

Reigate & Banstead Borough Council

Retail and Leisure Needs Assessment Update

Final Report



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EXECUTIVE SUMMARY

Introduction

- 1 Roger Tym & Partners (RTP) were instructed in February 2011 by Reigate and Banstead Borough Council (RBBC) to update their Retail and Leisure Needs Assessment (RLNA) originally published in 2006 and partially updated with a Supplementary Report dated March 2009. Our terms of reference are as follows:
 - Inform the preparation of town, district and local centre policies and proposals for inclusion in the Council's Local Development Framework (Core Strategy and Redhill Town Centre Area Action Plan)
 - Establish if there is a need for additional retail and leisure floor space by 2027, and if so, what amount, type and size of units are needed and where these would be appropriate
 - Provide details on relationships and impacts on surrounding areas and their plans
 - Provide more direction on the provision of additional leisure floorspace in the Borough
 - Provide information to assist the Council in determining planning applications involving new or loss of existing retail floor space
 - A 'reality check' of the quantitative forecasts and monitoring
- 2 In responding to these terms of reference, we agreed with the Council that we would update the retail and leisure needs assessments within the earlier report, using the latest forecasts and guidance within PPS4. The majority of this analysis was undertaken in March and April 2011.

Planning policy context

- 3 This study will form part of the evidence base to inform the development of the Council's Local Development Framework (LDF). We have regard to national policy on Local Spatial Planning (PPS12) and Planning for Sustainable Economic Growth (PPS4). We also have regard to the development plan, including the Borough Local Plan 2005 and the South East Plan. The South East Plan remains part of the development plan, although the Coalition Government has announced its intention to abolish regional strategies. In summary:
 - The Borough needs to consider the requirements of PPS4 when formulating their development plan
 - PPS4 requires an evidence base that takes into account both quantitative and qualitative need for all town centre uses
 - It is intended that the South East Plan will be revoked; Redhill/Reigate is a Centre for Significant Change, a Growth Point and a Regional Hub
 - Saved Local Plan policies remain the relevant development management tool in the Borough

Emerging LDF progress and existing evidence base

- 4 The LDF consists of three Development Plan Documents (DPDs):

- Core Strategy
- The Redhill Town Centre Area Action Plan (TCAAP)
- Development Management Policies (DMP)

5 Having reviewed the progress of LDF and considered the findings of other relevant evidence based documents, we found the following:

- The Core Strategy, submitted in March 2010, was withdrawn in order to undertake further work on a number of topic areas. The Council are preparing a document for re-submission, alongside a Development Management Policies DPD and an AAP for the Redhill town centre.
- The RLNA 2007 revealed capacity for 1,240 sqm of net convenience floorspace to 2016 increasing to 2,018 sqm at 2021, and between 9,000 and 19,900 sq m net comparison floorspace to 2016.
- The Supplementary Retail Report 2009 identified further convenience floorspace requirement, totalling around 5,750 sqm net combined with the 2007 figure, and established qualitative and quantitative need for a superstore in Redhill.
- The consultation draft Corporate Plan identified the need for new development in Redhill and Horley, and reiterated the need for a new supermarket in Redhill and a new leisure centre in Horley.

Updated quantitative retail need assessment

- 6 In updating the quantitative retail need assessment, we use an identical methodology as used in the RLNA, namely the widely respected step by step methodology, which is consistent with CLG's practice guidance. We use the same household survey data as used in 2006 to undertake this update since there have not been any significant change in shopping provision that will have permanently changed shopping patterns.
- 7 This update incorporates updated forecasts of population growth, expenditure growth, sales density growth and special forms of trading. We have also incorporated some minor technical refinements to our methodology. Due to the uncertainty over longer term forecasts, it is advised that the Council pay closest attention initially to the 2016 outputs (due to the PPS4 requirement for local authorities to allocate sites to meet the first five years of need) and secondly to the outputs to 2021 (since many complex town centres require a critical mass of development to be delivered that can take up to 10 years to come forward). The updated quantitative need outputs for the comparison sector are summarised in Table 1.

Table 1 Cumulative Quantitative Need in the Comparison Goods Sector

Year	Constant Market Shares (sqm net, with gross in brackets)	Improved Market Shares (sqm net, with gross in brackets)
2012	-279 (-398)	5,746 (8,209)
2016	5,540 (7,914)	16,954 (24,221)
2021	14,380 (20,543)	27,882 (39,831)
2027	25,841 (36,915)	42,048 (60,068)

Source: Table 8a and b, Appendix 3 (floorspace need is cumulative from 2006)

- 8 The quantitative need outputs for the convenience sector have been presented under two scenarios; firstly under constant market shares (but with an overtrading allowance), and secondly for zones 1 and 2 only (in order to understand the specific needs for Redhill). Under the more localised scenario, we have adjusted the market share of zones 1 and 2 (in aggregate) from around 50% to about 80% in order to 'claw back' expenditure from stores primarily elsewhere in the study area and beyond (also including overtrading in these two zones only). This approach is consistent with our Supplementary Report (March 2009). The quantitative need outputs for the convenience sector are summarised in Table 2.

Table 2 Cumulative Quantitative Need in the Convenience Goods Sector

Year	Borough wide Need – Constant Market Shares (sqm net, with gross in brackets)	Zones 1 & 2 Need – Improved Market Share (sqm net, with gross in brackets)
2012	6,424 (9,883)	1,555 (2,392)
2016	7,725 (11,885)	5,147 (7,918)
2021	9,687 (14,904)	6,031 (9,279)
2027	11,652 (17,925)	6,920 (10,646)

Source: Table 15a and b, Appendix 3

- 9 The outputs to 2027 should be considered as indicative only and can be found in the appendices should the Council wish to refer to these in policy documents.
- 10 The assessment of quantitative need is not an exact science. Therefore, the outputs in our assessment should be treated as guide only and should be considered alongside qualitative needs when formulating policy. They should not be treated as a limit in policy documents.

Qualitative retail need assessment

- 11 In our assessment of qualitative need, we have reviewed the existing survey work from the original study, supplemented with our observations, analysed published retailer demand and assessed the Index of Multiple Deprivation. In summary, this revealed the following:
- The previous study and our recent observations identify Redhill as the principle centre, noted for its proportion of multiples; Reigate is noted for its independent provision; Horley is the worst performing centre
 - The FOCUS database shows there are far fewer requirements than before the economic downturn; of all centres Reigate has the most, sixteen. Requirements today are mainly for small A1 units.
 - The survey data from 2006 indicates that there are high levels of expenditure leakage from the Borough to competing destinations in both comparison and convenience sectors
 - The trading performance of the comparison sector is marginally higher than we would expect for Reigate and Redhill, whilst there is evidence of aggregate overtrading across

the Borough in the convenience sector with some of the larger foodstores trading significantly higher than company benchmarks

- The Index of Multiple Deprivation indicates the Borough as a whole is relatively affluent. However, there are pockets of deprivation in the northern part of Redhill urban area, the southern part of Horley and the Preston regeneration area.

12 Applying our findings to the five accepted qualitative indicators in PPS4, we found the following:

- Patterns of local spending indicate that there are gaps in shopping provision in the Borough, in both comparison and convenience sectors
- Foodstore shopping in Redhill is dominated by two operators, restricting consumer choice in the centre. However across the four centres there is a broad range of supermarkets including 'high quality' and 'deep discounter' brands
- Our expenditure analysis indicates the Borough is trading very well in both comparison and convenience sectors, suggesting a degree of pent up demand – particularly in the convenience sector
- The pocket of deprivation in Tadworth has limited choice and variety of stores
- Whilst the quality of retail offer in Reigate is good, there is scope to improve the offer in Redhill, including environmental improvements

Commercial leisure assessment

13 Our assessment of leisure need has considered broad quantitative needs (through expenditure growth) and qualitative needs through a consideration of the existing offer, a gap analysis and an examination of published demand. It should be emphasised that assessments of leisure need are less evolved than those for retail and thus our findings should be treated with a degree of uncertainty given their inherent drawbacks. In summary, we have found that:

- There is a theoretical requirement for additional A3, A4 and A5 floorspace within the Borough, although most of it is expected to be provided alongside retail development.
- Redhill's food and drink offer is adequate although there is some scope for improvement; Reigate's offer is good, although there is evidence of deficiencies in Banstead and Horley
- The Borough is currently poorly served by cinemas and the evidence supports a requirement for extra facilities to service the local population
- If we allow for an increase in gym membership, then there is also a need for additional facilities within the Borough to satisfy local demand and population growth

14 The indicative level of quantitative need (gross floorspace) for the borough up to 2027 is presented in Table 3.

Table 3 Borough wide quantitative need for A3, A4 and A5 uses (gross sqm)

2012	2016	2021	2027
1,051	1,808	2,924	4,083

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

Conclusions and recommendations

- 15 PPS4 makes it clear that an up-to-date assessment of need is required to underpin policy making. Quantitative need is effectively a requirement for additional floorspace, whilst need from a qualitative perspective might also drive additional floorspace (i.e. to improve consumer choice) or could indicate a requirement to replace outdated facilities. Addressing the quantitative need outputs first, we have summarised the rounded 'net' floorspace need in Table 4.

Table 4 Quantitative need for additional retail floorspace (sqm net)

Scenario	2012	2016	2021	2027
Comparison goods - constant market share	-300	5,500	14,400	25,800
Comparison goods - increasing market share	5,700	17,000	27,900	42,000
Convenience goods (Borough wide) - constant market share	6,400	7,700	9,700	11,700
Convenience goods (zones 1/2) - increasing market share	1,600	5,100	6,000	6,900

Source: Appendix 3

- 16 Distributing this growth by centre, we first present a constant market share (to 2016, 2021 and 2027) for both sectors (albeit including overtrading for the convenience sector) and then present an improved market share for the comparison sector only. This data (rounded net figures) is presented at Table 5 and 6.

Table 5 Potential distribution of retail need in the Borough (sqm net) – constant market share

	Comparison goods				Convenience goods			
	Share (%)	2016	2021	2027	Share (%)	2016	2021	2027
Redhill	60%	3,300	8,640	15,480	50%	3,850	4,850	5,850
Reigate	15%	825	2,160	3,870	10%	770	970	1,170
Horley	15%	825	2,160	3,870	20%	1,540	1,940	2,340
Banstead	5%	275	720	1,290	10%	770	970	1,170
Local centres	5%	275	720	1,290	10%	770	970	1,170
Total	100%	5,500	14,400	25,800	100%	7,700	9,700	11,700

Source: RTP Estimates (it should be noted that combined Reigate/Redhill total in the convenience sector is similar to the zones 1 and 2 requirement with increased market share)

Table 6 Potential distribution of retail need in the Borough (sqm net) – increased in market share for comparison sector only

	Comparison goods				Convenience goods			
	Share (%)	2016	2021	2027	Share (%)	2016	2021	2027
Redhill	60%	10,200	16,740	25,200	50%	3,850	4,850	5,850
Reigate	15%	2,550	4,185	6,300	10%	770	970	1,170
Horley	15%	2,550	4,185	6,300	20%	1,540	1,940	2,340
Banstead	5%	850	1,395	2,100	10%	770	970	1,170
Local centres	5%	850	1,395	2,100	10%	770	970	1,170
Total	100%	17,000	27,900	42,000	100%	7,700	9,700	11,700

Source: RTP Estimates (it should be noted that combined Reigate/Redhill total in the convenience sector is similar to the zones 1 and 2 requirement with increased market share)

- 17 These estimates are based on our understanding of the centres within the Borough, their existing market shares and qualitative indicators. Under both sectors and for both scenarios, we direct the majority of the growth to Redhill due to the positive policy support for growth in this centre, the availability of sites and since it can relieve some of the expenditure pressure building on other centres, in particular Reigate.
- 18 Our advice is that the Council should consider planning on the basis of an increased market share in the comparison sector and should target the 2021 output (27,900 sqm net across the Borough). This figure is very similar to the longer term comparison output to 2027 under a constant market share (25,200 sqm net). Thus alternatively, the Council could plan on the basis of a constant market share, but front load plan to ensure this floorspace is delivered earlier in the plan timeframe to ensure the Council can capture the benefits from inward investment. In any event, we expect that a development of around 25,000 sqm net will increase the market share of the Borough in the shorter term and would ensure that it is resistant to future competition.
- 19 The comparison element of the floorspace need should be designed in a high street format to preferably include one larger anchor store alongside some major shop units (between 200 and 500 sqm), as well as smaller units to meet the published demand. As the market adjusts and sites are progressed, the Council should work with its stakeholders and partners to establish the most appropriate mix of development to ensure policies (and schemes) are deliverable.
- 20 In respect of the convenience sector, the requirement for additional units should be primarily within the superstore format (over 2,500 sqm net) in order to relieve overtrading of existing stores and improve competition and choice. Some of the need is likely to be absorbed by smaller stores meeting a more localised need.
- 21 Our assessment of leisure need have revealed some very clear messages over the growth of leisure floorspace in the Borough. These can be summarised as follows:

- There is a theoretical requirement for almost 3,000 sqm gross of additional A3, A4 and A5 floorspace within the Borough by 2021, although most of it is expected to be provided alongside new retail development or potentially alongside a cinema (as explained below).
- There is scope for an improvement in the quality of the food and drink offer in Redhill and therefore we consider the Council should encourage an improved evening economy offer in conjunction with its wider regeneration
- The Borough is currently poorly served by cinemas and the evidence supports a requirement for extra facilities to service the local population and due to the policy support for growth, we suggest an additional facility should be directed to Redhill in the first instance.
- If we allow for an increase in gym membership, then there is also a need for additional facilities within the Borough to satisfy local demand; these can be in the larger centres or smaller centres to meet a locally generated need.

22 As the Council progress more detailed site specific schemes to meet retail and leisure needs, these outputs may need to be tested at a more local level to ensure that they are deliverable. It is recommended that the Council define the primary shopping area and primary and secondary frontages (if necessary) in each of its centres. We also expect that the Council will monitor new retail developments and review the outputs of this retail needs update within five years to take into account any subsequent updates to expenditure forecasts.

1 INTRODUCTION

Terms of reference

- 1.1 Roger Tym & Partners (RTP) were instructed in February 2011 by Reigate and Banstead Borough Council (RBBC) to update their Retail and Leisure Needs Assessment (RLNA) originally published in 2006 and partially updated with a Supplementary Report dated March 2009. Our terms of reference are as follows:
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 - Provide information to assist the Council in determining planning applications involving new or loss of existing retail floor space
 - A 'reality check' of the quantitative forecasts and monitoring
- 1.2 In responding to these terms of reference, we agreed with the Council that we would update the retail and leisure needs assessments within the earlier report, using the latest forecasts and guidance within PPS4. The majority of this analysis was undertaken in March and April 2011.

Context

Changes since 2007

- 1.3 Understanding the context for Reigate and Banstead is crucial for this study. Since the original study was undertaken, there have been some very significant changes surrounding the planning system and the economy. These include:
- PPS4 and its practice guidance were published in December 2009
 - The Coalition Government has announced its intention to abolish regional strategies, including the South East Plan (SEP), influencing scale of planned housing growth and the hierarchy of centres across the region
 - The downturn in the economy, the resultant slow down of consumer expenditure growth and uncertain recovery timescales
 - The banking crisis, the associated lack of development finance and the viability challenges facing large town centre redevelopments
 - The continuing changes in consumer preferences, including the increase in of e-tailing and the polarisation of retailing (i.e. larger stores and centres are becoming more dominant)

- 1.4 These changes are not reflected within the quantitative outputs in the original RLNA and the policy direction of its recommendations. It also has knock on consequences for Reigate & Banstead's Local Development Framework (LDF). For example, some of the changes may influence the scale and form of development that the Council will need to plan for over the next 15 years.

Local context

- 1.5 We are aware from the previous study that Redhill is the main centre in the Borough. It is a published Council intention to direct major investment to Redhill, albeit we appreciate that it is constrained physically by the small size of its units, lack of available sites and opportunities to expand. Redhill remains the focus for investment and we touch upon the future for the town within our 'reality check' comments at Section 7.
- 1.6 Despite the challenging economic climate, the Borough does benefit from recently completed retail and leisure developments including:
- A new small foodstore (360 sqm gross) as part of the mixed use Watercolour development in Redhill
 - Waitrose in Banstead has been redeveloped (following its burning down and reopened in 2009), the new store increased the gross floorspace from 2,774 sqm to 3,114 sqm
 - Some 1,323 sqm gross A1 retail floorspace has been built as part of the mixed use redevelopment at Queensway House, Redhill, replacing a previous unit of 1,191 sqm gross
- 1.7 The Council has made us aware of the demand for additional convenience floorspace in the Borough, particularly focused in and around Redhill. This is evidenced by three of the major UK supermarket operators announcing intentions to invest in and around Redhill. These schemes are as follows:
- Sainsbury's have submitted an application to replace their London Road store with a new 8,001 sqm net foodstore on the same site (representing 5,512 sqm net additional floorspace)
 - It has been announced in the press that Asda are assembling a site on Cromwell Road in Redhill and intend to submit an application for a new superstore later in 2011
 - Tesco applied for a new superstore on a site at Reading Arch Road. However this application was refused by the Council in February 2011; this decision has not been appealed and the applicant has not resubmitted the application.

Competition

- 1.8 Turning to the regional and sub-regional planning pressures, both Redhill and Reigate face competition from larger centres and centres of a similar size and function in Surrey, Sussex and south-west Greater London. We outline the main competing centres in Table 1.1, below.

Table 1.1 Competition to Redhill town centre

Centre	Designation in South East Plan/London Plan	MHE Ranking '08	MHE Ranking '04	Change 2004 - 08	MHE Function
Redhill ¹	Centre for Significant Change	253	212	-41	Major District
Reigate	Centre for Significant Change	1,066	649	-417	Minor District
Guildford	Centre for Significant Change	24	20	-4	Major regional
Crawley	Centre for Significant Change	56	58	+2	Major regional
Horsham	Secondary Regional Centre	143	148	+5	Sub-Regional
Croydon	Metropolitan Centre	20	30	+10	Major regional
Dorking	-	428	382	-46	Major District
Epsom	Secondary Regional Centre	209	179	-30	Sub-Regional

Source: South East Plan, London Plan and MHE Index (2008)

- 1.9 The above ranking is provided by Management Horizons Europe (MHE), with the most recent data available from 2008, and is regularly used to benchmark the performance of centres. According to this data, both Redhill and Reigate have suffered a decline in their ranking since 2004, whilst in the main the nearby competition has either maintained its ranking or slightly improved it. Shopping provision plans detailing the hierarchy of centres and the location of foodstores can be found at Appendix 1 (Figures 1 and 2). In the following paragraphs we explain in further detail the nature of the competition in each of the towns.

Guildford

- 1.10 Guildford is designated as a Primary Regional Centre in the SEP, and is the largest retail centre in Surrey. Planning permission has been granted for an extension to the Friary shopping centre including nearly 25,000 sqm (gross) of retail floorspace, however we understand that progress on the scheme has stalled and we are not aware that the scheme has been repackaged to date. Guildford railway station is allocated in the Local Plan for mixed use including retail and leisure, whilst land at Bedford Road opposite the Odeon Cinema is allocated for a mix of uses potentially including retail.

Crawley

- 1.11 Crawley is designated as a Primary Regional Centre in the SEP. There have been long held plans with Grosvenor to extend the shopping provision in Crawley through a scheme known as 'Town Centre North'; no application has been formally submitted, but the Supplementary Planning Document for the TCN site states that the site should provide in the region of 50,000 sqm net of additional comparison retail floorspace and would include

¹ Redhill / Reigate is considered as one settlement in the South East Plan

John Lewis as an anchor. We understand the scheme has stalled but the council are re-examining options for the town. Thus the timescale for delivery of this development is uncertain.

Horsham

- 1.12 Horsham is designated as a secondary regional centre in the SEP. There are no specific retail allocations in Horsham town centre; as far as we are aware there are no major retail schemes planned or under construction, although the recent Retail Study by GVA Grimley identified two sites for retail development – the Swan Walk Shopping Centre, and Land to the east of Worthing Road and south of Bishopric.

Croydon

- 1.13 Croydon is designated as a Metropolitan Centre in the London Plan and is South London's major shopping destination. There have been long term plans for a major town centre retail development through the Park Place scheme that was granted permission in 2004. The permission has since expired and has not been renewed, but the area is being revisited through the mid Croydon masterplan, which is current subject to consultation, and includes 8 ha of the metropolitan area. Additionally, Barratt Homes have a development agreement for a residential scheme with ground floor retail at the Station Road and Queens House car park site, included within the West Croydon Masterplan. There are small areas of new and replacement retail development planned within various parts of the recently adopted East Croydon Masterplan, especially at Plot C.

Dorking

- 1.14 Dorking is a relatively small centre, not designated in the SEP. The centre mainly comprises independent shops with relatively few national multiples. Its retail offer is enhanced by the antique shops located along West Street. They provide a niche market for the town and attract people to the town as it offers something different from many other larger centres. Mole Valley District Council is in talks with Sainsbury's over a possible new supermarket at St Martins Walk, although no application has been submitted yet. This site was also put forward in response to the Dorking AAP consultation for consideration for comparison retail development, although no scheme has been prepared. The AAP consultation also indicated support for an extension to the existing Waitrose store.

Epsom

- 1.15 Epsom is designated as a Secondary Regional Centre in the SEP. In May 2006 the Council's Planning Committee refused planning permission for a large retail store on a site facing Upper High Street; the site is now owned by Tesco and the Council expects a planning application to be submitted in due course. The Epsom AAP allocates two mixed use sites which will incorporate retail – Depot Road and Upper High Street will include 2,000 sqm of retail floorspace including a small to medium sized foodstore; and Epsom Station will incorporate a maximum of 1,000 sqm of ground floor retail provision. Redevelopment of the TK Maxx and Woolworths sites are also expected to include some small-scale retail.

Implications for RLNA Update and LDF

- 1.16 In these introductory paragraphs, we have briefly reviewed the context for this study and competing centres. The picture emerging from our analysis of the local issues in and around the Borough is that there are short term pressures that need to be considered when assessing need and writing policy, yet the Council should consider the longer term strategy for its centres, particularly since the LDF will need to plan up to 2027.
- 1.17 In the short term, the main development pressures and activities are from foodstore retailers, with three schemes in Redhill alone and other schemes coming forward in nearby Dorking and Epsom. Whilst the investment and job creation should be welcomed, the consequences of significant additional convenience floorspace for the strategy for centres in the Borough will need to be carefully considered as the Plan is prepared. This is particularly due to the large sites that food superstores often take up, traffic implications and of course the impact on existing businesses in town centres.
- 1.18 To help inform longer term strategy (i.e. over the next 15 years) it is important for the Council to establish their vision at an early stage. This is particularly pressing given the long timescales for large redevelopment projects, particularly retail led projects that often require land assembly and involvement from a number of different stakeholders.
- 1.19 There are no competing comparison led developments being built or in the immediate pipeline, there are stalled schemes in large centres (namely Guildford, Crawley and Croydon) and going forward, we expect that these will be re-packaged and will come forward in an alternative form. If these schemes do come forward, competition will increase during the plan period (particularly for Redhill). We expect that Redhill in particular will need to respond to this competition to ensure it maintains its market share at a minimum and avoids missing out on potential investment as and when the economy recovers.

Structure of report

- 1.20 Responding to our terms of reference, the remainder of this report is structured as follows:
- Section 2 (pages 7 to 11) explains the requirements of national and regional policies in so far as they relate to town centres
 - Section 3 (pages 13 to 18) outlines the findings of the existing evidence base, highlighting outputs that are relevant to this study
 - Section 4 (pages 19 to 25) provides our analysis of quantitative needs in the retail sector (to 2027)
 - Section 5 (pages 27 to 37) provides our qualitative appraisal of retail needs
 - Section 6 (pages 39 to 46) contains our analysis of quantitative and qualitative needs in the leisure sector
 - Section 7 (pages 47 to 55) sets out our overall conclusions and recommendations to the Council.

2 PLANNING POLICY CONTEXT

- 2.1 This study will form part of the evidence base to inform the development of the Council's Local Development Framework (LDF). We have regard to national policy on Local Spatial Planning (PPS12) and Planning for Sustainable Economic Growth (PPS4). We also have regard to the development plan, including the Borough Local Plan 2005 and the South East Plan. The South East Plan remains part of the development plan, although the Coalition Government has announced its intention to abolish regional strategies.

PPS12: Local Spatial Planning

- 2.2 This study will form part of the Council's evidence base when preparing its LDF and, in particular, the Core Strategy DPD. PPS12 (2008) includes tests of 'soundness'. To be 'sound' a core strategy should be justified, effective and consistent with national policy.

'Justified' means that the document must be:

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

'Effective' means that the document must be:

- deliverable
- flexible
- able to be monitored

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

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

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

PPS4: Planning for Sustainable Economic Growth

- 2.4 Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4) was published in December 2009 and replaces previous guidance contained in Planning Policy Guidance Note 4: Industrial, commercial development and small firms (PPG4, 1992) and in Planning Policy Statement 6: Planning for Town Centres (PPS6, 2005).
- 2.5 The Government's overarching objective, as set out in paragraph 9 of PPS4, is to achieve 'sustainable economic growth' by:
- building prosperous communities by improving the economic performance of cities, towns, regions, sub regions and local areas;
 - reducing the gap in economic growth rates between regions, promoting regeneration and tackling deprivation;
 - delivering more sustainable patterns of development;
 - promoting the vitality and viability of town and other centres as important places for communities; and
 - raising the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural communities.

