



Town Centre and Economic Development Assessment

Volume 1 - Main Report

Boyer

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1. Introduction

Instruction

- 1.1 The London Borough of Sutton (LB Sutton) is preparing to refresh its current planning policy and is starting to compile an evidence base on which to base its policy review. An important document in the evidence base will be the London Borough of Sutton Town Centres and Economic Development Assessment, which will inform the council's future retail and town centre policies.
- 1.2 Boyer Planning Ltd (Boyer) have been instructed by LB Sutton to provide the Town Centres and Economic Development Assessment to consider the retail and leisure needs for the borough and its main town centres over the council's Local Plan period to 2031. The instruction also includes an economic assessment of the borough's office and industrial needs and this has been prepared as a partial update to and validation of the Sutton Employment Land Review 2013.

Report Purpose

- 1.3 The study brief outlines the outputs required from the Town Centres and Economic Development Assessment. These are:
 - **Town Centres and Economic Development Trends** providing a review of locational trends (centre/edge of centre/out of centre); retail and commercial leisure trends; the impact of internet retailing; consumer spending and potential expenditure growth. Trends in office supply and take up are also to be reviewed.
 - **Quantitative and Qualitative Assessment** for Sutton Town Centre, the six District Centres (Wallington, Cheam, North Cheam, Worcester Park, Carshalton Village and Rosehill) and Hackbridge (which is to be elevated to a District Centre). This analysis is to include reviewing the key indicators of vitality and viability for each centre.
 - **Review of Existing Shopping Patterns** and consumer spending retention within the borough and outflows to main competing centres including Kingston, Croydon, Wimbledon and Central London and significant free-standing stores and retail park locations.
 - **Comparison Goods Capacity and Need** assessment for the borough as a whole and each main town centre.
 - **Convenience Goods Capacity and Need** assessment for the borough as a whole and each main town centre.
 - **Commercial Leisure Market** assessment considering the market place generally, the usage of existing facilities and the potential for additional provision.
 - **Office Market** assessment considering existing capacity and future requirements by type of space.

- **Industrial Land** assessment considering supply and demand in the main strategic industrial locations and local areas with a review of future growth and land requirements by sector.

1.4 From the outputs of the study the brief specifically requires conclusions and recommendations which deal with:

- a) Verification of the hierarchy of centres and a vision for each town centre
- b) Capacity and need for additional comparison and convenience floorspace for each centre in 2021, 2026 and possibly 2031
- c) Capacity and need for additional commercial leisure floorspace for each centre in 2021, 2026 and possibly 2031
- d) The extent of loss of spend to outside of borough attractors and how to limit any loss
- e) Advisability of relaxing frontages policy in centres to allow D1/D2 uses in primary and secondary frontages
- f) Any changes to the frontages designations in centres
- g) Enhancements to the town centres to improve their vitality and the development of or linkage with other strategies which would be beneficial to or enhance the centre
- h) Future office, leisure and industrial floorspace requirements
- i) Comment on the observations and issues raised in the brief.

Structure of Report

1.5 The assessment is split into two volumes. Volume 1 is the main report which sets out the main findings and recommendations of our assessment. Volume 2 comprises the appendices to Volume 1 and contains detailed health check information for the towns assessed; the quantitative retail capacity forecasts; analysis of office and industrial land in the borough; and the results of the specially commissioned household telephone surveys.

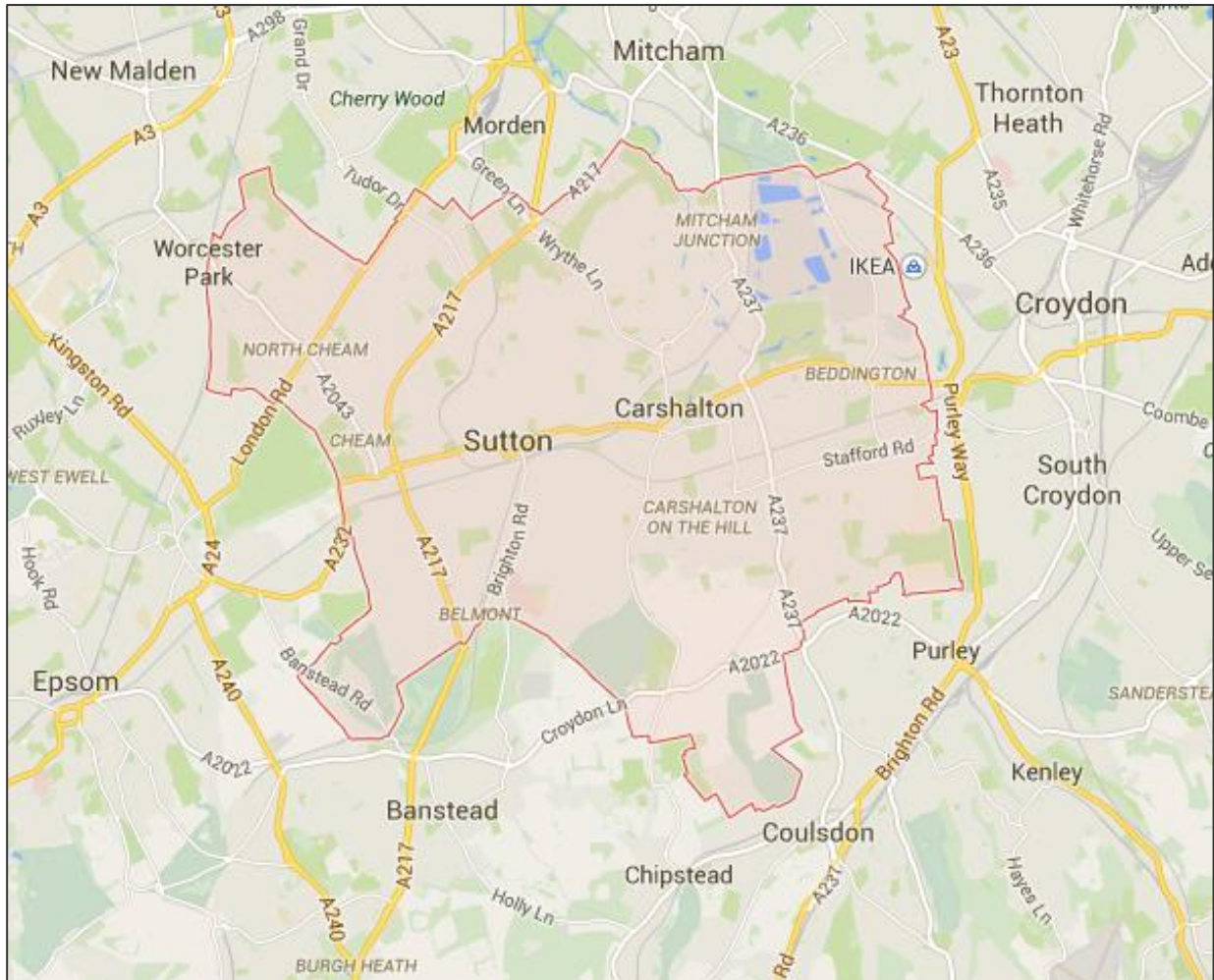
1.6 The remainder of volume 1 is set out as follows:

- Section 2 briefly reviews the retail geography of the London Borough of Sutton and briefly summarises the planning policy context for town centres and economic development;
- Section 3 provides context to the study in respect of current and future trends for town centres and retailing generally;
- Section 4 set out summary assessments of the performance of the seven principal centres in the borough (Sutton, Worcester Park, Wallington, Cheam, North Cheam, Rosehill, Carshalton Village);
- Section 5 summarises residents' current patterns of shopping, leisure usage and views on existing town centres;
- Section 6 provides analysis of the capacity and need for additional food convenience goods and non-food comparison goods shopping provision;

- Section 7 reviews the potential need for additional commercial leisure facilities to serve the borough's residents;
- Section 8 provides an update to the office and industrial need forecasts; and finally
- Section 9 sets out the conclusions and recommendations to our assessment.

2. Review of Existing Town Centre Policy

- 2.1 The London Borough of Sutton is located in south London and is bounded by the London Borough of Croydon to the east, the London Borough of Kingston-upon-Thames to the north-west and London Borough of Merton to the north. To the south and west Sutton is bounded by the Surrey districts of Reigate and Banstead Borough and Epsom and Ewell Borough.

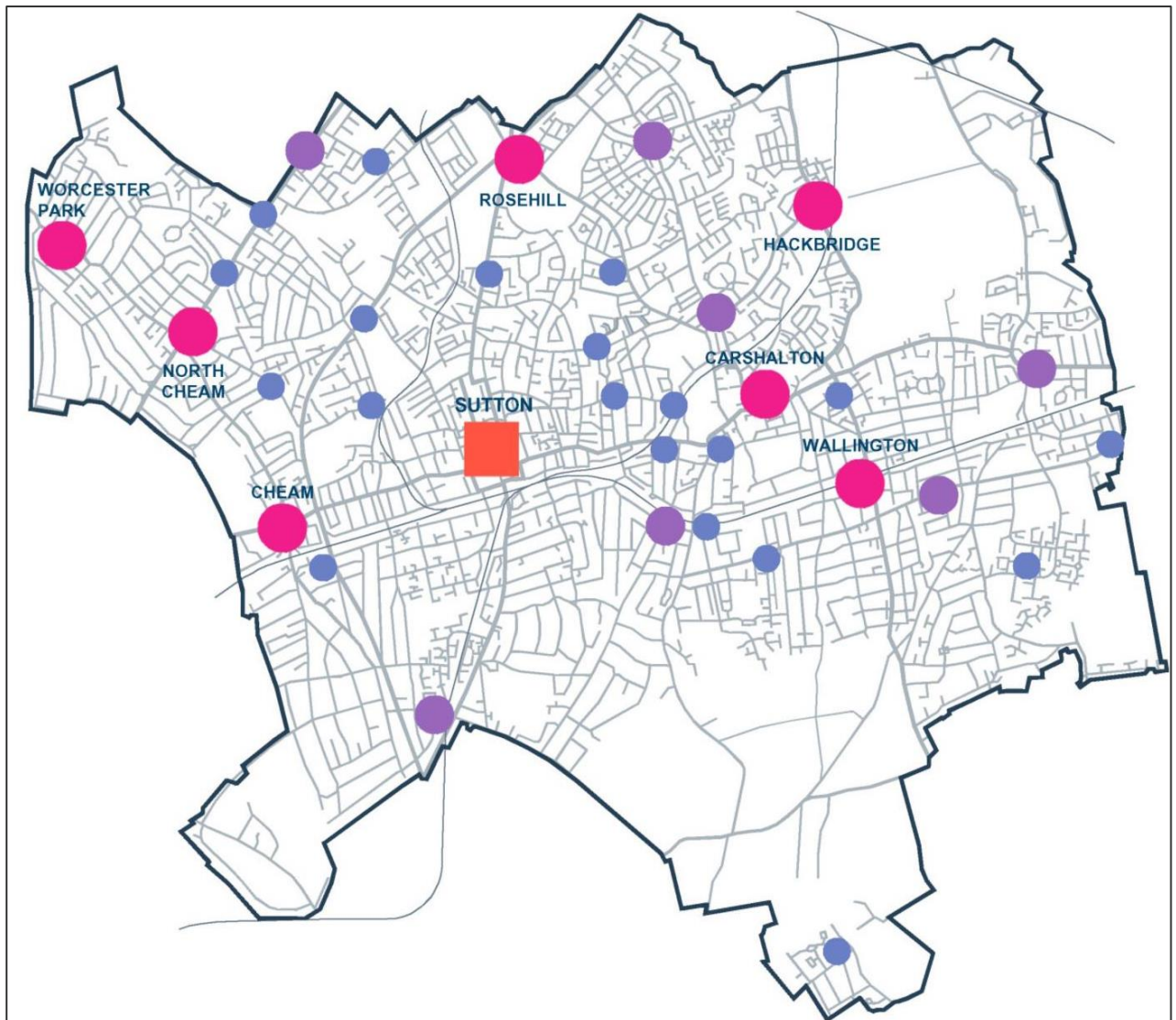


- 2.2 Sutton which is the largest town centre within the borough is centrally located and is bisected by the A232 which is the main cross borough route linking Sutton with Croydon in the east and Epsom in the west.

- 2.3 The other main centres within LB Sutton are:

- Worcester Park
- Wallington
- Cheam (Village)
- North Cheam
- Carshalton
- Rosehill

- 2.4 Hackbridge, which is on the eastern side of the borough, is a focus for regeneration and there are major mixed-use proposals which include providing additional retail and commercial uses to create an improved centre. When this is realised Hackbridge will become a town centre.
- 2.5 Supporting these main centres is a series of local centres which have not been studied in detail as part of this assessment. Information on the location, form and content of these smaller centres can be found in the LB Sutton Strategic Planning publication 'Local Centres Health Check', May 2014¹. The location of the main centres in the LB Sutton and distribution of local centres is shown on the map below.



- 2.6 At a strategic level, competitors with Sutton's main town centres are Kingston upon Thames, Croydon, Wimbledon, Epsom and Banstead. Out of centre facilities which are attractive as shopping destinations for the borough's residents include Purley Way and Colliers Wood.

¹ http://www.sutton.gov.uk/downloads/file/1602/local_centres_-_december_2014

Current Retail Planning Policies

- 2.7 Set out below is a brief review of the national and local planning policies relevant to retailing and town centres.

National Planning Policy Framework (NPPF)

- 2.8 On 27 March 2012, the Government published the National Planning Policy Framework (NPPF), which consolidated the guidance set out in preceding Planning Policy Statements (PPS), Planning Policy Guidance (PPG), and a number of related circulars, into a single document. Following its publication, this document now forms the statutory national planning policy guidance against which plans are made and applications for new development must be assessed.
- 2.9 Paragraph 6 of the NPPF confirms that 'the purpose of the planning system is to contribute to the achievement of sustainable development' and provides the economic, social and environmental implications of this for the planning system. Paragraph 9 adds that 'pursuing sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people's quality of life' through a variety of means, including 'making it easier for jobs to be created in cities, towns and villages', and 'replacing poor design with better design'.
- 2.10 The NPPF makes it clear that there should be a presumption in favour of sustainable development. For plan making, this presumption in favour of sustainable development means that 'local planning authorities should positively seek opportunities to meet the development needs of their area' and that 'Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change' (unless the adverse impacts of doing so would significantly outweigh the benefits, or specific policies contained within the NPPF indicate that development should be restricted).
- 2.11 Paragraph 17 of the NPPF sets out a series of 12 'Core Planning Principles' which should underpin both plan making and decision taking. These 12 principles include a requirement that planning should be 'genuinely plan led', with 'succinct plans' to shape development of an area. Local planning authorities should also support sustainable economic development, and plans should take account of market signals to set out a clear strategy for allocating sufficient land for development.
- 2.12 Paragraphs 23 to 27 of the NPPF ('ensuring the vitality of town centres') pay particular attention to retail matters. The NPPF retains the approach set out in PPS6, PPS4 and preceding national planning guidance by advocating a 'town centres first approach', stating that planning policies should positively promote competitive town centre environments (paragraph 23). In drawing up local plans, LPAs should:
- Recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
 - Define a network and hierarchy of centres that is resilient to anticipated future economic changes;

- Define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;
- Promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
- Retain and enhance existing markets and, where appropriate, reintroduce or create new ones, ensuring that markets remain attractive and competitive;
- Allocate a range of suitable sites to meet the scale and type of development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;
- Allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
- Set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- Recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
- Where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

2.13 Paragraphs 24 to 27 of the NPPF discuss the principal 'tests' which LPAs should apply to applications for retail development, which fall outside defined town centre locations. Firstly, applications for 'town centre uses' (such as retail) outside defined centres will need to demonstrate compliance with the sequential approach i.e. they must demonstrate the proposed scheme cannot be accommodated on an in-centre site (if the application site is in an edge-of-centre location), or either an in-centre or an edge-of-centre site location (if the application site is in an out-of-centre location). Both applicants and local planning authorities are expected to demonstrate flexibility on issues such as format and scale.

2.14 Applications for 'town centre uses' outside defined centres which are above 2,500m² (or a local set threshold) must also submit an impact assessment, to assess the impact of the proposal on existing, committed, and planned investment in defined centres in an appropriate catchment area, as well as the impact on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area. The NPPF is clear that in instances where a planning application cannot demonstrate compliance with either the sequential or impact 'tests', it should be refused planning permission.

2.15 With regard to plan making, paragraphs 150 to 185 of the NPPF is most relevant with paragraphs 150 to 157 focussing on the role of Local Plans.

2.16 Paragraph 150 of the NPPF states 'Local Plans are the key to delivering sustainable development that reflects the vision and aspirations of local communities' and that 'planning decisions must be taken in accordance with the development plan, unless material considerations indicate otherwise'.

- 2.17 The NPPF advises that local plans should be aspirational but realistic, and should set out opportunities for development and clear policies on what will or will not be permitted and where; as well as detailing strategic priorities for the area, including for the provision of retail, leisure and other commercial development.
- 2.18 In preparing local plans, the NPPF at paragraph 158 identifies a requirement for local planning authorities to use a proportionate evidence base. Furthermore, local plans must be based on 'adequate, up to date and relevant evidence about the economic, social and environmental characteristics and prospects of the area and be comprehensive in their assessments, ensuring that they are integrated and that they take full account of relevant market and economic signals.
- 2.19 As such, and as advised in paragraph 161, in relation to retail matters, the evidence base should assess, amongst other things:
- The needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
 - The role and function of town centres and the relationship between them, including any trends in the performance of centres; and
 - The capacity of existing centres to accommodate new town centre development.
- 2.20 Examining Local Plans is dealt with at paragraph 182 of the NPPF which stipulates that local plans must undergo independent examination. In addition to showing a local plan has been prepared in accordance with the Duty to Co-operate and legal and procedural requirements; the local plan must also be found to be 'sound'. A 'sound' plan is one that is found to be:
- **positively prepared** - based on a strategy which seeks to meet objectively assessed development and infrastructure requirements;
 - **justified** - the plan should be the most appropriate strategy, when considered against reasonable alternatives, based on proportionate evidence base;
 - **effective** - the plan should be deliverable over the plan period; and
 - **consistent with national policy** - the plan should enable the delivery of sustainable development in accordance with policies in the framework.

National Planning Practice Guidance (2014)

- 2.21 In 2014 Government published the National Planning Practice Guidance (NPPG) in order to provide further guidance on and support to the policies contained within the NPPF. The NPPG is a web based resource, which is actively managed by the Department of Communities and Local Government (DCLG) in order to allow for any necessary updates to be issued as soon as possible. The guidance will continue to be subject to a regular review process. One potential issue with this is that there is no formal consultation on any changes or alterations introduced through the NPPG.
- 2.22 The NPPG is set out thematically. Matters associated with town centre uses are contained in the section 'Ensuring the vitality of town centres'. This section states that a positive vision or strategy for town centres, articulated through the local plan is key to ensuring successful town centres that enable sustainable economic growth and provide a wider range of social and environmental benefits. It also states that any strategy should be based on evidence of the current state of town

centres and opportunities to meet development needs and support their viability and vitality. Strategies should also identify changes in the hierarchy of town centres, including where a town centre is in decline. In these cases, strategies should seek to manage decline positively to encourage economic activity and achieve an appropriate mix of uses commensurate with a realistic future for that town centre.

- 2.23 The NPPG also provides further guidance in terms of the interpretation of the NPPF's sequential and impact tests (discussed above), including how they should be applied to both plan-making and decision-taking. A step by step guide to undertaking an impact test is also provided.

