. Market research has identified that there are still a significant number of requirements from national operators, suggesting that, from an operator perspective, the market is not considered to be at saturation. Overall the food and drink offer in Reigate is considered to contribute positively towards the vitality and viability of the centre.
- 7.12 Overall it is considered that the centre is performing well and fulfils its function as a town centre, and there is limited scope for qualitative improvements within the centre. The limited areas for improvement are set out below:
- Increase representation from national multiples in the convenience and comparison sector;
  - Increase the provision of retail units;
  - Improve the town centre experience by prioritising pedestrians over vehicular traffic; and,
  - Improve town centre environmental quality by reducing traffic and congestion.

## Redhill town centre

- 7.13 The review of spending patterns in Section 5 identified that in the comparison goods sector, the core catchment area for Redhill Town centre is comprised of zone 1 and zone 2. Redhill exerts a limited influence on spending patterns across the other parts of the borough.
- 7.14 Redhill has also increased its market share across the study area since the last household survey was undertaken in 2006 from 9.3% to 10.4% in 2016. In the convenience sector, the proportion of expenditure from zone 2 which is retained within Redhill town centre has also increased from 45.4% to 47.8% in the 2016 household survey.
- 7.15 The health check of Redhill town centre, presented in Section 4 concludes that the centre performs well overall but is underperforming against certain indicators. The centre has good representation from mid-market national multiples in the comparison sector for a centre of its size although the food and drink offer is limited. To provide an improved town centre experience some parts of the centre, such as the Harlequin Centre and the Belfry shopping centre, will require environmental improvements.
- 7.16 In terms of the convenience sector, there are no high end foodstores and research has identified an opportunity to expand and diversify the shopping offer. The quantitative analysis presented in Section 6 identified a number of foodstores that are significantly overtrading. Furthermore, over half of local residents in zone 2 look to other destinations outside of the town centre. Market research indicates that there are retailer requirements from both discount (Aldi and Lidl) and high end foodstore operators.
- 7.17 In terms of the comparison sector, there is scope to diversify the offer to meet resident's expectations. The town centre retains only 35% of spending from within its home zone and the household survey results show that a significant proportion of respondents (30%) considered that the choice of shops could be improved. Representation from national multiples is more limited than larger competing centres such as Crawley and Croydon. Market research identified retail requirements for a number of national multiples, although the space currently on offer does not meet retailer requirements for larger floorplates.
- 7.18 The Belfry shopping centre, as the main stock of A1 retail floorspace has potential to meet these requirements through alteration of existing units and active management to improve the tenant mix; however it is currently viewed as underperforming. One new large format unit is being created to accommodate a new national fashion retailer, although there are no plans in the short to medium term for large scale reconfiguration of the centre. The proposed Marketfield Way development has attracted significant interest from national multiples, including fashion retailers who are not represented in the boroughs town centres at present.
- 7.19 Redhill is also under-represented in the main bulky goods sub-categories (furniture, carpets, DIY, electrical goods, sports and toys) and there is limited scope to meet retailer requirements for large units. The only retail park in Redhill suitable for such



bulky goods operators is Brighton Road Retail Park, although market research has identified that the only unit currently on offer, the old Mercedes-Benz showroom, is too small to meet current retailer requirements.

- 7.20 Redhill has a relatively limited food and drink offer compared to competing centres such as Crawley. Market research indicates that an improved dining offer would support the main retail function by increasing dwell time. An improved leisure offer would also encourage office workers to spend more time in the centre beyond working hours contributing to growth of the evening economy. Marketfield Way has attracted significant interest from national A3 operators and national cinema operators indicative of strong local demand for floorspace.
- 7.21 Overall it is considered that the performance of Redhill could be improved in qualitative terms, the main areas for improvement are set out below:
- Increase diversity of the offer within the convenience and comparison sector ;
  - Increase representation from national multiples in the convenience and comparison sector;
  - Increase the provision of large format retail units;
  - Improve the quality and diversity of the food and drink sector to support growth of the evening economy; and,
  - Public realm improvements in those parts of the centre with low environmental quality.