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

Practice guidance on need, impact and the sequential approach

- 2.14 A document titled 'Practice guidance on need, impact and the sequential approach' has been published by the Department of Communities and Local Government (CLG) to accompany PPS4 (subsequently referred to in this study as the 'practice guidance'). This guidance does not constitute a statement of Government policy. However, its contents are likely to be a consideration when retail aspects of emerging development plan documents are examined in public.
- 2.15 When assessing the need for retail and leisure developments, local planning authorities are advised to (paragraph 2.4):

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

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

South East Plan

- 2.17 Regional Spatial Strategies, including the South East Plan (SEP), were revoked in July 2010. Subsequently, in a judgement of 10 November 2010 the High Court quashed the Secretary of State's decision of 6 July 2010 to revoke Regional Spatial Strategies. Therefore, at the time this study was undertaken, the SEP remains part of the development plan. However, it is appreciated that the Government has formalised its intention to revoke regional strategies in the Localism Bill.
- 2.18 The timescales for the replacement of the SEP with an alternative system are uncertain. However, in the mean time the supporting evidence underpinning the Strategy remains relevant. Within the South East Plan, Redhill/Reigate is designated a Centre for Significant Change and a Growth Point, as well as being a regional hub within the London Fringe sub region. Therefore, at a regional planning level there has been significant appetite for investment in the area.

Borough Local Plan 2005

- 2.19 The Borough Local Plan was published in September 2005. It is formed of the First Alteration adopted in 2005, combined with the unaltered parts of the 1994 Borough Local Plan adopted in 1994. The plan identifies four main centres; Redhill, Reigate, Banstead and Horley, and 18 smaller local centres.
- 2.20 The Local Plan states that the Borough's town and local centres should continue to be the main focus for shopping provision and should be protected and enhanced wherever possible. Policy Sh 1 states that the Council will seek to improve shopping facilities in town and local centres and that "Proposals which result in the loss of existing or proposed retail floorspace will normally be resisted".
- 2.21 Policy Sh 5 states that additional Class A1 retail floorspace in the defined Town Centre Shopping Areas will normally be permitted if the proposal is of a size and type appropriate to the shopping centre, it would not unduly affect the viability of other shopping provision

both in the town centre and local centres, it would complement the character of the area and would not have an adverse effect on the local environment or amenities.

- 2.22 Policies Sh 7 and Sh 8 strictly control the level of service (A2) and food and drink (A3/A4/A5) uses within shopping streets to ensure that their retail focus is retained.
- 2.23 Policy Sh 9 states that the Council will normally permit proposals for change of use, or development of, sale of food and drink uses within the Primary and Secondary Shopping Areas of Redhill and Reigate and within the Primary Shopping Areas of Banstead and Horley. Proposals should accord with the other shopping policies and should not harm residential amenity, and customer parking resulting from them should not inhibit the free flow of traffic or be dangerous to pedestrians.
- 2.24 Policies Sh 10 to Sh 12 deal with Local Shopping Centres, stating that new or redeveloped Class A1 retail use will normally be permitted and that such use will normally be retained. In addition, proposals for change of use to food and drink uses will normally be resisted.
- 2.25 The Council has identified areas in the town centres for Integrated Mixed Use Schemes. Policy Em 7 states that proposals for business use as part of these schemes will normally be permitted.
- 2.26 Policies Re 10-12 that govern indoor recreation are also relevant to town centres. These state that the Council will continue to improve and enhance the Borough's three multi-purpose recreation centres and will encourage dual use of private facilities. It will also encourage proposals for new provision, specifying in particular the following uses: indoor bowling rink, cinema, badminton hall, museum, art gallery, general exhibition/conference facilities, and entertainments complex.

Emerging Core Strategy

- 2.27 In the emerging Core Strategy Policy CS6 is concerned with Town and Local centres and states that the multi-purpose role of primary, Town and Local Centres will be retained and improved through the provision of the majority of retail, social, community, housing and leisure uses in these centres at a scale appropriate to their role. The policy goes on to state that the majority of comparison retail growth to meet the strategic needs of the Borough and beyond, as reflected in the RSS, will be accommodated in Redhill Town Centre.
- 2.28 In terms of other centres only limited growth is expected with no changes anticipated to the functional role of any of these centres as defined in this policy.
- 2.29 The policy sets out the Boroughs hierarchy of town centres under their relative function which are as follows:
 - Primary Town Centre: Redhill has the role of a Regional Hub, as part of a strategic network, which is the prime focus for large-scale leisure, office, cultural and retail uses and developments.
 - Town Centres: These are vital and viable centres which are key to facilitating and promoting sustainable and inclusive patterns of development and it is important to enhance customer choice by making provision for a range of services and improve

accessibility to them. For the purpose of the Core Strategy, Town centres include, Reigate, Horley and Banstead.

- Local Centres: These provided a role lower down in the hierarchy for more local needs and either offer now or should be the focus for investment in more accessible local services.

Summary

2.30 In this section, we have reviewed relevant national planning policy and development plan policy. In summary:

- The Borough needs to consider the requirements of PPS4 when formulating their development plan
- PPS4 requires an evidence base that takes into account both quantitative and qualitative need for all town centre uses
- It is intended that the South East Plan will be revoked; Redhill/Reigate is a Centre for Significant Change, a Growth Point and a Regional Hub
- Saved Local Plan policies remain the relevant development management tool in the Borough

2.31 As explained in Section 3, we appreciate that the Borough is in the process of producing development plan documents as part of its LDF and has already undertaken extensive consultation.

3 EMERGING LDF PROGRESS AND EXISTING EVIDENCE BASE

Local Development Framework

3.1 The LDF consists of three Development Plan Documents (DPDs):

- Core Strategy
- The Redhill Town Centre Area Action Plan (TCAAP)
- Development Management Policies (DMP)

Core Strategy

3.2 The Core Strategy DPD was submitted to the Secretary of State for Examination in Public in early 2010; however the document was formally withdrawn on March 25th 2010 at the request of the Council. Although withdrawn before the Inspector's Report was formally issued, a draft version of this report has been published (made public following a Freedom of Information request by an interested party). This indicates that the inspector did not consider the CS legally 'sound', judged against the criteria in PPS12, concluding that the changes necessary to remedy various issues would require major rewriting in order to result in a clear, consistent and coherent plan.

3.3 There were two principle reasons given for the submitted plan's unsoundness:

- Failure to adequately demonstrate that the housing requirement would be met and insufficient flexibility regarding its delivery
- Inadequate transport planning for the Redhill-Reigate hub

3.4 In addition, the Inspector identified several smaller concerns, including insufficient justification for the approach of many of the policies; inadequate monitoring policies; and failure to effectively take account of the evidence base in some areas, including retail. On this last point, the Inspector stated that:

"Although not made clear in the CS, the figure of 20,000m² used in the CS for comparison floorspace is what the [2007 Retail and Leisure Needs] Assessment identified as growth to 2016 only ... the 2007 Assessment set out an indicative figure of 28,900m² to 2021 based on a continuing 29% market share."

3.5 In convenience terms, the Draft Report noted that:

"A Supplementary Report 2009 (CDE32) reassessed convenience needs and increased recommended floorspace to 2021 (totalling 5,750m² net) ... The submitted CS did not take account of this more up to date evidence."

3.6 The Inspector judged the CS submission to be sound in terms of its approach to the retail hierarchy, noting that:

"I consider that the identified hierarchy is sound, reflecting the existing role of the retail centres and there is no evidence to suggest that the hierarchy needs to be reconfigured. The focus of growth on Redhill is consistent with its existing status, its role as a regional

hub and the physical opportunities that exist for retail growth and expansion as part of mixed use redevelopments.”

- 3.7 The Inspector had little to say on leisure provision, but did reference the intended new leisure centre at Horley, saying:

“I am satisfied that the Council is making good progress on this to deliver it in 2011, in accordance with the Corporate Plan 2009-12.”

- 3.8 The Council are currently in the process of preparing a DPD to re-submit to the Secretary of State, incorporating amendments to account for the Inspector’s concerns. A Proposed Changes version was consulted on from July to September 2010; this does not address the Inspector’s concerns on retail in detail but states that “the retail needs of the Borough will need to be revised and updated to take account of the current economic climate”. The Borough Council are re-drafting the Core Strategy to take into account consultation responses and are aiming to re-consult on policy implications emerging from updated evidence later in 2011.

The Redhill TCAAP

- 3.9 The Redhill Town Centre Area Action Plan (RTCAAP) has been in progress for several years. After ‘Issues & Options’ and ‘Preferred Options’ consultations in 2006, the Council decided not to formally submit the Plan at that stage. The Council then consulted on a new ‘Issues & Options’ stage in 2008, informing the Preferred Options document which was consulted on in January 2009. The Council are in the process of developing a new RTCAAP based on an updated evidence base.
- 3.10 The RTCAAP Preferred Options 2009 document outlines several objectives, towards which all specific questions are directed. One of these, relating to shopping, is “to improve Redhill’s shopping offer and strengthen its position as a sub-regional retail centre”; another, relating to leisure uses, is to “offer a vibrant mix of uses throughout the day and evening.”
- 3.11 Under Shopping, the RTCAAP Preferred Options 2009 document identifies four issues:
- Existing retail units are too small to house the mid-range comparison retailers the Council are hoping to attract
 - The Belfry Centre dominates comparison shopping to the extent that it has a detrimental effect on the rest of the centre
 - The centre does not offer enough in the way of complementary uses (such as cafés and leisure facilities) to retain customers
 - Inadequate public realm and facilities
- 3.12 Relating back to the objective “to improve Redhill’s shopping offer and strengthen its position as a sub-regional retail centre”, the same document asks respondents whether retail development should be focussed on upgrading existing retail units or expanding into non-retail areas around the town centre.
- 3.13 Under Culture, Leisure and the Arts, the RTCAAP 2009 identifies four issues:

- Donyngs Leisure Centre requires refurbishment, and better integration with the town centre
- The Harlequin Centre is not fit-for-purpose, so opportunities must be identified to enhance cultural facilities
- Food and drink provision is inadequate, both in terms of providing for shoppers during the day and in terms of the night-time economy
- Planning policy is too inflexible to allow for a range of uses in the centre, instead focussing overwhelmingly on retail use

3.14 Relating back to the objective to “offer a vibrant mix of uses throughout the day and evening”, the document asks respondents what mix of entertainment they would support, and specifically which uses would best help to create a thriving evening economy.

Development Management Policies DPD

- 3.15 The Development Management Policies (DMP) DPD will allocate land for different types of development and detail protective designations such as the Green Belt. It will also allocate land for development through designations for uses such as housing, employment and retailing. These allocations and designations will eventually be incorporated into a proposals map to accompany the development management policies. The document recently went out to consultation at the ‘Issues & Options’ stage.
- 3.16 The ‘Town & Local Shopping Centres’ section of the DMP refers mainly to the centres other than Redhill in the Borough, since Redhill will be covered in detail in the RTCAAP; however the more general policies could be relevant to all centres including Redhill. The document identifies the importance of ensuring the appropriate uses, and only the appropriate uses, are located within the centre, and that the balance between these different uses is appropriate. In view of this, several issues are identified, including:
- Defining town and local centre boundaries
 - Promoting the vitality and viability of centres by encouraging shopping provision
 - Promoting the vitality and viability of centres by maintaining appropriate levels of non-shopping uses
 - Encouraging a lively, but safe, night-time economy
 - Maintaining the right amount and type of shopping and other uses
- 3.17 The DPD recognises that the expected population growth in Horley will result in a need for improvements to the centres retail and commercial offer. In view of this, three issues relating to shopping and specific to Horley are identified:
- Redeveloping key sites in the centre
 - Improving the centre’s appearance
 - Improving shopping provision to attract more customers

Existing evidence base

Retail and Leisure Needs Assessment (August 2007)

- 3.18 The original Retail and Leisure Needs Assessment was undertaken by RTP and published in 2007. With regard to convenience retail need the study concluded that the study area retained 67% of expenditure. At 2016, the forecast floorspace requirement was for an additional 1,240 sqm net, increasing to 2,018 sqm net at 2021. The study also concluded that overall the stores in the study area were overtrading by 38%, in particular Tesco outside Horley, Sainsbury in Redhill and Tesco in Caterham.
- 3.19 It went on to suggest that any new stores should be located in the Borough's centres in accordance with PPS6 (now PPS4). One store should be provided in Redhill, an available site at Cromwell Road being the preferred location; another available site at Brighton Road, Redhill may also be suitable, but as it was identified as edge-of-centre it should not be the first preference. Also, the study noted that the existing Sainsbury's store in Redhill could be extended.
- 3.20 In terms of comparison expenditure, the study noted that only 24% was retained in the study area, probably to higher order comparison centres, particularly Crawley and Croydon. However if the market share was maintained the study concluded that there would be a requirement for some 9,000 sqm net of comparison floorspace at 2016, and if increased to 29% for 19,900 sqm over the same period.
- 3.21 The study concluded that the majority of the study area's floorspace need should be met in Redhill town centre to strengthen its role as a comparison shopping destination and assist with regeneration. The main retail development opportunity was identified as the Warwick Quadrant site.

Reigate and Banstead Retail: Supplementary Report (March 2009)

- 3.22 Following on from the 2007 study, RTP were commissioned in 2009 to assess convenience need at the local level, look further into the issue of convenience overtrading identified in 2007, and consider the impacts on Redhill town centre of possible new foodstores at the Cromwell Road and Reading Arch Road sites.
- 3.23 The study calculated that Redhill and Reigate retained 48% and 49% respectively of their local convenience expenditure – low compared to other areas. The report identified that the area lacked a large superstore and concluded that there was both qualitative and quantitative need for a superstore in Redhill.
- 3.24 Aiming to increase the retention rate of zones 1 and 2, as well as taking into account the overtrading at foodstores in these zones, would result in an additional floorspace requirement of around 3,730 sqm net, over and above the floorspace capacity identified in the Retail & Leisure Needs Assessment 2007.
- 3.25 The Supplementary Report also considered the potential impacts of a new supermarket, as follows:

- For a supermarket built on either the Cromwell Road or Reading Arch Road site, there would be impacts on Sainsbury's Redhill, Tesco Hookwood and Morrisons Reigate. All three stores would subsequently trade close to or below their company averages.
- A new supermarket at the Cromwell Road site would have more impact on the Sainsbury's store (64% as opposed to 52%) than one at the Reading Arch Road site would. A new supermarket at Reading Arch Road would have more impact on the Morrisons (45% as opposed to 34%) and Tesco stores (22% as opposed to 18%) than one at Cromwell Road.
- A new supermarket at either location would also impact the smaller town centre stores - Iceland in Redhill and the Marks & Spencer Foodhalls in Redhill and Reigate.
- A new store at the Cromwell Road site would be unlikely to result in a loss of linked trips expenditure in town centre comparison shops and services. It may in fact result in an increase in such expenditure.
- A new store at the Reading Arch Road site may result in some loss of linked trips expenditure in town centre comparison shops and services. However, again it may result in some gain by diverting shopping trips from the out of centre Tesco store at Hookwood.

Corporate Plan

- 3.26 The consultation draft Corporate Plan for 2011-15 emphasises the importance of regeneration, specifically in Redhill and Horley, and notes that "our town centres need to provide a competitive retail offer". The Plan considers that Redhill is underperforming as a town centre, considering its strengths – especially its location and accessibility. In order to make Redhill a 'thriving town centre', the Plan identifies the need for new shops in the centre, including improved supermarket provision and better cultural offer, as well as a new development of high design and architectural standard.
- 3.27 In Horley, the Plan indicates that growth will be focused on two new neighbourhoods to the north-west and north-east, is expected to provide 2,600 new homes leading to a 30% population increase and we expect that this will necessitate regeneration of the town centre. Although the Plan does not go into many specific details over the town centre, it does identify need for improved convenience provision, as well as a new leisure centre.

Summary

- 3.28 In this section, we have reviewed the progress of the LDF and summarised the findings of other relevant evidence based documents. In summary:
- The Core Strategy, submitted in March 2010, was withdrawn in order to undertake further work on a number of topic areas. The Council are preparing a document for re-submission, alongside a Development Management Policies DPD and an AAP for the Redhill town centre.
 - The RLNA 2007 revealed capacity for 1,240 sqm of net convenience floorspace to 2016 increasing to 2,018 sqm at 2021, and between 9,000 and 19,900 sq m net comparison floorspace to 2016.

- The Supplementary Retail Report 2009 identified further convenience floorspace requirement, totalling around 5,750 sqm net combined with the 2007 figure, and established qualitative and quantitative need for a superstore in Redhill.
- The consultation draft Corporate Plan identified the need for new development in Redhill and Horley, and reiterated the need for a new supermarket in Redhill and a new leisure centre in Horley.

4 UPDATED QUANTITATIVE RETAIL NEED ASSESSMENT

Methodology

- 4.1 In updating the quantitative retail need assessment, we use an identical methodology as used in the RLNA, namely the widely respected step by step methodology, which is consistent with CLG's practice guidance. The methodology is not rehearsed in detail, since this can be found within the original RLNA. We use the same household survey data as used in 2006 to undertake this update since there have not been any significant change in shopping provision that will have permanently changed shopping patterns. However, at the margin, consumer preferences may have changed and thus the outputs from the survey should be treated with a degree of caution.
- 4.2 The study area that we have used (identical to that in the RLNA) is attached at Appendix 2, whilst our quantitative spreadsheets are attached at Appendix 3. The study area extends before the Borough boundary and is reflective of the fact that shopping catchments do not align with administrative boundaries. Since we are using the market share of destinations within the Borough only, we are ring fencing the money available to support growth in the Borough itself and there is no claim on growth for nearby centres.
- 4.3 In updating our analysis, we have taken the opportunity to refine our outputs to ensure the need presented is focused on centres in RBBC. The changes in key inputs are explained below, but the refinements we have applied to the survey data and quantitative need outputs are as follows:
- Exclude the 'don't know' answers from the household survey data and re-distribute the market shares for this answer to all other destinations that feature in the survey
 - The market share of destinations in RBBC only have been used to calculate quantitative need for both comparison and convenience sectors (rather than all destinations in the study area, as per the RLNA)
- 4.4 This exercise ensures that the spending allocated to 'don't know' in the analysis is not lost from the model and is available to support floorspace (which is clearly the case). Using the market share of destinations in RBBC only ensures that we have more confidence over the scale of floorspace that should be directed to the centres in the Borough itself (rather than the need to apply a judgment to the quantitative need for the whole study area that could be accommodated in destinations outside the Borough). This is an entirely appropriate approach to quantify the needs for a local authority area where there are overlapping catchments. However, it should be recognised that the reality of the Borough achieving a permanent increase in market share will be influenced by plans in neighbouring authorities.
- 4.5 As per the original RLNA, we present our comparison outputs under both constant market shares (i.e. centres in RBBC maintain their market share vis-à-vis other centres) and an improved market share scenario (i.e. centres in RBBC claim more of the available expenditure vis-à-vis other centres). In the convenience sector, consistent with our Supplementary Report, we present the outputs with overtrading and present a scenario that

looks at zones 1 and 2 on its own, testing the claw back of expenditure (i.e. market share increasing to 80%).

Change in inputs since 2006

- 4.6 The data on existing and future spending uses up-to-date inputs, which inevitably have moved forward since the RLNA was published. To assist in subsequent analyses of the reasons for changes to quantitative outputs, Table 4.2 outlines the different data sources used in this update compared to the RLNA and includes a comment column explaining the reasons for any changes. An explanation of our key expenditure and sales density growth assumptions can be found at Appendix 4.
- 4.7 Since our base year remains at 2006, we must allow for the same commitments as within our original RLNA and any additional commitments since 2006. Whilst it is appreciated large commitments can change market shares, we are not aware of any commitments of a sufficient scale that will have permanently changed the RBBC market share since 2006. Therefore, we have not made any adjustments to market share due to commitments (although we do test improvements to market share as a policy objective).

Updated quantitative need outputs

- 4.8 As explained above, the need within the comparison sector is presented on a constant market share and an improved market share basis. The existing (2006) comparison goods market share of the Borough is 21.2% of the study area. The improved market share scenario would result in the Borough increasing its permanent comparison goods market share to 26.2% by 2016 (an improvement by five percentage points – consistent with the RLNA). The increase in market share is effectively a policy objective to reduce expenditure leakage and improve sustainability. In other words, it will only occur if a development of sufficient critical mass comes forward to change shopping patterns throughout the plan period. The judgement of a five percentage point impact is a theoretical test scenario, but is informed by likely competition (Section 1).
- 4.9 The quantitative need outputs for the comparison sector are summarised in Table 4.1 and represent net requirements (with gross in brackets) presented on a cumulative basis. We have adopted a 70% net to gross ratio (compared to 65% in the RLNA) to reflect the modern requirements and more efficient use of space by retailers.

Table 4.1 Cumulative Quantitative Need in the Comparison Goods Sector

Year	Constant Market Shares (sqm net, with gross in brackets)	Improved Market Shares (sqm net, with gross in brackets)
2012	-279 (-398)	5,746 (8,209)
2016	5,540 (7,914)	16,954 (24,221)
2021	14,380 (20,543)	27,882 (39,831)
2027	25,841 (36,915)	42,048 (60,068)

Source: Table 8a and b, Appendix 3 (floorspace need is cumulative from 2006)

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- 4.10 The slight negative figure under the constant market share means that commitments to new floorspace marginally outstrip the level of expenditure growth between 2006 and 2012 and thus broadly speaking, the Borough has met its quantitative needs in the short term. However, this is based on a constant market share and the potential for the Borough to increase its market share should be considered when formulating its planning policies.
- 4.11 We afford more weight to the short term (to 2016) and medium term (to 2021) outputs. The reason is that typically large scale town centre schemes can take in the region of ten years to come forward from design to opening. Therefore, we consider that it is appropriate to base a strategy on the medium term outputs to 2021, subject to careful monitoring (explained in Section 7).
- 4.12 We advise caution over the longer term forecasts to 2027 and suggest that any policy documents include firm caveats that explain these are indicative only. Indeed, after 2021, there is a sharp increase in floorspace requirements, which is a function of the compound effect of per capita expenditure growth over this timeframe combined with population growth.

Table 4.2 Changes in inputs since 2006

Input	2006 RLNA	2011 Update	Comment
Base and forecast years	2006, 2012, 2016 and 2021	2006, 2012, 2016, 2021 and 2027	The base year remains at 2006, due to the previous household survey being used being undertaken in this year. A further forecast years at 2027 has been added to correlate with the emerging LDF.
Population base data and projections	MapInfo population data (2003) for base year and Surrey Structure Plan dwellings constrained projections for forecast years	Base data provided by PBBI/MapInfo (2008), backdated to 2006 using the RLNA data and projections derived from Reigate and Banstead Borough Council projections, taken from the Office of National Statistics and applied to the whole study area.	Base population comprises the latest available data.
Expenditure data and price base	MapInfo expenditure data in 2003 from 2003 prices	PBBI/OE from 2008 in 2008 prices, backed dated to the 2006 base using observed growth rates	This data is used to provide the most up-to-date position
Retail expenditure growth rate	4.3% per annum for comparison goods and 0.9% per annum for convenience goods between 2006 and 2021	For comparison goods, observed rate of 2.9% between 2006 and 2007, then forecast rates of 1.8% per annum between 2007 and 2012, 3.8% per annum between 2012 and 2016, 3.3% per annum between 2016 and 2027. For convenience goods, 0.8% per annum between 2006 and 2007, a decline of -0.8% per annum between 2007 and 2012, then forecast rates of 0.8% per annum between 2012 and 2016 and 0.6% per annum between 2016 and 2027	The growth rates are derived from a mid point between PBBI and Experian projections and are considered a robust approach to growth (explained at Appendix 4).
Sales density growth	2.2% per annum for comparison floorspace and 0.75% per annum for convenience floorspace	For comparison goods floorspace, 2.25% between 2006 and 2007 and then 0.68% per annum between 2007 and 2012, 1.44% per annum between 2012 and 2016, 1.25% per annum between 2016 and 2021 and 1.23% per annum between 2021 and 2027. For convenience goods floorspace, 0.75% between 2006 and 2007 and then -0.38% per annum between 2007 and 2012, 0.39% per annum between 2012 and 2016, 0.30% per annum between 2016 and 2027	The sales density growth rate is derived from our forecast expenditure growth rate (explained at Appendix 4)
Special forms of trading	For comparison goods, 6% in 2006 increasing to 12% in 2012 and maintained at 12% in 2016 and 2021. For convenience goods, a base allowance of 1.5% from the survey results, maintained as constant	For comparison goods, 6% in 2006, 13.1% in 2012, 13.9% in 2016, 13.6% in 2021 and 13.2% in 2027. For convenience goods, 1.5% in 2006 (survey derived), 4.25% in 2012, 4.8% in 2016, 5.05% in 2021 and 5.4% in 2027	Updated Experian forecasts used (50% for convenience sector). We have also allowed for growth in convenience goods SFT (as well as comparison goods) as a claim on available expenditure due to forecast growth in this sector.