The Further Alterations to the London Plan

- 2.24 The LB Sutton is within outer London and the South London Sub-region. Policy 2.6 of The Further Alterations to the London Plan (March 2015) identifies a vision and strategy for outer London which builds upon its diversity and varied strengths and promotes improvement initiatives which are sensitive to local circumstances. With regard to the outer London economy, the Mayor's focus is upon improving long-term economic growth through developing and enhancing capacity and output by increasing competitive attractiveness. This is also to be achieved by prioritising improvements and enhancing the vibrancy of town centres through higher density retail, commercial and mixed-use developments, incorporating housing is specifically identified.
- 2.25 In town centres the Mayor's strategic aim is the coordinated development of a network of town centres which are the focus for commercial development and intensification providing competition and choice in accessible locations and fostering a sense of place and local identity within centres.
- 2.26 Where changes are required in the network of town centres, a coordinated approach is required to deal with promoting centres within the hierarchy, designating new centres or encouraging regeneration in certain priority centres. It is acknowledged in policy 2.15 that town centres with persistent problems of decline may be reclassified at a lower level.
- 2.27 With regard to applications and retail to residential prior approvals in town centres the Mayor's policy (2.15) sets out criteria which should be met, these include sustaining and enhancing the vitality and viability of centres and diversity. When preparing LDF's the policy requires boroughs to:
- sustain and enhance the vitality and viability of centres
 - ensure that local retail capacity requirements have realistic account of changing consumer spending and behaviour when assessing retail need
 - identify town centre boundaries, primary shopping areas, primary and secondary frontages in LDF proposals maps and set out policies for each type of area
 - relate the existing and planned roles of individual centres to the London wide network as a whole to achieve its broader objectives
 - proactively manage the changing roles of centres, especially those with surplus commercial space and look to consolidating and strengthening through diversification with high density, residential led, mixed use redevelopment;

- revising the extent and/or flexibility for non-A1 retail uses in secondary shopping frontage policies
- improve Londoners' access to new and emerging forms of retail provision by realising the potential of the more attractive, generally larger town centres for planned redevelopment as competitive destinations which provide multi-channel shopping facilities and complementary activities including significant, higher density housing in a high quality environment
- actively plan and manage the consolidation and redevelopment of other, mainly medium-sized centres and, where relevant other secondary frontages, to secure a sustainable, viable retail offer; a range of non-retail functions to address identified local needs; and significant, higher density housing in a high quality environment
- ensure that neighbourhood and more local centres provide convenient access, especially by foot, to local goods and services needed on a day-to-day basis; that they enhance the overall attractiveness of local neighbourhoods and serve as foci for local communities; and that surplus commercial capacity is identified and brought forward to meet housing and local community needs, recognising that this process should contribute to strengthening the 'offer' of the centre as a whole

2.28 London Plan policy 4.7 Retail and Town Centre Development echoes policy 2.15. For planning decisions on retail and town centre developments the Mayor applies the following principles:

- the scale of development should be related to the size, role and function of a town centre and its catchment
- adopt a sequential approach to location of retail, commercial, culture and leisure development; and where non central sites are being considered integration with the existing centres and public transport accessibility are key
- an impact assessment is required for new, or extensions to existing, edge or out of centre development.

2.29 With regard to the preparation of LDF's, boroughs are required to:

- identify future levels of retail and other commercial floorspace need
- undertake regular town centre health checks to inform policy and implementation
- take a proactive partnership approach to identify capacity and bring forward development within or, where appropriate, on the edge of town centres
- firmly resist inappropriate out of centre development
- manage existing out of centre retail and leisure development in line with the sequential approach, seeking to reduce car dependency, improve public transport, cycling and walking access and promote more sustainable forms of development.

2.30 The development of new retail floorspace and the types of retail appropriate to centres across the London network is explained in policy 4.8: Supporting a Successful and Diverse Retail Sector and Related Services. This places emphasis on meeting comparison goods shopping needs in the highest order centres (International, Metropolitan and Major Centres) as the most accessible and multi-functional locations and allocating convenience based retailing to District, Local and Neighbourhood centres. Other measures including support for markets; harnessing e-tailing and its delivery systems; and maintaining diversity and functionality of centres by preventing the loss of essential and specialist shopping and valued community assets.

- 2.31 Annex 2 to the London Plan identifies the existing role and function of town centres in the London town centre network and provides a broad indication of the future growth potential of each town centre. Additional information is also provided regarding anticipated changes to classifications over the plan period and the roles of town centres in the regeneration process.
- 2.32 The classification by role and function of the main town centres in the London Borough of Sutton are set out below:

Table 1: LB Sutton Centre References in the Further Alterations to the London Plan

Centre	Classification	Night Time Economy	Policy Directions	Office Guidelines
Sutton	Metropolitan	NT2	Medium	B
Carshalton Village	District	-	Medium	-
Cheam Village	District	-	Medium	-
North Cheam	District	-	Medium	-
Rosehill	District	-	Medium	-
Wallington	District	-	Medium	-
Worcester Park	District	-	Medium	-

- 2.33 Sutton is classified as a Metropolitan centre. This categorisation of centre is broadly defined as:

Serving wide catchments which can extend over several boroughs and into parts of the wider South East region. Typically they contain at least 100,000 sq.m of retail, leisure and service floorspace with a significant proportion of high-order comparison goods relative to convenience goods. These centres generally have very good accessibility and significant employment, service and leisure functions. and strategic clusters of night time economic activity are also identified.

- 2.34 The policy direction identified for Sutton at the strategic London Plan level is for medium growth which is reflected by centres which typically exhibit moderate levels of demand for retail, leisure and office floorspace with physical and public transport capacity to accommodate it.
- 2.35 The next tier of centre in the London network is Major Centre, LB Sutton does not have any town centre with this classification.
- 2.36 Carshalton Village, Cheam Village, North Cheam, Rosehill, Wallington and Worcester Park are all defined as District Centres. This classification of centre is considered to typically be:

Distributed more widely than the Metropolitan and Major centres, providing convenience goods and services for more local communities and accessible by public transport, walking and cycling. Typically they contain 10,000–50,000 sq.m of retail, leisure and service floorspace. Some District Centres have developed specialist shopping functions.

- 2.37 Like Sutton the District Centres identified all have medium growth strategic policy directions applied to them.
- 2.38 The criteria used for the classification of Town Centres adopted in the London Plan are explained within the 2013 London Town Centre Health Check Analysis Report (GLA 2013). The core indicators taken into account in the GLA classification are total and proportionate town centre floorspace and categories of floorspace (retail, convenience goods, comparison goods, leisure services, office space); retail rents (ITZA); and public transport accessibility (PTAL). Chapter 4 of this assessment includes a review of LB Sutton's town centres against these core town centre classification indicators.
- 2.39 Hackbridge is noted as an unclassified centre which has potential over the plan period to change to a District Centre. It is noted that the reclassifications would be subject to certain criteria and required changes including capacity and impact assessments, land use and accessibility considerations, planning approvals and town centre health checks.

London Borough of Sutton Planning Policy Documents

- 2.40 Sutton council has adopted a number of Development Plan Documents which together form the statutory development plan for the borough. The Core Planning Strategy sets out a long-term vision, spatial strategy and core policies for shaping the borough's future development up to 2024. The Core Planning Strategy was adopted by the council on 7 December 2009. The Site Development Policies DPD sets out development management policies against which planning applications are considered and allocates sites for future development in order to help deliver the Core Planning Strategy. The Site Development Policies DPD was adopted by the council on 5 March 2012.
- 2.41 Alongside the Core Strategy and Site Development Policies Documents the council have the LDF Proposals Map 2012 which identifies key planning designations and locations suitable for a range of land-uses including employment, retail, major redevelopment sites, open space and nature conservation. The Proposals Map incorporates the Core Planning Strategy, the Site Development Policies DPD and the South London Waste Plan².
- 2.42 LB Sutton town centre planning policy currently comprises:
- Core Strategy Policies PMP6, PMP7 and PMP8; and,
 - Site Development Policies DPD policies: DM37, DM38 and DM39.
- 2.43 We very briefly review these policies and supporting text below.
- 2.44 Policy PMP6 – Sutton Town Centre identifies Sutton as a metropolitan centre and seeks to bring forward proposals for new shopping, office, housing, accessible community and leisure facilities and cultural development, which will contribute to the regeneration and growth of the town centre. Specifically, the policy seeks *inter alia* expansion of the main retail and leisure area to increase the range and quality of retail offer and provide a balanced socially inclusive night time

² The joint South London Waste Plan covers the London Borough of Sutton, the Royal Borough of Kingston upon Thames, the London Borough of Merton and the London Borough of Croydon. The South London Waste Plan was adopted by the Council on 5 March 2012.

economy. The policy also recognises the need to create and protect employment opportunities in the town including enhanced office supply. It is highlighted that the council expects 90 to 95% of predicted growth in comparison goods floorspace to be provided within Sutton town centre.

- 2.45 Policy PMP7 – Hackbridge identifies the promotion of Hackbridge as a District Centre and sustainable neighbourhood and supports proposals for new shopping, housing and commercial development to bring about growth and regeneration. A key strand of this regeneration is the re-use of land and premises at the former Kelvin House site and Felnex Trading Estate with higher density housing and supporting services and facilities.
- 2.46 Policy PMP 8 – Other District Centres and Local Centres promotes Wallington, Rosehill, North Cheam and Worcester Park as District Centres and supports intensification of housing, shopping and other commercial uses, and accessible community and leisure facilities to increase the range and quality of the retail offer; and to provide safe and attractive environments through enhancements to the public realm. This policy specifically identifies proposals for Wallington to expand retail and office offer in the centre and provide enhancements to public transport and community facilities.
- 2.47 Under Policy PMP8 Cheam and Carshalton villages, given their historic nature and extensive Conservation Area designations, are identified as District Centres for consolidation and protection of retail function.
- 2.48 PMP8 also considers that Local Centres can accommodate proposals of an appropriate scale to maintain their role as local centres, protect retail offer and enhance their environments.
- 2.49 Site Development Policy DM37 - Shopping Frontages in Town Centres is a criteria based policy which seeks achieve an appropriate balance of retail and other town centre uses. The policy resists the loss of A1 shops at ground floor level in Sutton Town Centre's primary shopping area. In Sutton's secondary shopping frontages and the borough's District Centres a more relaxed approach is identified which places an emphasis upon diversity of uses and promoting the vitality and viability of town centres.
- 2.50 Promoting Local Shopping Provision in Local Centres (Policy DM38) is concerned with maintaining and enhancing convenience and everyday shopping provision within designated local centres. To secure the loss of such a use, it has to be demonstrated that existing provision is adequate and will not be adversely affected and that the premises subject to change have been vacant for an extended period of time with no prospect of letting it for retail.
- 2.51 Policy DM39 Local Shopping Provision outside Town and Local Centres is a policy responding to new convenience store developments which will be permitted if of an appropriate scale for the locality.

Conclusions on Retail Planning Policy

- 2.52 National Planning Policy adopts a 'town centres first' approach to locating retail and other town centre use developments. The local policy approach in the LB Sutton DPDs are in line with this overriding objective and seek to promote and enhance town and District Centres in accordance with the locally defined hierarchy of centres having regard to the scale and function of individual centres.

- 2.53 We deal with the current vitality and viability of the main centres in LB Sutton's town centre hierarchy later in the assessment but it is worth highlighting that the nature and composition of town centres has been changing with a shift toward a more diverse range and mix of uses.
- 2.54 Whilst retail activity in centres remains important, the potential of other footfall generating uses and activities should be recognised as having a contribution to vitality and viability particularly where demand for retail premises may be in decline.

3. Town Centre and Economic Development Trends

Town Centres Market Overview

- 3.1 The retail sector and town centres are undergoing a period of significant structural change arising not just from the effects of the recent and sustained economic downturn but also the continuing popularity and convenience provided by out-of-town facilities and the increasing adoption of online shopping by both consumers and retailers.
- 3.2 The changing face of town centres and the issues facing 'High Streets' have been highlighted in a number of recent independent studies including The Portas Review, The Grimsey Review, The Fraser Review and Beyond Retail's 'Redefining the Shape and Purpose of Town Centres'.
- 3.3 As an introduction to the market analysis we highlight a number of the key findings of these independent studies and then provide our own sector-by-sector analysis and review trends which will have a bearing upon the need for and type of new floorspace being demanded over the time horizon of the study.

The Portas Review (2011)

- 3.4 Mary Portas was appointed by the Government to lead an independent review into the future of the high street, largely in response to the stagnation and decline of town centres nationally, seen as a consequence of reduced spending on the high street. The report, published in December 2011, suggest a number of measures which it was considered could tackle the further decline of the high street.
- 3.5 The Portas Review had 27 separate recommendations. Relevant to this assessment is the recommendation to strengthen planning policy in favour of 'town centre first' and encourage groups with interests and roles within centres to adopt a coordinated approach. The core Portas recommendations included:
 - Run town centres like businesses: by strengthening the management of high streets through 'Town Teams', developing the 'Business Improvements Districts' (BID) model and encouraging new markets;
 - Get the basics right: by looking at how the business rate system could better support small businesses and independent retailers, encouraging affordable town centre car parking and looking at further opportunities to 'deregulate' the high street and relax local authority restrictions that hold local businesses back.
 - Level the playing field: by making explicit within the NPPF a presumption in favour to town centre development, introduce Secretary of State 'exceptional sign off'; and encouraging large retailers to show their support for high streets by mentoring local businesses;
 - Define landlords' role and responsibilities: by encouraging a 'contract of care' between landlords and their commercial tenants, looking at disincentives for landlords leaving properties vacant, and empowering local authorities where landlords are negligent and making proactive use of Compulsory Purchase Order powers; and

- Give communities greater say: by including the high street in neighbourhood planning, directing more developer funding to supporting community groups, and, encouraging innovative community uses of empty high street spaces.

- 3.6 The Government response to the Portas Review (published in March 2012) accepted virtually all of the recommendations and set about providing some funding to take forward the Portas recommendations on 'Portas Pilot Towns', 'High Street Innovation Fund' and the 'Future High Street Fund'.
- 3.7 The Government did not however go so far as to impose an embargo on all new out of town development - Portas had called for the introduction of a mechanism requiring the Secretary of State to 'sign off' all new out of town developments.
- 3.8 Recent experience confirms that the Government will continue to use its call-in powers sparingly when considering whether to intervene on proposals for town centre uses which are being promoted on out of centre sites.

The Grimsey Review: An Alternative Future for the High Street (2013)

- 3.9 This report was developed as an 'alternative response' to the recommendations of the Portas Review. It was authored by Bill Grimsey, the former boss of DIY chain Wickes and food retailer Iceland in collaboration with eight other industry experts.
- 3.10 The Grimsey Review was critical of the Portas Review for failing to highlight to the Government the dramatic structural changes impacting that have impacted the retail industry and town centres due to the convergence of changing consumer behaviour by technology as well as changes brought about by the prevailing economic conditions.
- 3.11 The Review set out three specific conclusions which were:
- Town centre/high street plans must encompass a complete community hub solution incorporating; health, housing, education, arts, entertainment, business/office space, manufacturing and leisure, whilst developing day time, evening time and night time cultures where shops are just a part of the total plan.
 - A number of radical government actions are required in order to create a level playing field which will provide conditions for town centres to facilitate change, encourage local investment, cutting through red tape and providing a common set of measures to track performance.
 - A methodology and timetable is required to enable all local authorities to produce a town centre business plan complete with timelines, capital and revenue costs and benefits. The output for each town centre will be different identifying their own individual selling proposition and vision based on their unique heritage.
- 3.12 The Grimsey Review made 31 wide-ranging recommendations on how to save UK town centres the first of which was that it needs to be accepted that there is too much retail space in the UK and that bricks and mortar retailing can no longer be the anchor to creating thriving town centres. Other recommendations included encouraging more people to live in town centres, appointing a High Streets Minister, introducing free car parking (for two hours) and freezing car

parking charges and creating technologically connected town centres which embrace the digital world.

- 3.13 There were a number of common themes between Portas and Grimsey. However, it could be argued that the Grimsey report was more commercially minded and highlighted the very significant issues around business rates, their rising cost relative to rent and other property overheads.
- 3.14 The quality of town centre environment and accessibility was highlighted by Grimsey as a key to successful town centres. Urban design, public realm and transport connectivity should be priorities as they are the building blocks making the connections between people and places, movement and urban form, nature and the built fabric.

Fraser Review: National Review of Town Centres (2013)

- 3.15 Malcolm Fraser led an external advisory group in preparing a review of community and enterprise in Scotland's town centres. Whilst prepared for the Scottish Government, the findings of the report are equally relevant to town centres in the rest of the UK (and beyond).
- 3.16 The report identifies three key reasons why town centres are important and deserve special consideration, namely:
- They are places of creativity and enterprise – bustling cities are a nation's economic powerhouse and these need a network of vigorous smaller centres around them.
 - Town centres allow sharing of resources and services and their density means that shops, workplaces, leisure, culture and public services are near. Even if people do not live in-centre, they are the focus of public transport and accessible to the whole community.
 - Town centres are our long-established and true eco-towns.
- 3.17 The report provides a series of recommendations and actions under six key themes which are:
- | | |
|----------------------------|------------------------------|
| ▪ Town Centre Living | ▪ Accessible Public Services |
| ▪ Vibrant Local Economies | ▪ Digital Towns |
| ▪ Enterprising Communities | ▪ Proactive Planning |
- 3.18 Measures identified include bringing empty town centre properties including those above shops back into use for housing which recognises the importance of residential footfall in creating vitality and viability; and using the town centre first presumption on all decisions about the location of public sector services and new community infrastructure to strengthen the economic, service and transport hub role of town centres.

Market Context

Town Centres

- 3.19 Town centres, and their retail content in particular, have undergone significant change over the last decade and continue to evolve.
- 3.20 The change has been primarily as a consequence of changing consumer shopping habits in responding to the growth and adoption of online retailing and the impact of the last sustained period of economic downturn on town centre businesses and consumer disposable incomes.

- 3.21 These factors combined led to a number of national multiple retailers entering administration and disappearing from high streets and those retailers that remain have made structural changes to their store networks and also how they now interact with customers.
- 3.22 Many national multiple retailers now have a store location strategy which is to have a strategic focus upon larger higher order centres in which they operate large stores offering the full range of their products. Where they have smaller stores in centres which do not conform to this requirement they will either close them or may depending upon location retain them if they provide good geographic coverage for click and collect services. The success of the online retailing channel for national retailers means that they simply do not need as many stores as they have historically held in their portfolios.
- 3.23 This trend is further fuelling the polarisation of shopping into an ever smaller number of major town and city centres. In the 1980's and 1990's the focus of retail activity was upon the top 150 or 200 towns in the UK, retailers and shoppers are now gravitating toward the top 50 to 70 major shopping locations as these larger centres have a very extensive range and choice of non-food comparison goods shopping and strong diversity making them prime destinations for extended shopping and leisure trips.
- 3.24 For the town centres not within the top echelon there are both threats and opportunities from evolving retail formats and other town centre uses. Generally, the town centres that have weathered the economic downturn the best have a diverse range of uses and for small and medium sized centres the opportunity and potential competitive advantage lies in refocusing the role and function away from solely being shopping destinations to incorporate a much broader retail, leisure, culture and residential offer.