## Horley town centre

- 7.22 The spending patterns analysis in Section 5 identified that Horley does not exert a significant influence over comparison goods shopping patterns. In terms of its role and function, the centre meets convenience goods needs of the local population primarily within its home zone. In the convenience sector, the proportion of expenditure within zone 3 which is retained within Horley town centre has decreased slightly from 35.4% in 2006 to 34.3% in the 2016 household survey.
- 7.23 The health check of Horley town centre, presented in Section 4 identified that Horley is underperforming against certain indicators. The centre contains a good mix of convenience retailers and services for a centre of its size however quality and choice in the food and drink and retail offer could be improve and certain parts of the town centre would also benefit from public realm improvements.
- 7.24 In terms of the convenience sector there is scope to further expand the current offer in Horley, around 70% of residents surveyed within its home zone look to other destinations outside of the town for food shopping. New residential development in Horley will increase footfall throughout the centre and provide an opportunity to retain a greater amount of convenience and food and drink spending.
- 7.25 The results of the household survey also show that a significant proportion of residents (40%) felt that the shopping choice could be improved. However market research did not identify any retailer requirements from national multiples. The centre

would benefit from investment in the public realm to create an improved shopping experience and increase footfall. The environmental quality of some parts of the centre is particularly poor and this is reflected in the household survey; 9% of residents surveyed stated that the centre would benefit from such improvements.

- 7.26 Overall it is considered that the performance of Horley could be improved in qualitative terms, the main areas for improvement are set out below:
- Increase diversity of the offer within the convenience sector;
  - Public realm improvements to improve the town centre experience; and,
  - Increase representation of food and drink operators to increase visitors dwell time.

## Banstead village centre

- 7.27 The review of spending patterns in Section 5 identified that Banstead does not exert a significant influence over comparison goods shopping patterns. In terms of its role and function, the centre meets convenience goods needs of the local population primarily within its home zone. In the convenience sector, the proportion of expenditure within zone 5 which is retained within Banstead village centre has increased from 20.4% in 2006 to 23.3% in the 2016 household survey.
- 7.28 The health check of Banstead village centre, presented in Section 4 identified that the centre performs well against the majority of indicators. The centre provides a good mix of retail shops and services focused towards the mid-high end of the market which is complemented by a high quality food and drink offer in a high quality environment.
- 7.29 In terms of the convenience sector there are no clear gaps in provision although there is scope to increase the amount of expenditure retained within the centre. Over 75% of residents surveyed within its home zone look to other destinations outside of the centre for food shopping. The centre faces significant competition from large out of centre foodstores including Asda at Tadworth and Tesco Extra at Purley.
- 7.30 In terms of the comparison sector the centre is under-represented in the main bulky goods sub-categories (furniture, carpets, DIY, electrical goods, sports and toys) although there is no scope to meet retailer requirements for large units within the centre. There is limited scope to increase representation of national multiples, market research did not identify any retailer requirements and the available space would not meet the requirements for larger floorplates.
- 7.31 Representation of food and drink uses is slightly above the national average, with a good level of representation from national operators (Zizzi's, Pizza Express and Caffè Nero). Overall it is considered that the centre is performing well and there are limited areas for qualitative improvement within the centre:
- Increase diversity of the offer within the convenience sector; and,
  - Increase representation from national multiples in the convenience sector and food and drink sector;

## KEY FINDINGS

This report has identified key qualitative areas for improvement in each centre, drawing on the health checks in Section 4 and market research:

- **Reigate:** the health check identified that the centre performs well against the majority of indicators, although there is scope to improve the quality of the town centre offer by creating a more pedestrian friendly environment and reducing traffic and congestion. There is also scope to increase the representation of national multiples.
- **Redhill:** the health check identified that the centre is underperforming in certain indicators. There is an opportunity to improve the quality of the town centre offer and retain an increased amount of local spending by increasing the choice of the comparison shopping offer, providing greater choice of food and drink outlets and public realm improvements.
- **Horley:** the health check identified that the centre is underperforming against a number of indicators. There is scope to improve the quality of the town centre offer by creating upgrading the public realm and increasing the number of national multiples.
- **Banstead:** the health check identified that the centre performs well against the majority of indicators; as such there is limited scope to further improve the quality of the town centre offer. There is potential to increase the number of national multiples in the convenience and food and drinks sectors, although there is limited physical capacity for expansion.