Source: RTP analysis of RLNA and RTP assumptions outlined above

Convenience sector

- 4.13 The convenience assessment is undertaken on the same basis as the comparison assessment, albeit an allowance has been made for overtrading in the base year and then remains as constant to the forecast years. This effectively means that in the base year, there is an imbalance between the supply and demand of floorspace which remains in the model throughout, although we do not allow for this overtrading to increase. Additionally for the convenience goods sector, we have made the following refinements and adjustments to our quantitative need case:
- Use of updated benchmark sales densities to calculate overtrading and capacity (adjusted to a convenience goods base and in 2008 prices, backdated to 2006), reflecting the most recent available data from Verdict
 - Revised comparison convenience splits for foodstores that existed in 2006, based on site visits in 2011 (for stores that have not been extended or re-built, it is assumed that the splits will have been broadly the same in 2006 and our observed splits are more accurate than the national averages applied in the original RLNA)
- 4.14 The quantitative need outputs for the convenience sector have been presented under two scenarios; firstly under constant market shares (but with an overtrading allowance), and secondly for zones 1 and 2 only (in order to understand the specific needs for Redhill). Under the more localised scenario, we have adjusted the market share of zones 1 and 2 (in aggregate) from around 50% to about 80% in order to 'claw back' expenditure from stores primarily elsewhere in the study area and beyond (also including overtrading in these two zones only). This approach is consistent with our Supplementary Report (March 2009). The quantitative need outputs for the convenience sector are summarised in Table 4.3.

Table 4.3 Cumulative Quantitative Need in the Convenience Goods Sector

Year	Borough wide Need – Constant Market Shares (sqm net, with gross in brackets)	Zones 1 & 2 Need – Improved Market Share (sqm net, with gross in brackets)
2012	6,424 (9,883)	1,555 (2,392)
2016	7,725 (11,885)	5,147 (7,918)
2021	9,687 (14,904)	6,031 (9,279)
2027	11,652 (17,925)	6,920 (10,646)

Source: Table 15a and b, Appendix 3

- 4.15 For the avoidance of doubt, we have not modeled a Borough-wide increase in market share in the convenience sector. The combined area of zones 1 and 2 is smaller than the Borough and we expect the majority of the increase in market share in this area will be spending diverted from overtrading stores inside the Borough but outside zones 1 and 2. This is the reason that the requirement under a constant market share for the Borough remains higher than the improve market share for zones 1 and 2 only.

- 4.16 The same timing caveats as we have highlighted for the comparison sector, apply equally to the convenience sector. Additionally, it should be noted that the sales densities applied are averages applied to all available expenditure. Should a trading format be promoted that achieves a different typical turnover, then the floorspace outputs should be adjusted accordingly. This is particularly relevant for smaller foodstore operators and deep discounters that have far lower sales densities.

Summary

- 4.17 In this section, we have updated the assessments of quantitative need for additional floorspace within our original RLNA (2007) and the Supplemental Report (2009). This incorporates updated forecasts of population growth, expenditure growth, sales density growth and special forms of trading. We have also incorporated some minor technical refinements to our methodology. Due to the uncertainty over longer term forecasts, it is advised that the Council pay closest attention initially to the 2016 outputs (due to the PPS4 requirement for local authorities to allocate sites to meet the first five years of need) and secondly to the outputs to 2021 (since many complex town centres require a critical mass of development to be delivered that can take up to 10 years to come forward). The main headlines from our quantitative need update are as follows:
- 5,540 sqm net (7,914 sqm gross) of comparison floorspace across the Borough by 2016, increasing to 14,380 sqm net (20,543 sqm gross) by 2021 under constant market shares
 - 16,954 sqm net (24,221 sqm gross) of comparison floorspace across the Borough by 2016, increasing to 27,882 sqm net (39,831 sqm gross) by 2021 under an increase in market share of the Borough by five percentage points
 - 7,725 sqm net (11,885 sqm gross) of convenience floorspace across the Borough by 2016, increasing to 9,687 sqm net (14,904 sqm gross) by 2021 under constant market shares (but including aggregate overtrading of foodstores in the Borough only)
 - 5,147 sqm net (7,918 sqm gross) of convenience floorspace in zones 1 and 2 only by 2016, increasing to 6,031 sqm net (9,279 sqm gross) by 2021 under a scenario where the share of these two zones increases from approximately 50% to 80% (and including aggregate overtrading of foodstores in zones 1 and 2 only)
- 4.18 The outputs to 2027 should be considered as indicative only and can be found in the appendices should the Council wish to refer to these in policy documents.
- 4.19 The assessment of quantitative need is not an exact science. Therefore, the outputs in our assessment should be treated as guide only and should be considered alongside qualitative needs (in Section 5) when formulating policy. They should not be treated as a limit in policy documents.

5 QUALITATIVE RETAIL NEED ASSESSMENT

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

Existing survey work

- 5.5 The existing survey work available includes:
- Visitor and retailer survey undertaken to inform the original RLNA (2007)
 - Visitor and retailer surveys undertaken by the Council in 2010
 - Diversity of uses data used to inform the original RLNA (2007)
- 5.6 In respect of the diversity of uses, we first summarise the position and then consider the main headlines for each centre with reference to all surveys available, including the more recent visitor and business surveys undertaken by the Council.

Diversity of uses

- 5.7 In 2007 we assessed the diversity of uses in Redhill, Reigate, Banstead and Horley based on 2005 GOAD data updated by site visits. We have not updated the data. It is appreciated that there will have been some change in the composition of centres due to the recession and general downturn in the economy. However, there has been no significant

new development since this assessment and therefore some broad conclusions can be drawn from this analysis. The results are summarised below.

Table 5.1 Diversity of uses in four main centres based on floorspace (2007)

	GB Avg.	Reigate	Redhill	Horley	Banstead
A1 Comparison	31.8%	35.1%	37.6%	27.4%	40.8%
A1 Convenience	10.9%	18.7%	8.9%	16.6%	16.0%
A1 Other	5.5%	3.4%	2.9%	5.0%	4.2%
A2 Financial & Professional Services	7.2%	7.4%	5.3%	8.4%	10.8%
A3 Restaurants & Cafes	3.7%	6.3%	3.2%	2.3%	7.3%
A4 Drinking Establishments	5.1%	5.9%	3.0%	3.6%	1.4%
A5 Hot Food Takeaways	1.8%	1.4%	0.8%	1.1%	1.3%
Sui Generis	8.3%	0.7%	2.4%	5.7%	0.0%
Vacant	6.3%	1.0%	1.4%	9.7%	1.2%
Other	19.4%	20.1%	34.7%	20.2%	17.0%
TOTAL	100%	100%	100%	100%	100%

Source: RLNA, 2007

- 5.8 The consequences of the split for the A3, A4 and A5 uses are explored in more detail in our consideration of the existing food and drink leisure offer when assessing the need for commercial leisure floorspace in Section 6. The more general advice on the mix of uses in the Council's four main centres is provided in Section 7.

Headlines for town centres

- 5.9 The main conclusions drawn from our analysis of the original surveys undertaken in 2007 and the more recent surveys undertaken by the Council are set out in the following paragraphs for each centre.

Redhill

- 5.10 Redhill is the largest centre in the Borough with over 42,000 sqm of retail floorspace and the survey data in the RLNA indicates that it is the dominant destination for comparison shopping in the Borough. The main headlines from the survey data we have analysed are as follows:
- The most recent visitor survey identifies the centre as the most popular for buying clothes
 - Evidence suggests that the centre is under-provided in terms of convenience floorspace, with only Sainsbury's and Iceland representing national supermarket operators in the town centre

- In 2007 vacancy in Redhill was very low, at 1.4% by floorspace compared to the national average of (at that time) 6.3%. While vacancy rates nationwide have increased since our previous analysis (the latest GOAD data indicates the national average to now be 9.3%), our observations in Redhill indicate vacancy, while it may have increased, is still low by national standards.
- Redhill is perceived as having good accessibility by public transport, evidenced by visitor and retailer surveys in 2007, and again in 2010. Our observations back up these results.
- In terms of environmental quality, the previous study suggested Redhill's Primary Shopping Area divides into two distinct parts, the primary frontages and the much less attractive secondary frontages. The 2010 visitor survey indicates that while the environment and atmosphere were the most common things disliked, they were also among the most common things liked about it.

Reigate

5.11 Reigate is the second largest centre in the Borough by total floorspace with 33,250 sqm gross. Of this there is over 17,450 sqm gross of retail floorspace and the survey data in the RLNA indicates that it is noted for its independent and specialist shopping provision. The main headlines from the survey data we have analysed are as follows:

- Reigate achieved the best overall rating for retail and leisure provision in the 2010 visitor survey, 81% of respondents rating it either 'good' or 'very good'.
- In 2007 we noted that the main purpose for visiting Reigate, according to the visitor survey, was food shopping; in 2010 this remains the case. At that time the proportion of convenience floorspace was above average, although arguably (for a qualitative perspective) the range was poor; since then no significant new convenience stores have been built.
- Reigate is also noted for its range of independent and specialist shops, 13% of visitors in 2010 mentioning this feature specifically and a further 24% praising the variety of shops. Our diversity of uses analysis in 2007 noted a high proportion of clothing retailers.
- Reigate has good provision of food and drink spread throughout the centre, reflected in visitor responses. The restaurant provision in particular is excellent for a centre of this size, incorporating a good mix of sizes, cuisines, and chains and independents, spread through the high street and beyond.
- Vacancy in 2007 was exceptionally low at only 1% by floorspace. While vacancy nationwide has increased since then, our observations indicate there is still very little vacant space in Reigate.
- Of all the centres in the Borough, Reigate is noted for its high environmental quality. This impression was noted from the previous visitor survey, and strengthened by the more recent visitor and retailer surveys.

Horley

- 5.12 Horley contains 33,000 sqm of gross floorspace in total, the third largest centre in the Borough by total floorspace. Of this there is about 21,300 sqm gross of retail floorspace and the survey data in the RLNA indicates that it has a poor reputation among locals. The main headlines from the survey data we have analysed are as follows:
- By observation Horley appears the worst performing of the four centres. On visiting the centre we observed very little footfall and both retailers and visitors indicated a poor reputation – 72% of visitors rated the centre ‘mediocre’ or ‘poor’ overall.
 - Easily the most popular reason cited in the visitor survey for visiting was ‘services’, at 18%. It is likely this refers mainly to banks and building societies, as the previous survey had singled them out as the main reason for visiting; however while in 2011 we noted a large proportion of these units, the lack of any other reason to visit may be just as significant a reason.
 - The proportion of convenience floorspace is high for a centre of this size, with a Waitrose making up most of the floorspace supplemented by Iceland, Lidl and an Alldays convenience store. Although we expect the planned population growth for the town will increase demand for convenience floorspace in the town.
 - We noted in 2007 that, unlike all three of the other centres which were below the national average, the vacancy rate was high. It is still true today that Horley has the highest vacancy level of the four centres, which inevitably influences environmental quality.
 - The environmental quality is acknowledged by visitors and retailers to be poor; 44% of retailers rated Horley only 1 or 2 out of five for ‘quality of estate/ environment’. It is also important to note that on visiting the centre there is a sense that it is spread out over a wider area than appropriate, giving it a slightly odd, disparate feel.

Banstead

- 5.13 Banstead is the fourth largest centre in the Borough with over 24,500 sqm of total floorspace, and the survey data in the RLNA indicates that it is viewed as fulfilling a very local function, serving its immediate area. The main headlines from the survey data we have analysed are as follows:
- Banstead was noted by visitors in 2007 as having a ‘village feel’ and serves a local function. Architecturally there is a mix of building styles, ranging from an attractive Tudor style to very basic modern designs. However, some of the buildings, particularly the older ones, have been poorly kept and there also appears to have been no attempt to maintain the continuity of the streetscape and the ‘village feel’.
 - Banstead was the most popular destination, by proportion of visitors, for food shopping – 77% of visitors cited buying food as their primary reason for visiting. It benefits from three supermarkets and the diversity of uses analysis in 2007 noted that convenience floorspace was above average.
 - We noted in 2007 that there was a lack of variety in comparison goods shopping in the centre means that there is a limited attraction for people from outside the area.

- The centre is poorly provided for in terms of night time economy, with only one pub.
- Vacancy in 2007 was exceptionally low at only 1% by floorspace. While vacancy nationwide has increased since then, our observations indicate there is still very little vacant space in Banstead.
- Although there is a rail station named Banstead, it is a 15 to 20 minute walk from the town centre. The majority of this walk is uphill and there are some very busy roads to cross, on which pedestrian crossings are poor, therefore it is probably not suitable for elderly or disabled visitors.

Published retailer demand

- 5.14 The FOCUS database (Appendix 5) shows that there are currently requirements in Redhill from only four operators, the most recent being Hatton Goldsmiths. Reigate currently has 16 requirements, including Superdrug and JoJo Maman Bebe; Banstead has eight including Strada and Phase Eight; Horley has only one, from the Edinburgh Woollen Mill. The main conclusions from the demand analysis are:
- There is demand for A1 units in particular (18 requirements), with a range of types of retailer seeking retail space including Traid, Joules Clothing Ltd and C & H Fabrics.
 - There are four A3 requirements (Strada, and Maison Blanc in three separate centres).
 - Several companies are looking for space in two or more of the Borough's four centres, including Maison Blanc (French bakery and patisserie) and Headmasters (hair salon).
 - The majority of requirements are for unit sizes of between around 50 and 200 sqm, although there are requirements for larger units including The Little Gym (325 to 418 sqm).
- 5.15 Anecdotally, we are aware that there is further demand for larger units that is not fully reflected in the FOCUS data, thus the outputs should be treated with a degree of caution. Furthermore, we expect that the economic climate will have impacted on the outcome of this analysis, specifically in relation to operator demand. Demand is currently low (the previous study noted that there were 33 requirements in Redhill and 42 in Reigate in 2005), but as the economic climate improves over time so will demand, and this should be acknowledged. Furthermore, we are very aware that demand is often 'created' when a large new development is under construction that can provide modern retail facilities and large units.

Spending patterns

- 5.16 The RLNA was underpinned by a household survey, which includes detailed spending habits of the residents of the study area. The study area extends beyond the Borough boundary, but it is a reasonable estimate for the catchment of the Borough's retail provision. The presentation of the market shares and spending patterns have been refined slightly, compared to the RLNA (as explained in Section 4), although the raw data has not changed. The spending patterns derived from the household survey results are explained in detail at Section 5 and within Appendix 5. Our assessment has revealed that:

- Destinations within the Borough attract some 21.2% of the study area's comparison spending, with the main competition being Crawley, Croydon, Epsom and Sutton
- Destinations within the Borough attract some 48.3% of the study area's convenience spending, with zones 1 and 2 (Redhill/Reigate) retaining some 53.8% of its convenience spending.

5.17 In terms of expenditure leakage, these spending patterns indicate that consumer choice is suffering, with both comparison and convenience sectors experiencing a low level of expenditure retention compared to what we would typically expect for this part of Surrey, which includes a centre at the top of the retail hierarchy. Indeed, we consider that there is an opportunity to improve the quality and range of shopping provision in the Borough (for both sectors) to stem the observed levels of expenditure leakage.

Trading performance

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

Comparison goods sector

- 5.20 The trading performance in the comparison sector, based on pure turnover per sqm, appears to be broadly aligned with our expectations (if not slightly in excess of expectations). High levels of turnover per sqm are experienced by Reigate (£7,685 per sqm net in 2006) and Redhill (£6,151 per sqm net in 2006). Experian suggests that the average for modern town centre comparison floorspace is in the region of £5,000 per sqm net. Therefore, at the margin the trading performance of these two centres could potentially indicate some degree of pent up demand and thus a qualitative need for either improved floorspace or additional floorspace. Although, the PPS4 practice guidance tells us not to consider these figures in isolation.
- 5.21 The trading performance for Horley and Banstead is £4,512 and £2,129 per sqm net respectively. We consider that these turnover levels are aligned with our expectations for centres of a similar role and function.

Convenience goods sector

- 5.22 For the convenience sector the quantitative assessment revealed that stores in aggregate are overtrading by over £80 million across the Borough, with a more localised level of

overtrading in excess of £24.8 million. Although, this overtrading should not be considered in isolation, it does indicate a significant imbalance between the supply and demand of floorspace in the Borough. The high trading performance is particularly evident within the Sainsbury's in Redhill, Tesco in Hookwood near Horley, Waitrose in Banstead and Asda in Tadworth.

- 5.23 More detailed surveys of the trade of the stores in question would be required to fully understand whether there is any demonstrable qualitative deficiency associated with the trading performance of these stores. This might include visitor surveys that indicate whether the trading performance is causing customer discomfort. But due to the scale of turnover above benchmarks, it can be reasonably concluded that if unchecked, the overtrading of these foodstores could potentially cause a qualitative deficiency within the plan period to the detriment of consumer choice.

Index of multiple deprivation

- 5.24 CLG's practice guidance refers to location specific needs and specifically states that the Indices of Multiple Deprivation (IMD) provide useful measures of deprivation. Furthermore, PPS4 affords more weight to qualitative deficiencies in deprived areas. It is important to understand the IMD for the local geography and its relationship with any qualitative deficiencies, such as a lack of access to certain shops or services.
- 5.25 The IMD 2010 is based on the small area geography known as Lower Super Output Areas (LSOAs) and is the most recent dataset available. Each LSOA has between 1,000 and 3,000 people living in it with an average population of 1,500 people. There are 32,482 LSOAs in England. The LSOA ranked 1 by the IMD 2010 is the most deprived, and that ranked 32,482 is the least deprived. Within each LSOA deprivation is measured by seven measures or indicators known as domains. These comprise:
- Income deprivation: this domain looks at, amongst other things, the proportion of people in Income Support Households or Child Tax Credit Households.
 - Employment deprivation: this domain measures the involuntary exclusion of the working age population from the world of work.
 - Health deprivation and disability: this domain identifies areas with relatively high rates of people who die prematurely or whose quality of life is impaired by poor health or who are disabled.
 - Education, skills and training deprivation: this domain measures deprivation in educational attainment, skills and training for children, young people and the working age population.
 - Barriers to housing and services: this domain measures 'geographical barriers' to housing and services, as well as 'wider barriers' which includes issues such as affordability.
 - Living environment deprivation: this domain focuses on deprivation with respect to the characteristics of the local environment, both within and beyond the home.

- Crime: this domain measures the incidence of recorded crime for four major crime themes, thus representing the occurrence of personal and material victimisation at a small area level.

5.26 These seven indicators are then weighted and aggregated into summary measures of deprivation. This data enables an assessment of the zonal position, as set out at Table 5.2, whilst Appendix 6 presents the IMD scores for the area.

Table 5.2 - Zonal IMD scores and ranking

Zone	Income Score	Employment Score	Health Score	Education Score	Housing Score	Crime Score	Living Score	IMD Score	Average IMD Rank
1	0.07	0.05	-0.88	8.45	17.51	-0.77	13.56	7.80	26,639
2	0.09	0.06	-0.44	12.95	20.35	-0.20	16.89	12.44	22,068
3	0.08	0.06	-0.64	18.65	22.10	-0.29	12.35	12.01	22,265
4	0.06	0.04	-1.12	9.47	26.03	-0.29	13.80	8.98	25,284
5	0.07	0.05	-0.76	6.91	26.17	-0.30	14.20	10.32	24,275
6	0.06	0.05	-0.87	8.68	19.53	-0.52	12.83	8.01	26,705
7	0.08	0.06	-0.77	9.96	22.79	-0.14	12.73	10.87	23,560
England Average	0.15	0.10	0.00	21.69	21.69	0.00	21.69	21.67	-

Source: The English Indices of Deprivation 2010 (score titles are summaries of actual titles)

- 5.27 Each of the individual zones, according to average IMD ranks, lies low on the index, with an average rank of above 20,000 – i.e., broadly in the bottom third. The most deprived is zone 2 (comprising Redhill and countryside to the east) although none stands out. Overall both Reigate & Banstead Borough and the study area are among the least deprived areas in the country. The indicative map shows very few LSOAs within the 40% most deprived in the country and that the majority fit into the top 40% least deprived.
- 5.28 However, within the study area there are some small pockets of sharp deprivation, notably two LSOAs in the northern part of Redhill urban area and the area around Gatwick airport and the southern part of Horley. Both towns are well served by foodstores and Redhill has a reasonable comparison offer; however our visits and survey data suggest Horley does not and we are concerned about poor access to shops and services for residents of that area. There is also the Preston Regeneration Area to the north of Tadworth; again we are concerned about poor access to the choice of shops and services.
- 5.29 More generally, the pattern of deprivation shows the continued importance which must be placed on ensuring that the retail offer in each of the main town centres adequately meets the needs of local residents. Town centres are readily accessible by public transport, which out-of-centre developments are typically not, which can serve to isolate the more deprived sections of the community.

Assessment of PPS4 qualitative considerations

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

Gaps in existing provision

- 5.31 The spending patterns derived from the household survey indicate that both the comparison and convenience sectors suffer from low levels of expenditure retention. This indicates that many residents are not spending their money locally, suggesting a gap in adequate shopping facilities.
- 5.32 In the comparison sector, this seems to be a Borough wide problem with residents preferring to travel to centres such as Croydon, Crawley, Sutton and Epsom to do their comparison goods shopping. Whilst we appreciate that these centres will have a claim on some of the spending in the study area, it is a reasonable expectation for Redhill/Reigate (as a joint destination at the top of the hierarchy) to have a higher claim on available spending.
- 5.33 In the convenience sector, there is expenditure leakage to outside the Borough, with destinations in the Borough only attracting some 48.3% of convenience expenditure in the study area. However, this should be balanced against overlapping catchments and the fact that much of this leakage is directed to large stores within the study area but outside the Borough, most notably Morrisons in Oxted and stores in Caterham.
- 5.34 It is particularly striking that the localised convenience market share of zones 1 and 2 (Reigate/Redhill) is only marginally higher than 50%. As explained in our Supplementary Report (2009), we consider that this is low compared to our experience elsewhere. This suggests that there is a gap in foodstore provision in these two zones.

Consumer choice and competition

- 5.35 Redhill had 15 of GOAD's major retailers represented in 2007 and observation suggests a similar number today; Redhill also has a good proportion of multiples. Reigate provides more upmarket shopping provision, including more independents, however neither Banstead nor Horley provide a particularly attractive comparison offer; there is scope for improving the offer in these two centres.
- 5.36 Although Redhill has poor convenience provision with just a Sainsbury's and an Iceland, the Borough has a wide range of supermarkets spread across the four centres. All of the four major food retailers are represented, and there are 'high quality' foodstores in Reigate (M&S), Horley (Waitrose) and Banstead (Waitrose and M&S). However there is only one 'deep discounter' in the Borough, namely Lidl in Horley. We consider there is scope for additional convenience floorspace in Redhill and potentially a second deep discounter in the Borough.

Overtrading

- 5.37 The quantitative need assessment suggests that, at the margin compared to typical benchmarks, Reigate and Redhill are overtrading in the comparison sector, which could indicate a qualitative deficiency in this sector. Although this level of trading should be balanced against the high accommodation costs in Surrey and the difficulty in judging an appropriate benchmark for the comparison sector. In the convenience sector, the analysis suggests that there is sharp overtrading in aggregate. Although this will need to be verified

by qualitative evidence and further surveys, our analysis indicates that there is scope for additional convenience provision in the Borough to improve consumer choice.

Location specific issues

- 5.38 The Index of Multiple Deprivation shows the study area and the Borough as a whole to be relatively affluent. However there are pockets of deprivation in the northern part of Redhill urban area and the southern part of Horley as well as to the north of Preston. Redhill is deficient in convenience terms, although easily accessible. Horley is well provided for in convenience terms although the quality of the comparison offer is poor. Preston is isolated from the Borough's main comparison offer (in Redhill and Reigate) and served by only one supermarket, the Asda on Reigate Road.

The quality of the existing provision

- 5.39 Both the quality of the buildings housing the retail floorspace (both comparison and convenience) and the environmental quality vary from centre to centre. Redhill centre is rather dated considering it is the main shopping centre, although Reigate is notably attractive, especially in architectural terms and for its parks.