Out of Centre

- 3.25 Despite the affirmed 'town centre first' planning policies applied from the national level down, this has not resulted in an embargo on retail development outside town centres and research undertaken by Verdict³ indicates that in the five years between indicates that between 2007 and 2012, the amount of out of centre floorspace increased by 23%.
- 3.26 The edge and out of town retail market place has also been undergoing change brought about again by the economic downturn, internet based retailing and the drive from landlords to boost asset values.
- 3.27 As with the town centre, the demise of certain national multiple retailer occupiers from the retail warehouse marketplace and rationalisation by existing retailers coupled with the growth in online fulfilment has reduced the level of demand from the traditional 'bulky-goods' sector for large retail warehouse premises. At the same time, the convenience of these locations in terms of car borne accessibility and parking coupled with large well configured units has spiked the interest of non-bulky retail occupiers.

³ Verdict/Datamonitor, UK Out of Town Retailing.

- 3.28 In response retail warehouse and park owners have been securing planning permission to remove bulky goods type restrictions, subdivide too large units, introduce smaller 'kiosk' units to accommodate food and beverage occupiers and upgrade the quality of park environments.

Internet Retailing

- 3.29 A review of the marketplace would not be complete without comment upon on-line retailing which has from its infancy around 10 years ago now become a mainstream widely adopted trading 'location' in competition with traditional bricks and mortar locations.
- 3.30 The market share of on line retailing is currently estimated to be around 5% for convenience/food retailing and averaging around 15% overall for non-food comparison goods retail. However, within the comparison goods sector there is a wide range of market share depending upon type of goods. For example statistics on penetration in terms of what shoppers are doing on line⁴ shows that in the books and music categories the internet performs strongly with around 70% of consumers making such purchases online, in contrast the internet's sales penetration into the carpets and floorcoverings sector is much lower at around 20%. Generally the more homogenous a product is the more likely it is to be suited to internet selling, where a product needs to be physically examined, tested or fitted it is less likely to be purchased on line.
- 3.31 As part of this assessment we used the household telephone survey to interrogate LB Sutton resident's use of the internet for shopping⁵. The results confirm that internet shopping is popular with residents: 65% make purchases via their home internet and a further 17% also use portable/mobile internet for shopping. The goods most likely to be purchased on line include books, clothes, music and computer games. Less likely to be purchased are DIY and garden items jewellery and sports goods.
- 3.32 Forecasts of the future share of the internet suggest that it could peak around 2020 and plateau at around 20 to 25% of all retail transactions being carried out on-line.
- 3.33 However this does not necessarily mean a corresponding impact upon traditional retailing as click and collect and the fulfilment of online orders from physical retail stores will still generate footfall and commerce within town centres (and on retail parks). The option of using the internet to 'click and collect' in-store is also increasing in popularity, for example it has been reported that this service is accounting for a fifth of John Lewis internet order fulfilment. Online spending continues to be the key growth opportunity for national and independent retailers, accounting for increasing proportions of total sales. Such multi-channelling development strategies are actually driving demand for traditional outlets, whereby retailers are using bricks and mortar store as a showroom for their products with service locations for collection and drop off points for their online orders. Similarly the network of Collect+ points within local independent stores and collection lockers provide the opportunity for smaller centres to benefit from the collection of internet based purchasing.
- 3.34 It is clear that e-tailing will not replace the 'shopping experience' as shopping is a social activity. In this regard, retailers are already adopting innovative approaches to encourage people to visit

⁴ Data from Verdict (2012)

⁵Appendix 2 Sutton Household Survey - see questions 51, 52 and 53.

their store through ‘try before you buy’ and product testing concepts. For successful retailers, online selling provides an additional route to the market. Online retailers benefit from demand generated through physical channels whilst high-street outlets can benefit from reaching a wider customer base through the internet as well as through actual footfall. Those retailers who are likely to have a healthy future are those who are able to combine a strong high street presence with an interesting and closely related e-tail offer this can only be achieved through a well-considered multichannel or seamless omni-channel strategy.

Sector Review

Food and Convenience Shopping

- 3.35 The main food retailing market in the UK continues to be dominated by four main national grocery chains (Tesco, Sainsbury, Asda, Morrisons) but that dominance is being impacted by the growth recently experienced by the limited assortment discounters (Aldi and Lidl) which were previously viewed as a supplement to the main grocery market given their more limited goods ranges but are now acknowledged by the public as having a range of goods which can fulfil main food shopping.
- 3.36 The growth of the discounter and their no-frills retail offer has taken market share at a time when the economic downturn and the internet, particularly its diversion of non-food shopping, has also had a negative effect on the established main grocery retailers larger stores. In addition, consumers are now more trusting of and appreciate the convenience provided by on-line grocery shopping and having goods delivered home. All of the main grocery retailers now offer on-line food shopping services.
- 3.37 Consumers’ food shopping behaviour during the economic downturn changed from larger bulk food shopping to making more frequent trips but buying less in order to minimise food waste and avoid the cost of wasted food. Although the UK has now come out of the recession, the pattern of buying less food more often has continued.
- 3.38 The impact of these key changes (growth of discounters, the internet and changing consumer patterns) has led to a shift away from the largest format superstores and hypermarkets. The race to add more large store floorspace to existing main grocery retailer portfolios has come to an end and more recently the retailers have been divesting space in their largest stores, seeking to introduce other retailers and services into the largest stores (for example Tesco’s tie in with Giraffe family restaurants and Euphoria bakers to occupy surplus and underperforming in store space and also closing underperforming stores and withdrawing from committed and planned developments.
- 3.39 The growth in the food retail sector in terms of physical floorspace and store requirements now is through expansion by the discounters (Aldi and Lidl) and the recent trial reintroduction of Netto into the UK through a tie up with Sainsbury is an indication of the potential growth that is seen in that market. The main grocers have focused upon compact food supermarkets (very little non-food offer) and smaller convenience stores.
- 3.40 The push into convenience store retailing by all of the main grocery retailers is not simply a whim on their part. The success of food retailers or retailers in any sector for that matter is that they listen to and understand their customers. All of the food retailers carefully analyse customer

shopping habits changing behaviour and emerging trends to shape their store development strategy and, with top-up shopping becoming the norm for the convenience sector, food retailers are adapting to new challenges.

- 3.41 Within the convenience store sector, there has been a noticeable increase in the proportion of fresh produce being offered and this is a clear response to shoppers now buying little and often at this format of store rather than at larger supermarkets. The choice being motivated by convenience and availability of fresh fruit, veg, meat and fish in their local store.
- 3.42 The main grocers have also heavily invested in their online retailing presence and this is becoming an increasingly popular way to bulk food shop for consumers. The challenge for the retailers is to wean their customers from home delivery which is a costly model to run over to a click and collect fulfilment model.

Non Food Comparison Goods Sector

- 3.43 Like the food sector, non-food retailing has been undergoing significant change as a result of the past economic downturn and the switching of consumer spending to on-line shopping.
- 3.44 There were a number of national multiple retailer casualties in the economic downturn. Some have returned from administration, other have been the subject of management buy-outs or been bought by others but the reality of the position is that there are now fewer national multiple retailers in the UK and in many instances their store closures have left some significant voids which often are not filled by retailers but taken up by food and beverage operators and commercial leisure uses.
- 3.45 Some examples of retailers that have been affected by administration over the last five years include:
- Electrical retailers: Comet, Best Buy, Phones 4 U,
 - Clothing and fashion retailers: Jane Norman, Principles, Internationale, Adams Childrenswear, Officers Club, Ethel Austin, Alexon, Faith Shoes, Barrats, JJB Sports, USC
 - Books/Media retailers; Borders, Virgin Megastore/Zavvi, Game, Clintons Cards
 - Homeware retailers: Habitat, Focus DIY, Floors-2-Go, Sofa Workshop, MFI
 - Variety retailers: Woolworths, TJ Hughes
- 3.46 The administrations have not been biased toward any particular location type: town centre and retail warehouse and retail park traders have all been casualties.
- 3.47 In response to the rise of the internet and on line shopping, non-food comparison goods retailers have embraced multi-channel and omni-channel trading and the proportions of their trade derived from online sales has steadily grown to the point where they are now reducing their existing 'bricks and mortar' store portfolio. Physical stores are becoming 'showrooms' for merchandise which can then be purchased on line or equally they are convenient locations for 'click and collect' or to return items. Therefore motivation in which stores to retain and close is becoming a decision about the convenience of a particular location and ensuring a spread which provides an appropriate level of geographic coverage.
- 3.48 In addition, retailers reducing store portfolio size has been driven by the higher relative cost of property-based sales compared to online/distribution services. A significant element of this has

been the cost of business rates which have increased markedly whilst rent has risen more modestly.

- 3.49 Other sectors such as the DIY market whilst not losing any players have seen major rationalisation and a shift from very large format DIY Depot stores toward smaller stores and catalogue-based trade counter facilities (Screwfix and Toolstation).
- 3.50 However, in more recent years, the demand for out-of-centre representation from retailers has been reducing amongst the more traditional bulky goods traders that took retail warehouse and retail park space. The changing market place for DIY, furniture and electrical goods resulting from internet-based sales growth has meant that landlords and investors have been actively seeking to relax bulky goods type trading restrictions to allow a wider range of non-food retail goods and food and beverage uses.
- 3.51 Recently, out-of centre retail space has been attractive to clothing, leisure and mixed goods retailers, with some introducing new formats to trade from these locations. Examples include John Lewis at Home, Marks and Spencer, Next Home and Garden, Decathlon, Go Outdoors, Sports Direct and TK Maxx. Discounter and variety type stores such as B&M Bargains, Dunelm Mill, Poundstretcher and The Range have also increased their out-of-town presence.
- 3.52 We highlighted earlier in this section the issues within the grocery market and the problems the main food retailers face with their largest stores. It is anticipated that additional out of centre retail space will become available in the short and medium term as the food retailers seek to divest stores and sub-let floorspace.

Leisure and Other Town Centre Uses

- 3.53 Most market analysts predict that the commercial leisure sector comprising a mix of uses, such as cafes, bars, restaurants and cinemas, will comprise a growing proportion of town centre units and floorspace going forward. . This growth in commercial leisure is partly a replacement for reduced demand for traditional retail space but also driven by demand for leisure activities in response to a greater proportion of households discretionary spend on leisure-based activities. In the UK leisure spending by households is primarily upon food and drink which accounts for over 50% of total leisure spending, in contrast around 15% of total leisure spend is spent on cultural activities (e.g. going to the cinema, theatre, art galleries or live music) and less than 10% is spent on hotels, 'games of chance' (such as bingo) and recreation/sporting services.
- 3.54 Broadly the commercial leisure sector comprises the following sectors:
- restaurant/food and beverage
 - cinema
 - health and fitness
 - hotels
- 3.55 Across the leisure sector, the market has generally been more positive than for retail. Commercial leisure has not been impacted to any significant degree by internet growth although film streaming services do provide competition to cinemas but cannot match the overall cinema going experience.

- 3.56 The restaurant and food and beverage sector has seen a sustained level of growth, with new multiple operators and brands entering the casual and family dining market and continued expansion by the coffee shop chains. It is also notable that local independent food and beverage operators are coming forward as part of an artisan and 'foodie' revival, although this is not as evident in every town centre compared to the national chains. Coffee shops, in particular, are also playing an important role in encouraging visits and extending dwell time in town centres as they perform a wider role as meeting places, providing wifi access for mobile working and becoming community hubs. They are also now operating extended opening hours and some of the smaller chains and independents are also applying for alcohol licenses to expand their offering further.
- 3.57 Casual dining brands such as Nandos, Wagamama, Pizza Express, Zizzi, Bill's, Jamie's Italian, Carluccio's, Gourmet Burger Kitchen, Byron and Yo-Sushi are successful as they provide speed combined with good ambiance and generally also good value for money enabling families and younger people to dine out on a more regular basis or combine dining with other shopping and leisure activities.
- 3.58 For high streets, the casual dining model can provide footfall and activity throughout the day and into the evening. However take up of vacant retail space by branded operators has been limited in traditional town centres often to locations with the highest footfall due to their strict property requirements including size, location and configuration as well as exposure to both day and night time trading. Nationally, the most sought locations for A3 multiple operators tend to be retail/leisure parks and shopping centres since units can easily be configured to meet standard fit out requirements. These operators also value adjacencies to strong retail pitches and high street locations in larger town centres are also targeted.
- 3.59 Pubs and Bars continue to be a central feature of the leisure industry, with three in five adults visiting them for a drink in 2013. However, the industry remains in transition and pubs are under pressure from a number of factors including an overall decline in beer sales and the growth in the off-licence trade, particularly in the sales of alcohol by supermarkets. The reasons behind this are a series of legislative changes (smoking ban and beer duty escalator), social and economic trends which have conspired to squeeze industry revenue and margins, and ultimately forcing many pubs out of business.
- 3.60 As a consequence a significant number of pubs (local pubs and within town centres) have been offered for sale some are being purchased and remain in pub/restaurant use but a number are being converted to housing or other commercial uses such as supermarket convenience stores.
- 3.61 Within pubs and bars a comprehensive food offering has become an important business driver in increasing revenue from customers and there is a blurring of function between the pub and restaurant sector particularly for casual dining.
- 3.62 Within new shopping centre developments the balance between retail and food and beverage is shifting whereas previously the focus was on retail tenants, the importance of food and beverage in attracting and retaining shoppers has been recognised and food courts are no longer tucked away separate from the retail they are integral to the overall offer and are often in gateway units.

- 3.63 In the cinema market growth has been split between two distinct offers, multiplex (large multi-screen complexes) and boutique cinemas (typically two or three screens). This is a shift from a market where growth had primarily been driven by multiplex developments on edge and out of centre sites at the expense of traditional in-centre cinemas which were declining. However the advent of digital technology has meant that the space requirements for cinemas have reduced and boutique cinemas can be accommodated more easily with town centre locations.
- 3.64 Comparing the numbers of screens, auditorium seats and cinema going the multiplex operators (including Vue, Cineworld, Odeon, Showcase) have the largest share of the market. The boutique and traditional cinema operators (Curzon, Everyman and independents) have a lower but slowly increasing share of the market as they become attractive anchor tenants for smaller development schemes in smaller towns serving more localised catchments and offering an alternative to the larger multiplex served catchment areas.
- 3.65 Another area of change and growth in the commercial leisure sector has been the emergence of budget gym operators offering consumers no-contract low cost gym membership which operates 24/7. The main budget gym operators include Pure Gym, Xercise4Less, The Gym Group, Energie/Fit4less and Fitness4less. They are primarily 'dry' gyms in that they do not have swimming pools and unlike the mid and premium health and fitness operators (David Lloyd Leisure, Virgin Active etc) they do not have beauty spas and other facilities.
- 3.66 Typically the budget gym chains will consider town centre and urban locations, particularly where there is a large day time working population. Their space requirements range upwards from 1,000m² and they will consider upper floor or basement level space in existing buildings and in central locations, they do not require dedicated car parking.
- 3.67 The UK hotel market is very fragmented, with the 10 largest operating companies having approximately around 30% of all rooms.
- 3.68 The main growth in the hotel market is the budget sector which is currently dominated by two operators Premier Inn and Travelodge. Holiday Inn (Holiday Inn Express) using a franchising model has become the third largest in the sector and Accor (Ibis, Etap, Formule 1) is the other active budget brand in the UK. These chains initially developed their budget offer in strategic transportation locations as standalone facilities adjacent to motorway service areas and major junctions. More recently they have shifted focus to city and major town centre locations to service business-related trips and short-break leisure trips. They will now typically form part of mixed-use developments and gain benefit from adjacencies with a wide range of other uses. They have also increased the size of the hotels and number of rooms they seek to provide in these central locations relative to their transportation-led offer with requirements for in excess of 100 bedrooms in certain locations.

Conclusions on Market Trends

- 3.69 The future for successful town centres is not all about retail provision, it will though remain a very important use and a major motivator to visit town centres. However there is significant scope for town centres to capitalise on providing a more diverse and mixed range of use thus re-establishing their function as sustainable hubs for retail, commercial, civic, community and residential uses. This joined-up strategy can, in turn, have wider positive implications on the

performance of town centres with residents and visitors spending longer in-centre and undertaking 'linked trips' between retail, leisure and other uses. The development of a balanced commercial leisure offer can also help to increase footfall outside of retail hours, for example in early evenings, particularly if the leisure offer also includes facilities such as cinemas.

- 3.70 In conclusion the retail market has undergone significant changes in recent years, which has been significantly affected by the wider economic conditions facing the UK, which has led to a marked decline in established town centre as well as other retail formats. The growth in online sales has also impacted on the need for new physical shopping floorspace in recent years.
- 3.71 However, with improving consumer spending levels, growth forecast to return albeit at lower levels than previously experienced and the retail industry embracing innovative multi-channelling strategies, there are good prospects for town centres to widen their audience in the future. To deliver this it will be critical that town centres are flexible enough to both embrace digital solutions whilst also providing appropriate and well managed retail floorspace that can showcase products and services. Adopting a well-considered holistic strategy will provide a strong platform to secure the future vitality and viability in town centres.

4. Town and District Centre Analysis

Introduction

- 4.1 In this section we provide a review of the existing retail provision overall function and health of the borough's main town and District Centres.
- 4.2 The centres reviewed are:
 - Sutton
 - Wallington
 - Worcester Park
 - Cheam
 - North Cheam
 - Carshalton
 - Rosehill
- 4.3 We have also reviewed Hackbridge, which although not designated a District Centre, is programmed to have mixed use regeneration plans and, once realised, it is intended that Hackbridge would be elevated in the hierarchy to District Centre status.
- 4.4 We have not prepared a review of the local centres and local shopping parades within the borough, we have however through our various site visits and on the ground research visited all of them and have also reviewed the content of the council's Local Centres Health Check Report⁶ which reviews the composition and mix of uses within these centres.
- 4.5 As a starting point for the composition and health analysis we have reviewed the centre health check work prepared by the GLA (2103 London Town Centre Health Check Analysis Report) this reviewed and classified the town centres in Greater London on the basis of composition and commercial data collected for each of the centres.
- 4.6 We already highlighted in Chapter 2 the London-wide categorisation of the borough's centres, which is:

⁶ http://www.sutton.gov.uk/downloads/file/1602/local_centres_-_december_2014

- Sutton – Metropolitan
- Wallington – District
- Worcester Park – District
- Cheam – District
- North Cheam – District
- Carshalton – District
- Rosehill - District

4.7 The criteria used for the classification of town centres across London is data compiled by the GLA on total and proportionate town centre floorspace and categories of floorspace (retail, convenience goods, comparison goods, leisure services, office space); retail rents (ITZA); and public transport accessibility (PTAL). Set out below is a table which provides the GLA data for the borough's town centres which is supplemented by our own anecdotal information on retail rental levels as these are not available for all centres from the GLA work.

Table 2: LB Sutton Centre Classification Data from GLA Study

Classification Criteria	Metropolitan Threshold	Sutton	District Threshold	Carshalton Village	Cheam Village	North Cheam	Rosehill	Wallington	Worcester Park
Total town centre floorspace (retail, service and leisure) sq.m	100,000 - 500,000	159,635	10,000 - 50,000	9,586	16,901	20,046	8,764	22,624	23,286
Total retail floorspace (sq.m)	85,000 - 500,000	119,604	6,000 - 35,000	6,459	9,394	14,779	7,141	14,582	15,098
Total comparison goods retail floorspace (sq.m)	65,000 - 500,000	93,225	4,000 - 20,000	2,536	4,061	3,491	2,583	4,671	6,196
Comparison goods retail as a % of total retail floorspace	75% - 100%	78%	33% - 60%	39%	43%	24%	36%	32%	41%
Convenience goods retail as a % of total retail floorspace	5% - 15%	16%	10% - 60%	25%	21%	66%	46%	46%	31%
Leisure services (sq.m)	20,000 +	28,295	2,000 - 10,000	2,452	5,909	2,767	1,093	4,941	5,103
Office floorspace (by 31 March 2012) (sq.m)	70,000 - 10,000,000	137,648	2,000 - 40,000	1,399	11,234	5,217	693	30,475	3,474
Zone A Rentals 2012 (£/sqm)	1,000 - 4,000	807	400 - 1,000	160	240	160	107	270	240
Public Transport Accessibility Level (PTAL) – at centroid point	5 - 6	6a	3 - 5	3	3	3	3	4	3

Data from the 2013 London Town Centre Health Check Analysis Report (GLA 2013)

Retail rental information is anecdotal and on an overall rate rather than expressed as Zone A so is not directly comparable with the GLA rental information.