## 8 DELIVERABILITY ASSESSMENT

### Introduction

- 8.1 In order to understand the 'reality' of the forecasts in the assessment, it is necessary to assess the deliverability of development sites. This will influence our recommendations on how to distribute retail growth and consider where growth should be distributed within planning policies.
- 8.2 The quantitative assessment of need is a result of a calculation of expenditure growth during the plan period which is then converted to a floorspace to assist with planning policies. A borough wide need has been calculated based on constant market shares. This approach is considered to be the most appropriate approach for RBBC since it is unlikely that the Borough will be able to significantly increase its market share, due to the nature of nearby competition; however it is recognised that planned regeneration and developments in in Redhill town centre may help to increase its attraction and market share in the long-term. The mechanics of a quantitative assessment mean that there are three main options on how the borough wide need could be distributed, as follows:
- Growth distributed by existing market share (i.e. the approach taken in Section 6)
  - Growth distributed based on development opportunities
  - Growth distributed on commercial demand
- 8.3 In essence, the eventual strategy ought to be a combination of all three factors. Distributing growth on a constant market share only has drawbacks since it will not consider development opportunities and may exacerbate polarisation trends. Focusing on commercial demand will not take into account longer term planning strategies or regeneration opportunities that might 'create demand'. It is for this reason that quantitative needs are considered alongside the qualitative factors at Section 7.
- 8.4 Accordingly, this section seeks to address the most appropriate distribution of growth, taking into account the deliverability of floorspace within the borough, alongside other qualitative needs or planning policies that may influence the location of growth.
- 8.5 The remainder of this section includes an explanation of how quantitative needs might be met. A summary of development opportunities in each of the four main centres is presented followed by an assessment of PBA's view on how the retail growth ought to be distributed across the borough.

### Meeting quantitative needs

- 8.6 Quantitative need is an outcome of expenditure growth calculations whereby surplus expenditure is converted to a floorspace quantum. As explained in Section 6, the calculations have already allowed for existing retailers to improve their turnover year on year and for special forms of trading in order to achieve a greater share of

expenditure. The claim of retail commitments on expenditure growth is also modelled. So the resultant needs are effectively the space expenditure capacity once the above calculations have taken place, assuming the borough maintains its market share. The spare expenditure is then converted to a quantitative need. There are various approaches to meet these needs, as follows:

- Opening of new floorspace through developments
- Extensions to existing units, or mezzanine floors
- Changes of use to retail
- Converting back of house (storage) to sales floorspace
- Re-occupation of vacant floorspace
- Improving tenant profile to retailers with a higher turnover per sqm
- Higher year on year performance of existing floorspace than has been assumed in Section 6 (1.5% per annum for the comparison sector 0.3% per annum for the convenience sector).

8.7 In respect of the final point above, under certain conditions, it is possible for existing floorspace to improve its turnover beyond this allowance. The ability to achieve this higher rate is dependent on two things:

- Firstly, the quality and configuration of existing floorspace is important, with modern floorspace with larger footplates better equipped to improve their level of sales per sqm; and,
- Secondly, whether there are qualitative interventions that could take place to make more customers visit a centre, have an increased dwell time and therefore spend more money in existing shops.

8.8 To measure the effect of this approach is challenging since it will depend on a number of interlinking factors. However, given that most town centres have a mix of modern and dated floorspace, achieving an increased turnover per sqm beyond the allowance used will normally only be possible with significant intervention under the second point above. Therefore, a strategy to meet needs ought to take into account all of the above factors.

## Site assessments

8.9 This study has considered a range of development opportunities within and on the edge of the four main centres within the borough. The detailed assessment of each site has been informed by a careful consideration of market demand and the reality of delivering retail development on each of the sites identified. The full assessment of sites is found at Appendix H. In summary, the main findings are as follows:

- In Redhill, there is strong demand in the retail sector (both convenience and comparison sector) as well as other town centre uses (including commercial leisure). Therefore, due to the market demand, it is expected that the sites considered can come forward for retail and leisure development within the plan's timeframe, subject to addressing site specific constraints.