Summary

- 5.40 In this section, we have reviewed the existing survey work from the original study, supplemented with our observations, analysed published retailer demand and assessed the Index of Multiple Deprivation. In summary, this revealed the following:
- The previous study and our recent observations identify Redhill as the principle centre, noted for its proportion of multiples; Reigate is noted for its independent provision; Horley is the worst performing centre
 - The FOCUS database shows there are far fewer requirements than before the economic downturn; of all centres Reigate has the most, sixteen. Requirements today are mainly for small A1 units.
 - The survey data from 2006 indicates that there are high levels of expenditure leakage from the Borough to competing destinations in both comparison and convenience sectors
 - The trading performance of the comparison sector is marginally higher than we would expect for Reigate and Redhill, whilst there is evidence of aggregate overtrading across the Borough in the convenience sector with some of the larger foodstores trading significantly higher than company benchmarks
 - The Index of Multiple Deprivation indicates the Borough as a whole is relatively affluent. However, there are pockets of deprivation in the northern part of Redhill urban area, the southern part of Horley and the Preston regeneration area.
- 5.41 Applying our findings to the five accepted qualitative indicators, we found the following:
- Patterns of local spending indicate that there are gaps in shopping provision in the Borough, in both comparison and convenience sectors

- Foodstore shopping in Redhill is dominated by two operators, restricting consumer choice in the centre. However across the four centres there is a broad range of supermarkets including 'high quality' and 'deep discounters' brands
- Our expenditure analysis indicates the Borough is trading very well in both comparison and convenience sectors, suggesting a degree of pent up demand – particularly in the convenience sector
- The pocket of deprivation in Tadworth has limited choice and variety of stores
- Whilst the quality of retail offer in Reigate is good, there is scope to improve the offer in Redhill, including environmental improvements

6 COMMERCIAL LEISURE ASSESSMENT

Expenditure growth in leisure services

- 6.1 There is a lack of industry-standard methodologies for modelling and apportioning growth in leisure expenditure. However, it is still possible to forecast and allocate leisure expenditure using alternative approaches. Pitney Bowes Business Insight provides data on per capital leisure expenditure in Classification of Individual Consumption by Purpose (COICOP) categories. We use this resource and apply a simple approach to determine a broad level of demand and scope for additional leisure facilities in the borough. We begin by considering the current breakdown of leisure expenditure by COICOP in the study area as shown in Table 6.1.

Table 6.1 Breakdown of Leisure Spend in Study Area (2006)

COICOP Categories	Description	Total Expenditure (£m)	% of Total Leisure Spend
11.1.1	Restaurants, cafés, bars, etc	411.6	57.1%
9.4.2	Cultural services	89.4	12.4%
9.4.3	Games of chance	55.5	7.7%
11.2	Accommodation services	89.4	12.4%
9.4.1	Recreational and sporting services	41.8	5.8%
12.1.1	Personal services (hairdressers, etc.)	33.2	4.6%
	TOTAL 'LEISURE SERVICES' SPEND	720.8	100.0%

- 6.2 Table 6.1 shows that total spend on leisure services per capita in the study area amounts to £720.8 million, of which more than half accrues to spending on 'restaurants, cafés, bars, etc.' (57.1%). The second highest leisure expenditure is on 'accommodation services' (12.4%) which is closely followed by spending on 'cultural services' (12.4%). 'Games of chance,' 'recreational and sporting services' and 'personal services' have a 7.7%, 5.8% and 4.6% share, respectively, of total spend. Betting accounts for the greatest proportion of 'games of chance' expenditure (36.5% in 2007, according to the Leisure Industries Research Consultancy).
- 6.3 Apportioning leisure expenditure in the COICOP categories provides us with the structure of current expenditure on leisure activities. We are able to use this current structure to calculate the growth in leisure spending by residents of the study area in the period 2006-2027. The projected growth in expenditure on leisure services is set out in Table 16 (Appendix 3) using Experian's recommended growth rate for spending on leisure services of 0.8%, per capita, per annum for the period 2010 to 2026.
- 6.4 As can be observed on Table 17, Appendix 3, *total* expenditure on leisure services is projected to increase from £720.8 million in 2006 to £809.6 million in 2016 in the study

area. This figure further rises to £970.7 million in 2021 and then to £1,077.6 million in 2027. The overall growth in expenditure in leisure services over 2010-2026 is estimated to be £356.8 million. In Table 6.2 we apply the current proportions of leisure spend to determine the expected change in each COICOP category.

Table 6.2 Allocating growth in spending by COICOP categories

COICOP Categories	Description	Allocating additional spend of £356.8 m 2006-27 (£m)
11.1.1	Restaurants, cafés, bars, etc...	208.8
9.4.2	Cultural services	43.0
9.4.3	Games of chance	26.7
11.2	Accommodation services (including hotels)	42.6
9.4.1	Recreational and sporting services	20.3
12.1.1	Personal services (hairdressers etc...)	15.3
Total	All Leisure Services	356.8

- 6.5 Spending on 'restaurants, cafés, bars, etc' is expected to increase by £208.8 million across the study area and represents the highest expenditure category. Expenditure on 'accommodation services' and 'cultural services' is forecasted to be approximately £42.6 million and £43.0 million, respectively, based on current spending proportions. Of the total growth figure, approximately £3.7 million is expected to be consumed by spending on cinemas and theatre admissions. The remaining growth is to be absorbed by 'games of chance' (£26.7 million), 'recreational and sporting services' (£20.3 million) and personal services (£15.3 million).

Indicative floorspace need for A3, A4 and A5 uses

- 6.6 As explained above, £208.8 million of expenditure growth is allocated food and drink uses for the A3, A4 and A5 use class categories. Using an indicative market share of 15.5% for the Borough, we have converted the anticipated growth into an indicative floorspace requirement, based on turnover, which we have forecast to increase by 0.4% per annum to 2027. The indicative level of quantitative need (gross floorspace) for the borough up to 2027 is presented in Table 6.1.

Table 6.3 Borough wide quantitative need for A3, A4 and A5 uses (gross sqm)

2012	2016	2021	2027
1,051	1,808	2,924	4,083

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

- 6.7 This demonstrates that across the borough, there is scope by 2016 for over 1,808 sqm gross of additional A3, A4 and A5 floorspace, increasing to 4,083 sqm by 2027. It is

expected that this floorspace would be developed alongside a retail led scheme to form a mix of uses. However, there may be scope for a small amount of this growth to be achieved through the change of use of existing premises or stand alone developments.

- 6.8 These quantitative results are combined with qualitative messages to assess whether there is a need for further commercial leisure facilities within the Borough.

Existing commercial leisure facilities

A3, A4 and A5 floorspace

- 6.9 We have reviewed the existing food and drink provision in the Borough. This analysis has drawn on existing survey data and our own more recent visits to the centre; our conclusions are as follows:
- Quantitatively speaking Redhill is reasonably well provided with restaurants and drinking establishments, particularly at its southern end, although we noted a shortage of choice in terms of eating out, with few independent restaurants and thus there is a qualitative gap in the food and drink offer.
 - Reigate benefits from the most comprehensive food and drink offer for both restaurants and drinking establishments, with good mix of different cuisines in both chain and independent establishments, and a wide selection of pubs and a nightclub.
 - Horley has limited restaurant provision aside from two outlets on Massets road; it does however have three good sized pubs, and is an appropriate offer for a centre of this size.
 - Banstead has two independent restaurants and two national multiples (Pizza Express and Zizzi), with a further operator likely to move in soon (Prezzo); it has good provision for such a small centre, but has only one pub – The Woolpack - on its outskirts.

Indoor gyms and leisure centres

- 6.10 There are three public and 11 private gyms or leisure centres within the Borough. These vary in terms of the quality and type of activities offered. Details are given in Table 6.1 below. The Council is considering refurbishing Banstead leisure centre and has looked into different options ranging from demolition and replacement of the facility, refurbishment or building a brand new facility².

² http://www.reigate-banstead.gov.uk/Images/BansteadLeisureCentreOptions_tcm9-42069.pdf

Table 6.4 Gyms and leisure centres in Reigate and Banstead Borough

Gym / leisure centre	Address	Type	Facilities
Banstead Sports Centre	Merland Rise Tadworth	Public	Gym, swimming, studio, squash, sauna
Donyngs Recreation Centre	Linkfield Lane Redhill	Public	Gym, swimming, sports hall, studio , squash, sauna
Fitness Zone	Bell Street Reigate	Private	Gym
Horley Anderson Sports Centre	Thornton Close Horley	Public	Gym, swimming, sauna
Redhill And Reigate YMCA	Princes Road Redhill	Private	Gym, studio, outdoor football/netball pitch
St Bedes School	Carlton Road Redhill	Private	Squash courts, astro turf pitches, tennis courts, swimming pool, cricket pitch, sports hall, fitness suite, grass fields
Oakwood Sports Centre	The Oakwood School Balcombe Road Horley	Private	Gym, sports hall, artificial 5-a-side football pitch
St Nicholas School	Taynton Drive Merstham	Private	Recreation grounds, playing fields/areas, two sports clubs
RNIB Redhill	Philanthropic Road Redhill	Private	Fitness centre, exercise pool, visual and audio entertainment, music and drama provision
Lifeline	The Belfry Redhill	Private	Gym, studio
Curves	Cromwell Road Redhill	Private	Gym

Source: Reigate & Banstead council

Cinemas and theatres

- 6.11 The Borough is reasonably well supplied with cinema and theatre provision. The Harlequin, in Redhill, provides both and Reigate has the Everyman cinema, although no theatre, and Horley has the Archway theatre but no cinema. Further afield, there are cinemas at Oxted, Leatherhead (theatre and cinema), Crawley and Epsom; and theatres at Dorking, Oxted, Caterham, Crawley and Epsom.

Family entertainment

- 6.12 There are no family entertainment³ facilities within the Borough or within the wider study area. There is an entertainment complex in Sutton offering bowling and laser tag and Crawley offers bowling, laser tag, a theatre and a cinema (although not in the same location). There is also a bowling alley in Purley and an ice rink in Ewell.

³ Family Entertainment comprises leisure facilities typically aimed at family groups, mainly bowling, laser tag and ice skating

Games of chance facilities

- 6.13 There are no bingo halls in the study area. The closest facilities are Gala in Crawley and Riva in Sutton. In terms of other forms of games of chance, Reigate has The Full House casino, and there are bookmakers in all four centres.

Qualitative assessment

- 6.14 According to our observations, Redhill's leisure offer is lacking in range and quality, although it does house the Harlequin cinema and theatre complex. According to the visitor survey in 2007 the perception is that there is a lack of a cinema in Redhill. In our view this is connected with the quality of cinema provision, with the facility at the Harlequin being a one-screen facility, not a multiplex such as the eight-screen Odeon found in Epsom. There is a reasonable food and drink provision in quantitative terms, although the choice is poor considering the size of the town.
- 6.15 Reigate has a good leisure offer, especially in terms of food and drink offer; it also houses a cinema. Horley's leisure offer is deficient both in terms of quality and choice, although it does have a small theatre which is rare for a centre of this size. Banstead has the least leisure, of any type, of all the four main centres – it is the only centre to offer neither a cinema nor a theatre, and food and drink provision is minimal.

Gap analysis

Cinemas

- 6.16 Cinema operators make decisions of expansion or location based on 'screen density' - that is, the existing provision within appropriate drive-time isochrones, taking account of population levels (or the number of screens available per 100,000 people). The latest information that we have access to indicates that the average travel time to a cinema is around 18 minutes (as defined by Cinema and Video Industry Audience Research Ltd [Caviar]). Therefore, as a best estimate and to provide an indicative analysis of 'need' across the Borough, we have analysed cinema provision within an 18-minute drive-time of Redhill town centre.
- 6.17 Within the 18 minute drivetime there are two cinemas; the Harlequin in the Warwick Quadrant in Redhill which has one screen and the Everyman Cinema in Reigate which has two. As shown in Table 6.2 below, after calculating the population of the 18 minute drive-time as 118,391 this equates to 2.5 screens per 100,000 people, and is below both the national and South East averages. This analysis indicates that cinema provision is insufficient for the area.

Table 6.5 Cinema Screen Density within an 18-minute drive-time of Redhill Town Centre

Cinemas within 18 minute drive-time	No of screens within 18 minute drive-time	Population within 18 minute drive-time	Screen Density (i.e. screens per 100,000 people)	South East Average Screen Density	UK Average Screen Density
2	3	118,391	2.5	6.4	6.0

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

Private and public gyms

- 6.18 The Business in Sport and Leisure (BISL) handbook 2009 states that around 12% of the UK population is a gym member. The resident population of Reigate & Banstead Borough, according to the latest MapInfo data from 2008 is 134,803 (which use ONS data as a basis). Therefore, assuming gym membership to be in line with national averages, we can assume there are 16,176 gym members in the Borough. As detailed in Table 8.1 above, there are eleven health and fitness facilities in Reigate & Banstead borough, so on average each facility has 1,470 members.
- 6.19 The BISL handbook states that at March 2008 there were 5,755 private fitness facilities in the UK and 7.2 million of the population held a private membership, meaning an average private health club has 1,251 members. Although the report contained no membership information for the 2,622 public fitness facilities, we see no reason it would differ radically and therefore assume 1,251 to be a reasonable benchmark membership for any given gym.
- 6.20 With 11 gyms, we calculate that Reigate and Banstead can reasonably accommodate 13,761 gym members; the calculated membership figure for the borough of 16,176 therefore indicates that the Borough's existing gym provision is oversubscribed by 2,415 members in total. Therefore if it is assumed that membership levels are maintained at the national average of 12% there is potentially capacity for up to two more gyms.
- 6.21 However the BISL handbook notes that the health and fitness sector has grown over recent years and suggests it is likely to continue to do so; in view of this, we consider the implications of membership level increasing to 15%. Based on Reigate & Banstead's resident population of 134,803 this would mean 20,220 gym members (or an average of 1,838 members per gym) or an oversubscription of 6,459 members Borough-wide, indicating capacity for up to six new gyms.
- 6.22 Whilst our exercise is a broad brush gap analysis, we note that the Council's Open Space, Sport and Recreation Study (OSRS) (August 2011) has undertaken a finer grained analysis of gym stations in the Borough. Whilst this assessment is undertaken on a different basis to our own analysis, the conclusions are consistent with the OSRS finding there to be a short fall of some 120 gym stations by 2027. This could translate to up to six gyms, depending on the number of stations in the gym provided (it is noted existing facilities include between around 20 stations for smaller facilities up to 120 for Donyngs Leisure Centre).

Demand analysis for commercial leisure uses

- 6.23 The FOCUS database (Appendix 5) shows that of the 29 current requirements in the four main centres, five are from operators in the food and drink sector, as well as one from “The Little Gym”, a children’s leisure provider. We expect that economic climate will have impacted on the outcome of this study specifically in relation to operator demand, but as the economic climate improves over time so will demand and this should be acknowledged.
- 6.24 The main conclusions relating to leisure from the demand analysis are:
- There are three requirements from Maison Blanc (for A1 or A3), although it is likely that the company is looking for one or at most two premises across the centres, and two requirements from cafés including Costa
 - The majority of food and drink requirements are for unit size no larger than 150 sqm, although Strada requires a larger unit (255 to 465 sqm), although we would expect that if larger units are provided this would generate a higher demand if a critical mass of floorspace is provided
 - The Little Gym is seeking a unit of between 325 and 418 sqm
- 6.25 Aside from these specific requirements, we have calculated above that demand outstrips supply for health and fitness facilities in the Borough. It should also be noted that there is no Bingo Hall in RBBC, although since the smoking ban we understand that Bingo facilities are struggling across the Country.

Summary

- 6.26 Our assessment of leisure need has considered broad quantitative needs (through expenditure growth) and qualitative needs through a consideration of the existing offer, a gap analysis and an examination of published demand. It should be emphasised that assessments of leisure need are less evolved than those for retail and thus our findings should be treated with a degree of uncertainty given their inherent drawbacks. In summary, we have found that:
- There is a theoretical requirement for additional A3, A4 and A5 floorspace within the Borough, although most of it is expected to be provided alongside retail development.
 - Redhill’s food and drink offer is adequate although there is some scope for improvement; Reigate’s offer is good, although there is evidence of deficiencies in Banstead and Horley
 - The Borough is currently poorly served by cinemas and the evidence supports a requirement for extra facilities to service the local population
 - If we allow for an increase in gym membership, then there is also a need for additional facilities within the Borough to satisfy local demand and population growth

7 CONCLUSIONS AND RECOMMENDATIONS

Main conclusions on the need for additional floorspace

- 7.1 PPS4 makes it clear that an up-to-date assessment of need is required to underpin policy making. Quantitative need is effectively a requirement for additional floorspace, whilst need from a qualitative perspective might also drive additional floorspace (i.e. to improve consumer choice) or could indicate a requirement to replace outdated facilities. Addressing the quantitative need outputs first, we have summarised the rounded 'net' floorspace need in Table 7.1.

Table 7.1 Quantitative need for additional retail floorspace (sqm net)

Scenario	2012	2016	2021	2027
Comparison goods - constant market share	-300	5,500	14,400	25,800
Comparison goods - increasing market share	5,700	17,000	27,900	42,000
Convenience goods (Borough wide) - constant market share	6,400	7,700	9,700	11,700
Convenience goods (zones 1/2) - increasing market share	1,600	5,100	6,000	6,900

Source: Appendix 3

- 7.2 These are Borough wide figures (presented as net) and it should be emphasised that the increasing market share outputs for the comparison sector can only be adopted should the Council wish to promote schemes that will result in a permanent change in the Borough's market share. Indeed, in light of the competition explained in Section 1, we expect that during the plan period it will be challenging for the Borough to just maintain its market share (in the comparison sector at least) without some form of significant investment in one of its town centres.
- 7.3 Whilst we appreciate that the Council will need to plan until 2027, we consider that more weight be given to the outputs to 2016 and 2021 due to the uncertainty over longer term forecasts. Additionally, PPS4 requires local authorities to allocate sites to meet at least the first five years of need. We consider the most appropriate outputs that should be considered are those to 2021 since this is a reasonable timeframe to enable sites to be assembled and delivered for a large retail led development, if this is the option the Council wish to adopt.

Initial recommendations on the distribution of growth in the Borough

- 7.4 The Council has sought recommendations where the needs for additional retail and leisure floorspace should be directed, with a particular requirement to understand the type of leisure uses needed. The distribution of growth in the Borough should ultimately be informed by this evidence and other recommendations on the broad distribution of growth across the hierarchy of centres, but tested through the LDF process. Therefore it is beyond our terms of reference to provide firm decisions on the location of growth. However, we

emphasise that the practice guidance identifies a series of factors that can be considered, when developing an approach to distribute quantitative need including:

- Should a theoretical 'status quo' be maintained (i.e. larger dominant centres), or should growth be directed to a number of smaller centres to re-balance the network?
- Is there infrastructure capacity and physical capacity (i.e. site availability) to support the forecasts of need in certain centres?
- Do out of centre locations attract high proportions of trade and is it possible to recapture trade from these destinations?

- 7.5 In our view, it is entirely appropriate for the Council to consider a range of issues when assessing the location of growth in the Borough (including policy and regeneration objectives). However, to assist the Council, we provide our advice on the potential distribution of growth across the Borough (addressing retail first and then commercial leisure).
- 7.6 To apportion growth in the retail sector beyond the Borough level, we must effectively split the Borough wide share and distribute this to the centres in question. Doing this in an arbitrary manner should be avoided, since it does not take into account the factors identified above. Importantly, it should not simply be assumed that centres will be able to take their existing market share of growth due to physical constraints or potentially in light of requirements to re-balance the network of centres.
- 7.7 We first present a constant market share (to 2016, 2021 and 2027) for both sectors (albeit including overtrading for the convenience sector) and then present an improved market share for the comparison sector only. This data (rounded net figures) is presented at Table 7.2 and 7.3.

Table 7.2 Potential distribution of retail need in the Borough (sqm net) – constant market share

	Comparison goods				Convenience goods			
	Share (%)	2016	2021	2027	Share (%)	2016	2021	2027
Redhill	60%	3,300	8,640	15,480	50%	3,850	4,850	5,850
Reigate	15%	825	2,160	3,870	10%	770	970	1,170
Horley	15%	825	2,160	3,870	20%	1,540	1,940	2,340
Banstead	5%	275	720	1,290	10%	770	970	1,170
Local centres	5%	275	720	1,290	10%	770	970	1,170
Total	100%	5,500	14,400	25,800	100%	7,700	9,700	11,700

Source: RTP Estimates (it should be noted that combined Reigate/Redhill total in the convenience sector is similar to the zones 1 and 2 requirement with increased market share)

Table 7.3 Potential distribution of retail need in the Borough (sqm net) – increased in market share for comparison sector only

	Comparison goods				Convenience goods			
	Share (%)	2016	2021	2027	Share (%)	2016	2021	2027
Redhill	60%	10,200	16,740	25,200	50%	3,850	4,850	5,850
Reigate	15%	2,550	4,185	6,300	10%	770	970	1,170
Horley	15%	2,550	4,185	6,300	20%	1,540	1,940	2,340
Banstead	5%	850	1,395	2,100	10%	770	970	1,170
Local centres	5%	850	1,395	2,100	10%	770	970	1,170
Total	100%	17,000	27,900	42,000	100%	7,700	9,700	11,700

Source: RTP Estimates (it should be noted that combined Reigate/Redhill total in the convenience sector is similar to the zones 1 and 2 requirement with increased market share)

- 7.8 For the convenience sector, the outputs with overtrading are very similar to the increased market share for zones 1 and 2 because an improvement in the share of these zones would inevitably reduce the trading performance of the stores elsewhere in the study area. Our advice remains similar to that within the RLNA where the majority of growth is directed to Redhill, although we now quantify the proportions for other centres and local centres (in aggregate).
- 7.9 These estimates are based on our understanding of the centres within the Borough, their existing market shares and qualitative indicators. Under both sectors and for both scenarios, we direct the majority of the growth to Redhill due to the positive policy support for growth in this centre, the availability of sites and since it can relieve some of the expenditure pressure building on other centres, in particular Reigate.
- 7.10 Our advice is that the Council should consider planning on the basis of an increased market share in the comparison sector and should target the 2021 output (27,900 sqm net across the Borough). This figure is very similar to the longer term comparison output to 2027 under a constant market share (25,200 sqm net). Thus alternatively, the Council could plan on the basis of a constant market share, but front load plan to ensure this floorspace is delivered earlier in the plan timeframe to ensure the Council can capture the benefits from inward investment. In any event, we expect that a development of around 25,000 sqm net will increase the market share of the Borough in the shorter term and would ensure that it is resistant to future competition.
- 7.11 The comparison element of the floorspace need should be designed in a high street format to preferably include one larger anchor store alongside some major shop units (between 200 and 500 sqm), as well as smaller units to meet the published demand. As the market

adjusts and sites are progressed, the Council should work with its stakeholders and partners to establish the most appropriate mix of development to ensure policies (and schemes) are deliverable.

- 7.12 In respect of the convenience sector, the requirement for additional units should be primarily within the superstore format (over 2,500 sqm net) in order to relieve overtrading of existing stores and improve competition and choice. Some of the need is likely to be absorbed by smaller stores meeting a more localised need.
- 7.13 Whilst we have provided an indicative requirement for floorspace in local centres (in aggregate), there is some degree in flexibility in order to meet local policy objectives. Therefore, we anticipate that any applications that propose additional floorspace in local centres should be consistent with the scale of the centre in question and fully justified in accordance with national policy and the development plan.
- 7.14 In respect of the leisure sector, we are aware that the Inspector that examined the previous Core Strategy suggested that the document would benefit from more guidance on the size and amount of leisure facilities required. It is acknowledged in the PPS4 practice guidance that assessments of leisure need can only be used to provide a broad indication of the scope for additional facilities, that the findings should be treated with caution and that 'rules of thumb' should not be applied out of context.
- 7.15 Although we recommend a degree of caution over the results, our assessment of leisure need have revealed some very clear messages over the growth of leisure floorspace in the Borough. These can be summarised as follows:
- There is a theoretical requirement for almost 3,000 sqm gross of additional A3, A4 and A5 floorspace within the Borough by 2021, although most of it is expected to be provided alongside new retail development or potentially alongside a cinema (as explained below).
 - There is scope for an improvement in the quality of the food and drink offer in Redhill and therefore we consider the Council should encourage an improved evening economy offer in conjunction with its wider regeneration
 - The Borough is currently poorly served by cinemas and the evidence supports a requirement for extra facilities to service the local population and due to the policy support for growth, we suggest an additional facility should be directed to Redhill in the first instance.
 - If we allow for an increase in gym membership, then there is also a need for additional facilities within the Borough to satisfy local demand; these can be in the larger centres or smaller centres to meet a locally generated need.
- 7.16 As the Council progress more detailed site specific schemes, these outputs may need to be tested at a more local level to ensure that they are deliverable.

Reality check

- 7.17 The Council have requested a reality check of the quantitative forecasts in this study. This process largely concerns whether the forecasts we have included within our assessment of need are appropriate within the Reigate and Banstead context and it focuses on the retail

sector. Firstly, it should be emphasised that PPS4 (in EC5.1) is clear that local planning authorities should identify a range of sites to accommodate the identified need and that a lack of sites of the right size and in the right locations should not be a reason for the local planning authorities to avoid planning to meet the identified need for development. Need includes both quantitative and qualitative needs and the messages from our analysis have already been set out in earlier sections of this report.