4.8 The red highlighting in the table above shows where the indicator for particular classification criteria lies outside the threshold.

4.9 Sutton is very marginally (1%) above the proportion threshold for convenience goods retailing. This is considered to be by virtue of the town containing two large superstores. Rental levels in Sutton are below the threshold the GLA adopt for Metropolitan Centres.

4.10 The borough's District Centres show some variance from the thresholds, most notably on the quantum of comparison goods floorspace (Carshalton, North Cheam and Rosehill) although in

proportionate terms the level of provision is in threshold apart from at North Cheam where the large foodstore there has a disproportionate effect on the balance of retail floorspace.

Health Check Methodology

4.11 In compiling the health checks for each of the centres we have sought to comment upon a range of relevant vitality and viability indicators which in combination and with the benefit of time series data (where available) can provide a reasonably balanced view of the overall health of a centre and its direction of travel.

- (a) Environmental quality
- (b) Main uses and composition of retailers by GOAD classification
- (c) Recent changes of uses
- (d) Retailer representation and retailer absence
- (e) Vacancy rates
- (f) Retailer rents and yields
- (g) Any notable clustering of types of shops
- (h) Accessibility
- (i) Car parking provision
- (j) Perception of safety and occurrence of crime

4.12 Information has been compiled for each of these indicators by desk-based research and on the ground field survey work or a combination of both. In addition, although largely anecdotal we have sought to discuss the health and performance of the main centres with a range of stakeholders including retailers, landlords, developers, commercial agents and other interested parties.

4.13 In addition, the household telephone survey, which was commissioned specifically to support this assessment, asked a series of qualitative questions about how residents use the borough's main towns and what measures they felt would improve them and encourage residents to use the centres more often. Analysis of these results is included within the health checks for each of the towns.

4.14 A summary of main findings from the health check analysis for each of the borough's main centres is set out below. Our summaries draw upon the vitality and viability health check data for each of the study centres provided at Appendix 1 and spatial environmental quality audits for each of the towns which are also provided affixed to the respective centre health check data.

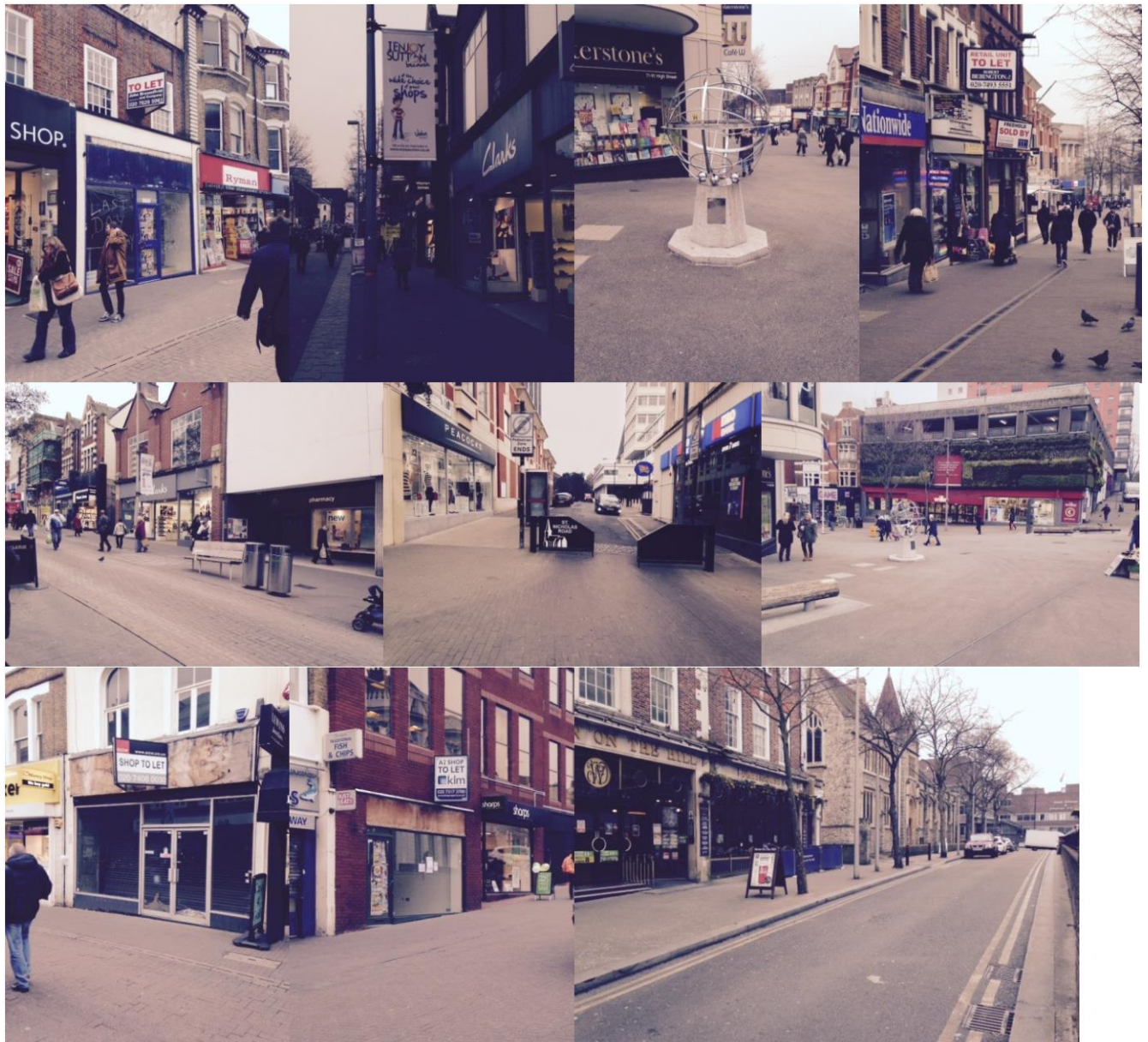
Sutton Town Centre

4.15 Sutton is the main retail and leisure destination in the borough and performs the function of a metropolitan⁷ centre.

4.16 The town centre shopping area which is very elongated upon High Street which extends from the station in the south approximately 1.5kms to the Old Gas Works site and Sutton Green to the north. Much of the length of High Street is pedestrianised and two shopping malls sit either side of High Street. The St Nicholas Centre is the larger of the covered shopping malls and trades on two levels with a small food court area above. The Times Square shopping centre is smaller

⁷ London Plan classification.

and currently undergoing major redevelopment to re-provide larger retailing units and better configured circulation space.



- 4.17 The primary shopping areas are focused on High Street between Trinity Square in the North and Benhill Avenue/Greenford Road to the South.
- 4.18 The retail offer in the town centre is considered to be reasonable with a range of national multiple retailers. Clothing and fashion retailing is primarily mainstream and the offer includes Debenhams, M&S, Next, BHS, Burtons, Dorothy Perkins, New Look, Topman/Topshop, Primark, Peacocks, Deichman, Matalan, Clarks and Shoe Zone. There is limited high quality or aspirational clothing shopping available particularly compared to the brands available in Kingston. The independent clothing and footwear offer is varied.
- 4.19 The stronger, above UK average comparison goods sectors in Sutton are shown on the Goad Category Report (Appendix 1) as being department and variety stores, jewellers, toy and hobby stores, hardware and household goods, electrical and phone shops and cycle shops.

- 4.20 The convenience retail offer in Sutton Town Centre is primarily provided by the large foodstores located within the town centre and supported by their own car parking. The main foodstore anchors to the town centre are Asda and Morrisons. Both are well used stores and provide extensive ranges of both food and non-food goods. Supporting this offer are traditional food retailing outlets (independents) and small convenience stores. Overall, given the range and choice in the superstores, Sutton is well provided with food shopping.
- 4.21 Food and non food provision is bolstered by a street market which operates along High Street outside the St Nicholas Shopping Centre.
- 4.22 Retail service provision in Sutton Town Centre is mixed, there is a strong representation of financial and business services and a reasonable good range and quality of food and beverage provision. Quasi retail uses such as health and beauty salons, opticians are low but these services are more suited to lower tier centres which support Sutton Town Centre.
- 4.23 The vacancy rate in Sutton Town Centre recorded by the Experian Goads survey in February 2014 was 14.3% compared to the national average prevailing at the time which was 11.4%. The vacancy rate average for London was reported to be 7.8%. However our own composition analysis for the whole of Sutton Town Centre undertaken in March 2015 indicates a vacancy rate of 9.9% (39 units). The difference being the treatment of the Times Square shopping centre which we excluded from the vacancy count as it is undergoing redevelopment and is therefore not lettable space currently.
- 4.24 Shop rents in Sutton Town Centre are low relative to its primary competitors and analysis from EGi and anecdotal information from retail letting agents identifies peak zone A rentals are around £75/80/per sqft and are starting to show some growth but will have to improve significantly to return to pre-recession rates which were around £100 per sqft in 2007/2008. By comparison, peak rents in Kingston are around £300 per sqft and Croydon achieves £200 per sqft.
- 4.25 Sutton Town Centre has good levels of accessibility and vehicle movement around the town centre area is from our observation reasonably good around the Sutton 'one-way' system. Because of the pedestrianised High Street, bus services need to be accessed on St Nicholas Way and Throwley Way which run parallel to High Street. Car parking for shoppers is predominately off street in dedicated shopper car parks and the provision appeared adequate for weekday and weekend shopping.
- 4.26 Because the High Street shopping area is linear and there is quite a gradient up from north to south, the walkability of the shopping area can be difficult. To overcome this the Sutton BID provides a free buggy service which travels the length of the pedestrianised High Street.
- 4.27 Shopper feedback gathered from the household survey (Appendix 2) indicates the main reason for visiting the town centre was to shop, visit financial services and pubs, cafes and restaurants. Around 50% of respondents felt that there were no changes or improvements required in Sutton, those that did identify changes highlighted issues around the range and choice of shops, price and availability of car parking and a need to improve the environmental quality of the town centre.

- 4.28 We have provided an assessment of the quality and environment of Sutton Town Centre at Appendix 1. This highlights a number of issues relating to public realm and hard landscaping which is very inconsistent throughout the town centre; a unified theme and palate of materials would make a significant contribution to improving the overall environment. That said, the town centre does have some good quality buildings and adjacent parks and green space which can be harnessed to create a more pleasant setting for the town centre.
- 4.29 Overall we conclude that Sutton is a vital and viable town centre but there is scope for improving its retail offer (moving more upmarket) and to enhancing the overall town centre environment.

Wallington Town Centre

- 4.30 Wallington is a larger District Centre within the LB Sutton. Its shopping area is primarily linear based upon Woodcote Road with some retail and commercial frontage at the south of the centre on Stafford Road and a shopping precinct development, Wallington Square located centrally off Woodcote Road.



- 4.31 Wallington is primarily a centre focused upon food shopping and everyday comparison and retail service offer. The key retailer within the town centre is Sainsbury which benefits from its own multi storey car park and effectively anchors the town. The other large retail unit in the town centre is Lidl, which also has its own small customer car park.
- 4.32 Other national retailer representation within the town is limited and includes Boots, WH Smith, Superdrug, Clarks, Dorothy Perkins, Greggs, Iceland and Tesco Express.

- 4.33 This national representation is supported by a range of local independents which provides diversity and variety. The Goad composition data identifies that non-food shopping is below average composition although there is above average proportions of charity shops, gift and craft stores, stationers and book shops.
- 4.34 Overall for a centre of its size and function, the retail offer is reasonable.
- 4.35 Retail and financial services are an important element of the offer in Wallington. For its size, the level and choice of food and beverage and other commercial leisure is in our view falling short of expectations.
- 4.36 The vacancy rate in Wallington was shown by Goad to be around 13% in 2103 which was marginally above the national average at the time of 11.4%, the London average vacancy rate was 7.8%. Our own composition survey in March 2015 based upon the whole town centre area identified 11 vacant units which equates to a vacancy rate of 6.7%.
- 4.37 There is limited data available on retail rental levels in Wallington, discussions with local agents suggest that the best rental values achieved in the town centre are around £25 per sq ft.
- 4.38 Wallington is an accessible centre which is surrounded by a largely residential catchment. This is demonstrated by its level of walk-in trade. The town has a mix of off street and on street car parking and our perception was that this is well used and adequate. Bus stops are located along Woodcote Road within the shopping area and on Stafford Road, from observation; bus services are also widely used by shoppers to access the town centre. The town centre is however subject to heavy traffic flows and this does have a negative impact upon the overall shopping environment. Measures have been taken to widen pavements and improve the public realm and this has softened the impact of traffic to an extent.
- 4.39 Responses to the household survey relating to usage of Wallington show the centre is predominately a food shopping-based location with an everyday non-food function and a reasonable level of visits for financial and retail based services. Overall there was a good level of satisfaction and improvements identified included more clothing, national multiple retailing and more parking provision.
- 4.40 Overall, we consider that Wallington is a vital and viable town centre which has good diversity and serves its local support populations food and service requirement satisfactorily.

Worcester Park

- 4.41 Worcester Park is a large District Centre and functions as a food, everyday comparison and service centre, primarily serving its local catchment area.



- 4.42 The shopping area is linear based upon Central Road, extending from Balmoral Road in the east to Malden Green in the west. The main anchor retailer is the Waitrose supermarket which has dedicated car park. Other food retailers include a Sainsbury Local and an Iceland. These stores are supported by a range of traditional independent convenience retailers.
- 4.43 Comparison goods retailing is below average levels in terms of town centre share. The national multiple retailers represented in the town centre include WH Smith, Boots, Superdrug and Clarks. The town centre does also have some niche and specialist non-food retailing which provide diversity and extend the range of its attraction.
- 4.44 Proportionately financial and retail service uses are above the level that could be anticipated but this reflects the service function of the town centre.
- 4.45 Overall the centre is diverse and does provide an adequate range of goods and services.
- 4.46 Vacancy rates based on Goad's February 2014 survey identified a rate of around 12% which was on a par with national vacancy rates prevailing at the time (11.4%). Our composition survey in April 2015 identified 9 vacant units which gives a vacancy rate of 6% suggesting recent improvement and new lettings. The average vacancy rate across London at the end of 2014 was 7.8%.
- 4.47 Like Wallington, there is limited information available on which to analyse shopping rents within Worcester Park reliably. Discussions with retail letting agents have highlighted a rental tone of around £20 to 25 per sqft.

- 4.48 Worcester Park is an accessible centre, the railway station is located at the edge of the town centre and bus services run through the town centre on Central Road. However Central Road has heavy traffic flows and this can lead to congestion within the town centre and conflict with pedestrians. Car parking was from our observations well utilised and the off street provision did appear to be nearly full on weekday visits. This is borne out by the household survey information that highlighted car parking capacity as an issue within the centre.
- 4.49 The survey respondents were using Worcester Park predominately for food shopping, everyday non-food and service needs. Improvements sought included less traffic congestion, more car parking and more clothes shops.
- 4.50 Worcester Park's shopping environment is, in our view, reasonable but there are measures which would improve this including providing a greater sense of arrival when approaching the town centre and de-cluttering the public realm.
- 4.51 We consider that Worcester Park is vital and viable but environmental enhancements and potential traffic calming would improve the centre overall making it more attractive to shoppers which in turn would boost demand for premises.

Cheam (Village)

- 4.52 Cheam is a District Centre at the western boundary of the LB Sutton. The town centre is focused upon the crossroads formed by Ewell Road/High Street and Station Way/The Broadway. This provides a relatively compact form to the town centre.



- 4.53 Multiple retail provision within Cheam includes Waitrose, Boots, WH Smith and Sainsbury Local. The other retail provision is local independents which are generally of a good quality and targeting a more affluent clientele. There are for example a number of ladies and menswear boutiques and gift shops.
- 4.54 Overall food and non-food shopping provision is below national average levels within the town centre and financial and retail services are the more dominant uses, in particular food and beverage offer in Cheam is strong and there is a choice of quality restaurants.
- 4.55 Overall the centre is diverse, and in addition to the retail and service offer, has other civic and office uses.
- 4.56 Vacant premises within Cheam are at a low level, Goad recorded a vacancy rate of 4% in 2014 compared to the national average rate of 11.4% and the London average of 7.8%. Our own composition survey found 5 vacant units which equates to a vacancy level of 4.4% which is well below national and London rates.
- 4.57 Retail rental information is limited for Cheam and anecdotal information suggest that rents are around £20 to £25 per sqft.
- 4.58 Accessibility by public transport is good; there is a train station and buses travel through the town centre. Our observations where however that public transport was not being widely used and reliance was mostly upon car travel and walk-in visits from the surrounding predominately residential areas. The car focus does appear to put pressure upon Cheam's two main public off street car parks and the time limited on street parking is also heavily utilised.
- 4.59 The household survey results show that Cheam's role as a food and beverage and leisure destination is as important as its food and non-food shopping role. Overall, respondents were predominately content with Cheam's current facilities (70% responded that no changes or improvements were needed)
- 4.60 Cheam has an attractive environment and much of the town centre is within a conservation area. However, the volume of traffic going through the town centre is detrimental and measures which can calm or control the flow of traffic or reduce traffic queuing would be of benefit to the towns environment.
- 4.61 We conclude that Cheam is a vital and viable centre.

North Cheam

- 4.62 North Cheam District Centre is located on London Road (A24) at its junction with Cheam Common Road/Malden Road (A2043) both of which are busy roads and the A24 is dual carriageway. This creates significant physical separation between the shops and services on

the north-west and south-east sides of the London Road.