- In Reigate, there is also strong demand in both the comparison and convenience retail sectors, although there is less physical capacity for development. It is understood there is a foodstore operator interest within one of the identified sites.
- In Horley, the market profile in the comparison sector is limited. There is some evidence of demand in the convenience and food and drink sectors, but it is expected that the sites identified are likely to be longer term options or the sites will be anchored through other value generated uses (such as residential). The delivery of any significant retail within the town is likely to depend on public sector intervention to create demand (see recommendations).
- In Banstead, the market profile in the comparison sector is limited and there is limited physical capacity for development in the centre. The sites considered are more likely to be developed for mixed use developments, potentially with a modest amount of retail or other town centre uses.

## Distributing growth

- 8.10 In light of the analysis of sites and their deliverability, it is necessary to consider the extent to which quantitative needs (i.e. floorspace) should be redistributed. The quantitative assessment presents need on a constant market share approach, with need distributed by destination based on their existing market share. This is effectively a policy neutral approach. However, the approach taken within the RLNAU (2011) was to focus on the total need within the Borough based on a constant market share and then distribute the floorspace by centre based on opportunity.
- 8.11 Within this study, it is necessary to take a balanced view on deliverability. The quantitative assessment in Section 6 maintains a constant market share and also distributes need on a constant market share. However, this is not necessarily a realistic approach since there are far fewer development opportunities within some centres. As explained above, there is market demand for retail development on sites within Redhill as well as a qualitative need to improve its offer. There is some market demand in Reigate, but there are fewer sites. In Horley, there are a number of opportunities but the market demand is more limited. In Banstead, there is limited market demand and limited site capacity.
- 8.12 Given this analysis, a review of options for distributing growth is provided in the below paragraphs.

## Comparison sector

- 8.13 In the comparison sector, based on a constant market share the rounded need (to the nearest 100 sqm) is set out below for the two scenarios presented in the quantitative assessment. This shows that there is a borough wide need between 12,700 sqm net and 12,800 sqm net by 2027, increasing to between 21,300 sqm net and 22,400 sqm net by 2032. The longer term figures should be seen as indicative. This need is distributed by existing market share (i.e. the destinations maintain their existing share of expenditure growth).

**Table 8-1 Comparison sector need distributed by constant market share (net)**

	Scenario A			Scenario B		
	2022	2027	2032	2022	2027	2032
<b>Reigate</b>	2,200	5,100	8,200	2,600	5,100	7,900
<b>Redhill</b>	1,300	5,000	9,100	1,800	5,000	8,600
<b>Horley</b>	200	800	1,500	300	800	1,400
<b>Banstead</b>	500	1,100	1,800	500	1,100	1,700
<b>Other</b>	0	900	1,900	100	900	1,800
<b>Total</b>	<b>4,200</b>	<b>12,900</b>	<b>22,500</b>	<b>5,400</b>	<b>12,900</b>	<b>21,400</b>

- 8.14 In our view, the need for Redhill will be met in the short and medium term (to 2027) through proposed development sites, improved performance, reconfiguration of existing stock or minor extensions. However, there is much less capability in Reigate to absorb the scale of need identified generated by its constant market share over this timeframe.
- 8.15 In the last 10 years, Reigate has effectively met its expenditure growth need through a higher quality offer, achieving higher levels of turnover growth year on year than is normally achieved. It is not certain that this will remain achievable and given the limited suitable and available sites for comparison led development and the strong trading performance already being achieved, the levels of need in the medium and longer term are unlikely to be deliverable. Therefore, it is our suggestion that a proportion of the need identified for Reigate under a constant market share should be directed to Redhill to take into account of its greater physical capacity to meet needs and the clear market demand identified and support wider regeneration initiatives.
- 8.16 In respect of Horley, there remain opportunities for development and the need is somewhat modest. Therefore, it is suggested that the market share led approach is retained since this level of need could be met through minor extensions, improved performance and potentially small scale retail developments. In respect of Banstead and elsewhere in RBBC, the need is also limited and therefore the market share led is retained. For Banstead, the need can be met through minor extensions or improved performance year or year and no major developments are necessary. In respect of elsewhere, this could be met through minor out of centre permissions (subject to meeting the necessary tests on the sequential test and retail impact), or smaller scale developments in local centres. It is not expected that any allocations will be necessary to meet this need.
- 8.17 Taking into account our comments on the ability of Reigate to meet a constant market share need, an alternative distribution of floorspace is set out below with an increased level of growth for Redhill.