- 7.18 It is appreciated however that need should not be considered in isolation and in many cases the quantitative needs are influenced by the Borough's market share. Our starting point for both sectors has been for a constant market share, which we consider is the minimum needs for the Borough. In other words, this approach maintains the status quo; the only other opportunity is to plan for a declining market share, which will mean the Borough will lose spending to other neighbouring areas and in our view would be contrary to sustainability objectives and the requirement to plan for economic growth.
- 7.19 Exploring the market share issue first, we have recommended above that the Council should consider planning for an increase in market share in order to deliver additional comparison floorspace earlier in the Plan period. In respect of the convenience sector, we have incorporated overtrading of existing floorspace in the Borough and for all practical purposes; this is also an increase in market share, since it is improving the market share of centres vis-à-vis overtrading stores. Ultimately, it will be for the Council to properly test these options, and reasonable alternatives, through its LDF process. However, the practice guidance identifies factors where maintaining the status quo will not be appropriate (paragraph B.54). These include:
- Level of population and expenditure growth
 - Sustainability of current network of centres
 - Potential of certain centres to accommodate significant development and/or others to decline
- 7.20 Ultimately, the practice guidance explains that it will be necessary to adopt a holistic approach, considering quantitative and qualitative needs, availability of sites and development opportunities, and impact considerations in order to test alternative options. Importantly, it states that where proposals are predicated on significant changes in market share, it will be necessary to consider the impact of these changes on the existing network of centres.
- 7.21 The main question in this reality check therefore must be whether the forecasts included within this report are realistic if a holistic approach is considered, particularly through the inclusion of an increased market share. These forecasts include the main Borough wide outputs and the more indicative splits at Table 7.2. In doing so, it is useful to refer to the three issues mentioned above on expenditure/population growth, the sustainability of the network and development opportunities.
- 7.22 Addressing population and expenditure growth first, there is no doubt that the Borough will experience growth, even allowing for a cautious approach to expenditure growth. There will be population growth of some 52,780 persons by 2021 across the study area, increasing to 71,667 by 2027. In particular there is planned growth in Horley (north east and north west

sectors), Redhill, Preston and Merstham. This level of growth is significant (in aggregate) and the overall population growth will have been incorporated into the headline growth figures.

- 7.23 Incorporating these population forecasts into expenditure figures reveals that the study area (as a whole) will generate about £613.5 million of total comparison expenditure growth by 2021, increasing to £1,053.2 million by 2027. In respect of the convenience sector, the growth is a more modest £105.2 million by 2021, increasing to £170.3 million by 2027. These are significant levels of growth; some of this money will be spent in destinations outside the Borough, but these levels of growth do need addressing at a local level to ensure local needs are met.
- 7.24 In respect of the sustainability of the network of centres, our first concern surrounds the comparison goods market share. The Borough, in aggregate, achieves a market share of the catchment of only 21.2%. Given that the Borough includes a centre at the top of the hierarchy, this is particularly low, even allowing for overlapping catchments from Croydon, Crawley and Kingston. Although it is dangerous to apply strict benchmarks as to what the Borough should be achieving (as catchments vary), our recent work has showed Woking Borough achieves 28% of the study area we surveyed (and notably the study area surveyed for Woking had an additional 90,000 persons compared to RBBC). Whilst our work has showed Guildford Borough achieves 31.3% comparison goods of the study area we surveyed (and included over double the population compared to RBBC). In light of these headline figures, we consider that opportunities to increase the Borough's market share in the comparison sector should be seriously considered by the Council.
- 7.25 The approach to the convenience sector is slightly different to the comparison sector since we have built in the overtrading of existing floorspace, but recommended a constant market share on a Borough wide basis. This means that the Borough (as a whole) maintains its market share, but there is an internal opportunity to re-balance the provision of convenience floorspace by increasing the market share of certain centres, in particular to relieve overtrading and direct more spending to town centre locations. Since zones 1 and 2 only retain 53.8% of its locally generated expenditure, it has been considered that the opportunity to rebalance the network should be focused on these two zones (Reigate/Redhill).
- 7.26 Turning to the potential to consider opportunities for growth, it should be remembered that the lack of sites is not necessarily a reason not to plan for needs. But, on the other hand, it does influence whether market shares should be adjusted upwards. Therefore, it is important to consider physical capacity. We have not been instructed to undertake a new exhaustive search of development opportunities or test the amount of floorspace that could be accommodated on individual sites from a design perspective. But we have reviewed the comments in the RLNA on development opportunities, particularly in respect of sites in Redhill and Horley.
- 7.27 In respect of Redhill, the RLNA identifies the Warwick Quadrant site, the Marketfield car park and club and the Cromwell Road site as potential opportunities for retail and leisure development. Furthermore, a number of sites have been identified within the Redhill AAP which has potential for additional retail floorspace. In our view, there is physical capacity

for the redevelopment of Redhill town centre that can accommodate a scale of comparison floorspace (on a multiple levels) and additional convenience floorspace that could justify an increase in market share. Additionally, it should be remembered that additional comparison floorspace will normally be delivered as part of superstore proposals and thus will assist in meeting the comparison need for the town.

- 7.28 Under an increased market share, the study shows a quantitative need in the comparison sector for Redhill of 10,200 sqm net by 2016, increasing to 16,740 sqm by 2021 (assuming it takes 60% of the need). The convenience quantitative need for Redhill (assuming it takes 50% of the need) is some 3,850 sqm net by 2016, increasing to 4,850 sqm net by 2021. Whilst we appreciate that it will be challenging to accommodate all this growth within the town centre, we consider that there are sufficient opportunities in the town centre to justify these figures and we consider that they remain entirely valid for a centre at the top of the hierarchy to aspire to these levels of growth and to improve its market share.
- 7.29 Horley will experience significant growth in new population through housing growth in the north east and north west sectors. This will inevitably increase expenditure pressure on the town centre and it will be necessary to ensure that it is fit for purpose. The RLNA identified opportunities for development at three sites that could accommodate additional retail development. Furthermore, this study shows a quantitative need of some 2,550 sqm net of comparison floorspace by 2016 for Horley increasing to 4,185 sqm net by 2021 (assuming Horley takes 15% of the Borough wide need). The convenience need is more modest, showing 1,540 sqm net by 2016, increasing to 1,940 sqm net by 2021. Given the growth planned for the area and the sites that do exist, we consider these are appropriate forecasts.
- 7.30 The RLNA explained that Reigate itself has limited development opportunities due to its historic nature and we have no reason to change this advice. However, it will be important for the Council to maximise and town centre sites that do exist and encourage the specialist role of the centre.
- 7.31 This reality check has focused on the retail sector, but on the planning policy reality rather than any market input. Clearly, the Council will need to ensure that its plan is deliverable and will need to take specialist advice where necessary. Additionally, the viability of retail schemes is often influenced by the prevailing economic climate, whilst the plan is for 20 years and thus needs to take a longer term view.

Advice on mix of uses in RBBC centres

- 7.32 The mix of uses, as surveyed in 2007, is summarised in Section 5 for each of the four main centres in the Borough. No more recent updates have been undertaken and therefore the splits should be treated sensitively. However, we can draw main headlines for the four centres to assist in framing local policies and a monitoring framework. Our comments for each centre are outlined below.
- 7.33 Redhill was underprovided with convenience floorspace (in 2007) compared to a national average. We are aware that the Council are exploring options for additional convenience floorspace in the town to meet this deficiency (which is also identified in our quantitative and qualitative assessment). Redhill performs an important function as the main

comparison destination thus the main comparison goods shopping function of the town should be protected.

- 7.34 The diversity of uses for Reigate was broadly consistent with national averages and it achieved a high proportion for both comparison and convenience retail sectors, compared to national averages. Additionally, we are aware that Reigate fulfils a specific function in terms of independent and specialist shops and we consider that these should be protected.
- 7.35 In Horley, the comparison goods offer was low compared to the national average and thus the existing comparison offer should be protected where possible. The convenience offer was higher than the national average, although the vacancy level was the highest in the Borough, and we consider that steps should be taken to minimise reduce vacancies where possible.
- 7.36 Banstead fulfils a specific function and has a much lower amount of floorspace than the other centres. The proportion of comparison and convenience floorspace exceeded the national average. The vacancy level is low and the level of A2 and A3 uses were higher than the national average. We consider that the retail function of Banstead should be protected as far as possible.
- 7.37 More generally, only limited conclusions can be drawn from a simple assessment of diversity of uses. We recommend that as part of the LDF the Council carefully define the primary shopping area and primary and secondary frontages (if necessary) in each of the centres. Based on this analysis, the Council will be able to consider whether policies should be drafted that restrict the amount of retail floorspace or adopt a more permissive approach.

Monitoring

- 7.38 This study provides the Council with a set of floorspace requirements for the next 16 years, albeit with a caveat that limited weight should be afforded – in our view - to the final six years of this timeframe (i.e. between 2021 and 2027). To establish whether the requirements for new floorspace (by type) are being met and more generally to monitor the performance, the Council should monitor:
 - i Town centre planning permissions - by type, amount (sqm gross and net) and location
 - ii Completions – by type, amount and location
 - iii Major changes of use that occur without the need for express permission
 - iv Vacancies
 - v Charity uses (number and location)
 - vi Health checks
- 7.39 The monitoring recommended above is relatively straightforward and should be conducted on a rolling basis for items (i) and (ii) and annually or every two years for items (iii) to (vi). Time series data can thus be produced and continually updated, starting with this study or possibly with earlier work undertaken by the Council. Contingent on the timetabling of the Council's key development plan documents, such updating will prove to be valuable when this evidence is tested at examination in public.

- 7.40 This report 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 2006).

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

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

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

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

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

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

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

Linked trip: Combining a visit to a supermarket 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.

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).

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

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

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

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

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

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

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

APPENDIX 1

Shopping and leisure provision plans (Figures 1 to 3)

Figure 1 Hierarchy of centres

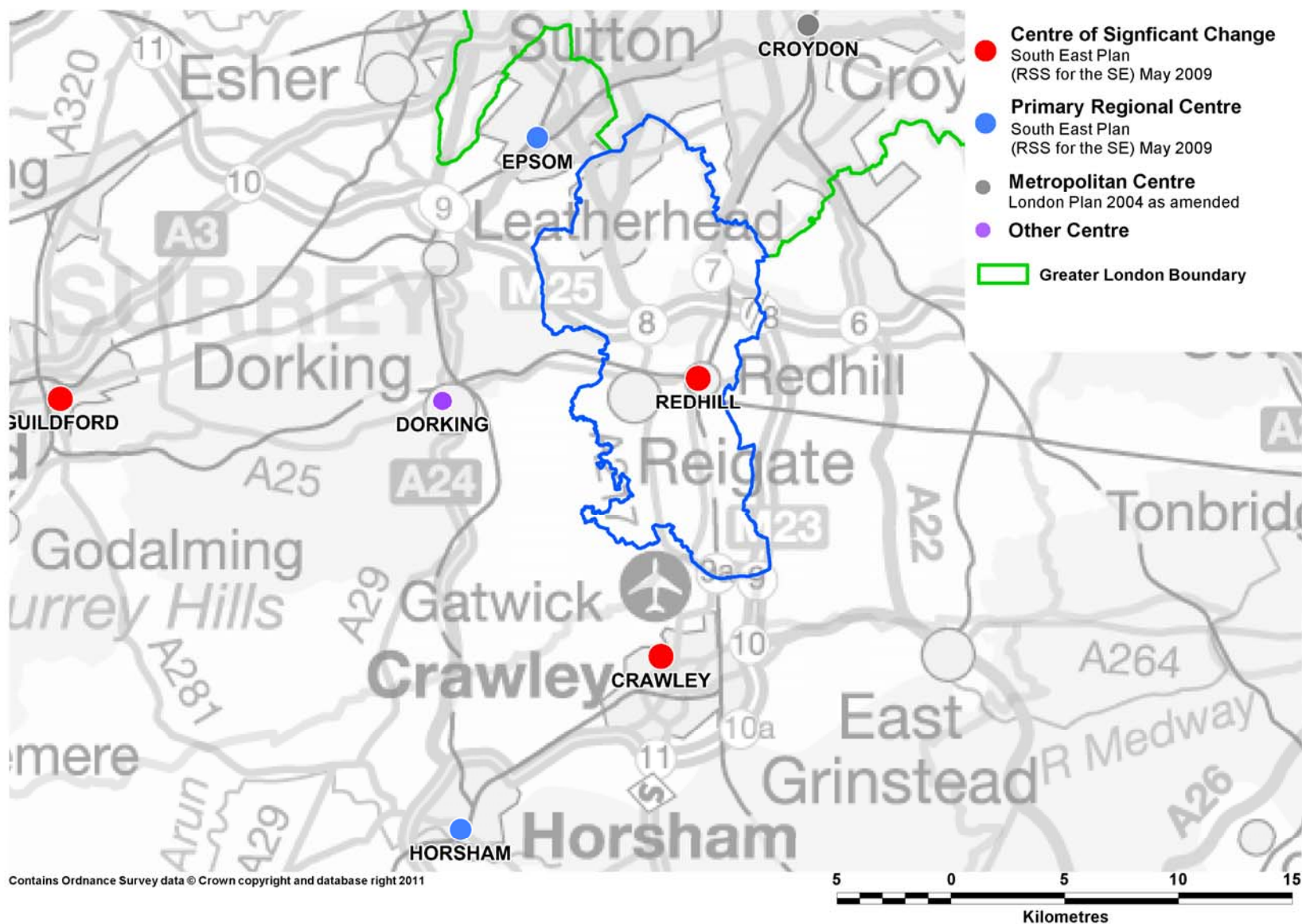


Figure 2 Convenience shopping provision

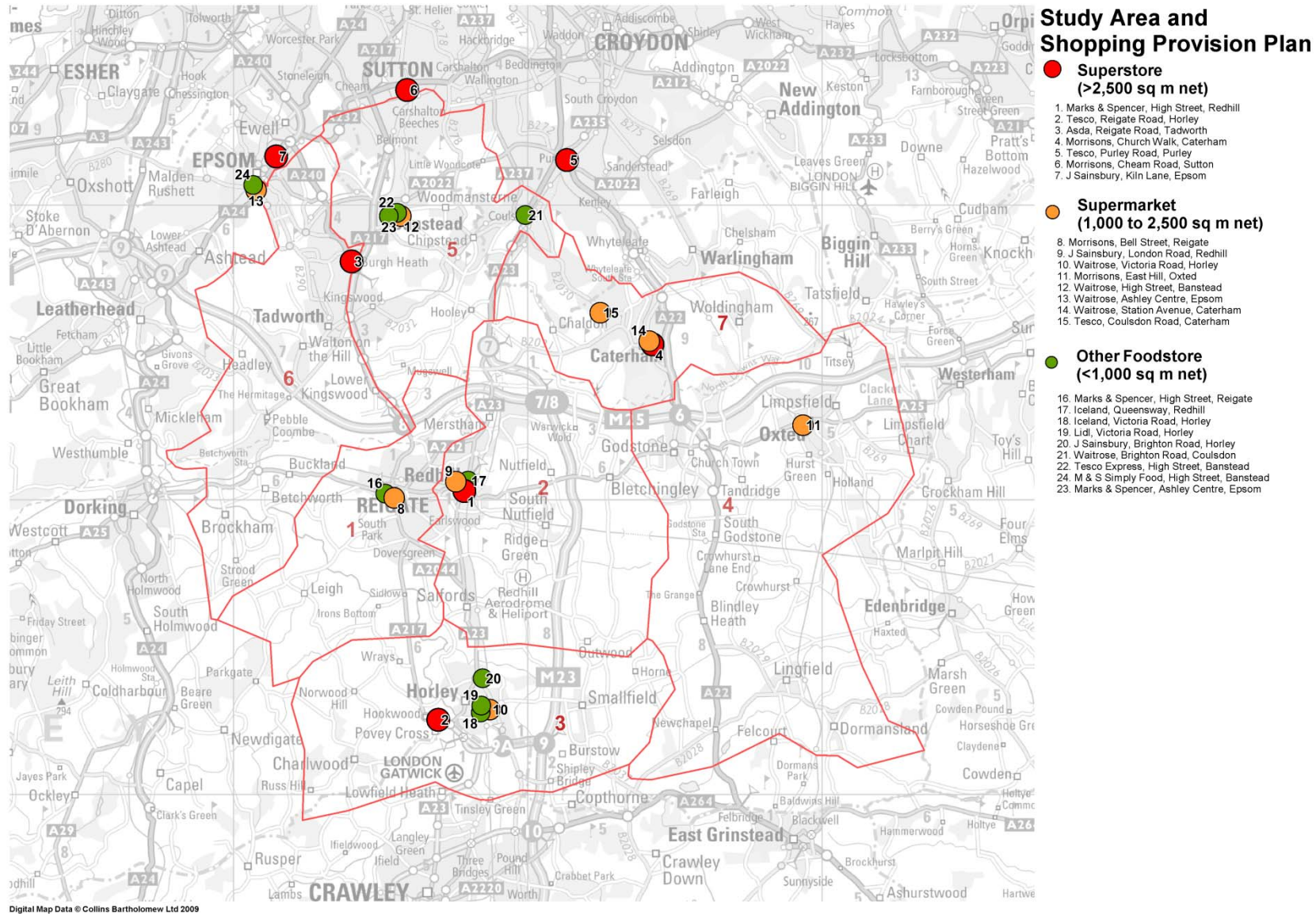
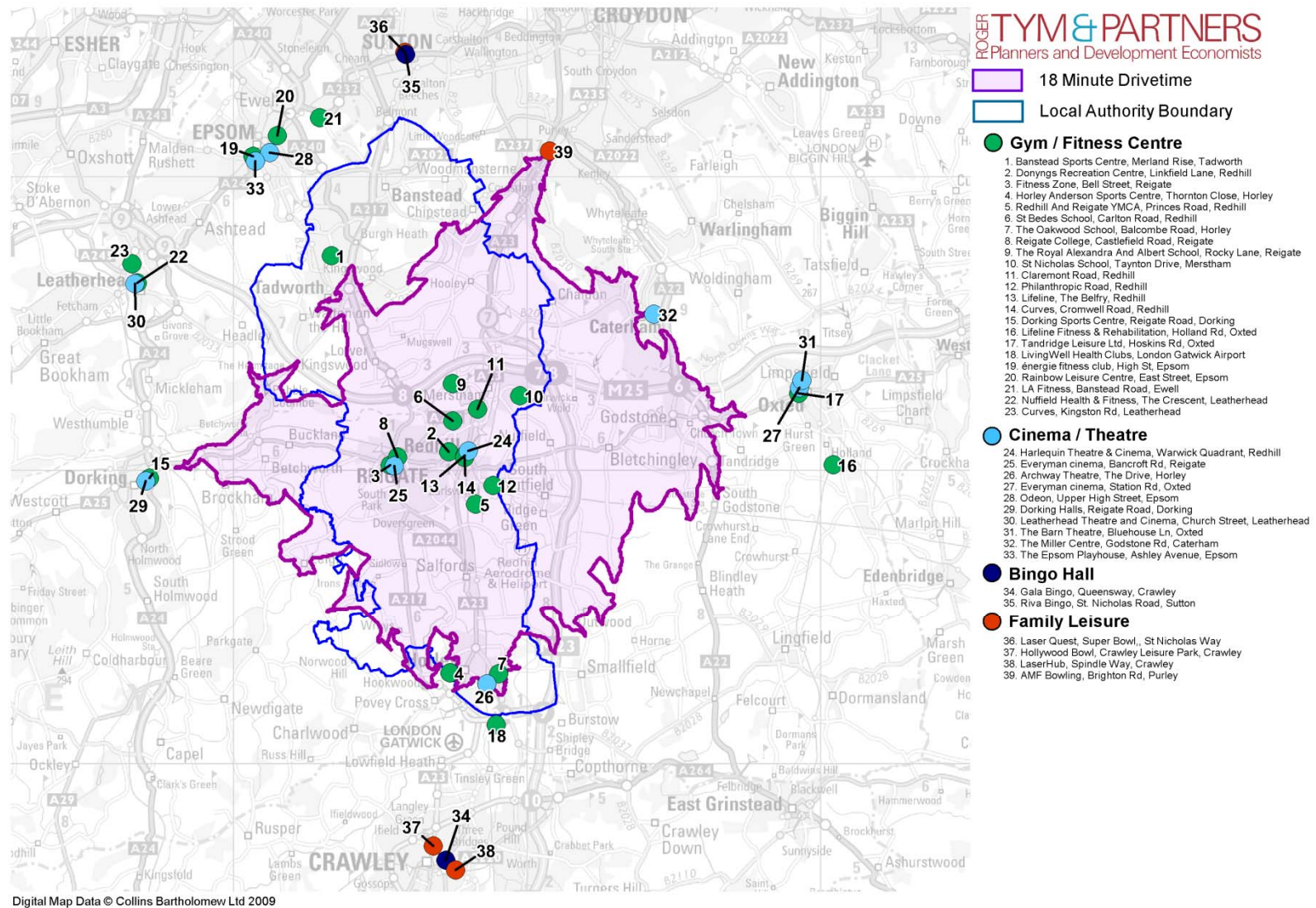


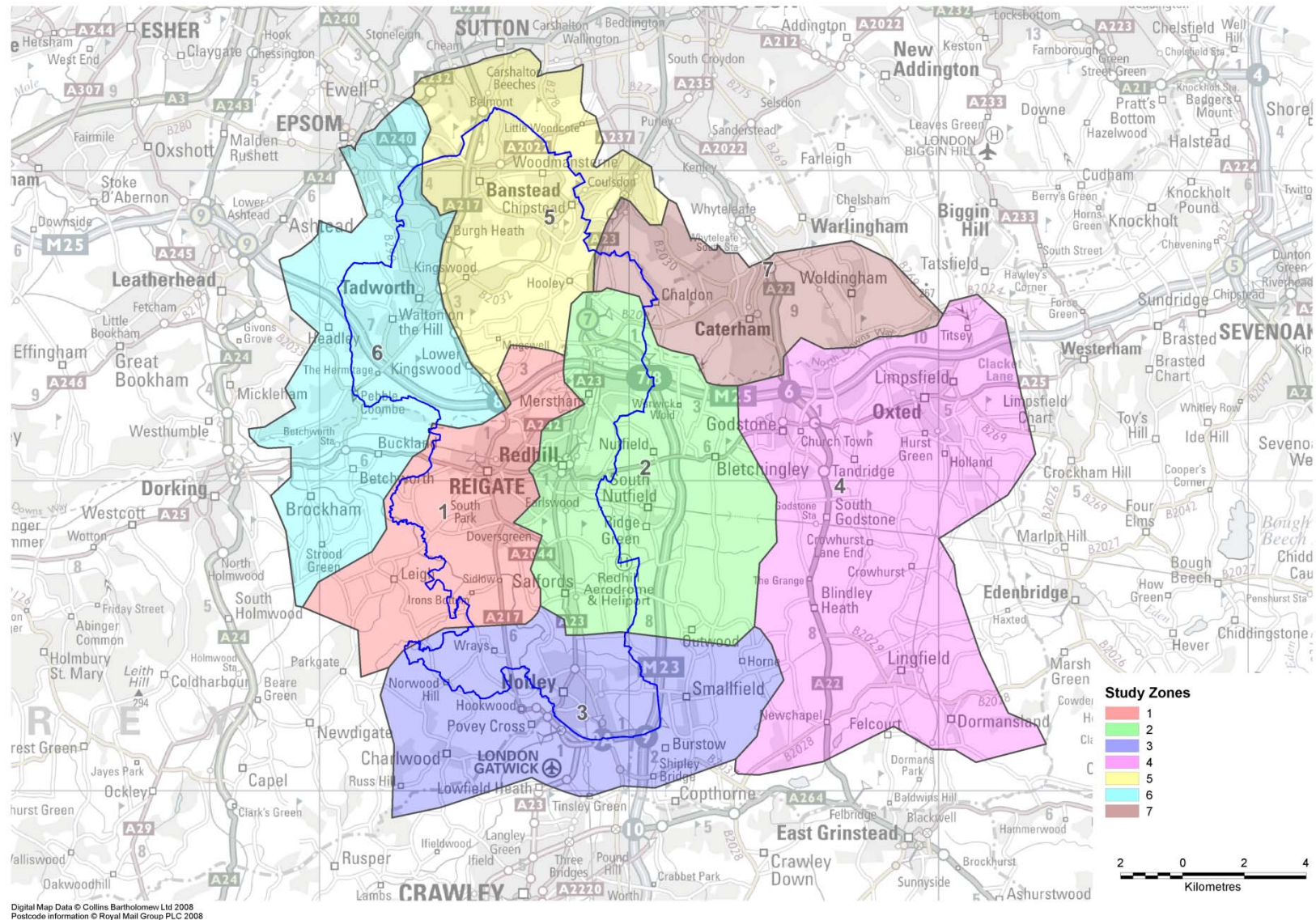
Figure 3 Leisure provision



APPENDIX 2

Study area plan (Figure 4)

Figure 4 Study zones



APPENDIX 3

Quantitative spreadsheets

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 1: Population (2006 to 2027)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
Population Projections ⁽¹⁾								
Population 2006	25,343	41,650	28,765	29,684	73,975	38,292	33,107	270,817
Population 2012	27,133	44,593	30,798	31,782	79,201	40,997	35,446	289,950
Population 2016	28,397	46,669	32,232	33,261	82,889	42,906	37,096	303,450
Population 2021	30,282	49,767	34,372	35,470	88,392	45,755	39,559	323,597
Population 2027	32,050	52,672	36,378	37,540	93,551	48,425	41,868	342,484
Numeric change 2006-2012	1,790	2,943	2,032	2,097	5,226	2,705	2,339	19,133
Percentage change 2006-2012	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Numeric change 2012-2016	1,263	2,076	1,434	1,480	3,688	1,909	1,650	13,501
Percentage change 2012-2016	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Numeric change 2016-2021	1,885	3,098	2,140	2,208	5,503	2,849	2,463	18,887
Percentage change 2016-2021	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.2%
Numeric change 2021-2027	1,767	2,905	2,006	2,070	5,159	2,671	2,309	18,887
Percentage change 2016-2021	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Numeric change 2006-2027	6,707	11,022	7,612	7,856	19,576	10,133	8,761	71,667
Percentage change 2006-2027	26.5%	26.5%	26.5%	26.5%	26.5%	26.5%	26.5%	26.5%

Notes

(1) Population base data was provided by MapInfo (2008), 2006 data was derived from the 2007 RLNA and projections were derived from R&B projections that are applied to all zones.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 2: Per capita expenditure on comparison goods (2006 to 2027) (£)

Year	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
2006	3,500	3,563	3,495	3,625	3,428	3,520	3,509
2012	3,937	4,008	3,932	4,078	3,856	3,960	3,948
2016	4,571	4,653	4,565	4,734	4,477	4,597	4,583
2021	5,377	5,473	5,369	5,568	5,266	5,407	5,391
2027	6,533	6,650	6,524	6,766	6,398	6,570	6,551

Notes:

(1) Per capita expenditure by zone from 2008 is obtained from Pitney Bowes Business Insight/Oxford Economics (PBBI/OE) using our in-house GIS (MapInfo) system. This is backdated to the base year (2006) and grown to the forecast years using per annum growth rates derived from PBBI/OE and Experian (as explained in Appendix 4). These are applied consistently across all zones.