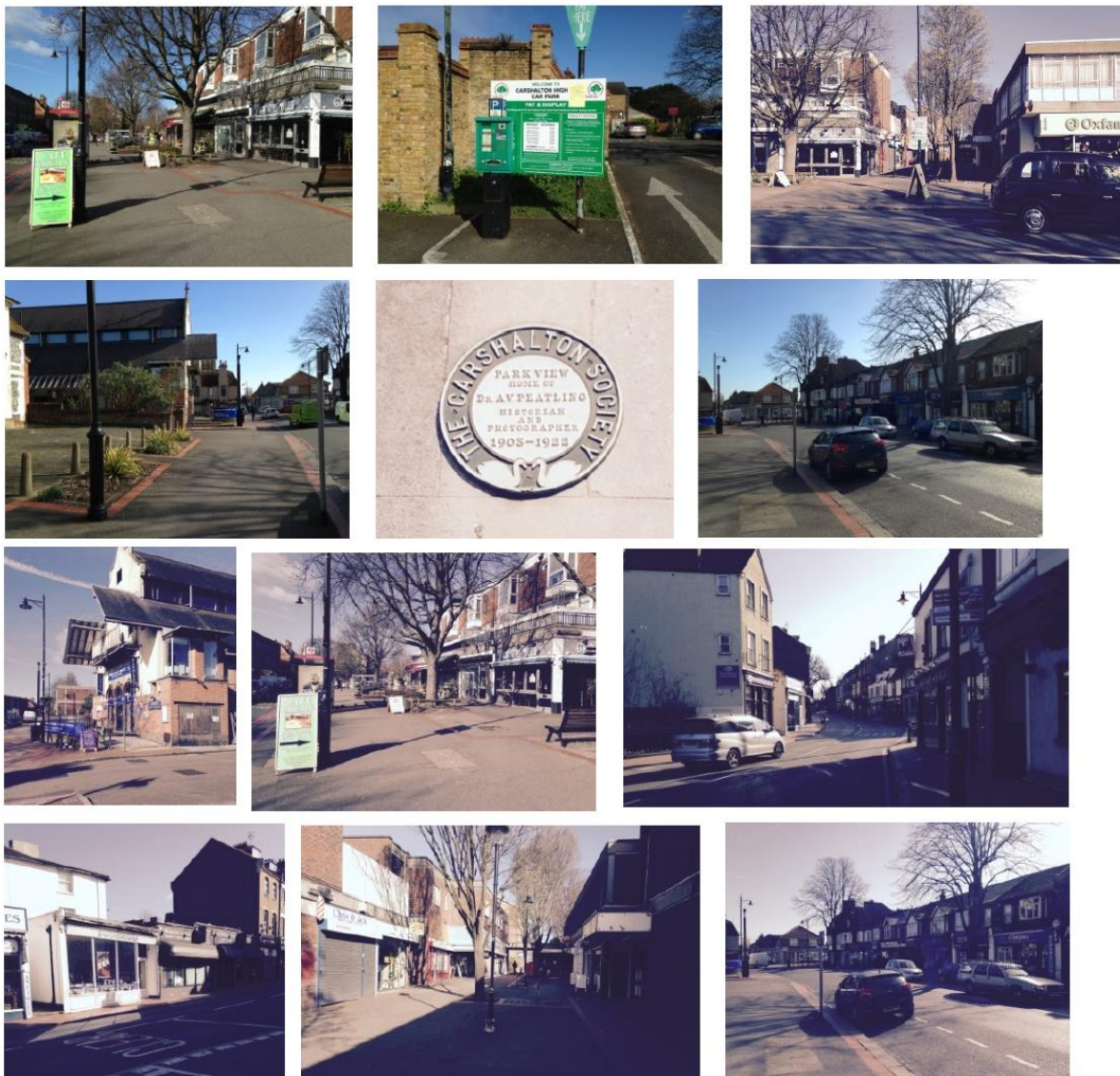


- 4.63 The town centres retail provision is dominated by the Sainsbury superstore which is located within the town centre boundary but behind the traditional shopping area of the centre. The Sainsbury, which has an extensive food and non-food range of goods, is supported by a decked car park and is very popular. Our visits confirm that this store trades well.
- 4.64 Other retail provision within the town centre is predominately independent and the only national multiple in addition to Sainsbury is Greggs. The Goad composition data shows that both convenience and comparison goods outlet proportions are below national average whilst retail and financial services are above the average.
- 4.65 The Goad information identified a vacancy rate in February 2014 within North Cheam of 17% this is approximately 6% above national average levels (11.7%) and considerably higher than the London average (7.8%). Our own composition survey across the whole of the town centre found 17 vacant units equivalent to a vacancy rate of 15.9% which is slightly below the Goad figure for North Cheam the same percentage vacancy as Goad.
- 4.66 No information is available to establish a reliable benchmark for retail rents in North Cheam. We would anticipate that the rental tone would be in the range £15 per sqft but given the number of vacant premises in what is a relatively small centre we do not expect demand to push rental values up.

- 4.67 Shopper views and reasons to visit North Cheam were investigated in the household survey. The results indicate that food shopping is the main reason for visiting. More retail stores were seen as an important improvement it is notable that there were fewer issues around car parking than identified in LB Sutton's other town centres.
- 4.68 Recent improvements have been made to the environmental quality in North Cheam with widening of forecourt parking and pavement areas and provision of planting and trees to soften the impact of through traffic on the town centre. This has been successful but the measures cannot remove the road dominated feel of the centre.
- 4.69 We consider that North Cheam is in reasonable health but its functionality is very dependent upon the Sainsbury store and linked trips. Vacancy rates are high and whilst it is a vital and viable centre there is scope for improvement.

Carshalton

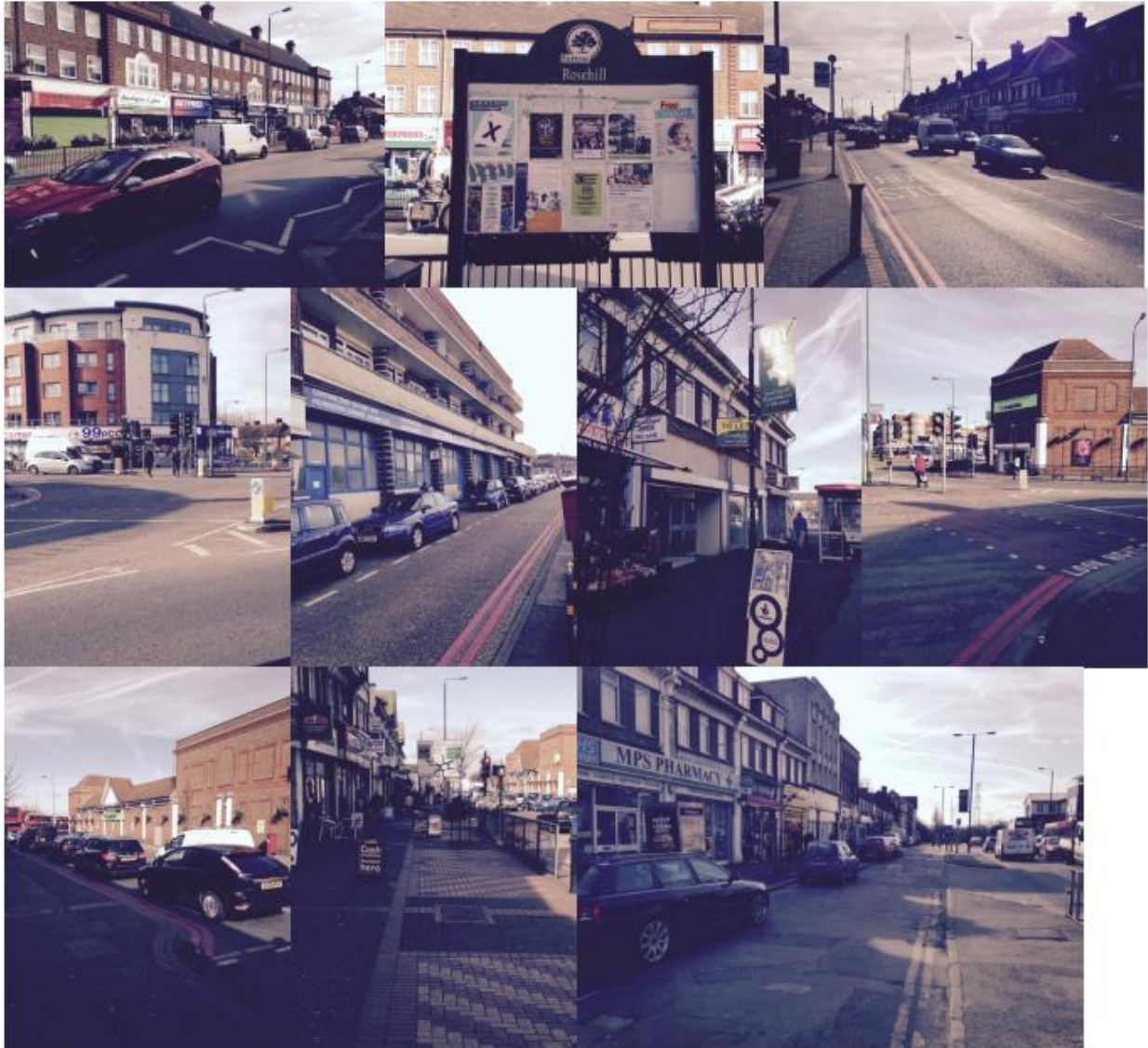
- 4.70 Carshalton has similar characteristics to Cheam and whilst designated a District Centre it has a village feel. The town centre is linear based along Carshalton High Street and a number of the buildings are historic and a conservation area covers the centre.



- 4.71 Retail provision in Carshalton is primarily orientated toward food and convenience shopping and the town centre has both Co-Op and Sainsbury Local foodstores as well as a range of other traditional food retailers. Non-food comparison goods' shopping is provided by independents and there are some specialist and niche traders including antique stores and sports/gym wear.
- 4.72 The town centre is however dominated by its service provision including financial, food and beverage and leisure. The centre has a diverse mix of uses and there are some local offices and a theatre which provides a further attraction.
- 4.73 The Goad composition data showed a vacancy rate in February 2014 of around 7% and our own composition survey in April 2015 found 4 vacant units which equates to a vacancy rate of 6.2%. The vacancy rate in Carshalton is below the national average (11.4%) and below the London average (7.8%).
- 4.74 Shopper information for Carshalton highlights the importance of the food and beverage and other leisure facilities in motivating visits to Carshalton which is in combination as significant a draw as either food or non-food shopping reasons to visit. Whilst most respondents were content with Carshalton how it currently is (66% overall) some respondents would like more retail provision and a parking was seen as having potential to be improved in cost and quantity terms.
- 4.75 The car parking issue is borne out by our own observations that off-street parking is limited within the town centre and often approaching capacity. Whilst some on street parking is available this is generally also well used. Bus services pass along the High Street and provide access but more than bus travel we observed car access and also walk in custom from the surrounding residential areas.
- 4.76 The town centre environment in Carshalton is pleasant although through traffic does detract from the experience and pavements are in places quite narrow.
- 4.77 We consider that Carshalton is vital and viable.

Rosehill

- 4.78 Rosehill is a small District Centre focused upon the Rose Hill Roundabout junction with shopping and service provision on Wrythe Lane, Rose Hill and Bishopsford Road. All are busy main roads and St Helier Avenue is a dual carriageway.

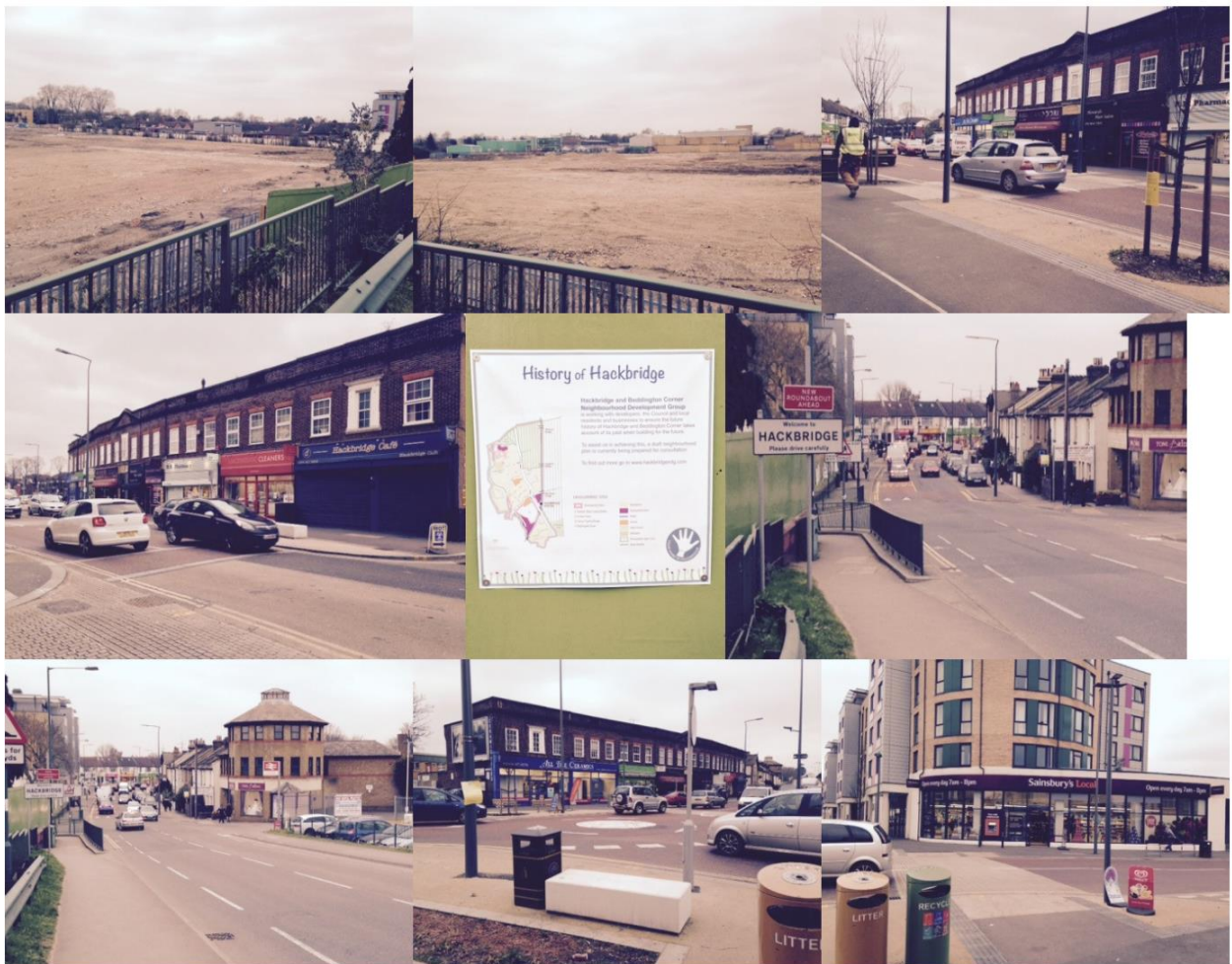


- 4.79 National retailers within Rosehill are limited with Co-Op the main retailer occupying a purpose-built store with attendant surface level car parking other multiples include Superdrug and Carphone Warehouse.
- 4.80 There is no Goad composition data available for Rosehill. Our own composition survey provides the following mix of retail and service uses:
- Convenience: 14 / 19%
 - Comparison: 20 / 27%
 - Service: 30 / 40%
 - Other: 5 / 7%
 - Vacant: 5 / 7%
- 4.81 Rosehill is primarily a food shopping and service functioning centre. Vacancy rates are low (below national and London averages of 11.4% and 7.8% respectively) and occupiers are primarily local independent traders.
- 4.82 No retail rental information is available to establish a pattern of rents, we would expect the average values to be around £10 per sqft.

- 4.83 Customer views drawn from the household survey are interesting as the proximity of the centre to St Helier Hospital (Wrythe Lane) is a significant reason for people using the town centre, the main reason to visit however is for food shopping. Of the improvements sought, the main ones are more and better retailing, improvement to the town centres shopping areas and more parking availability.
- 4.84 Accessibility to Rosehill is good: it is located on busy main roads and has good bus accessibility. We observed a substantial level of walk in custom and bus usage. Whilst survey respondents flagged up car parking issues, our own experience was that the combination of on street parking and the Co-Op car park seemed ample.
- 4.85 The environment of Rosehill is poor, car traffic and congestion dominate the centre and the public realm and hard landscaping does not appear particularly well maintained. There is a jumble of street furniture and signage which is confusing and detracts from what are quite attractive buildings.
- 4.86 Overall we consider that whilst not performing particularly strongly as a retail centre it does have a diverse range of uses. Rosehill is on balance vital and viable.

Hackbridge

- 4.87 Whilst not a main town centre in the borough, we have reviewed the composition and environmental of Hackbridge as it currently exists.



- 4.88 The existing retail area is focused upon London Road and Hackbridge Road. The proposed new mixed-use development at the Felnex Site will be behind the existing frontage to London Road.
- 4.89 In terms of composition our April 2015 survey found the following mix of uses:
- Convenience: 5 / 26%
 - Comparison: 3 / 16%
 - Service: 11 / 58%
 - Other: 0 / 0%
 - Vacant: 0 / 0%
- 4.90 Current retail provision is focused on food shopping with a Sainsbury Local store and other convenience stores and a Confectionary, Tobacco and News retailer. Comparison goods shopping comprise a bridal wear store, a tile shop and chemists. Service provision is a mix of take-away food outlets and hair/beauty salons.
- 4.91 A recent programme of environmental improvements have provided widened pavements and traffic calming which help to reduce the impact of through traffic on the local shopping area.
- 4.92 Overall as a local centre we consider that Hackbridge is performing reasonably well. The step up to District Centre will require the existing provision to be 'stitched' into the new development.

Main Competing Centres

- 4.93 Croydon, Kingston, Wimbledon and Epsom are the main competition in the wider area. All of these centres are, based upon the results of the household survey, drawing comparison goods shopping trips from the borough and the study area.
- 4.94 No town centre exists in a vacuum and there will always be dynamic interactions between the catchments of competing centres. In particular, where a centre benefits from investment, upgrading or new floorspace it stands a good prospect of increasing its attraction relative to its competitors thus taking some trade/market share away from the others. In this context therefore standing still is going backwards in real terms.
- 4.95 The main threat to market share for Sutton's main town centres and Sutton in particular is the redevelopment of the Whitgift Centre in central Croydon by Westfield/Hammerson which will provide a significant boost to the attraction of a town centre which has over the last decade been at best standing still or even declining relative to its competition.
- 4.96 Kingston has benefited from substantial investment and is now an attractive high quality town centre to shop and spend extended time in enjoying the food, beverage and leisure offer within the town centre.
- 4.97 Wimbledon, like Kingston, is an attractive shopping destination with a strong representation of aspiration brand retailers and good social and leisure facilities.
- 4.98 In Epsom, the town centre is supported by an affluent catchment area and the profile of retailers is in our view stronger than Sutton.