**Table 8-2 Comparison sector need distributed by adjusted market share (net)**

	Scenario A			Scenario B		
	2022	2027	2032	2022	2027	2032
<b>Reigate</b>	1,100	2,550	4,100	1,300	2,550	3,950
<b>Redhill</b>	2,400	7,550	13,200	3,100	7,550	12,550
<b>Horley</b>	200	800	1,500	300	800	1,400
<b>Banstead</b>	500	1,100	1,800	500	1,100	1,700
<b>Other</b>	0	900	1,900	100	900	1,800
<b>Total</b>	<b>4,200</b>	<b>12,900</b>	<b>22,500</b>	<b>5,300</b>	<b>12,900</b>	<b>21,400</b>

- 8.18 Under this scenario, we have redistributed 50% of the generated need for Reigate to Redhill. This results in a higher need for Redhill vis- a-vis Reigate and in effect would result in Redhill taking a greater share of spending that is generated under a constant market share approach. It does not assume that the overall share of the borough will increase.
- 8.19 Whilst the need for Redhill is greater, in the medium term it is expected that this can be met through known development sites, improved performance and reconfiguration of existing stock or minor extensions. The longer term need to 2032, although indicative, is likely to be deliverable as sites come forward and the centre improves its retail profile, creating additional demand. Furthermore, the planned leisure developments coming forward will mean that there will be added footfall within the centre, which will be an added benefit to existing retailers potentially meeting some of its need through improved performance.

## Convenience sector

- 8.20 There is no borough-wide quantitative need in the convenience sector and indeed there is a theoretical surplus provision, in the event that all committed development comes forward. Although there is some modest need on a centre by centre basis, in our view this remains appropriate since it is likely that the floorspace can be achieved through minor extensions, reoccupation of vacant floorspace or through the development opportunities that already exist. The figures are shown in Table 8-3.

**Table 8-3 Convenience sector need distributed by constant market share (net)**

	Scenario A			Scenario B		
	2022	2027	2032	2022	2027	2032
<b>Reigate</b>	100	400	600	300	400	600
<b>Redhill</b>	-2,700	-2,300	-2,000	-2,500	-2,300	-2,100
<b>Horley</b>	0	200	400	100	200	400
<b>Banstead</b>	100	100	200	100	100	100
<b>Other</b>	200	600	1,000	400	700	900
<b>Total</b>	<b>-2,200</b>	<b>-900</b>	<b>100</b>	<b>-1,600</b>	<b>-800</b>	<b>-100</b>



- 8.21 In the convenience sector, there is however evidence of a qualitative need for additional retail floorspace through the apparent substantial overtrading of the existing retail sector. If all this overtrading were translated into need, this would represent an additional need of almost 9,000 sqm net. As explained in section 6, this is not considered appropriate for the borough from a quantitative perspective and is unlikely to be deliverable. However, it is clear that there is a qualitative need for additional convenience floorspace to relieve the substantial overtrading and to improve choice within the borough. There is also market evidence that there is demand from food retailers in the borough, albeit not for very large superstores that have previously been promoted.
- 8.22 Due to the important role of convenience floorspace within the existing centres, the distribution of any qualitative needs should be directed to the town centres first in order to promote the vitality and viability of centres. Indeed, it is noted that there is market interest in new foodstores on central sites within Reigate and Redhill. These developments should be seen as a priority in order to relieve some of the observed overtrading in stores such as the Waitrose in Banstead, Morrison's in Reigate and Sainsbury's in Redhill.
- 8.23 In respect of Redhill, there is already committed convenience floorspace within the centre that should be delivered before any further convenience floorspace is planned for the centre. Based on our assessment of the other centres, new sites should could be promoted for convenience floorspace within Reigate (given there is clear market demand) and potentially Horley, in light of the evidence that the existing convenience floorspace (other than Waitrose) is poorly configured. However, the sites in Horley are more challenging to develop and might be longer term options. It is not considered appropriate to actively promote any further convenience floorspace within Banstead.