All monetary values held as constant 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 3: Total Comparison Expenditure (£m)

Year	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
Sub total 2006	88.7	148.4	100.5	107.6	253.6	134.8	116.2	949.8
Deduction for SFT at 6%	5.3	8.9	6.0	6.5	15.2	8.1	7.0	57.0
Total 2006	83.4	139.5	94.5	101.1	238.4	126.7	109.2	892.8
Sub total 2012	106.8	178.7	121.1	129.6	305.4	162.3	139.9	1,144.0
Deduction for SFT at 13.1%	14.0	23.4	15.9	17.0	40.0	21.3	18.3	149.9
Total 2012	92.8	155.3	105.2	112.6	265.4	141.1	121.6	994.1
Sub total 2016	129.8	217.2	147.1	157.5	371.1	197.2	170.0	1,389.9
Deduction for SFT at 13.9%	18.0	30.2	20.5	21.9	51.6	27.4	23.6	193.2
Total 2016	111.8	187.0	126.7	135.6	319.5	169.8	146.4	1,196.7
Sub total 2021	162.8	272.4	184.6	197.5	465.5	247.4	213.3	1,743.4
Deduction for SFT at 13.6%	22.1	37.0	25.1	26.9	63.3	33.6	29.0	237.1
Total 2021	140.7	235.3	159.5	170.6	402.1	213.7	184.3	1,506.3
Sub total 2027	209.4	350.3	237.3	254.0	598.6	318.1	274.3	2,242.0
Deduction for SFT at 13.2%	27.6	46.2	31.3	33.5	79.0	42.0	36.2	295.9
Total 2027	181.7	304.0	206.0	220.5	519.6	276.1	238.1	1,946.0
Growth in Comparison Expenditure								
2006-2012	9.5	15.8	10.7	11.5	27.1	14.4	12.4	101.3
2012-2016	18.9	31.6	21.4	22.9	54.1	28.7	24.8	202.6
2016-2021	28.9	48.4	32.8	35.1	82.7	43.9	37.9	309.6
2021-2027	41.1	68.7	46.6	49.8	117.4	62.4	53.8	498.6
2006 - 2027	98.4	164.6	111.5	119.3	281.2	149.5	128.8	1,053.2

Notes

(1) The 2009 expenditure and subsequent figures for the forecast years and are the products of multiplying the data presented in Table 1 (population) by Table 2 (per capita comparison goods expenditure).
(2) A deduction is made for a percentage of expenditure for Special Forms of Trading (SFT) (i.e. mail order, TV and internet shopping) from the total expenditure. We have adopted the comparison goods SFT projections in Appendix 3 of the Experian Retail Planner Note 8.1 (August 2010) from 2012 onwards

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 5: Comparison Market Shares 2010 (%)

Destination ⁽¹⁾	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
Zone 1							
Reigate	27.7%	11.6%	5.0%	3.0%	0.3%	3.9%	2.4%
Zone 2							
Redhill	18.4%	32.1%	6.2%	9.7%	1.9%	0.8%	10.4%
Zone 3							
Horley	1.9%	2.7%	18.7%	0.0%	0.0%	0.3%	0.5%
Zone 4							
Godstone	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	0.1%
Hookwood	2.0%	1.0%	1.2%	0.2%	0.0%	0.0%	0.0%
Lingfield	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%
Oxted	0.0%	0.0%	0.9%	12.6%	0.0%	0.0%	0.3%
Zone 5							
Banstead	0.0%	0.4%	0.0%	0.0%	4.9%	0.3%	0.0%
Cheam	0.0%	0.2%	0.0%	0.0%	1.2%	0.0%	0.0%
Coulsdon	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	1.4%
Zone 6							
Tadworth	0.5%	0.0%	0.0%	0.0%	0.5%	2.6%	0.0%
Zone 7							
Caterham	0.0%	0.0%	0.0%	1.5%	0.4%	0.0%	19.1%
Sub TOTAL inside study area	50.4%	47.9%	32.0%	29.0%	9.8%	7.8%	34.0%
Sub TOTAL inside R&B	48.5%	46.7%	29.9%	12.7%	7.6%	7.8%	13.2%
Outside study area							
Bluewater	5.6%	4.4%	2.5%	5.8%	1.4%	1.2%	3.4%
Central London	3.0%	4.2%	1.6%	3.5%	2.7%	1.7%	3.3%
Crawley	18.2%	27.8%	45.8%	17.0%	1.1%	4.7%	4.1%
Croydon	5.9%	6.7%	2.9%	16.1%	23.2%	10.1%	35.0%
Dorking	2.7%	1.5%	1.4%	0.0%	0.1%	6.8%	0.0%
East Grinstead	0.8%	0.0%	1.4%	6.5%	0.0%	0.0%	0.0%
Epsom	0.2%	0.0%	0.2%	0.0%	8.0%	33.4%	0.1%
Kingston	2.1%	0.4%	0.0%	0.0%	7.0%	7.3%	0.0%
Sutton	0.2%	0.5%	0.0%	0.2%	34.4%	13.0%	1.7%
Tunbridge Wells	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%
All Other Destinations	10.8%	6.5%	12.2%	15.2%	12.3%	13.9%	18.5%
Sub TOTAL outside study area	49.6%	52.1%	68.0%	71.0%	90.2%	92.2%	66.0%
Sub TOTAL outside R&B	51.5%	53.3%	70.1%	87.3%	92.4%	92.2%	86.8%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

(1) Derived from the RLNS (2006), excluding 'don't know' answers. All centres other than achieve a 5% of greater market share from any one zone are listed separately. Desinations inside the study area but outside R&B and shown in italics

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Table 6: Comparison Goods Turnover in 2006 (£m)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All zones total ⁽¹⁾	All zones market share % ⁽²⁾	% of spend from SA ⁽³⁾	Inflow (£m) ⁽⁴⁾	Grand total (£m) ⁽⁵⁾
Zone 1												
Reigate	23.1	16.1	4.8	3.0	0.8	4.9	2.6	55.3	23.2%	95%	2.9	58.2
Zone 2												
Redhill	15.3	44.8	5.8	9.8	4.5	1.0	11.3	92.5	38.7%	90%	10.3	102.8
Zone 3												
Horley	1.6	3.8	17.7	0.0	0.0	0.4	0.5	23.9	10.0%	90%	2.7	26.6
Zone 4												
Godstone	0.0	0.1	0.0	0.9	0.0	0.0	0.1	1.0	0.4%	95%	0.1	1.1
Hookwood	1.6	1.4	1.1	0.2	0.0	0.0	0.0	4.4	1.8%	95%	0.2	4.6
Lingfield	0.0	0.0	0.0	1.1	0.0	0.0	0.0	1.1	0.5%	95%	0.1	1.2
Oxted	0.0	0.0	0.8	12.7	0.0	0.0	0.3	13.8	5.8%	95%	0.7	14.5
Zone 5												
Banstead	0.0	0.5	0.0	0.0	11.7	0.4	0.0	12.6	5.3%	90%	1.4	14.0
Cheam	0.0	0.3	0.0	0.0	2.8	0.0	0.0	3.1	1.3%	95%	0.2	3.3
Coulsdon	0.0	0.0	0.0	0.0	1.7	0.0	1.5	3.2	1.3%	95%	0.2	3.4
Zone 6												
Tadworth	0.4	0.0	0.0	0.0	1.1	3.3	0.0	4.8	2.0%	90%	0.5	5.3
Zone 7												
Caterham	0.0	0.0	0.0	1.5	0.9	0.0	20.9	23.3	9.8%	90%	2.6	25.9
Sub TOTAL inside study area	42.1	66.9	30.3	29.3	23.5	9.9	37.2	239.0	100.0%			
Sub TOTAL inside R&B	40.4	65.2	28.3	12.8	18.1	9.9	14.4	189.1				
Outside study area												
Bluewater	4.7	6.2	2.3	5.8	3.4	1.5	3.7	27.7				
Central London	2.5	5.8	1.5	3.5	6.5	2.2	3.6	25.7				
Crawley	15.2	38.8	43.2	17.2	2.6	6.0	4.4	127.5				
Croydon	4.9	9.4	2.8	16.3	55.2	12.8	38.2	139.5				
Dorking	2.3	2.0	1.3	0.0	0.2	8.6	0.0	14.5				
East Grinstead	0.7	0.0	1.3	6.6	0.0	0.0	0.0	8.6				
Epsom	0.1	0.0	0.2	0.0	19.1	42.4	0.1	61.9				
Kingston	1.8	0.5	0.0	0.0	16.6	9.3	0.0	28.2				
Sutton	0.1	0.7	0.0	0.2	82.0	16.4	1.8	101.3				
Tunbridge Wells	0.0	0.0	0.0	6.8	0.0	0.0	0.0	6.8				
All Other Destinations	9.0	9.1	11.5	15.4	29.3	17.6	20.2	112.2				
Sub TOTAL outside study area	41.3	72.6	64.3	71.8	214.9	116.8	72.1	653.8				
Sub TOTAL outside R&B	43.0	74.3	66.2	88.3	220.3	116.8	94.8	703.7				
TOTAL	83.4	139.5	94.5	101.1	238.4	126.7	109.2	892.8				

Notes

(1) Turnover by zone by destination is the product of 2010 total expenditure (Table 3) and the market share by destination by zone (Table 4)

(2) The share of the study area expenditure from each centre

(3) + (4) Inflow based on RTP assumptions

(5) Study area expenditure plus inflow

All monetary values are held constant at 2008 prices.

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Table 6 Comparison Goods Sales Densities in 2006

	Turnover derived from study area (£m) ⁽¹⁾	% of spend from study area ⁽²⁾	Total turnover (£m) ⁽³⁾	Sales area (sqm net) ⁽⁴⁾	Current sales density (£ per sqm net) ⁽⁵⁾
R&B BC Centres					
Redhill Town Centre	92.5	90%	102.8	16,712	6,151
Reigate Town Centre	55.3	95%	58.2	7,579	7,685
Horley Town Centre	23.9	90%	26.6	5,889	4,512
Banstead Village Centre	12.6	90%	14.0	6,559	2,129
Tadworth Local Centre	4.8	90%	5.3	-	-
Total turnover of R&B BC Centres	189.1		206.9		

Notes

(1) This is taken from Table 5 (Comp Spend Pattern) 'All Zones Total' column.

(2) This is taken from Table 5 (Comp Spend Pattern) 'Percentage of spend from Study Area' column.

(3) This is taken from Table 5 (Comp Spend Pattern) 'Grand Total' column.

(4) The floorspace source is Experian Goad. The source data is provided gross external for all centres, therefore to net this down we have applied a net:gross ratio of 65:35 to the comparison retail stores.

(5) This is calculated by dividing the total turnover by the net floorspace.

All monetary values are held constant at 2008 prices.

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Table 7 Commitments to comparison floorspace

	Zone	Gross floorspace gain (sqm) ⁽³⁾	Net to gross floorspace ratio (%)	Sales floorspace gain (sqm) ⁽⁴⁾	% comparison floorspace	Net comparison floorspace (sqm) ⁽⁵⁾	Sales density (£ per sqm net) ⁽⁶⁾	Total turnover (£m)	
(i) Allowance for extant planning permissions ⁽¹⁾									
Extension, Pathtrace House, 91-93 High Street, Banstead (06/00679)		53	65%	34	100%	34	4,830	0.2	
Extension, Collingwood Batchelor, 46-48 Victoria Road, Horley (05/01410)		419	65%	272	100%	272	2,376	0.6	
Redevelopment, 6-18 Station Road, Horley (06/01947)		90	65%	59	100%	59	2,750	0.2	
Change of Use, Unit 1 12 Brighton Road, Redhill (05/01796)		998	65%	649	100%	649	2,750	1.8	
Redevelopment, Queensway House & Former Lidl, Station Road, Redhill (06/00359)		1,566	70%	1,096	100%	1,096	3,500	3.8	
Change of Use, Trolley Bay, Morrisons, Bell Street, Reigate (05/00637)		85	90%	77	100%	77	11,018	0.8	
Redevelopment, Kingswood Mitsubishi, Waterhouse Lane, Kingswood (06/00220)		500	70%	350	50%	175	3,500	0.6	
Replacement, Queensway, Redhill (06/00359)		2	1,096	70%	767	100%	767	3,500	2.7
(ii) Allowance for improvement in vacancy rates ⁽²⁾									
Horley town centre		1,125	65%	731	62%	453	3,500	1.6	
All Commitments		5,932		4,035		3,582		12.3	

Notes:

(1) Extant planning permissions are those permissions for additional retail floorspace which have either yet to be built or yet to open.

(2) We have made an allowance for the improvements in vacancy rates in Horley only (in Redhill, Reigate & Banstead vacancy levels are all below 1.5% by floorspace and therefore not a concern). To do this we have assumed that the vacancy rate will reduce by 35% from 3,210 sqm to 2,085 sqm - which is reducing the overall percentage of vacant floorspace in Horley from 9.7% to 6.3% - which is in-line with the GOAD UK all centres average.

(3) The floorspace data has been sourced from Reigate & Banstead Borough Council - Planning Department.

(4) Where no exact figures are available, the sales floorspace has been derived by applying a net to gross floorspace ratio - RTP estimate.

(5) The net comparison sales area has been calculated through applying the percentage of comparison goods floorspace in each development to the sales floorspace gain. Where no exact figures are available an RTP estimate is used.

(6) This is the turnover per sqm that we assume each development will trade at.

(7) This is the turnover that the developments will derive from the study area. The percentages used are RTP assumptions as per Table 5.

All monetary values are held constant at 2008 prices.

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Table 8a: Comparison Expenditure Capacity and Floorspace Requirements for Reigate & Banstead Borough - CONSTANT MARKET SHARES

							2006	2012	2016	2021	2027	2006-12	2012-16	2016-21	2021-27	2006-2027	
													Change	Change	Change	Change	Change
Available Expenditure and Expenditure Retention by Destinations in Reigate & Banstead ⁽¹⁾																	
A	Total Study Area Expenditure (£m)	892.8	994.1	1,196.7	1,506.3	1,946.0	101.3	202.6	309.6	439.7	1,053.2						
B	Current Market Share for R&B Centres (%)	21.2%	21.2%	21.2%	21.2%	21.2%	-	-	-	-							
C	Retained Expenditure in R&B (£m) (=A*B)	189.1	210.6	253.5	319.0	412.2	21.5	42.9	65.6	93.1	223.1						
D	Inflow Expenditure to R&B (£m)	17.8	19.8	23.8	30.0	38.7	2.0	4.0	6.2	8.8	21.0						
Claim on Expenditure from Turnover of Centres in R&B ⁽²⁾																	
E	Turnover of Centres in R&B (£m) (=C+D in 2006)	206.9	206.9	206.9	206.9	206.9	-	-	-	-							
F	Growth in Turnover of Existing Centres (£m)	0.0	12.0	24.8	39.7	58.5	12.0	12.9	14.9	18.8	58.5						
Claim on Expenditure from Commitments to New Floorspace ⁽³⁾																	
G	Total Claim on Expenditure from Commitments (£m)	0.0	13.0	13.8	14.7	15.8	13.0	0.8	0.9	1.1	15.8						
Residual Expenditure Available to Support New Floorspace ⁽⁴⁾																	
H	Residual Expenditure (£m) (=C+D-E-F-G)	0.0	-1.5	31.8	87.8	169.7	-1.5	33.3	56.0	82.0	169.7						
Comparison Floorspace Requirements for Reigate and Banstead Borough ⁽⁵⁾																	
I	Assumed Sales Density for New Comparison Floorspace (£/sqm)	5,119	5,415	5,734	6,102	6,568	-	-	-	-							
J	Net Comparison Sales Floorspace Requirement for R&B (sqm net) (=H/I)	0	-279	5,540	14,380	25,841	-279	5,818	8,840	11,461	25,841						
K	Gross Comparison Floorspace Requirement for R&B (=J/70%)	0	-398	7,914	20,543	36,915	-398	8,312	12,629	16,373	36,915						

Notes:

- Row A is taken from Table 3; Row B is the market share of centres in Reigate & Banstead Borough taken from Table 5 and remains constant for each forecast year; Row C is the product of the current market share and the total study area expenditure; Row D is expenditure spent in centres in R&B from beyond the study area, taken from Table 5 and remains constant as a proportion of retained expenditure in the forecast years.
- Row E is the turnover of centres in R&B incorporating both expenditure from the study area and inflow and remains constant in the forecast years; Row F is the growth in turnover of these centres, which we have forecast this turnover to increase by 2.25% between 2006-2007, 0.68% per annum between 2007-2012, 1.44% per annum between 2012-2016, 1.25% per annum to between 2016 and 2021 and 1.23% per annum between 2021- 2027.
- Row G represents the turnover of commitments to new floorspace in the study area.
- Row H represents the product of the retail expenditure and expenditure inflow, less the deductions for the existing centres turnover, turnover growth and commitments.
- Row I represents the assumed sales density to calculate floorspace requirement and is the average achieved by R&B centres (shown in Table 6) and is increased by the same level of sales density growth described at (2); Row J represents net floorspace requirements calculated by the division of residual expenditure by assumed sales density; and Row K represents gross requirements through the application of a 70% net to gross ratio.

All monetary values are held constant at 2008 prices.

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Table 8b: Comparison Expenditure Capacity and Floorspace Requirements for Reigate & Banstead Borough - INCREASED MARKET SHARES

							2006-12	2012-16	2016-21	2021-27	2006-2027
							Change	Change	Change	Change	Change
Available Expenditure and Expenditure Retention by Destinations in Reigate & Banstead ⁽¹⁾											
A	Total Study Area Expenditure (£m)	892.8	994.1	1,196.7	1,506.3	1,946.0	101.3	202.6	309.6	439.7	1,053.2
B	Current Market Share for R&B Centres (%)	21.2%	24.2%	26.2%	26.2%	26.2%	-	-	-	-	
C	Retained Expenditure in R&B (£m) (=A*B)	189.1	240.4	313.3	394.4	509.5	51.3	72.9	81.1	115.1	320.4
D	Inflow Expenditure to R&B (£m)	17.8	22.6	29.4	37.1	47.9	4.8	6.9	7.6	10.8	30.1
Claim on Expenditure from Turnover of Centres in R&B ⁽²⁾											
E	Turnover of Centres in R&B (£m) (=C+D in 2006)	206.9	206.9	206.9	206.9	206.9	-	-	-	-	
F	Grrrowth in Turnover of Existing Centres (£m)	0.0	12.0	24.8	39.7	58.5	12.0	12.9	14.9	18.8	58.5
Claim on Expenditure from Commitments to New Floorspace ⁽³⁾											
G	Total Claim on Expenditure from Commitments (£m)	0.0	13.0	13.8	14.7	15.8	13.0	0.8	0.9	1.1	15.8
Residual Expenditure Available to Support New Floorspace ⁽⁴⁾											
H	Residual Expenditure (£m) (=C+D-E-F-G)	0.0	31.1	97.2	170.1	276.2	31.1	66.1	72.9	106.0	276.2
Comparison Floorspace Requirements for Reigate and Banstead Borough ⁽⁵⁾											
I	Assumed Sales Density for New Comparison Floorspace (£/sqm)	5,119	5,415	5,734	6,102	6,568	-	-	-	-	
J	Net Comparison Sales Floorspace Requirement for R&B (sqm net) (=H/I)	0	5,746	16,954	27,882	42,048	5,746	11,208	10,927	14,166	42,048
K	Gross Comparison Floorspace Requirement for R&B (=J/70%)	0	8,209	24,221	39,831	60,068	8,209	16,012	15,610	20,237	60,068

Notes:

- Row A is taken from Table 3; Row B is the market share of centres in Reigate & Banstead Borough taken from Table 5 increases by 3 percentage points to 2016 and a further 2 percentage points by 2021; Row C is the product of the current market share and the total study area expenditure; Row D is expenditure spent in centres in R&B from beyond the study area, taken from Table 5 and remains constant as a proportion of retained expenditure in the forecast years.
- Row E is the turnover of centres in R&B incorporating both expenditure from the study area and inflow, with inflow increasing as a proportion of an increased level of retained expenditure; Row F is the growth in turnover of these centres, which we have forecast this turnover to increase by 2.25% between 2006-2007, 0.68% per annum between 2007-2012, 1.44% per annum between 2012-2016, 1.25% per annum to between 2016 and 2021 and 1.23% per annum between 2021- 2027.
- Row G represents the turnover of commitments to new floorspace in the study area.
- Row H represents the product of the retail expenditure and expenditure inflow, less the deductions for the existing centres turnover, turnover growth and commitments.
- Row I represents the assumed sales density to calculate floorspace requirement and is the average achieved by R&B centres (shown in Table 6) and is increased by the same level of sales density growth described at (2); Row J represents net floorspace requirements calculated by the division of residual expenditure by assumed sales density; and Row K represents gross requirements through the application of a 70% net to gross ratio.

All monetary values are held constant at 2008 prices.

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Table 9: Per Capita Convenience Expenditure Estimates (£)

Year	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
2006	2,142	2,184	2,171	2,196	2,078	2,161	2,128
2012	2,062	2,102	2,090	2,114	2,001	2,081	2,048
2016	2,132	2,173	2,161	2,185	2,069	2,151	2,118
2021	2,202	2,245	2,232	2,257	2,137	2,222	2,188
2027	2,290	2,334	2,321	2,347	2,221	2,310	2,274

Notes:

(1) Per capita expenditure by zone from 2008 is obtained from Pitney Bowes Business Insight/Oxford Economics (PBBI/OE) using our in-house GIS (MapInfo) system. This is back dated to the base year (2006) and grown the forecast years using per annum growth rates derived from PBBI/OE and Experian (as explained in Appendix 2). These are applied consistently across all zones.

All monetary values held as constant 2008 prices.

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Table 10: Total Convenience Expenditure (£m)

Year	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
Sub total 2006	54.3	90.9	62.5	65.2	153.7	82.8	70.4	579.8
Deduction for SFT at 1.5%	0.8	1.4	0.9	1.0	2.3	1.2	1.1	8.7
Total 2006	53.5	89.6	61.5	64.2	151.4	81.5	69.4	571.1
Sub total 2012	56.0	93.7	64.4	67.2	158.5	85.3	72.6	597.6
Deduction for SFT at 4.25%	2.4	4.0	2.7	2.9	6.7	3.6	3.1	25.4
Total 2012	53.6	89.8	61.6	64.3	151.7	81.7	69.5	572.2
Sub total 2016	60.5	101.4	69.7	72.7	171.5	92.3	78.6	646.7
Deduction for SFT at 4.8%	2.9	4.9	3.3	3.5	8.2	4.4	3.8	31.0
Total 2016	57.6	96.6	66.3	69.2	163.2	87.9	74.8	615.6
Sub total 2021	66.7	111.7	76.7	80.1	188.9	101.7	86.5	712.3
Deduction for SFT at 5.05%	3.4	5.6	3.9	4.0	9.5	5.1	4.4	36.0
Total 2021	63.3	106.1	72.9	76.0	179.3	96.5	82.2	676.3
Sub total 2027	73.4	122.9	84.4	88.1	207.8	111.9	95.2	783.8
Deduction for SFT at 5.4%	4.0	6.6	4.6	4.8	11.2	6.0	5.1	42.3
Total 2021	69.4	116.3	79.9	83.3	196.6	105.8	90.1	741.4
Growth in Convenience Expenditure								
2006-2012	0.1	0.2	0.1	0.1	0.3	0.2	0.1	1.1
2012-2016	4.1	6.8	4.7	4.9	11.5	6.2	5.3	43.4
2016-2021	5.7	9.5	6.5	6.8	16.1	8.7	7.4	60.7
2021-2027	6.1	10.2	7.0	7.3	17.3	9.3	7.9	71.5
2006 - 2027	15.9	26.7	18.3	19.1	45.2	24.3	20.7	170.3

Notes

(1) The 2006 expenditure and subsequent figures for the forecast years and are the products of multiplying the data presented in Table 1 (population) by Table 9 (per capita convenience goods expenditure).
(2) A deduction is made for a percentage of expenditure for Special Forms of Trading (SFT) (i.e. mail order, TV and internet shopping) from the total expenditure; for 2006 this is from the survey data in the RLNS (2006). We have adopted 50% of the convenience goods SFT projections in Appendix 3 of the Experian Retail Planner Note 8.1 (August 2010) from 2012 onwards

All monetary values are held constant at 2008 prices.