Conclusions

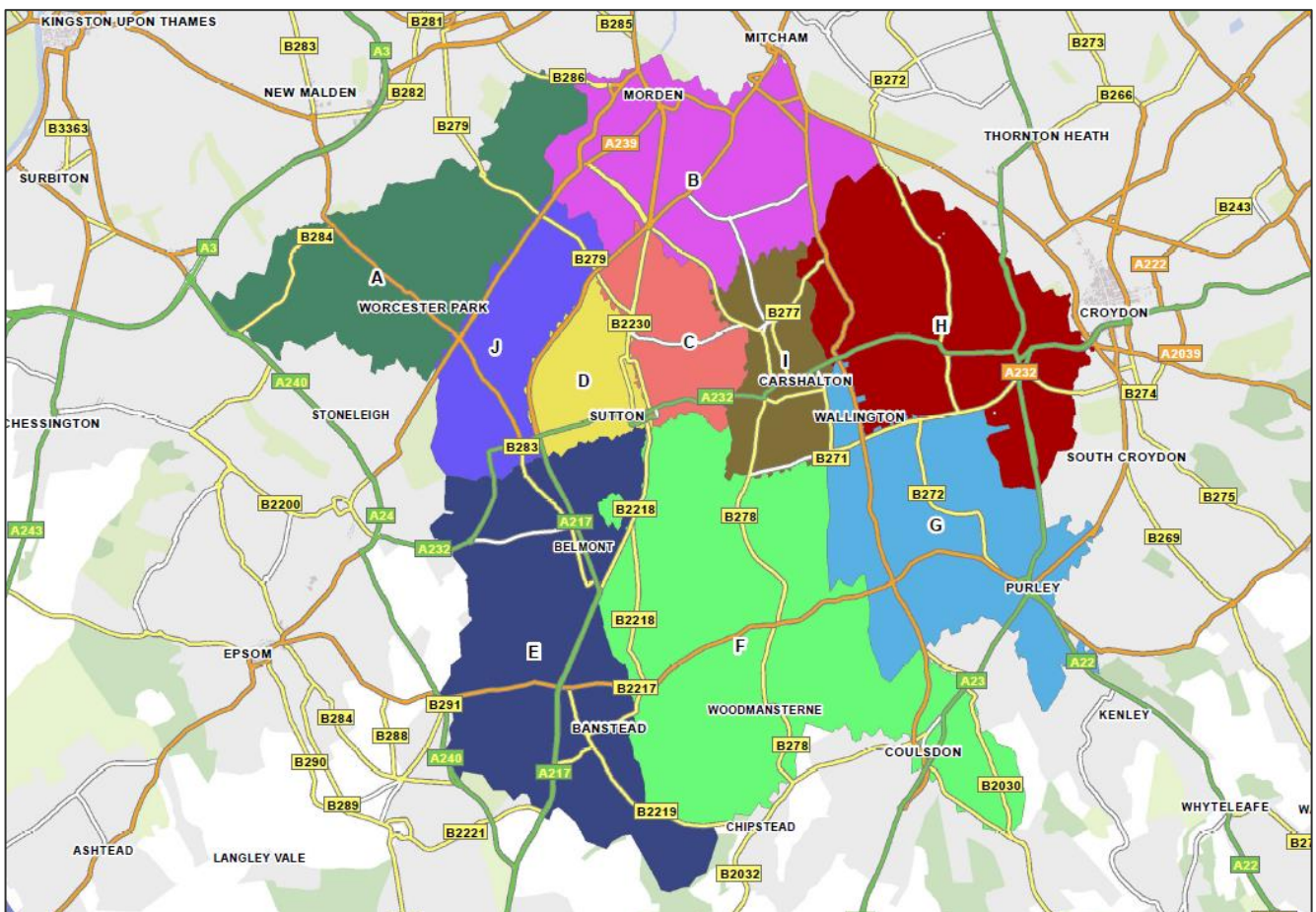
4.99 We have reviewed the existing health of Sutton's main town centres and find that all are in reasonable to good health and exhibiting positive signs of vitality and viability.

4.100 They all however have potential to improve and a common theme is the need to improve and enhance town centre environmental quality.

5. Shopping Patterns

Introduction

- 5.1 In this section we review existing shopping patterns which have been examined by a household telephone survey that was undertaken specifically to inform this Town Centres and Economic Development Assessment.
- 5.2 The household telephone survey which was carried out by NEMS Market Research in March 2015 had a sample size of 1,500 completed interviews. The survey examined shopping and leisure patterns and usage of town centres in the London Borough of Sutton. The full results of the survey are provided as Appendix 2.
- 5.3 To allow time series comparison of how shopping patterns have changed the survey area and survey zones (which are based on postal sector geography) are the same as those adopted in the previous London Borough of Sutton Shopping Study. Comparisons between main food shopping and clothing and footwear shopping patterns in 2015 and 2007 (from the previous household survey) are provided in the relevant sections below. The previous survey did not however examine other non-food comparison goods shopping choices.
- 5.4 The survey area and survey zones are shown below.



5.5 The survey area fully covers LB Sutton, but reflecting the fact that choice of where to shop does not respect local authority areas, the survey area extends into parts of the London Borough of Croydon, Royal Borough of Kingston, London Borough of Merton, Epsom and Ewell Borough and Reigate and Banstead Borough. LB Sutton's main town centres and the survey zones they fall within are as follows:

- Sutton – Zones C and D
- Wallington – Zones G and H
- Worcester Park – Zone A
- Carshalton – Zone I
- Cheam – Zones E and J
- North Cheam – Zone J
- Rosehill – Zone B

5.6 The shopping influence of these town centres within their 'home' zones and across the whole survey area is considered in the rest of this section starting firstly with overall usage of LB Sutton's town centres and then considering the food shopping and non-food shopping patterns in a wider context which also illustrates where shopping visits are 'leaking' to beyond LB Sutton and which of the larger town centres in the wider area exert influence upon the survey area. Leisure usage patterns and analysis of qualitative survey feedback for LB Sutton's town centres are reviewed in Section 7- Commercial Leisure Need and Section 4 – Town and District Centre Analysis respectively.

LB Sutton Town Centre Usage

5.7 The household survey included a series of questions asking respondents which of LB Sutton's town centres they visited and which they visited the most. The results provide a good approximation to the overall hierarchy of centres in the borough and reflect the level of offer and attraction of its main towns.

5.8 The table below provides the total (all survey zones) results and demonstrates very clearly that Sutton is the borough's most used town centre followed by Wallington and Worcester Park. The smaller centres are all less used.

Table 3: LB Sutton's most used town centre (across survey area)

Town Centre	Percentage Response
Sutton	54.51%
Wallington	19.68%
Worcester Park	9.31%
Carshalton	5.53%
Cheam	5.02%
North Cheam	3.63%
Rosehill	2.32%
Source: Appendix 2. Household Survey Questions Q28X - Which centre do you visit the most? Derived from Q27 and Q28 combined	

5.9 However, if the popularity of the borough's centres is considered on a zone by zone basis then use of town centres reflecting their convenient location and proximity to the local catchment does

indicate that the role and function of both Worcester Park and Wallington does at a local level compete with Sutton. The zonal analysis confirms that the smaller centres are performing a secondary role in the study area but are important within their 'home zones'.

Table 4: LB Sutton most used town centre (zone by zone)

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (Carshalton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	Worcester Park	Sutton	Sutton	Sutton	Sutton	Sutton	Wallington	Wallington	Sutton	Sutton
2 nd	Sutton	Rosehill	Carshalton	Cheam	Cheam	Wallington	Sutton	Sutton	Carshalton	Cheam
3 rd	North Cheam	Carshalton	Wallington	Wallington	Wallington	Cheam	Carshalton	Carshalton	Wallington	North Cheam
4 th	Cheam	Cheam	Cheam	Worcester Park	Carshalton	Carshalton	Cheam	Rosehill	Worcester Park	-
5 th	-	Wallington	North Cheam	Rosehill	Worcester Park	North Cheam	North Cheam	Worcester Park	Wallington	-
6 th	-	North Cheam	Rosehill	-	North Cheam	-	-	-	-	-
7 th	-	Worcester Park	-	-	-	-	-	-	-	-

Source: Appendix2. Household Survey Questions Q28X - Which centre do you visit the most? Derived from Q27 and Q28 combined

Food Shopping

5.10 The household survey questioned respondents about their main food (bulk food) and top-up or everyday food shopping habits and choice of store or centre. The tendency of households to undertake less bulk main food shopping came through in the results of the household survey i.e. respondents shopping more frequently and buying less and it is very clear that residents within the survey area were comfortable with undertaking their main food shopping on line.

5.11 For main food shopping the results show that larger food stores remain the most popular option and the zone by zone analysis of the choice of where to undertake a main food shop clearly illustrates that the closest large superstore to home is generally the most popular. The table below provides a summary of the most popular main food shopping stores by zone.

Table 5: Main Food Shopping most popular choices by zone

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (Carshalton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	Sainsbury, North Cheam	Tesco Extra, Cheam	Tesco Extra, Cheam	Asda, Sutton	Asda, Burgh Heath	Sainsbury, Wallington	Sainsbury, Wallington	Sainsbury, Wallington	Sainsbury, Wallington	Sainsbury, North Cheam
2 nd	Waitrose, Worcester Park	Sainsbury, Morden	Asda, Sutton	Tesco Extra, Cheam	Internet	Morrisons Sutton	Tesco Extra, Purley	Asda, Beddington	Internet	Tesco Extra, Cheam
3 rd	Internet	Asda, Sutton	Morrisons, Sutton	Morrisons, Sutton	Waitrose, Banstead	Waitrose, Banstead	Asda, Beddington	Sainsbury, Purley Way	Tesco Extra, Cheam	Tesco Express, Sutton
4 th	Sainsbury, Morden	Lidl, Morden	M Local Sutton	M Local Sutton	Sainsbury, Epsom	Asda Burgh Heath	Lidl, Wallington	Internet	Asda, Sutton	Sainsbury Local, Cheam
5 th	Tesco Extra, New Malden	Internet	Sainsbury, North Cheam	Tesco North Cheam	Morrisons, Sutton	M Local Sutton	Sainsbury, Purley Way	Lidl, Wallington	Lidl, Wallington	Waitrose, Worcester Park
6 th	Tesco Extra , Cheam	Asda Beddington	Internet	Sainsbury, Colliers Wood	Sainsbury, North Cheam	Tesco Extra, Purley	Internet	Morrisons, Sutton	Morrisons, Sutton	Internet

Source: Appendix 2. Household Survey Question 1.

- 5.12 The use of the internet for main food shopping has become popular and the household survey sought to establish which retailer or internet business households in the survey area were using. The table below highlights that there is no single stand out retailer dominating internet food retailing and there is no clear correlation between the most popular main food store serving that location and the identity of the most popular internet retailer.
- 5.13 Comparing 2015 with 2007, the overall share of the larger foodstores in the borough is set out below.

Table 6: Main food shop 2007 and 2015

Centre / Facility	2007	2015
Asda, Beddington	6%	3%
Asda, Sutton	8%	7%
Morrisons (x2), Sutton	9%	10%
Sainsbury, North Cheam	9%	4%
Sainsbury, Wallington	10%	12%
Tesco Extra, Oldfields	10%	8%
Waitrose, Worcester Park	4%	3%
Internet	2%	5%

Source: 2015 and 2007 household survey results

- 5.14 Overall, there has been a reduction in the share of the larger stores in the borough in the eight years since 2007. The exceptions are Sainsbury in Wallington which has grown its market share and Morrisons in Sutton but that retailer now has two stores in the town. The trend does confirm the shift away from larger main food shopping stores to a wider range of smaller stores. It must also be recognised that additional stores and extensions will have come forward in competing stores which will have taken market share from the borough's facilities. Internet based main food grocery shopping has more than doubled from 2% to 5%, this is broadly in line with the national trend.
- 5.15 The use of the internet for main food shopping has become popular and the household survey sought to establish which retailer or internet business households in the survey area were using. The table below highlights that there is no single stand out retailer dominating internet food retailing and there is no clear correlation between the most popular main food store serving that location and the identity of the most popular internet retailer.

Table 7: Internet Food Shopping most popular retailer/business by zone

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (Carshalton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	Tesco	Tesco	Ocado	Tesco	Tesco	Tesco	Tesco	Asda	Tesco	Sainsbury
2 nd	Sainsbury	Sainsbury	Sainsbury	Waitrose	Ocado	Ocado	Waitrose	Tesco	Sainsbury	Tesco
3 rd	Asda	Asda	Tesco	-	Sainsbury	Sainsbury	Sainsbury	Sainsbury	Ocado	Waitrose

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (Carshalton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
4 th	Ocado	Waitrose	Asda	-	-	Waitrose	-	Ocado	Asda	-
5 th	-		-	-	-	Riverford Organics	-	-	-	-
Source: Appendix 2. Household Survey Question 4A										

5.16 The household survey also questioned respondents about the reasons they shopped where they did for food shopping, how frequently they undertook a main food shop and their mode of travel on their food shopping trip. A summary of the results for these questions is set out below.

Table 8: Main Food Shopping – reason for choice of store/location

	Across Study Area
1 st	Convenient to home
2 nd	Low prices / value for money
3 rd	Range of food goods available
4 th	Quality of food goods available
5 th	Delivery service
6 th	Preference for retailer
Source: Appendix 2. Household Survey Question 5	

Table 9: Frequency of main food shop

	Across Study Area	Percentage Response
1 st	Once a week	65.90%
2 nd	Two or three times a week	16.15%
3 rd	Once a fortnight	9.83%
4 th	Once a month	3.24%
5 th	Daily	1.92%
	Other Responses	2.97%
Source: Appendix 2. Household Survey Question 6		

Table 10: Mode of travel to main food shop

	Across Study Area	Percentage Response
1 st	Car (driver)	59.68%
2 nd	Walk	11.73%
3 rd	Car (passenger)	10.94%
4 th	Bus	8.46%
5 th	(Don't travel - goods delivered)	7.83%
	Other Responses	1.36%
Source: Appendix 2. Household Survey Question 8		

5.17 A further activity the household survey sought to investigate was the linkage between food shopping and other activities on the same trip. Overall, the survey results show that over 70% of respondents do not link their main food shopping trip with any other activity. Of those that did perform a linked trip the main linked activities were identified as non-food shopping, buying other food items, visiting a café, buying petrol and travelling to or from work. The table below shows the linked trip activities.

Table 11: Main food shopping linked trip activities

	Across Study Area	Percentage Response
1 st	No	72.75%
2 nd	Yes - go shopping for non-food items	4.77%
3 rd	Don't know / varies	3.57%
4 th	Yes - go shopping for other food items	3.31%
5 th	Yes - visit café / pub / restaurant	2.84%
6 th	Yes - get fuel	2.61%
7 th	Yes – travel to / from work	2.18%
	Other Linkages	7.98%
Source: Appendix 2. Household Survey Question 10		

- 5.18 As a follow up to the linked trip question, respondents were asked where those linked trips were to. The most popular location for linked trips was Sutton Town Centre, followed by Wallington and North Cheam. These are all centres with a good level of main food shopping provision either within them or close to the town centre and there is therefore a clear correlation between linked trips to town centres and their level of food shopping provision.

Table 12: Main food shopping linked to town centres

	Across Study Area	Percentage Response
1 st	Sutton	36.38%
2 nd	Wallington	13.32%
3 rd	North Cheam	5.85%
4 th	Cheam	4.12%
5 th	Banstead	3.69%
6 th	Worcester Park	3.54%
7 th	Coulsdon	2.81%
	Others	30.30%
Source: Appendix 2. Household Survey Question 11		

- 5.19 The survey also questioned where respondents did their top-up shopping which general everyday food/convenience is shopping that tends to supplement a larger main food shop. The results for this show a more localised trend where smaller local shops are as popular as larger national multiple foodstores. Top-up shopping is more frequent than main food shopping and the amounts spent are lower. Given the fine grained level of responses we have not sought to describe them in this summary analysis of food shopping patterns. The detailed results are provided at Appendix 2 and the top-up food shopping questions are numbered 12 through to 17.

Non Food Shopping

- 5.20 The household survey had a series of non-food questions that sought to establish where households shopped for various categories of comparison goods. The goods categories examined were grouped into broadly common themes/activities such as clothing and footwear shopping; DIY and gardening; and electrical goods shopping. Generally, shopping on comparison goods is more discretionary and shoppers will tend to 'shop around' before making a decision to purchase goods. Larger town centres with a range and choice of shops will be more

attractive for comparison goods shopping trips as they facilitate this shopping around in a single centre where a number of stores selling the same types of goods can be visited. However, shopping around and researching of purchases can also now be undertaken on the internet and then a particular store visited to fulfil a purchase.

5.21 This household survey results demonstrate the dominance of larger town centres for particular categories of comparison goods shopping and Sutton Town Centre along with Croydon and Kingston are the dominant centres particularly for non-bulky comparison goods categories.

5.22 We provide a summary of the results by comparison goods categories across the 10 survey zones in a series of tables below.

Table 13: Comparison Shopping – Clothing and Footwear

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (C'ton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	Kingston	Sutton	Sutton	Sutton	Sutton	Sutton	Croydon	Sutton	Sutton	Sutton
2 nd	Sutton	Internet	Internet	Kingston	Kingston	Internet	Sutton	Croydon	Internet	Internet
3 rd	Internet	Croydon	Kingston	Internet	Epsom	Croydon	(Don't buy these goods)	Purley Way Retail Parks	Other	Kingston
4 th	North Cheam	Kingston	Central London / West End	Central London / West End	Central London / West End	Kingston	Internet	Internet	Purley Way Retail Parks	Tesco Extra, Cheam
5 th	Central London / West End	Colliers Wood	(Don't know / varies)	(Don't buy these goods)	Croydon	Other	Central London / West End	(Don't know / varies)	(Don't buy these goods)	Wimbledon
6 th	Epsom	(Don't buy these goods)	Purley Way Retail Parks	Wimbledon	Internet	(Don't buy these goods)	Purley	Wallington	Colliers Wood	North Cheam

5.23 For clothing and footwear shopping Sutton Town Centre is the main choice for respondents across the majority of the survey zones. Kingston and Croydon are also popular destinations and given that both of these centres are outside the survey area, they do exert some influence upon shopping patterns. Other town centres attracting shopping away from the survey area include Central London, Wimbledon and Epsom. The Purley Way area comprising a series of retail parks with relatively unrestricted retail uses including clothing and footwear also attract trade away from the survey area.

5.24 For clothing and footwear, apart from Sutton, it is only Wallington and North Cheam of the borough's other town centres that feature to any notable extent.

5.25 Comparing the results for 2015 with those from 2007 shows that Sutton Town Centre has lost clothing and footwear market share, as has Croydon. Kingston and Central London have maintained their shares and the internet has grown its share of clothing and footwear shopping. The table below provides the 2007 and 2015 percentages.

Table 14: Clothing and Footwear 2007 and 2015

Centre / Facility	2007	2015
Central London	4%	4%
Croydon	20%	9%
Kingston	11%	10%

Centre / Facility	2007	2015
Sutton	49%	39%
Internet	3%	9%
Source: 2015 and 2007 household survey results		

Table 15: Comparison Shopping – Books, CD's, DVD's etc

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (C'ton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	Internet	(Don't buy these goods)	Sutton	Internet	Internet	Internet	Internet	Internet	Internet	Internet
2 nd	(Don't buy these goods)	Internet	Internet	Sutton	Sutton	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)
3 rd	Sutton	Sutton	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	Sutton	Sutton	Croydon	Sutton	Sutton
4 th	Wimbledon	(Don't know / varies)	(Don't know / varies)	(Don't know / varies)	Other	Wallington	Croydon	Sutton	(Don't know / varies)	North Cheam
5 th	Worcester Park	Croydon	Kingston	Kingston-upon-Thames	Epsom	Kingston	Wallington	Wallington	Asda, Beddington	(Don't know / varies)
6 th	Kingston	Wimbledon	Other	Other	Banstead	Sainsbury Purley Way	Asda, Beddington	(Don't know / varies)	Tesco Extra, Cheam	Cheam

5.26 For Books, CD's and other recorded media, the internet is the main shopping choice for respondents, with Sutton, Wimbledon, Croydon and Kingston also popular physical shopping locations.

5.27 Wallington, Worcester Park, Cheam and North Cheam also feature in the results.

Table 16: Comparison Shopping – small household goods including home furnishings, glass and china

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (C'ton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	Kingston	(Don't buy these goods)	Sutton	Sutton	(Don't buy these goods)	Sutton	(Don't buy these goods)	(Don't buy these goods)	Sutton	Sutton
2 nd	(Don't buy these goods)	Sutton	(Don't buy these goods)	(Don't buy these goods)	Sutton	(Don't buy these goods)	Wallington	Sutton	(Don't buy these goods)	(Don't buy these goods)
3 rd	Internet	(Don't know / varies)	Internet	IKEA, Croydon	(Don't know / varies)	Internet	(Don't know / varies)	Internet	Purley Way Retail Parks	North Cheam
4 th	(Don't know / varies)	Internet	IKEA, Croydon	Internet	Purley Way Retail Parks	Kingston	Internet	Purley Way Retail Parks	(Don't know / varies)	(Don't know / varies)
5 th	Sutton	IKEA, Croydon	(Don't know / varies)	Kingston	Internet	Croydon	Purley Way Retail Parks	Croydon	Internet	Kingston
6 th	North Cheam	Purley Way Retail Parks	Purley Way Retail Parks	Croydon	Kingston	John Lewis Purley Way	Croydon	(Don't know / varies)	Purley	Internet

5.28 For smaller household goods, Sutton is again a popular choice. Croydon and Kingston do not feature as strongly in the results. Wallington and North Cheam are used by respondents and the IKEA and Retail Parks on Purley Way also feature strongly.