## KEY FINDINGS

This section considers the deliverability of the needs assessed on a centre by centre basis. This is based on a detailed assessment of the potential for sites to come forward and market analysis. The outcome of the analysis is that the need calculated on a constant market share ought to be redistributed given the site constraints in Reigate. The key recommendations in the comparison sector are to plan for:

- **Reigate:** about 2,500 sqm net by 2027, increasing to about 4,000 sqm net by 2032
- **Redhill:** about 7,500 sqm net by 2027, increasing to about 13,200 sqm net by 2032
- **Horley:** 800 sqm net by 2027, increasing to about 1,500 sqm net by 2032
- **Banstead:** 900 sqm net by 2027, increasing to about 1,900 sqm net by 2032

In the convenience sector, there is no significant quantitative need (just 100 sqm net) although there is some overtrading. Therefore, to take into account some of the qualitative needs, in policy terms, convenience floorspace should be promoted in Reigate first given the site and market demand and then potentially Horley.

## 9 RECOMMENDATIONS

### Introduction

- 9.1 In this section, the key recommendations are put forward for the Council to consider incorporating into its planning policies. This first part provides advice on meeting needs (including an outline of strategies for each of the four main designated centres) and then sets out some high level policy advice on boundaries and Local Plan policies in respect of paragraph 23 of the NPPF. Finally, advice on monitoring is provided.

### Meeting needs

- 9.2 At a borough wide level, the conclusions on quantitative need are as follows.
- Convenience goods: at borough-level there no capacity for additional floorspace, based on current market shares up to 2032.
  - Comparison goods: at borough-level there is expenditure capacity for additional floorspace emerging in the long term based on current market shares:
    - 2022: 4,200 sqm net (scenario A) / 5,400 sqm net (scenario B)
    - 2027: 12,900 sqm net (scenario A) / 12,900 sqm net (scenario B)
    - 2032: 22,500 sqm net (scenario A) / 21,400 (scenario B)
- 9.3 The study has also outlined some qualitative needs for each centre. In particular, there is some evidence of overtrading of existing foodstores. These have not been built into the convenience goods quantitative need, but should be recognised when planning for additional floorspace within the borough.
- 9.4 Taking into account the quantitative and qualitative needs for each centre, PBA set out our high level strategy advice below. It is likely that as part of its policy preparation, the Council will need to formulate a vision and strategy for each centre. Indeed, PPG suggests that a vision should answer questions on the role and function of a town, the opportunity to meet needs (for main town centre uses), the timescales to provide retail floorspace, the provision of complementary strategies as well as how parking can be enhanced. The below paragraphs set out our initial conclusions on a potential direction of travel for a policy strategy.

### Reigate

- 9.5 Reigate is a pleasant town centre that is performing well. There is market demand for retail floorspace; although there are limited sites to accommodate new development. Based on the deliverability assessment, the comparison goods need is about 2,500 sqm net by 2027, increasing to about 4,000 sqm net by 2032. In terms of meeting these needs, it is not expected that there will be a requirement to find further large development sites beyond those that have been considered in this study. Indeed, it is expected that the need could be met through a combination of minor extensions and improved performance of existing floorspace.

- 9.6 The Town Hall site is promoted for mixed use development in the existing plan and there is evidence of operator demand for a foodstore. Such a development would meet the limited quantitative need for the convenience sector that exists (excluding overtrading) and would help meet a qualitative need that exists as a result of significant overtrading in stores such as Waitrose in Banstead and Morrison's in Reigate, as well as Sainsbury's in Redhill. A small foodstore would inevitably also include a small amount of comparison floorspace, which will meet some of the comparison goods need.
- 9.7 Therefore, the advice in meeting these needs is for policy to protect the vitality and viability of Reigate and encourage its already successful role. The town has limited physical capacity for growth, but the development of central town centre sites ought to be encouraged and the links between such sites and the existing town centre should be strengthened.