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Table 11: Convenience Goods Market Shares 2006 (%)

Destination ⁽¹⁾	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
Zone 1							
Marks & Spencer Foodhall, High Street, Reigate	5.6%	0.4%	0.0%	0.0%	0.0%	0.0%	0.7%
Morrisons, Bell Street, Reigate	37.1%	7.9%	0.0%	0.0%	0.0%	1.9%	0.0%
Zone 2							
Iceland, Redhill	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Marks & Spencer Foodhall, High Street, Redhill	0.8%	3.2%	0.4%	1.2%	1.0%	0.0%	0.4%
Sainsbury's, London Road, Redhill	10.6%	40.7%	0.4%	4.1%	1.6%	1.5%	1.5%
Zone 3							
Iceland, Horley	0.0%	0.7%	0.8%	0.0%	0.0%	0.0%	0.0%
Lidl, Victoria Road, Horley	0.8%	1.1%	2.3%	0.4%	0.0%	0.0%	0.7%
Sainsbury's, Horley	0.0%	0.4%	2.4%	0.0%	0.2%	0.0%	0.0%
Tesco Superstore, Reigate Road, Horley	20.8%	20.3%	57.4%	2.6%	0.0%	2.3%	0.0%
Waitrose, Victoria Road, Horley	3.1%	4.6%	29.9%	1.1%	0.0%	0.4%	0.0%
Zone 4							
<i>Morrisons, East Hill, Oxted</i>	<i>0.0%</i>	<i>0.4%</i>	<i>0.0%</i>	<i>42.7%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.7%</i>
Zone 5							
Tesco, High Street, Banstead	0.0%	0.0%	0.0%	0.0%	1.0%	0.4%	0.0%
<i>Waitrose, Brighton Road, Coulsdon</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>4.3%</i>	<i>0.0%</i>	<i>2.6%</i>
Waitrose, High Street, Banstead	0.0%	0.0%	0.0%	0.0%	19.4%	4.2%	0.0%
Zone 6							
<i>Marks & Spencer Foodhall, Ashley Centre, Epsom</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.6%</i>	<i>2.1%</i>	<i>0.0%</i>
<i>Waitrose, Ashley Centre, Epsom</i>	<i>0.8%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.4%</i>	<i>7.8%</i>	<i>0.0%</i>
Asda, Reigate Road, Tadworth	1.6%	1.8%	0.0%	0.0%	15.7%	30.9%	0.0%
Zone 7							
<i>Morrisons, Church Walk, Caterham</i>	<i>0.4%</i>	<i>0.4%</i>	<i>0.0%</i>	<i>1.1%</i>	<i>0.4%</i>	<i>0.0%</i>	<i>22.8%</i>
<i>Tesco, Coulsdon Road, Caterham</i>	<i>0.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>2.8%</i>	<i>0.0%</i>	<i>33.8%</i>
<i>Waitrose, Station Avenue, Caterham</i>	<i>0.0%</i>	<i>1.4%</i>	<i>0.0%</i>	<i>4.5%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>16.9%</i>
Inside Study Area - Unspecified Zone							
<i>Other - Inside study area</i>	<i>5.6%</i>	<i>7.4%</i>	<i>2.4%</i>	<i>11.8%</i>	<i>3.9%</i>	<i>6.7%</i>	<i>4.3%</i>
Sub TOTAL inside study area	87.7%	92.1%	96.1%	69.5%	51.3%	58.3%	84.4%
Sub TOTAL inside R&B	80.4%	82.5%	93.7%	9.4%	38.9%	41.7%	3.3%
Outside study area							
Tesco Extra, Purley Road, Purley	0.0%	0.0%	0.0%	0.0%	8.8%	0.0%	3.6%
Morrisons, High Street, Sutton	0.0%	0.0%	0.0%	0.0%	7.7%	0.0%	0.0%
Sainsbury's, Limpsfield Road, Warlingham	0.0%	0.0%	0.0%	6.3%	1.6%	0.0%	5.4%
Tesco Superstore, Oldfields Road, Sutton	0.0%	0.0%	0.0%	0.0%	6.1%	0.4%	0.0%
Sainsbury's, Brooklands Way, East Grinstead	0.0%	0.0%	0.0%	8.9%	0.4%	0.0%	0.0%
Sainsbury's, Kiln Lane, Epsom	0.0%	0.0%	0.0%	0.8%	3.6%	23.2%	0.0%
All Other Destinations	12.3%	7.9%	3.9%	14.6%	20.5%	18.1%	6.5%
Sub TOTAL outside study area	12.3%	7.9%	3.9%	30.5%	48.7%	41.7%	15.6%
Sub TOTAL outside R&B	19.6%	17.5%	6.3%	90.6%	61.1%	58.3%	96.7%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

(1) Derived from the RLNS (2006), excluding 'don't know' answers. All centres other than achieve a 5% of greater market share from any one zone are listed separately. Desintations inside the study area but outside R&B and shown in italics - it is assumed that destinations 'Other inside study area' is also outside R&B

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Table 12: Convenience Goods Turnover in 2006 (£m)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All zones total ⁽¹⁾	All zones market share % ⁽²⁾	% of spend from SA ⁽³⁾	Inflow (£m) ⁽⁴⁾	Grand total (£m) ⁽⁵⁾
Zone 1												
Marks & Spencer Foodhall, High Street, Reigate	3.0	0.3	0.0	0.0	0.0	0.0	0.5	3.9	0.9%	100%	0.0	3.9
Morrisons, Bell Street, Reigate	19.8	7.1	0.0	0.0	0.0	1.6	0.0	28.5	6.8%	95%	1.5	30.0
Zone 2												
Iceland, Redhill	0.0	1.3	0.0	0.0	0.0	0.0	0.0	1.3	0.3%	100%	0.0	1.3
Marks & Spencer Foodhall, High Street, Redhill	0.4	2.9	0.2	0.7	1.5	0.0	0.3	6.0	1.4%	100%	0.0	6.0
Sainsbury's, London Road, Redhill	5.7	36.5	0.2	2.6	2.4	1.2	1.0	49.7	11.9%	95%	2.6	52.3
Zone 3												
Iceland, Horley	0.0	0.6	0.5	0.0	0.0	0.0	0.0	1.1	0.3%	100%	0.0	1.1
Lidl, Victoria Road, Horley	0.4	1.0	1.4	0.3	0.0	0.0	0.5	3.6	0.9%	95%	0.2	3.8
Sainsbury's, Horley	0.0	0.3	1.5	0.0	0.3	0.0	0.0	2.1	0.5%	100%	0.0	2.1
Tesco Superstore, Reigate Road, Horley	11.1	18.1	35.3	1.7	0.0	1.9	0.0	68.1	16.3%	90%	7.6	75.7
Waitrose, Victoria Road, Horley	1.7	4.2	18.4	0.7	0.0	0.3	0.0	25.3	6.1%	90%	2.8	28.1
Zone 4												
<i>Morrisons, East Hill, Oxted</i>	0.0	0.3	0.0	27.4	0.0	0.0	0.5	28.3	6.8%	90%	3.1	31.4
Zone 5												
Tesco, High Street, Banstead	0.0	0.0	0.0	0.0	1.5	0.3	0.0	1.9	0.5%	100%	0.0	1.9
<i>Waitrose, Brighton Road, Coulsdon</i>	0.0	0.0	0.0	0.0	6.5	0.0	1.8	8.3	2.0%	70%	3.6	11.9
<i>Waitrose, High Street, Banstead</i>	0.0	0.0	0.0	0.0	29.4	3.4	0.0	32.9	7.9%	95%	1.7	34.6
Zone 6												
<i>Marks & Spencer Foodhall, Ashley Centre, Epsom</i>	0.0	0.0	0.0	0.0	0.9	1.7	0.0	2.6	0.6%	25%	7.8	10.5
<i>Waitrose, Ashley Centre, Epsom</i>	0.4	0.0	0.0	0.0	0.6	6.3	0.0	7.4	1.8%	25%	22.1	29.4
<i>Asda, Reigate Road, Tadworth</i>	0.8	1.6	0.0	0.0	23.7	25.2	0.0	51.4	12.3%	95%	2.7	54.1
Zone 7												
<i>Morrisons, Church Walk, Caterham</i>	0.2	0.3	0.0	0.7	0.6	0.0	15.8	17.7	4.2%	90%	2.0	19.7
<i>Tesco, Coulsdon Road, Caterham</i>	0.2	0.0	0.0	0.0	4.3	0.0	23.5	28.0	6.7%	70%	12.0	39.9
<i>Waitrose, Station Avenue, Caterham</i>	0.0	1.3	0.0	2.9	0.0	0.0	11.7	15.9	3.8%	90%	1.8	17.6
Inside Study Area - Unspecified Zone												
<i>Other - Inside study area</i>	3.0	6.6	1.5	7.6	5.9	5.5	3.0	33.1	7.9%	95%	1.7	34.8
Sub TOTAL inside study area	46.9	82.5	59.1	44.6	77.7	47.5	58.6	416.9	100.0%	-	73.2	490.1
Sub TOTAL inside R&B	43.0	73.9	57.7	6.0	58.9	34.0	2.3	275.7				
Outside study area												
Tesco Extra, Purley Road, Purley	0.0	0.0	0.0	0.0	0.0	13.4	0.0	2.5	15.9			
Morrisons, High Street, Sutton	0.0	0.0	0.0	0.0	11.6	0.0	0.0	11.6				
Sainsbury's, Limpsfield Road, Warlingham	0.0	0.0	0.0	4.0	2.4	0.0	3.8	10.2				
Tesco Superstore, Oldfields Road, Sutton	0.0	0.0	0.0	0.0	9.2	0.3	0.0	9.5				
Sainsbury's, Brooklands Way, East Grinstead	0.0	0.0	0.0	5.7	0.6	0.0	0.0	6.3				
Sainsbury's, Kiln Lane, Epsom	0.0	0.0	0.0	0.5	5.5	18.9	0.0	24.9				
All Other Destinations	6.6	7.1	2.4	9.4	31.0	14.7	4.5	75.8				
Sub TOTAL outside study area	6.6	7.1	2.4	19.6	73.8	34.0	10.8	154.2				
Sub TOTAL outside R&B	10.5	15.7	3.9	58.2	92.6	47.5	67.1	295.4				
TOTAL	53.5	89.6	61.5	64.2	151.4	81.5	69.4	571.1				

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Table 13: Trading performance in 2006 of Reigate and Banstead Borough foodstores (£m)

	Zone	Gross Floorspace (¹)	Net Floorspace	Conv. Floorspace (%) (²)	Net Conv. Floorspace	Average Sales Density (³)	Benchmark Turnover (£m)	Survey Derived Turnover	Under /Over Trading (⁴)
Marks & Spencer Simply Food, High Street, Reigate	1	1,721	470	85%	400	10,615	4.2	3.9	-0.4
Morrisons, Bell Street, Reigate	1	4,781	2,276	85%	1,935	12,954	25.1	30.0	4.9
Iceland, Redhill	2	-	498	100%	498	6,750	3.4	1.3	-2.1
Marks & Spencer Foodhall, High Street, Redhill	2	5,918	3,763		816	10,615	8.7	6.0	-2.6
Sainsbury's, London Road, Redhill	2	4,798	2,484	85%	2,112	12,920	27.3	52.3	25.0
Iceland, Horley	3	-	345	100%	345	6,750	2.3	1.1	-1.2
Lidl, Victoria Road, Horley	3	-	929	80%	743	3,214	2.4	3.8	1.4
Sainsbury's, Horley	3	-	216	80%	155	12,920	2.0	2.1	0.1
Tesco Superstore, Reigate Road, Horley	3	11,848	6,741	67%	4,516	13,332	60.2	75.7	15.4
Waitrose, Victoria Road, Horley	3	-	2,244	80%	1,795	11,178	20.1	28.1	8.1
Tesco, High Street, Banstead	5	374	187	95%	178	13,332	2.4	1.9	-0.5
Waitrose, High Street, Banstead	5	-	1,464	95%	1,391	11,178	15.5	34.6	19.0
Asda, Reigate Road, Tadworth	6	7,321	4,393		2,573	14,910	38.4	54.1	15.7
Total							211.9	294.8	82.9

Notes:

(1) Floorspace for foodstores in Reigate and Banstead with a meaningful market share is shown, the floorspace (both gross and net).

(2) The proportion of convenience floorspace is informed by company average food/non-food splits in Verdict's 2010 UK Grocery Retailers document, updated by RTP on through site visits.

(3) Average sales densities are goods based sales densities derived from Verdict's 2010 UK Grocery Retailers document for 2008 in 2008 prices and then backdated to 2006 using a decline in turnover of 0.4% between 2007 and 2008, and an increase in turnover of 0.75% between 2006-2007

(4) A positive figure indicates that the store is overtrading compared to company averages.

All monetary values are held constant at 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 14 Commitments to convenience floorspace

	Zone	Gross floorspace gain (sqm) ⁽³⁾	Net to gross floorspace ratio (%)	Sales floorspace gain (sqm) ⁽⁴⁾	% convenience floorspace	Net convenience floorspace (sqm) ⁽⁵⁾	Sales density (£ per sqm net) ⁽⁶⁾	Total turnover (£m)
(i) Allowance for extant planning permissions ⁽¹⁾								
		259	65%	168	100%	168	5,380	0.9
		83	66%	54	100%	54	3,500	0.2
		500	70%	350	50%	175	4,000	0.7
	2	360	70%	252	100%	252	4,000	1.0
	5	340	70%	238	95%	226	11,178	2.5
(ii) Allowance for improvement in vacancy rates ⁽²⁾								
		1,125	65%	731	38%	278	5,000	1.4
All commitments		2,667		1,794		1,154		6.7

NOTES:

(1) Extant planning permissions are those permissions for additional retail floorspace which have either yet to be built or yet to open.

(2) We have made an allowance for the improvements in vacancy rates in Horley only (in Redhill, Reigate & Banstead vacancy levels are all below 1.5% by floorarea and therefore not a concern). To do this we have assumed that the vacancy rate will reduce by 35% from 3,210sqm to 2,085 sqm - which is reducing the overall percentage of vacant floorspace in Horley from 9.7% to 6.3% - which is in-line with the GOAD UK all centres average.

(3) The floorspace data has been sourced from R&B Borough Council - Planning Department.

(4) Where no exact figures are available, the sales floorspace has been derived by applying a net to gross floorspace ratio - RTP estimate.

(5) The net convenience sales area has been calculated through applying a percentage of convenience goods floorspace in each development to the sales floorspace. Where no exact figures are available an RTP estimate is used.

(6) This is the turnover per sqm we assume each development will trade at.

(7). This is the turnover that the developments will derive from the study area. The percentages used are RTP assumptions based on the size and location of each commitment.

All monetary values are held constant at 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 15a: Convenience Expenditure Capacity in Reigate and Banstead Borough

	2006	2012	2016	2021	2027	2006-12	2012-16	2016-21	2021-27	2006-2027
						Change	Change	Change	Change	Change
Available Expenditure and Expenditure Retention by R&B ⁽¹⁾										
A Total Study Area Expenditure (£m)	571.1	572.2	615.6	676.3	741.4	1.1	43.4	60.7	65.1	170.3
B Current Market Share for Stores in R&B (%)	48.3%	48.3%	48.3%	48.3%	48.3%	-	-	-	-	-
C Retained Expenditure in R&B (£m) (=A*B)	275.7	276.3	297.2	326.5	357.9	0.5	21.0	29.3	31.4	82.2
D Inflow Expenditure to R&B (£m)	19.1	19.2	20.6	22.6	24.8	0.0	1.5	2.0	2.2	5.7
Claim on Expenditure from Turnover of Centres in R&B ⁽²⁾										
E Turnover of Stores in R&B (£m) (=C+D in 2006)	294.8	294.8	294.8	294.8	294.8	-	-	-	-	-
F Growth/Decline in Turnover of Existing Stores (£m)	0.0	-3.5	1.1	5.5	11.0	-3.5	4.5	4.5	5.4	11.0
Claim on Expenditure from Commitments to New Floorspace ⁽³⁾										
G Total Claim on Expenditure from Commitments (£m)	0.0	6.6	6.7	6.8	7.0	6.6	0.1	0.1	0.1	7.0
Allowance for Overtrading of Existing Foodstores in the Base Year										
H Turnover of Main Foodstores in Excess of Company Average	82.9	82.9	82.9	82.9	82.9	-	-	-	-	-
Residual Expenditure Available to Support New Floorspace ⁽⁵⁾										
I Residual Expenditure (£m) (=C+D-E-F-G+H)	82.9	80.3	98.1	124.9	152.9	-2.6	17.8	26.8	28.0	70.0
Floorspace Requirement for R&B ⁽⁶⁾										
J Convenience Goods Sales Density (£/sqm)	12,651	12,503	12,697	12,889	13,123					
K Net Floorspace Requirement (sqm net) (=I/J)	6,556	6,424	7,725	9,687	11,652	-132	1,301	1,962	1,964	5,096
L Gross Floorspace Requirement (sqm) (=C/65%)	10,086	9,883	11,885	14,904	17,925	-203	2,002	3,019	3,022	7,840

Notes:

- Row A is taken from Table 10; Row B is the market share of stores in Reigate and Banstead taken from Table 11 and maintained as constant in the forecast year; Row C is the product of the current market share and the total study area expenditure; Row D is expenditure spent in Reigate and Banstead centres from outside the study area
- Row E is the turnover of floorspace in Reigate and Banstead Borough incorporating both expenditure from the study area and inflow and remains constant in the forecast years; Row F is the growth in turnover of these centres, which we have forecast this turnover to increase by 0.75% between 2006 and 2007, a decline of 0.38% per annum between 2007 and 2012, an increase of 0.39% per annum between 2012-2016, an increase of 0.30% per annum to between 2016-2026.
- Row G represents the turnover of commitments to new floorspace in the study area (from Table 14), which are also assumed to increase by the same level of sales density growth as described at (2).
- Row H represents the aggregate turnover of the main foodstores in Reigate and Banstead Borough in excess of the published company average sales densities, taken from Table 13.
- Row I represents the product of the retail expenditure and expenditure inflow, less the deductions for the existing centres turnover, turnover growth and commitments, plus turnover of main foodstores in excess of company average (overtrading), described at (4).
- Row J represents the assumed sales density to calculate a superstore/supermarket floorspace requirement, which is the average sales density for Tesco, Asda, Sainsbury's, Morrisons, Waitrose and Marks and Spencer and is increased by the same rate as shown at (2). Row K represents net floorspace requirements calculated by the division of residual expenditure by assumed sales density, and Row L represents gross requirements through the application of a 65% net to gross ratio.

All monetary values are held constant at 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 15a: Convenience Expenditure Capacity in Zones 1 & 2 only

	2006	2012	2016	2021	2027	2006-12	2012-16	2016-21	2021-27	2006-2027
						Change	Change	Change	Change	Change
Available Expenditure and Expenditure Retention by R&B ⁽¹⁾										
A Total Study Area Expenditure (£m)	143.1	143.3	154.2	169.4	185.7	0.3	10.9	15.2	16.3	42.7
B Current Market Share for Stores in R&B (%)	53.8%	53.8%	80.0%	80.0%	80.0%	-	-	-	-	-
C Retained Expenditure in R&B (£m) (=A*B)	77.0	77.2	123.4	135.5	148.6	0.1	46.2	12.2	13.0	71.6
D Inflow Expenditure to R&B (£m)	16.4	16.4	17.7	19.4	21.3	0.0	1.2	1.7	1.9	4.9
Claim on Expenditure from Turnover of Centres in R&B ⁽²⁾										
E Turnover of Stores in R&B (£m) (=C+D in 2006)	93.4	93.4	93.4	93.4	93.4	-	-	-	-	-
F Growth/Decline in Turnover of Existing Stores (£m)	0.0	-1.1	0.3	1.8	3.5	-1.1	1.4	1.4	1.7	3.5
Claim on Expenditure from Commitments to New Floorspace ⁽³⁾										
G Total Claim on Expenditure from Commitments (£m)	0.0	6.6	6.7	6.8	7.0	6.6	0.1	0.1	0.1	7.0
Allowance for Overtrading of Existing Foodstores in the Base Year										
H Turnover of Main Foodstores in Excess of Company Average	24.8	24.8	24.8	24.8	24.8	-	-	-	-	-
Residual Expenditure Available to Support New Floorspace ⁽⁵⁾										
I Residual Expenditure (£m) (=C+D-E-F-G+H)	24.8	19.4	65.3	77.7	90.8	-5.4	45.9	12.4	13.1	66.0
Floorspace Requirement for R&B ⁽⁶⁾										
J Convenience Goods Sales Density (£/sqm)	12,651	12,503	12,697	12,889	13,123					
K Net Floorspace Requirement (sqm net) (=I/J)	1,961	1,555	5,147	6,031	6,920	-406	3,592	885	888	4,959
L Gross Floorspace Requirement (sqm) (=C/65%)	3,016	2,392	7,918	9,279	10,646	-625	5,526	1,361	1,367	7,629

Notes:
1. Row A is taken from Table 10; Row B is the market share of stores in zones 1 and 2 taken from Table 11 and increases to 80% in 2016; Row C is the product of the current market share and the total study area expenditure; Row D is expenditure spent in stores in zones 1 and 2 from elsewhere in the study area and beyond
2. Row E is the turnover of floorspace in zones 1 and 2 incorporating both expenditure from the study area and inflow and remains constant in the forecast years; Row F is the growth in turnover of these centres, which we have forecast this turnover to increase by 0.75% between 2006 and 2007, a decline of 0.38% per annum between 2007 and 2012, an increase of 0.39% per annum between 2012-2016, an increase of 0.30% per annum to between 2016-2026.
3. Row G represents the turnover of commitments to new floorspace in the study area (from Table 14), which are also assumed to increase by the same level of sales density growth as described at (2).
4. Row H represents the aggregate turnover of the main foodstores in Reigate and Banstead Borough in excess of the published company average sales densities, taken from Table 13.
5. Row I represents the product of the retail expenditure and expenditure inflow, less the deductions for the existing centres turnover, turnover growth and commitments, plus turnover of main foodstores in excess of company average (overtrading), described at (4).
6. Row J represents the assumed sales density to calculate a superstore/supermarket floorspace requirement, which is the average sales density for Tesco, Asda, Sainsbury's, Morrisons, Waitrose and Marks and Spencer and is increased by the same rate as shown at (2). Row K represents net floorspace requirements calculated by the division of residual expenditure by assumed sales density, and Row L represents gross requirements through the application of a 65% net to gross ratio.