Table 17: Comparison Shopping – toys, games, bicycles and recreation goods etc

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (C'ton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)
2 nd	Internet	Sutton	Internet	Sutton	Sutton	Internet	Internet	Internet	Internet	Sutton
3 rd	Sutton	Internet	Sutton	Internet	Internet	Sutton	Purley Way Retail Parks	Purley Way Retail Parks	Sutton	Internet
4 th	Kingston	Colliers Wood	Purley Way Retail Parks	Colliers Wood	(Don't know / varies)	(Don't know / varies)	Sutton	Sutton	Purley Way Retail Parks	Purley Way Retail Parks
5 th	(Don't know / varies)	Retail Parks, Colliers Wood	Colliers Wood	Kingston	Epsom	Epsom	Croydon	Croydon	Purley	Croydon
6 th	Colliers Wood	Purley Way Retail Parks	(Don't know / varies)	Purley	Kingston	Purley Way Retail Parks	Purley	(Don't know / varies)	Kingston	North Cheam

5.29 The toys, games, bicycles and recreation goods category is not one that respondents regularly shopped for and this was the leading response across all zones (NB in the expenditure modelling null and “don't know/varies” responses are removed and the results rebased to allow). Sutton as the borough's main town centre is popular with respondents ranking predominately 2nd to 4th choice location whilst Kingston and Croydon lie below this level of attraction.

5.30 North Cheam is the only other LB Sutton centre to feature in the ‘top six’ summary.

Table 18: Comparison Shopping – chemist goods, including health and beauty products etc

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Sutton)	Zone F (Cheam)	Zone G (C'ton Beeches)	Zone H (Wall'ton)	Zone I (Wall'ton)	Zone J (N Cheam)
1 st	Worcester Park	Sutton	Sutton	Sutton	Sutton	Sutton	Wallington	Wallington	Sutton	Sutton
2 nd	North Cheam	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	Banstead	Banstead	Purley	Sutton	(Don't buy these goods)	Cheam
3 rd	Sutton	Morden	Tesco Extra, Cheam	Cheam	Cheam	Wallington	Sutton	Croydon	Carshalton	North Cheam
4 th	Kingston	Mitcham	Carshalton	Colliers Wood	Epsom	Couldson	Croydon	Hackbridge	Wallington	(Don't buy these goods)
5 th	Morden	Rosehill	Internet	Tesco Extra, Cheam	(Don't buy these goods)	Internet	Couldson	Purley Way Retail Parks	(Don't know / varies)	Kingston
6 th	(Don't buy these goods)	Carshalton	Rosehill	(Don't know / varies)	Central London / West End	Carshalton	(Don't buy these goods)	(Don't buy these goods)	Internet	Worcester Park

5.31 Reflecting the more everyday nature of chemist and health and beauty categories, LB Sutton centres feature strongly in retaining these shopping trips with all of the borough's main centres featuring in the headline analysis. There is some leakage to Croydon and Kingston but equally some of the smaller centres such as Mitcham and Morden are attracting these trips reflecting the

more localised nature of shopping trips for health and beauty needs and there being less of a need to shop around from retailer to retailer for these kinds of products. The convenience of picking these goods up in a town centre also means that the internet does not feature particularly strongly in this comparison goods category.

Table 19: Comparison Shopping – electrical items etc

	Zone A Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (C'ton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	Internet	(Don't buy these goods)	Internet	Internet	Internet	Internet	Purley Way Retail Parks	Purley Way Retail Parks	Internet	Sutton
2 nd	Kingston	Sutton	Sutton	Sutton	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	Internet	Purley Way Retail Parks	Internet
3 rd	(Don't buy these goods)	Internet	(Don't buy these goods)	(Don't buy these goods)	Kingston	Purley Way Retail Parks	Internet	(Don't buy these goods)	Sutton	(Don't buy these goods)
4 th	New Malden	Retail Parks, Colliers Wood	Purley Way Retail Parks	Catalogue / Mail order / Telephone / TV	Purley Way Retail Parks	Sutton	Croydon	Sutton	(Don't buy these goods)	North Cheam
5 th	Shannon Retail Pk, New Malden	(Don't know / varies)	(Don't know / varies)	(Don't know / varies)	Sutton	John Lewis at Home, Purley Way	Wallington	Croydon	Purley	Kingston
6 th	Sutton	Purley Way Retail Parks	Croydon	Purley Way Retail Parks	(Don't know / varies)	Purley	Sutton	Wallington	(Don't know / varies)	Purley Way Retail Parks

5.32 The use of the internet in researching and purchasing electrical items is illustrated by the shopping survey results set out in the table above. Similarly shoppers in the survey area are also using larger retail warehouse stores (Purley Way and Shannon Retail Parks) to shop for electrical goods. That said, Sutton Town Centre is identified by respondents as a popular choice for electrical shopping and Wallington and North Cheam also feature in the headline results.

Table 20: Comparison Shopping – DIY, home improvement and garden goods

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (C'ton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	New Malden	Sutton	Internet	Sutton	Sutton	Sutton	Sutton	Sutton	Sutton	Sutton
2 nd	Sutton	(Don't buy these goods)	Sutton	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	Purley Way Retail Parks	(Don't buy these goods)	(Don't buy these goods)
3 rd	(Don't buy these goods)	(Don't know / varies)	(Don't buy these goods)	B&Q, Sutton Court Road, Sutton	Wallington	Internet	Purley Way Retail Parks	(Don't buy these goods)	(Don't know / varies)	Other
4 th	Shannon Retail Park, New Malden	Morden	Purley Way Retail Parks	Other	B&Q, Sutton Court Road, Sutton	(Don't know / varies)	Wallington	Croydon	Wallington	(Don't know / varies)
5 th	Homebase, Reigate Road, Ewell	B&Q, Sutton Court Road, Sutton	(Don't know / varies)	(Don't know / varies)	(Don't know / varies)	Purley Way Retail Parks	Croydon	Wallington	Carshalton	Retail Parks, Colliers Wood
6 th	(Don't know / varies)	Internet	Croydon	Carshalton	Epsom	Purley	Woodcote Green Garden Centre, Wallington	Internet	Woodcote Green Garden Centre, Wallington	Epsom

- 5.33 For DIY, home improvement and garden goods, Sutton Town Centre is a popular location across the study area being either first or second choice across all of the individual study zones. Of the other LB Sutton centres, Wallington features most. Other choices are predominately out of centre retail parks and stores but it is interesting to note that concentration of retailing at Purley Way has little influence on this category as this location is now more focused away from bulky-goods /DIY offer.
- 5.34 It is interesting to note, reflecting the shift away from large DIY superstores to internet-based shopping and omni-channel operators, such as Screwfix, that retail warehouses and parks are not as dominant in this category as they were say 5 years ago.
- 5.35 Smaller in-centre DIY, hardware and decorator centres and mixed retailers such as Wilkinson's Robert Dyas and discount stores also provide goods to service this sector.

Table 21: Comparison Shopping – furniture, carpets and floor coverings

	Zone A (Worcester Park)	Zone B (Rosehill)	Zone C (Sutton)	Zone D (Sutton)	Zone E (Cheam)	Zone F (C'ton Beeches)	Zone G (Wall'ton)	Zone H (Wall'ton)	Zone I (Carshalton)	Zone J (N Cheam)
1 st	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	(Don't buy these goods)	Purley Way Retail Parks	(Don't buy these goods)	(Don't buy these goods)
2 nd	Kingston	Sutton	Sutton	Sutton	Sutton	Purley Way Retail Parks	Purley Way Retail Parks	(Don't buy these goods)	Sutton	Sutton
3 rd	Sutton	Purley Way Retail Parks	(Don't know / varies)	Croydon	IKEA, Croydon	(Don't know / varies)	Wallington	Internet	Purley Way Retail Parks	(Don't know / varies)
4 th	(Don't know / varies)	(Don't know / varies)	Purley Way Retail Parks	Purley Way Retail Parks	Purley Way Retail Parks	Sutton	Internet	Croydon	IKEA, Croydon	North Cheam
5 th	New Malden	Internet	Croydon	Cheam	Kingston	Croydon	Sutton	(Don't know / varies)	Internet	Croydon
6 th	Worcester Park	IKEA, Croydon	Internet	(Don't know / varies)	(Don't know / varies)	Wallington	IKEA, Croydon	IKEA, Croydon	Croydon	Internet

- 5.36 Furniture, carpets and floorcoverings tend to be purchased by households less frequently hence the leading response on this question was 'don't buy these goods' in all but Zone H where the retail warehousing at Purley Way was the main response.
- 5.37 Sutton features strongly across all of the zones and Cheam, Wallington and Worcester Park are also included in the headline figures. The retail parks at Purley Way and Ikea at Purley Way are significant draws of shopping trips for these goods.

Conclusions on Shopping Patterns

- 5.38 Within the survey area, the results of the household telephone survey confirm that Sutton sits at the top of the borough's hierarchy with Wallington and Worcester Park sitting below Sutton but clearly distinct from Cheam, North Cheam, Carshalton and Rosehill which all attract similar overall levels of shopping visits.

- 5.39 For main food shopping, the larger grocery stores within the borough dominate patterns and this is to the advantage of town centres which have main stores within them or close to their centre particularly as these centres will generally benefit from linked-trip activities.
- 5.40 Sutton is a popular shopping destination across all of the comparison goods shopping categories. It does however face strong competition from Kingston and Croydon which, although both are outside the survey area, exert influence upon shopping patterns of residents and attract trips out of the area (leakage). Similarly the agglomeration of large store retailing at Purley Way is popular and does for certain categories of comparison goods have a dominant role in the wider area.
- 5.41 The internet has a strong role in both food and non-food shopping across the survey area and the internet's share has grown very significantly since the last shopper survey was undertaken back in 2008.

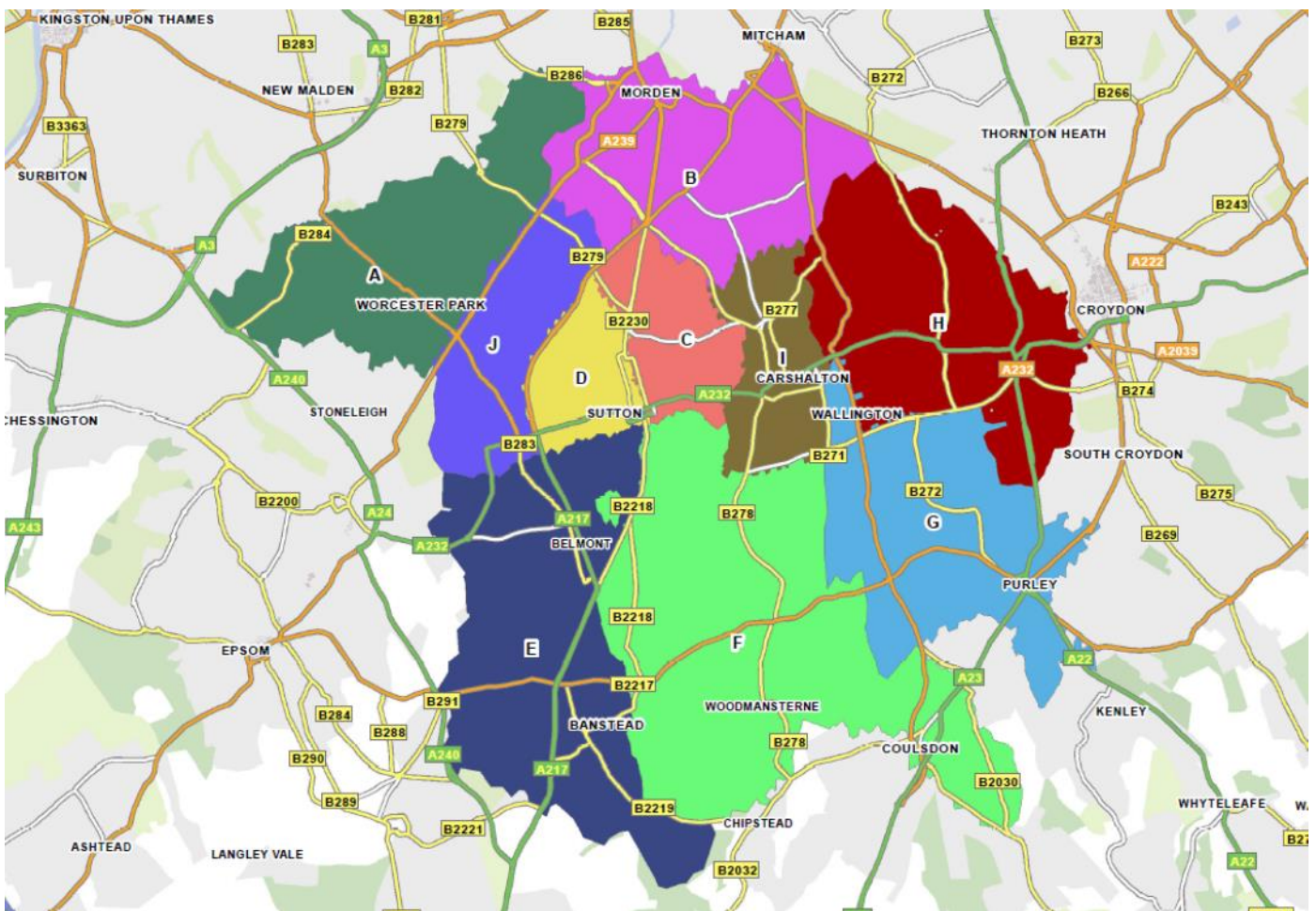
6. Retail Capacity and Shopping Need

Introduction

- 6.1 In this section, we provide details of the methodology and data inputs used to calculate the convenience and comparison goods retail capacity and then go on to provide the results of those retail capacity calculations. In particular the analysis provides estimates of potential turnover capacity and future floorspace need for the town centres of Sutton, Wallington, Worcester Park, Cheam, North Cheam, Carshalton and Rosehill up to 2031.

Methodology

- 6.2 In preparing this assessment, we have adopted the same study area and study zones (see map below) as those used in the previous LB Sutton Shopping Study. This allows a comparison to be made between shopping patterns and retail needs now and from the previous work, although direct comparisons are not appropriate given the different price bases used in the detailed analysis and the non-food comparison goods questions asked previously only related to clothing and footwear shopping..



- 6.3 The study area was divided into 10 smaller zones which allow a finer grained analysis of localised shopping patterns which have been researched through a bespoke household telephone survey. The household telephone survey results, which are provided in full at

Appendix 2, provide details of where residents in the study area and zones shop for food (convenience) and non-food (comparison) goods. We have provided a summary of these shopping patterns in the preceding section.

- 6.4 In undertaking the retail expenditure and capacity analysis we have however made adjustments to the household survey results to take account of null responses such as 'don't buy these types of goods' and 'don't know/varies'. These adjustments allow the full extent of consumer expenditure on retail goods to be assigned to town centres and shopping facilities. Such adjustments are standard practice when preparing retail capacity and need modelling.
- 6.5 The retail capacity tables, provided at **Appendix 3**, set out our step-by-step approach to calculating quantitative retail capacity. Tables 1 to 14 provide the retail capacity and quantitative need analysis for convenience goods and Tables A to J set out the comparison based goods calculations.
- 6.6 In broad terms, the steps involved in calculating the quantitative retail capacity are:

Step	Description
1	Establish study area population.
2	Establish consumer spending potential on retail goods in study area over study years.
3	Establish 'market shares' of existing retail facilities (base line).
4	Apply 'market shares' to available spending to derive implied turnovers for existing facilities for the base line position and future study years.
5	Estimate floorspace and benchmark turnovers for existing shopping facilities.
6	Compare implied market share turnovers to benchmark turnovers to identify retail capacity (overtrading) or under trading (no capacity).
7	Make allowance for any commitments or plan proposals from the capacity established.

- 6.7 The quantitative capacity calculations require careful interpretation and should be supported by a qualitative review of existing centres and facilities to verify trading performance.
- 6.8 In addition, whilst forecasts are provided to 2031, less weight be placed on expenditure and capacity estimates over these longer time horizons and certainly beyond 10 years. Given the dynamic nature of retailing and the interrelationship and competition between town centres, it is recommended that retail capacity should be monitored, reviewed and updated at regular intervals or when there have been significant changes which will impact the retail geography and hierarchy of an area. Previous national good practice guidance indicated a five year timespan for reviews.

Study Data Inputs

6.9 In preparing the retail capacity analysis, we have sought to use the latest available data and information on population and forecast population change; consumer expenditure estimates and projected consumer spending growth; retailers trading performance and their benchmark turnover levels; and the share of consumer spending transacted in non-store based businesses (also known as special forms of trading). These study inputs are explained in turn below.

Population

- 6.10 The population within the study area and its composite study zones has been obtained from Experian. The data which is based upon the latest 2011 census is projected forward by Experian based upon sub-national ONS population projection data.
- 6.11 The assessment has considered population from 2013 (the latest year available from Experian which coincides with the local area consumer expenditure estimates) and projects forward to 2016, 2021, 2026 and 2031. The end date of 2031 reflects the future development plan timeframe.
- 6.12 Table 1 at Appendix 3 sets out the population and projected population for the ten study zones and the study area overall. This population analysis is repeated in Table A at Appendix 3 (as a context for the comparison goods analysis). Across the study area the population in 2013 was 303,373 and this is projected to grow steadily over the period to 2031 when the population is projected to be 371,795 showing a growth in population of 68,442 persons.

Consumer Retail Expenditure

- 6.13 Local area consumer spending data has been obtained from Experian. The spend per head data is set out in Table 2 (convenience) and Table B (comparison) at **Appendix 3**. The expenditure has a 2013 base year and is in 2013 prices.
- 6.14 The 2013 expenditure is grown year-on-year using trend data published by Experian in their Retail Planner Briefing Note 12.1 (October 2014). The growth rates applied have been derived from Appendix 3 of that briefing note and are forecasts of retail spending growth up to 2031 that are adjusted to take account of the increased proportion of spending taking place over the internet and through non-store selling platforms. The forecast used does, however, take account of internet sales that are fulfilled from retail floorspace via for example goods picking in larger food stores.
- 6.15 The expenditure growth rates adopted for both convenience and comparison goods are summarised in the table below.

Table 22: Expenditure Growth per Head (per annum)

Expenditure Growth per Head (pa)	2014	2015	2016	2017 to 2021 (pa)	2022 to 2035 (pa)
Convenience	-0.8%	0.2%	0.2%	0.3%	0.6%
Comparison	4.9%	3.5%	2.2%	2.4%	3.4%

Source: Experian Retail Planner Briefing Note 12.1, Appendix 3
 Note: 2017 to 2021 and 2022 to 2035 growth rates are per annum.

- 6.16 The latest expenditure forecasts show growth returning to retail spending as the effects of the recession recede and very low interest rates and low inflation provide an increase in average household disposable income which in turn provides a stimulus to consumer spending. However whilst positive, the predictions for retail spending growth going forward over the next twenty years are that consumer spend will not be as strong as it was in the period before the last recession (pre-2008).
- 6.17 Applying the spending per head figures to the population provides estimates of the spending generated within the study area and across the study zones. This analysis is provided in Appendix 3 at Table 3 for convenience spending and at Table C for comparison goods spending.
- 6.18 The spending potential on convenience goods generated by residents within the study area and the growth in that spending is summarised in the table below. The combination of a growing population and modest growth in spending provides the following expenditure potential:

Table 23: Convenience Goods Expenditure Potential and Growth

Year	Convenience Spend Potential in Study Area	Growth in Convenience Spend from 2016
2016	£704.25m	-
2021	£759.79m	£55.54m
2026	£826.90m	£122.65m
2031	£889.67m	£185.42m

Source: Appendix 3, Retail Capacity Analysis, Table 3.