## Redhill

- 9.8 Redhill is also a successful town centre, but would benefit from some environmental improvements. There is evidence of market demand for additional floorspace, but the existing retail accommodation cannot meet the needs that exist. Based on the deliverability assessment, the comparison goods need is estimated at 7,500 sqm net by 2027, increasing to about 13,100 sqm net by 2032.
- 9.9 It is expected that the need by 2027 can primarily be met by potentially available development sites (as assessed in Section 8) and potentially also by 2032. Furthermore, there are areas of the town centre that could improve its performance (and therefore meet some of the expenditure needs) through asset management rather than wholesale redevelopment.
- 9.10 Examples of asset management opportunities include parades at Warwick Quadrant and Central Parade) and active asset management would involve refurbishment of the blocks, potential minor extensions and amalgamations of units to make a more commercial attractive investment proposition. The owners could then curate the mix of retail occupiers, provide retailers that have a much better performance than the existing situation.
- 9.11 The key issue for Redhill is to ensure integration of the various development sites and the delivery of a successful retail circuit. The strategy should be to encourage delivery of the available sites in the town centre, subject to site specific constraints (and comments below).
- 9.12 It is noted that two of the sites that have been considered are somewhat disjointed from the existing town centre and suffer from relatively poor linkages (namely Brighton Road and Colebrook). Therefore, to ensure that the central area of the town centre remains successful, we urge caution in explicitly allocating these sites for retail development that might compete with the existing town centre (principally concerning goods that are already sold in the town centre – such as fashion – or providing units of a size that could be accommodated within the town centre).

- 9.13 If the above sites are considered as allocations, the following ought to be incorporated into policy:
- Retail schemes should be complementary to the existing heart of the town centre
  - The class of goods should generally speaking be of a type that are not sold within the town centre, and conditions on what can be sold would be expected to be attached to any planning permission granted
  - Similarly the unit size proposed should be of a scale that cannot be provided within the town centre
  - Finally, any allocation should be subject to an assessment of retail impact

## Horley

- 9.14 Horley is a pleasant town, although it has only a limited number of national multiples outside the food sector. This is not necessarily a concern, although the result is that as a centre it does not have a significant market presence in the comparison goods sector, resulting in limited demand. In the food sector, there is some further demand for foodstores, albeit the centre has a good representation already.
- 9.15 The comparison goods need is for about 800 sqm net by 2027, increasing to about 1,500 sqm net by 2032. This is modest and it is expected it could be accommodated as part of mixed use developments, as well as minor extensions to existing floorspace. However, it is appreciated that the area will experience significant housing growth and the decision on whether Gatwick will achieve a second runway will also impact on its future role.
- 9.16 It is perhaps too early to provide a definitive guide on Horley's likely role going forward. The centre does have physical capacity for growth but this is likely to require significant public sector intervention if development is going to change the market function of the centre from a primarily convenience and service centre, to a centre with a much more significant comparison goods offer.
- 9.17 Should the Council wish to change its function overtime, it will need to establish a strategy building on its own ownership. It is unlikely that the market will deliver change on its own. Should the status quo be appropriate, then we encourage the Council to support mixed use developments that are integrated with the centre and have appropriate ground floor uses that improve the vitality and viability of the centre.

## Banstead

- 9.18 Banstead is a successful village centre that performs well against vitality and viability criteria. The Waitrose in particular is trading strongly against national benchmarks. The need assessment reveals a comparison goods need of about 900 sqm net by 2027, increasing to about 1,800 sqm net by 2032. It is not considered appropriate to promote any significant comparison goods led development in the centre and rather these needs should be met through improved performance and minor extensions. .
- 9.19 Whilst some longer term sites have been considered, it is expected that these will be a mix of use and there is no urgent need for them to be delivered for retail uses only

and, in any event, there is only limited evidence of retail market demand. Should mixed use developments come forward, appropriately sited retail units can also meet these needs.

- 9.20 It is considered the strategy for the centre is to maintain the status quo and protect Banstead's vitality and viability.