All monetary values are held constant at 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 16 Per Capita Expenditure on Leisure Services (£)

Year	Expenditure Category	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
2006 ⁽¹⁾	Recreational & cultural services - per capita	683	691	678	709	632	688	671
	Restaurants - per capita	1,492	1,534	1,492	1,552	1,648	1,493	1,573
	Hotels - per capita	325	334	325	338	292	325	319
	Hair & personal grooming - per capita	119	122	119	124	100	120	113
	Total Leisure Services Expenditure in 2006	2,618	2,680	2,614	2,723	2,673	2,625	2,676
2012	Recreational & cultural services - per capita	716	725	711	744	663	721	704
	Restaurants - per capita	1,565	1,609	1,565	1,628	1,729	1,566	1,650
	Hotels - per capita	341	350	341	354	307	341	334
	Hair & personal grooming - per capita	125	128	125	130	105	126	119
	Total Leisure Services Expenditure in 2012	2,747	2,812	2,741	2,856	2,803	2,754	2,808
2016	Recreational & cultural services - per capita	740	748	734	768	684	745	727
	Restaurants - per capita	1,615	1,661	1,615	1,680	1,785	1,617	1,704
	Hotels - per capita	352	361	352	366	316	352	345
	Hair & personal grooming - per capita	129	132	129	134	109	130	123
	Total Leisure Services Expenditure in 2016	2,836	2,903	2,830	2,949	2,894	2,843	2,898
2021	Recreational & cultural services - per capita	770	778	764	800	712	775	756
	Restaurants - per capita	1,681	1,729	1,681	1,749	1,857	1,682	1,773
	Hotels - per capita	366	376	366	380	329	366	359
	Hair & personal grooming - per capita	134	138	134	140	113	135	128
	Total Leisure Services Expenditure in 2021	2,951	3,021	2,945	3,068	3,012	2,959	3,016
2027	Recreational & cultural services - per capita	807	817	801	839	747	813	793
	Restaurants - per capita	1,763	1,813	1,763	1,834	1,948	1,765	1,860
	Hotels - per capita	384	394	384	399	345	384	377
	Hair & personal grooming - per capita	141	144	141	147	119	142	134
	Total Leisure Services Expenditure in 2026	3,095	3,169	3,090	3,219	3,159	3,104	3,164

Notes

(1) The 2010 expenditure and expenditure in subsequent forecast years is based on 2008 data by category by zone (supplied by MapInfo), back dated to 2006 and then increased by 0.8% per annum between 2006 and 2027, as advised by Experian Retail Planner Briefing Note 6.1, Table 3.2 (EBS Forecast)

All monetary values are held constant at 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 17 Leisure Expenditure Growth by Category by Zone (£m)

Year	Expenditure Category	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	TOTAL
2006	Recreational & cultural services	17.3	28.8	19.5	21.1	46.7	26.3	22.2	181.9
	Restaurants	37.8	63.9	42.9	46.1	121.9	57.2	52.1	421.8
	Hotels	8.2	13.9	9.3	10.0	21.6	12.4	10.6	86.1
	Hair & personal grooming	3.0	5.1	3.4	3.7	7.4	4.6	3.7	31.0
	Total Leisure Services Expenditure	66.4	111.6	75.2	80.8	197.7	100.5	88.6	720.8
2012	Recreational & cultural services	19.4	32.3	21.9	23.7	52.5	29.6	25.0	204.3
	Restaurants	42.5	71.8	48.2	51.7	136.9	64.2	58.5	473.8
	Hotels	9.2	15.6	10.5	11.3	24.3	14.0	11.9	96.7
	Hair & personal grooming	3.4	5.7	3.8	4.1	8.3	5.2	4.2	34.8
	Total Leisure Services Expenditure	74.5	125.4	84.4	90.8	222.0	112.9	99.5	809.6
2016	Recreational & cultural services	21.0	34.9	23.7	25.6	56.7	32.0	27.0	220.8
	Restaurants	45.9	77.5	52.1	55.9	147.9	69.4	63.2	511.9
	Hotels	10.0	16.9	11.3	12.2	26.2	15.1	12.8	104.5
	Hair & personal grooming	3.7	6.2	4.2	4.5	9.0	5.6	4.5	37.6
	Total Leisure Services Expenditure	80.5	135.5	91.2	98.1	239.9	122.0	107.5	874.7
2021	Recreational & cultural services	23.3	38.7	26.3	28.4	62.9	35.5	29.9	245.0
	Restaurants	50.9	86.0	57.8	62.0	164.2	77.0	70.1	568.1
	Hotels	11.1	18.7	12.6	13.5	29.1	16.7	14.2	115.9
	Hair & personal grooming	4.1	6.8	4.6	5.0	10.0	6.2	5.0	41.7
	Total Leisure Services Expenditure	89.4	150.3	101.2	108.8	266.2	135.4	119.3	970.7
2027	Recreational & cultural services	25.9	43.0	29.2	31.5	69.9	39.4	33.2	272.0
	Restaurants	56.5	95.5	64.2	68.9	182.3	85.5	77.9	630.7
	Hotels	12.3	20.8	14.0	15.0	32.3	18.6	15.8	128.7
	Hair & personal grooming	4.5	7.6	5.1	5.5	11.1	6.9	5.6	46.3
	Total Leisure Services Expenditure	99.2	166.9	112.4	120.8	295.6	150.3	132.5	1,077.6

Notes

(1) The 2006 expenditure and subsequent figures for the forecast years are the products of multiplying the data presented in Table 1 (population) by Table 16 (per capita leisure expenditure).

All monetary values are held constant at 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 18 Summary of Leisure Expenditure Growth (£m)

Year	Expenditure Category	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	TOTAL
2006-2012	Recreational & cultural services	2.1	3.5	2.4	2.6	5.8	3.2	2.7	22.4
	Restaurants	4.7	7.9	5.3	5.7	15.0	7.0	6.4	51.9
	Hotels	1.0	1.7	1.1	1.2	2.7	1.5	1.3	10.6
	Hair & personal grooming	0.4	0.6	0.4	0.5	0.9	0.6	0.5	3.8
	Total Leisure Services Expenditure	8.2	13.7	9.3	9.9	24.3	12.4	10.9	88.7
2012-2016	Recreational & cultural services	1.6	2.6	1.8	1.9	4.2	2.4	2.0	16.4
	Restaurants	3.4	5.8	3.9	4.2	11.0	5.2	4.7	38.1
	Hotels	0.7	1.3	0.8	0.9	2.0	1.1	1.0	7.8
	Hair & personal grooming	0.3	0.5	0.3	0.3	0.7	0.4	0.3	2.8
	Total Leisure Services Expenditure	6.0	10.1	6.8	7.3	17.9	9.1	8.0	65.1
2016-2021	Recreational & cultural services	2.3	3.8	2.6	2.8	6.2	3.5	3.0	24.2
	Restaurants	5.0	8.5	5.7	6.1	16.2	7.6	6.9	56.2
	Hotels	1.1	1.9	1.2	1.3	2.9	1.7	1.4	11.5
	Hair & personal grooming	0.4	0.7	0.5	0.5	1.0	0.6	0.5	4.1
	Total Leisure Services Expenditure	8.8	14.9	10.0	10.8	26.3	13.4	11.8	96.0
2021-2027	Recreational & cultural services	2.6	4.3	2.9	3.1	6.9	3.9	3.3	27.0
	Restaurants	5.6	9.5	6.4	6.8	18.1	8.5	7.7	62.6
	Hotels	1.2	2.1	1.4	1.5	3.2	1.8	1.6	12.8
	Hair & personal grooming	0.4	0.8	0.5	0.5	1.1	0.7	0.6	4.6
	Total Leisure Services Expenditure	9.8	16.6	11.2	12.0	29.3	14.9	13.1	107.0
2006-2027	Recreational & cultural services	8.6	14.2	9.7	10.4	23.1	13.0	11.0	90.1
	Restaurants	18.7	31.6	21.2	22.8	60.4	28.3	25.8	208.8
	Hotels	4.1	6.9	4.6	5.0	10.7	6.2	5.2	42.6
	Hair & personal grooming	1.5	2.5	1.7	1.8	3.7	2.3	1.9	15.3
	Total Leisure Services Expenditure	32.8	55.3	37.2	40.0	97.9	49.8	43.9	356.8

Notes

(1) This represents the growth in leisure expenditure, by category, in between each of the forecast years and is derived from Table 17.

All monetary values are held constant at 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 19 Summary of Leisure Expenditure Growth by Sub-Category (£m)

COICOP Category	Expenditure Category ⁽¹⁾	2006	2012	2016	2021	2027	2006-2012	2012-2016	2016-2021	2021-2027	2006-2027
9.4.1	Recreation and sporting services	41.0	46.0	49.7	55.2	61.3	5.0	3.7	5.5	6.1	20.3
9.4.2	Cultural Services	87.0	97.7	105.5	117.1	130.0	10.7	7.9	11.6	12.9	43.0
09.4.2(pt)	Cinema admissions (sub part of cultural services)	2.7	3.0	3.3	3.6	4.0	0.3	0.2	0.4	0.4	1.3
09.4.2(pt)	Theatre admissions (sub part of cultural services)	4.8	5.4	5.8	6.5	7.2	0.6	0.4	0.6	0.7	2.4
09.4.2(pt)	Television and video rentals (sub part of cultural services)	1.4	1.5	1.7	1.8	2.0	0.2	0.1	0.2	0.2	0.7
09.4.2(pt)	Social subscriptions (sub part of cultural services)	2.8	3.1	3.4	3.8	4.2	0.3	0.3	0.4	0.4	1.4
09.4.2(pt)	Photographic processing (sub part of cultural services)	2.7	3.0	3.3	3.6	4.0	0.3	0.2	0.4	0.4	1.3
09.4.2(pt)	Other (sub part of cultural services)	27.2	30.6	33.1	36.7	40.7	3.4	2.5	3.6	4.0	13.5
09.4.3	Games of chance	54.0	60.6	65.5	72.7	80.7	6.6	4.9	7.2	8.0	26.7
11.1.1	Restaurants, Cafes, Etc	377.4	423.9	458.0	508.2	564.2	46.5	34.1	50.3	56.0	186.8
11.1.2	Canteens	44.4	49.9	53.9	59.8	66.4	5.5	4.0	5.9	6.6	22.0
11.2	Accommodation Services	86.1	96.7	104.5	115.9	128.7	10.6	7.8	11.5	12.8	42.6
12.1.1	Hairdressing Salons & personal grooming establishments	31.0	34.8	37.6	41.7	46.3	3.8	2.8	4.1	4.6	15.3
Total	Leisure Services	720.8	809.6	874.7	970.7	1,077.6	88.7	65.1	96.0	107.0	356.8

Notes

(1) This represents the growth in leisure expenditure, by category, in between each of the forecast years and is derived from Table 17. The expenditure splits are provided by PBBI/MapInfo.

All monetary values are held constant at 2008 prices.

Reigate & Banstead Retail and Leisure Needs Assessment Update

Table 20: Food and Drink Expenditure Capacity and Indicative Floorpace Requirements for Reigate and Banstead Borough

	2006	2012	2016	2021	2027	2006-12	2012-2016	2016-21	2021-27	2010-27
						Change	Change	Change	Change	Change
Available Expenditure and Expenditure Retention by Reigate and Banstead Borough⁽¹⁾										
A Total Study Area Expenditure on Food and Drink (£m)	421.8	473.8	511.9	568.1	630.7	51.9	38.1	56.2	62.6	208.8
B Current Market Share for Centres in Reigate and Banstead Borough (%)	15.5%	15.5%	15.5%	15.5%	15.5%	-	-	-	-	0.0
C Retained Expenditure in Reigate and Banstead Borough (£m) (=A*B)	65.4	73.4	79.3	88.0	97.7	8.0	5.9	8.7	9.7	32.4
D Inflow Expenditure to Reigate and Banstead Borough (£m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claim on Expenditure from Turnover of Centres in R&B Borough⁽²⁾										
E Turnover of Centres in R&B Borough (£m) (=C+D in 2009)	65.4	65.4	65.4	65.4	65.4	-		-	-	-
F Growth in Turnover of Existing Centres (£m)	0.0	1.6	2.7	4.0	5.7	1.6	1.1	1.4	1.7	5.7
Claim on Expenditure from Commitments to New Floorspace⁽³⁾										
G NO COMMITMENTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residual Expenditure Available to Support New Floorspace⁽⁴⁾										
H Residual Expenditure (£m) (=C+D-E-F-G)	0.0	6.5	11.3	18.6	26.6	6.5	4.8	7.3	8.0	26.6
Food and Drink Floorspace Requirements for R&B Borough⁽⁵⁾										
I Assumed Gross Sales Density for New Food and Drink Floorspace (£/sqm)	6,000	6,145	6,244	6,370	6,525	-	-	-	-	-
J Gross Food and Drink Floorspace Requirement for R&B Borough (sqm net) (=H/I)	0	1,051	1,808	2,924	4,083	1,051	757	1,115	1,160	4,083

Notes:

1. Row A is taken from Table 3; Row B is the market share of stores in Reigate and Banstead Borough taken from Table 12 and remains constant for each forecast year; Row C is the product of the current market share and the total study area expenditure; Row D is expenditure spent in centres in Reigate and Banstead Borough from beyond the study area and is assumed to be nil for the purposes of this assessment.

2. Row E is the turnover of centres in Reigate and Banstead Borough incorporating both expenditure from the study area and inflow and remains constant in the forecast years; Row F is the growth in turnover of these centres, which we have forecast this turnover to increase by 0.4% per annum to 2026.

3. Row G represents the turnover of commitments to new floorspace in the study area, which are also assumed to increase by the same level of sales density growth as described at (2).

4. Row H represents the product of the retail expenditure and expenditure inflow, less the deductions for the existing centres turnover, turnover growth and commitments.

5. Row J represents the indicative assumed sales density to calculate a food and drink floorspace requirement, which increased by the same level of sales density growth described at (2). Only a gross requirement is shown for food and drink uses.

All monetary values are held constant at 2008 prices.

APPENDIX 4

Expenditure forecasts methodology

Growth in per capita expenditure

1. Economic forecasters anticipate muted short-term growth prospects as the collapse in investment since autumn 2007 and the need to restore government finances significantly constrain economic growth and consumer spending. Recent rises in unemployment are expected to impact upon consumption growth in the short and medium term periods. Along with tighter lending conditions, higher unemployment is forecast to be a legacy of the recent recession. The forecasters expect that the boom conditions of the past decade are unlikely to be repeated in the short to medium term as consumers tighten their purses as a result of the global recession and correction in the housing market.
2. This explains why the expenditure growth rates forecast by Experian in August 2010 and Pitney Bowes Business Insight/Oxford Economics (PBBI/OE) in September 2010 are relatively low for the next few years, as shown in Table 1 and 2. Over the medium and long term periods, however, PBBI/OE anticipates a much faster recovery; significant differences arise between the expenditure growth forecast by Experian and PBBI/OE.
3. As such, the expenditure growth rates that we have adopted for the 20 year period from 2007 to 2027 are the midpoints of the estimates and forecasts provided by Experian and PBBI/OE and are set out for each forecast year in Table 1. For the 2006-2007 year, we have applied observed PBBI growth rates of 2.9% in the comparison sector and 0.4% in the convenience sector. Whilst Experian's forecasts for growth in per capita expenditure extend up to 2026, PBBI/OE does not provide any forecasts for growth in per capita expenditure beyond 2020. We have therefore maintained PBBI forecasts for 2020 to 2027 of 3.6% per capita per annum for comparison goods 0.4% per capita per annum for convenience goods.

Table 1 Comparison Expenditure Growth Per Capita, 2007-2027

Year	Experian	PBBI/OE	Mid-point
2008	3.7%	3.8%	3.8%
2009	-0.6%	-0.3%	-0.5%
2010	0.4%	1.3%	0.9%
2011	1.2%	2.3%	1.8%
2012	2.4%	3.8%	3.1%
2013	2.7%	4.4%	3.6%
2014	2.7%	5.3%	4.0%
2015	2.7%	5.1%	3.9%
2016	2.7%	4.8%	3.8%
2017	2.7%	4.0%	3.4%
2018	2.9%	3.8%	3.4%
2019	2.9%	3.7%	3.3%
2020	2.9%	3.6%	3.3%

Year	Experian	PBBI/OE	Mid-point
2021	2.9%	3.6%	3.3%
2022	2.9%	3.6%	3.3%
2023	2.9%	3.6%	3.3%
2024	2.9%	3.6%	3.3%
2025	2.9%	3.6%	3.3%
2026	2.9%	3.6%	3.3%
2027	2.9%	3.6%	3.3%

Source: Experian Retail Planner Note 8.1 (August 2010) and PBBI/OE Retail Expenditure Guide 2010/11

Table 2 Convenience Expenditure Growth (or Contraction) Per Capita, 2007-2027

Year	Experian	PBBI/OE	Mid-point
2008	-1.6%	-1.5%	-1.6%
2009	-2.9%	-2.7%	-2.8%
2010	0.3%	0.1%	0.2%
2011	0.0%	-0.5%	-0.3%
2012	0.4%	0.1%	0.3%
2013	0.8%	0.5%	0.7%
2014	0.8%	1.1%	1.0%
2015	0.8%	1.0%	0.9%
2016	0.8%	0.9%	0.9%
2017	0.8%	0.5%	0.7%
2018	0.9%	0.4%	0.7%
2019	0.9%	0.4%	0.7%
2020	0.9%	0.4%	0.7%
2021	0.9%	0.4%	0.7%
2022	0.9%	0.4%	0.7%
2023	0.9%	0.4%	0.7%
2024	0.9%	0.4%	0.7%
2025	0.9%	0.4%	0.7%
2026	0.9%	0.4%	0.7%
2027	0.9%	0.4%	0.7%

4. The per capita expenditure growth rates for comparison and convenience goods that we have adopted for this Update are summarised for each of the forecast periods in Table 3.

Table 3 Per Capita Expenditure Growth (or Contraction), 2006-2027

Year	Comparison % Rate Per Annum	Convenience % Rate Per Annum
2006 – 2007	1.8%	-0.8%
2007 – 2012	3.8%	0.8%
2012 – 2016	3.3%	0.6%
2016 – 2021	3.3%	0.6%
2021 – 2027	1.8%	-0.8%

Source: Derived from Tables 1 and 2 above and explained in paragraph 3.

Growth in floorspace efficiency (sales density growth)

5. Figures 4a and 4b of Experian's Retail Planner Briefing Note 8.1 put forward Experian's recommended forecasts of change in floorspace efficiency (retail sales per unit sales area) for the period 2009 to 2027. Comparison sales density growth is - 0.4% in 2010, 1.5% in 2011, 2.3% in 2012 and 2.2% between 2013 and 2017, and 2.3% between 2017 and 2026. These projections are considerably lower than Experian's estimates for growth in floorspace efficiencies over the period 1987 to 2007, particularly in the period up to 2011. For example, comparison sales density growth was 2.5% between 1987 and 1999, 3.6% between 2000 and 2005, and 2.8% between 2006 and 2007.
6. Current forecast per capita expenditure growth rates for the period 2008 to 2026 are much lower than those experienced between 1987 and 2007. But, in the comparison goods sector Experian's forecast floorspace efficiency growth between 2008 and 2026 are equal, or only marginally below their per capita expenditure growth forecasts. Also, in the convenience sector, Experian's floorspace efficiency projections are high compared to their expenditure growth forecasts, albeit to a lesser degree than the comparison sector.
7. In our assessment, the low expenditure growth rates projected by Experian for the period up to 2026, particularly in the comparison sector, are not sufficient to support their rates of floorspace efficiency change set out in Tables 4a and 4b of Experian's Retail Planner Briefing Note 8.1. PBBI/OE provides no information on anticipated change in floorspace efficiency.
8. Thus, in making an allowance for growth in floorspace efficiency, we adopt the floorspace efficiency changes set out in Table 4. These tie the rate of floorspace efficiency change to the expenditure projections for each forecast years, using a ratio of 37.9% for comparison goods and 46.2% for convenience goods. These ratios represent the 'underlying trend' of floorspace efficiency improvements between 1987 and 1999 (as recommended by Experian in its previous Retail Planner Briefing Note 6.1 revised in January 2009) of 2.2% for comparison goods and 0.6% for convenience goods as a proportion of the expenditure growth over the same period (as set out in Appendix 4 of Experian's Retail Planner Briefing Note 7.1) of 5.8% and 1.3% respectively.

Table 4 Improvements in Floorspace Efficiency from 2007

Year	Comparison % Rate Per Annum	Convenience % Rate Per Annum
2006 – 2007	2.2%	0.6%
2007 – 2012	0.7%	-0.4%
2012 – 2016	1.4%	0.4%
2016 – 2021	1.3%	0.3%
2021 – 2027	1.2%	0.3%

Source: derived from Experian Retail Planner Briefing Note 6.1 (explained in paragraph 8 above)

Special forms of trading

9. SFT includes spending via the internet, mail order, stalls and markets, door to door and telephone sales. In this update of the RLNA, we adopt an identical SFT allowance in the base year as the original report. For the forecast years, we utilise the special forms of trading (SFT) figures in Experian Retail Planner Note 8.1 (August 2010). The data includes online sales by supermarkets, department stores and catalogue companies. Since some food goods ordered on-line tend to be shelf picked from local stores, this on-line expenditure contributes to local “bricks and mortar” floorspace, and so only 50% of the convenience goods SFT estimates are used. The assumptions adopted in this Update are set out in Table 5.

Table 5 Allowance for Special Forms of Trading

Year	Comparison % of SFT	Convenience % of SFT
2006	6.0%	1.5%
2012	13.1%	4.25%
2016	13.9%	4.80%
2021	13.6%	5.05%
2027	13.2%	5.40%

Source: derived from Experian Retail Planner Briefing Note 8.1, August 2010

APPENDIX 5

Published retail and leisure demand for centres in Reigate and Banstead

Placement	From sq m	To sq m	Class	Retailer	Last Updated	Notes
P	74	121	A1	Maison Blanc Limited	14-Jul-09	A3 class also sought
P	93	186	A1	Headmasters	30-Oct-10	Established in 1982, Headmasters has grown from a single salon in Wimbledon Village to a 40 string salon group including two Education academies, employing over 900 people with a group turnover in excess of 25 million. Their salons are based in the most exclusive parts of the country, from Bath to Weybridge and from Guildford to Manchester. Without exception all Headmasters branches carry the same atmosphere of contemporary elegance.
P	139	232	A1	Traid	26-Nov-08	Prime or Good Secondary locations required. Market Rents paid and other busy South East and Greater London towns / suburbs considered.
P	4	28	A1	Hatton Goldsmiths	04-Mar-11	Having sucessfully opened in 50 location throughout England and Ireland Hatton Goldsmiths Ltd are looking for a further 30 stores in 2011. Ideal unit size is below 300 sq ft. Ideal location prime high street or shopping centre or district centre in larger towns and cities. Flexible lease terms and immediate decisions. CALL US FIRST. FINDERS FEES PAID TO INTRODUCING AGENTS UPON COMPLETION
P	74	121	A1	Maison Blanc Limited	14-Jul-09	A3 class also sought
P	74	0	All	Bardo Fashions	04-Jun-10	Bardo are seeking temporary units within, or just outside the M25.
P	0	93	All	Sherm Group	11-Jun-10	APPROX 20 SHOPS. NEEDED IN AND AROUND THE M25
P	56	65	All	Farrow & Ball	14-Oct-09	
P	111	232	All	Joules Clothing Ltd	02-Jul-10	
P	70	116	All	The White Company	02-Jul-10	
P	139	279	All	Edinburgh Woollen Mill	14-Jul-09	Ancillary Space required 500sq ft - 1000sq ft.
P	70	116	A1	Mistral	17-Feb-10	
P	93	186	A1	Card Factory	06-Jan-11	Town list is not exhaustive. any towns suitable for volume retailer.
P	139	279	A1	The Real Eating Company Ltd	22-Jun-09	
P	93	186	A1	Headmasters	30-Oct-10	Established in 1982, Headmasters has grown from a single salon in Wimbledon Village to a 40 string salon group including two Education academies, employing over 900 people with a group turnover in excess of 25 million. Their salons are based in the most exclusive parts of the country, from Bath to Weybridge and from Guildford to Manchester. Without exception all Headmasters branches carry the same atmosphere of contemporary elegance.
P	111	139	All	Costa	30-Oct-10	Prime or good secondary locations, and corner sites are preferred.
P	232	465	A1	C & H Fabrics	18-Jan-11	
P	279	418	All	Superdrug Stores Plc	21-Jan-11	Sales â€” 3,000sq.ft â€” 4,500sq.ft Storage â€” 1,000sq.ft
P	74	102	A1	JoJo Maman Bebe	24-Feb-11	The above list is not exhaustive and other areas would be considered but an affluent catchment area with a high density of young families is essential.
P	4	28	A1	Hatton Goldsmiths	04-Mar-11	Having sucessfully opened in 50 location throughout England and Ireland Hatton Goldsmiths Ltd are looking for a further 30 stores in 2011. Ideal unit size is below 300 sq ft. Ideal location prime high street or shopping centre or district centre in larger towns and cities. Flexible lease terms and immediate decisions. CALL US FIRST. FINDERS FEES PAID TO INTRODUCING AGENTS UPON COMPLETION
P	74	121	A1	Maison Blanc Limited	14-Jul-09	A3 class also sought
P	48	93	A1	Princess Alice Hospice	22-Jun-09	Prime/good secondary locations in town centres and suburbs required.
P	65	139	A1	Between The Lines	07-Apr-10	Trade from 11 branches throughout the South East.
P	325	418	All	The Little Gym	20-May-09	Will also consider surrounding areas
P	255	465	A3	Strada	19-Aug-10	
P	65	139	All	Phase Eight	06-Oct-10	
P	93	186	A1	Headmasters	30-Oct-10	Established in 1982, Headmasters has grown from a single salon in Wimbledon Village to a 40 string salon group including two Education academies, employing over 900 people with a group turnover in excess of 25 million. Their salons are based in the most exclusive parts of the country, from Bath to Weybridge and from Guildford to Manchester. Without exception all Headmasters branches carry the same atmosphere of contemporary elegance.
P	232	465	A1	C & H Fabrics	18-Jan-11	
P	139	279	All	Edinburgh Woollen Mill	14-Jul-09	Ancillary Space required 500sq ft - 1000sq ft.

APPENDIX 6

IMD heat plan for study area (Figure 5)

Figure 5 IMD Heat Plan for Study Area