## Elsewhere in Borough

- 9.21 There is a limited need for additional floorspace elsewhere in the borough. A specific policy response is not warranted, due to the limited scale of floorspace. However, proposed developments that are out of centre ought to be judged against the NPPF sequential and impact tests. Developments within local centres ought to be considered on their merits given its scale and function.

## Policy advice

- 9.22 The NPPF requires local authorities to define the extent of town centres and primary shopping areas, based on a clear designation of primary and secondary frontages in designated centres. Based on the definitions in Annex 2 of the NPPF, the methodology for defining such boundaries and frontages ought to start centrally and work outwards. If we are considering the position now, the approach is as follows:
- Define first primary frontages as those frontages that include a high proportion of retail uses (including food, drinks, clothing and household goods). In our view, these ought to represent the frontages with most daytime footfall;
  - Then define secondary frontages as those frontages that include town centre uses, but have a wider diversity of non-retail uses, such as restaurants, cinemas and businesses;
  - Using the primary and second frontages, the primary shopping area should be defined as area where retail is concentrated by plotting the area around primary retail frontages and adjoining and closely-related secondary frontages. It does not necessary follow that secondary frontages fall within the primary shopping area, but often they do. This area typically represents the 'retail heart' of a town.
  - Finally, the town centre boundary should be plotted that incorporates all of the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. So this means the area will incorporate any adjacent non-retail town centre uses, such as leisure uses, offices, arts, cultural and tourism uses.
- 9.23 It is possible for smaller centres that the primary shopping area will be identical to the town centre boundary.
- 9.24 It will always be necessary to consider whether there is a requirement to intervene in policy terms to change these areas from what is currently on the ground, for example to facilitate development by expanding a primary shopping area, or to encourage diversification of uses away from solely retail by reducing a primary frontage and

converting it to secondary. In any event, the eventual boundaries will need to be tested and consulted upon as the Council's Local Plan is prepared.

- 9.25 Therefore, the Council will need to consider the effect of the potential development sites that are assessed within this study and any subsequent sites that might be promoted through the plan process. The impact of such sites on the future town centre and/or primary shopping boundaries ought to be considered within planning policy.
- 9.26 Finally, it is recommended that the Council consider adopting a local impact threshold lower than the 2,500 sqm net figure as outlined in the NPPF and consider setting specific policies for the consideration of proposals for main town centre uses, which cannot be accommodated in or adjacent to town centres. This ought to build on specific local circumstances as outlined within this study.

## Monitoring

- 9.27 This study provides the Council with its floorspace needs requirements to 2032. To establish whether the requirements for new floorspace (by type) are being met and more generally to monitor the performance, the Council should monitor:
- planning permissions for retail floorspace - by type, amount (sqm gross and net), location and retailer;
  - completions of retail floorspace - by type, amount, location and retailer;
  - mix of uses, including vacancies; and
  - health checks of designated centres
- 9.28 This study provides a robust indication of the current position. The recommendations set out in this report may need to be adjusted, in the future, due to changing market conditions, demographic changes and the impact of developments elsewhere. They may also need to be adjusted if standard assumptions, in particular those relating to expenditure growth and e-tailing, change. The role of monitoring is crucial in highlighting changes in the assumptions that underpin this study and we recommend regular monitoring to the Council.

## Glossary of terms

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

**Base year:** the start year for any quantitative analysis; normally the year a household survey is undertaken (in this case 2016).

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

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

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

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

**Edge of centre:** For retail purposes, a location that is well connected and located within up to 300 metres of the primary shopping area.

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

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

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

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

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

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

**Net floorspace:** the retail sales floorspace of a store, which is normally defined as the area within the store where members of the public have access or from which sales are made.

**Net to gross ratio:** the ratio of net sales floorspace to the total gross external floorspace of the store.

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

**Out of centre:** in retail terms a location that is more than 300 metres from the primary shopping area but not necessarily outside the urban area.

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

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



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

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

**Primary shopping area:** defined area where retail development is concentrated, typically comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage.

**Primary and secondary frontages:** primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.

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

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

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

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

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

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

**Town centre:** area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses or adjacent to the primary shopping area.

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