- 6.19 Across the whole study area spending growth of £185 million is available to support existing (and potentially new) floorspace over the 15 year period up to 2031.
- 6.20 For comparison goods spending, the expenditure generated by the resident population and the growth in spend per head is calculated in Table C, Appendix 3. The summary table below shows the overall amount of spending generated and the growth from 2016 to 2031.

Table 24: Comparison Goods Expenditure Potential and Growth

Year	Comparison Spend Potential in Study Area	Growth in Comparison Spend from 2016
2016	£1,276.77m	-
2021	£1,532.43m	£255.66m
2026	£1,904.03m	£627.26m
2031	£2,354.75m	£1,077.98m

Source: Appendix 3, Retail Capacity Analysis, Table C.

- 6.21 As shown above over the 15 year period from 2016 to 2031 the growth in comparison goods expenditure across the whole study area is over £1,077 million.

Treatment of expenditure made through Special Forms of Trading (SFT)

- 6.22 Special form of trading (SFT) is the collective term for retail activity and spending that is transacted through non retail stores such as doorstep deliveries, markets, catalogue shopping, factory direct sales, TV shopping and now in growing measure the internet.
- 6.23 We have sought through the household telephone survey to establish the local level of SFT spending and this is primarily now through the internet. Having established the base line market share of SFT, we then allow for a future portion of the growth in expenditure to be directed to non-store retailing including the internet shopping and mail order. The share of spending being channelled into SFT in future years has been taken account of in the expenditure growth rates we have applied to consumer spending per head in future years as these are 'net' of SFT.
- 6.24 It is noteworthy that the use of internet and mail order by residents within the study area is relatively strong on comparison goods shopping particularly books, dvds, music and the consumer electronics sectors. For food shopping the study area exhibits broadly similar levels of adoption to national rates.

Convenience Goods Shopping Needs

- 6.25 Following our step-by-step methodology outlined above we have already identified the population and consumer expenditure stages of the assessment. The next step is to establish the base-line market shares of the existing retail facilities.

Establishing Convenience Goods Shopping Market Shares

- 6.26 Tables 4, 5 and 6 at Appendix 3 organises the market share shopping pattern information from the household telephone survey into trips to town centre and non-central locations. The analysis is by study zone which enables local shopping (and spending) patterns to be used to build up implied levels of turnover for all of the facilities from their respective 'home' zones and across the wider study area.
- 6.27 Table 4 compiles the main food shopping patterns for the study zones.
- 6.28 Table 5 compiles the top up food shopping patterns for the study zones.
- 6.29 Table 6 combines the main and top up food shopping patterns together to establish an overall composite food shopping pattern. The main food and top up shopping have been combined by applying a weighting of 70% to main and 30% to top up shopping to reflect the broad split between these two activities.

Calculating Implied Convenience Turnover of Existing Facilities based on Market Share

- 6.30 Applying the composite food shopping market share information in Table 6 to the available convenience goods expenditure generated within the study area (Table 3) provides implied turnovers for the existing food shopping facilities based upon the market share information, the results of this analysis are provided in Table 7 for 2016; Table 8 for 2021; Table 9 for 2026 and Table 10 for 2031.

- 6.31 Table 11 at Appendix 3 provides a summary of the implied convenience goods turnovers of the borough's main town centres and free standing food stores. The summary table below shows the turnovers for 2016 through to 2031.

Table 25: Implied Convenience Goods Turnovers of LB Sutton's Main Town

LB Sutton Town Centre	2016	2021	2026	2031
	£m	£m	£m	£m
Sutton	£121.615	£131.434	£143.191	£154.164
Wallington	£96.115	£103.745	£112.834	£121.357
Worcester Park	£30.179	£32.546	£35.385	£38.050
Cheam	£18.796	£20.155	£21.965	£23.656
North Cheam	£51.324	£55.200	£60.085	£64.667
Carshalton	£10.614	£11.475	£12.493	£13.446
Rosehill	£5.692	£6.151	£6.685	£7.183

Source: Appendix 3, Retail Capacity Analysis, Table 11

- 6.32 The analysis shows that all of the borough's town centres achieve good levels of food shopping turnover. It is notable that Sutton and Wallington with their strong food shopping representation achieve very good turnovers and North Cheam, by virtue of the edge of centre Sainsbury, achieves a much larger turnover than Worcester Park and Cheam, which are physically larger but have lower levels of food shopping offer, particularly larger foodstores. Rosehill achieves the lowest convenience goods turnover and this reflects its lower level of offer, comprising a Co-Op supermarket and a number of small local convenience and traditional food retailers.
- 6.33 The two large out of centre foodstores in the borough also recorded high levels of turnover. The Tesco at Cheam performed better than the Asda at Beddington although it must be recognised that the Asda store is on the edge of the Study Area and will also attract trade from beyond the study area we have surveyed and used to establish market share turnovers.

Estimating the benchmark turnovers for existing shopping facilities.

- 6.34 Deriving appropriate benchmarks or expected levels of turnover for retail floorspace is not a precise exercise. For the main food grocers, it is possible to use company average data as a basis and this is available through company trading accounts and other published sources, such as Verdict on Grocery Retailing and Mintel's Retail Rankings report.
- 6.35 However, the main grocers trading densities have fallen recently and whereas average trading levels were around £12,500 to £13,500 per m² on convenience floorspace across the UK's main grocery retailers, the latest published data is suggesting a range around £10,000 per m². Discounters Aldi and Lidl which were typically achieving lower trading metrics have seen their densities improve and are now on average around £7,500 per m².
- 6.36 Whilst densities in the main grocers have fallen, it should be recognised that there is potential for higher levels of trading to be achieved again and to reflect this, rather than adopt the current lower average levels, we consider it appropriate to assess the need for additional floorspace adopting a higher level of benchmark turnover based on better trading performances.

6.37 These stronger levels of trading could be achieved without any undue levels of in-store stress or symptoms of overtrading and to adopt lower levels of trading performance in assessing the need for additional floorspace would in our view create an artificial level of need. It must also be recognised that company-based trading densities are averages across a retailers' overall store portfolio. There will be stores that trade above the average and equally stores that achieve turnovers below average. Local circumstances, such as catchment population profile and the nature and the level of competition in an area, will have an influence upon individual locations. LB Sutton and the study area this assessment covers is generally more affluent than national average levels and therefore the potential for trading above average levels is improved.

6.38 The trading densities applied in this assessment are as follows:

▪ Main Grocer Operated Stores	£13,500/m ²
▪ Discounters, Co-Op and Symbol Groups	£7,500/m ²
▪ Local stores	£5,000/m ²

6.39 The product of sales floorspace and convenience goods turnover provides the estimated benchmark turnover. This is set out in Table 12 at Appendix3

Compare implied market share turnovers to benchmark turnovers

6.40 Comparing the market share implied turnover of existing facilities with their benchmark turnovers provides an estimate of the theoretical turnover capacity available to support additional floorspace. A positive capacity is an indication of potential need for additional retail floorspace and may reflect overtrading in existing facilities. A negative capacity is an indication of an existing oversupply/underuse of existing floorspace which has the potential to be used more efficiently.

6.41 The analysis is provided in Table 13 (Appendix 3). In 2016, with the exception of Worcester Park and Rosehill, all of the centres show some turnover capacity above benchmarked levels. Taking the study year forward to 2021, expenditure growth has taken Worcester Park into a positive turnover capacity position, whereas Rosehill does not have any convenience turnover capacity throughout the period to 2031. The summary table below shows the identified turnover capacity over the study period for each centre.

Table 26: Convenience Goods Turnover Capacity By Main Town Centre

LB Sutton Town Centre	2016 £m	2021 £m	2026 £m	2031 £m
Sutton	£11.965	£20.407	£30.769	£40.329
Wallington	£42.098	£49.049	£57.451	£65.278
Worcester Park	-£1.013	£0.962	£3.404	£5.667
Cheam	£10.394	£11.647	£13.350	£14.932
North Cheam	£1.689	£4.942	£9.195	£13.138
Carshalton	£3.057	£3.823	£4.744	£5.600
Rosehill	-£3.420	-£3.076	-£2.658	-£2.278
Source: Appendix 3, Retail Capacity Analysis, Table 13				

- 6.42 To establish what these levels of turnover capacity would translate to in physical sales floorspace, it is necessary to divide the turnover by an appropriate sales density.
- 6.43 We have already set out above the sales densities we have adopted for this assessment and these have been applied to the turnover capacity figures to arrive at theoretical retail floorspace need estimates. Table 14 at Appendix 3 provides the full details and a summary table for 2016, 2021 and 2031 is set out below.

Table 27: Convenience Goods Capacity Converted to Sales Floorspace

LB Sutton Town Centre	2016 m ²	2021 m ²	2026 m ²	2031 m ²
Sutton	886	1,493	2,223	2,878
Wallington	3,118	3,588	4,151	4,658
Worcester Park	-75	70	246	404
Cheam	770	852	965	1,065
North Cheam	125	362	664	937
Carshalton	226	280	343	400
Rosehill	-253	-225	-192	-163

Source: Appendix 3, Retail Capacity Analysis, Table 14

Make allowance for any commitments or plan proposals

- 6.44 The table above provides a theoretical estimate for the floorspace needs of each of the borough's main town centres. It is however necessary to factor in the existing pipeline of consented convenience retail floorspace and information on retail planning permissions has been provided to us by LB Sutton.
- 6.45 There are two significant foodstore planning permissions that need to be accounted for. These are:
- Sutton, Old Gasworks Site (287-323 High Street) which as part of a mixed use retail and residential scheme will provide a 6,708m² net sales superstore.
 - Hackbridge, Felnex Trading Estate (190 London Road) which comprises a mixed commercial and residential development that will include a foodstore of up to 2,600m² net sales.

Conclusions on Convenience Goods Shopping Needs

- 6.46 In total, there is permission for 9,308m² of supermarket/superstore floorspace in the borough however it should be acknowledged that some of this floorspace will be used for the sale of non food comparison goods and adopting a proportion of 25% comparison goods sales in this overall floorspace would reduce the overall level of consented floorspace to 6,980m² of convenience sales floorspace.
- 6.47 Overall, the cumulative level of town centre floorspace need identified is 4,798m² in 2016, increasing to 6,420m² in 2021 and 8,399m² in 2026. Therefore the level of permitted floorspace cannot be fully supported between the period 2012 and 2026 based upon town centre capacity levels.

- 6.48 However if the non-town centre capacity is also factored in (arising from Tesco at Oldfields Road Sutton and some of the smaller freestanding stores that are trading well) then these commitments can be fully supported in turnover capacity terms by 2021.
- 6.49 Looking spatially, the development of the planned foodstore at Hackbridge would act to address in part at least the floorspace need identified in Wallington and given the relative proximity of Hackbridge, Wallington and Carshalton a new store in Hackbridge would redistribute trade patterns around the north and east of the borough. This would relieve the strong trading position of the Sainsbury store in Wallington and provide local residents with an additional alternative store for main food shopping.
- 6.50 The delivery of a foodstore at Hackbridge would also provide a critical mass to the regeneration and a foodstore would provide an anchor to the rest of the mixed-use development at the former Felnax site. A foodstore anchor would also assist with securing occupiers for the other permitted A Class uses.
- 6.51 The Old Gas Works site is currently under construction and the store permitted there (to be occupied by Sainsbury) is larger than the level of floorspace need we have calculated arising in Sutton Town Centre across the study period.
- 6.52 However the central location within the borough and the benefits a store in this location can bring to Sutton Town Centre in terms of linked trips and spending will be positive. The draw of this new store would, we anticipate, address some of the need requirements for Cheam and North Cheam in particular given the identity of the retailer.
- 6.53 Based on the level of convenience goods shopping need identified and having taken into account the two committed foodstore proposals we do not consider it necessary or appropriate for any site to be allocated to meet future (short/medium term) foods shopping needs of the borough.
- 6.54 We would, however, anticipate with the structural changes that are taking place within the food retail sector including the growth of discounters and the main grocers looking for convenience and small supermarket formats that proposals may come forward. Where such stores are located within established centres or are well related to them sequentially, and it is demonstrated that they will provide linked footfall and spending benefits to the relevant town centres, then, subject to impact testing and other relevant policy considerations, they should be supported.

Comparison Goods Shopping Needs

- 6.55 As with the convenience goods capacity and need analysis we set out below the details and findings of our step by step assessment for comparison goods shopping need within the borough, focusing upon the main town centres the detailed capacity calculations are provided in Appendix 3 at Tables A to K.
- 6.56 Tables A, B and C provide the population; comparison spend per head; and total comparison goods spend potential for the study area and zones. These have been reviewed earlier in this section under the data inputs heading.

Establishing Comparison Goods Shopping Market Shares

6.57 Tables D at Appendix 3 provides the combined comparison goods market share by study zones based upon the responses to the household telephone survey. The responses for each of the comparison goods shopping categories have been weighted in accordance with the proportion of spending devoted to each category of good.

6.58 The spend-based weighting applied is set out below.

Table 28: Comparison Good Market Share (weighted)

Across Study Area	Percentage Response
clothing or footwear goods	31%
books, CDs or DVDs	6%
small household goods, such as home furnishings, glass and china items	13%
toys, games, bicycles and recreation goods	14%
chemist goods, including health and beauty products	15%
electrical items, such as televisions, washing machines and computers	10%
DIY and garden goods	3%
furniture, carpets and floor coverings	8%

Source: Appendix 2. Household Survey Questions

Calculating Implied Comparison Turnover of Existing Facilities based on Market Share

6.59 Applying the combined market share information in Table D to the available comparison goods expenditure generated within the study area (Table C) provides implied turnovers for the existing town centres and other shopping facilities. The results of this analysis are provided in Table E for 2016; Table F for 2021; Table G for 2026 and Table H for 2031.

6.60 Table J at Appendix 3 provides a summary of the implied/market share based comparison goods turnovers of the borough's main town centres and free standing food stores. The summary table below shows the turnovers of the study towns for 2016 through to 2031.

Table 29: Implied Comparison Goods Turnovers of LB Sutton's Main Town Centres

LB Sutton Town Centre	2016 £m	2021 £m	2026 £m	2031 £m
Sutton	£367.521	£441.134	£548.424	£678.535
Wallington	£47.771	£57.350	£71.196	£88.004
Worcester Park	£15.082	£18.106	£22.472	£27.773
Cheam	£8.727	£10.421	£12.966	£16.049
North Cheam	£18.629	£22.233	£27.637	£34.203
Carshalton	£9.646	£11.603	£14.423	£17.846
Rosehill	£2.939	£3.536	£4.392	£5.428

Source: Appendix 3, Retail Capacity Analysis, Table J

- 6.61 The analysis shows that all of the borough's town centres generally command good levels of comparison shopping turnover.
- 6.62 Sutton has by far the largest turnover and this reflects the range and choice of comparison goods on offer and the role of the town centre at the top of the borough's hierarchy. Wallington achieves the next highest level of comparison goods turnover. Worcester Park and North Cheam achieve similar levels of comparison turnover but are different centres in terms of their shopping offer; the Sainsbury at North Cheam with its non-food comparison ranges provides a draw for shoppers whereas Worcester Park has a wider range of smaller stores.
- 6.63 Carshalton and Cheam exhibit similar levels of comparison goods turnover and Rosehill which has limited comparison goods shopping has the lowest turnover of all of the borough's main centres.

Estimating the benchmark turnovers for existing shopping facilities.

- 6.64 As with the convenience goods sector, deriving appropriate benchmark or expected levels of turnover for retail floorspace is not a precise exercise. For national multiple retailers, it is feasible to consider their company accounts and review average data as a basis and this is available through reports published by analyst companies such as Verdict and Mintel. These reports show a diverse range of trading densities with electrical and clothing and footwear retailers achieving average sales densities of over £7,000/m² and discount household goods retailers achieving lower rates at around £2,500.
- 6.65 However town centre comparison goods retailing is made up of a range of national multiple, regional and independent traders so the company average approach is at best an informative in the process of estimating appropriate trading densities and we have adopted a centre by centre approach based upon the type and mix of comparison goods retail provision.
- 6.66 It should also be noted that the threshold for overtrading in comparison goods shops tends to be much higher than for food retailing and generally trading at a level above a notional benchmark average would be very positively considered by non-food retailers as more profitable or higher margin trading.
- 6.67 Having taken into account the mix of retail within each of the study centres and having regard also to the general level of affluence within the borough we have adopted the following trading densities to assess comparison goods capacity.

- | | |
|--|-----------------------|
| ▪ Sutton, Wallington, North Cheam and Worcester Park | £7,500/m ² |
| ▪ Cheam, Carshalton and Rosehill | £5,500/m ² |

- 6.68 The product of sales floorspace and convenience goods turnover provides the estimated benchmark turnover. This is set out in Table J at Appendix 3. Table J also provides a calculation that shows the implied trading density (implied market share turnover divided by floorspace) of the existing comparison goods shopping floorspace in the main study towns. These are also set out in the table below:

Table 30: Implied Trading Density for Town Centres

LB Sutton Town Centre	Implied Trading Density £/m ²
Sutton	£8,638
Wallington	£10,735
Worcester Park	£3,569
Cheam	£4,155
North Cheam	£5,036
Carshalton	£6,029
Rosehill	£2,114

Source: Table J, Appendix 3

6.69 The implied trading density analysis suggests better than anticipated trading performance of the floorspace in Sutton and Wallington town centres. For its size and retailer mix, Carshalton is also performing slightly above anticipated benchmark level. The other centres all have scope to improve their trading performance.

Comparing implied market share turnovers to benchmark turnovers

6.70 Comparing the market share implied turnover of existing facilities with their benchmark turnovers provides an estimate of the theoretical turnover capacity available to support additional floorspace. A positive capacity is an indication of potential need for additional retail floorspace and may reflect overtrading in existing facilities. A negative capacity is an indication of an existing oversupply/underuse of existing floorspace which has the potential to be used more efficiently.

6.71 This analysis is provided in Table J (Appendix 3). In 2016, Sutton and Wallington town centres show positive turnover capacity, Carshalton is trading at around anticipated benchmark level all of the other centres are trading below capacity.

6.72 Rolling the expenditure analysis forward, the capacity in Sutton, Wallington and Carshalton increases; Cheam has a very limited level of capacity in 2031 and all other centres remain below capacity. This under trading position could be an indication of an oversupply of comparison goods shopping floorspace.

Table 31: Comparison Goods Turnover Capacity By Main Town Centre

LB Sutton Town Centre	2016 £m	2021 £m	2026 £m	2031 £m
Sutton	£48.419	£80.098	£139.946	£244.953
Wallington	£14.396	£19.590	£28.473	£42.656
Worcester Park	-£16.605	-£17.746	-£18.091	-£15.282
Cheam	-£2.823	-£2.646	-£1.819	£0.355
North Cheam	-£9.113	-£9.155	-£7.875	-£3.492
Carshalton	£0.846	£1.647	£3.158	£5.888
Rosehill	-£4.706	-£5.113	-£5.395	-£4.959

Source: Appendix 3, Retail Capacity Analysis, Table J

6.73 To establish what these levels of turnover capacity would translate to in physical sales floorspace, it is necessary to divide the turnover by an appropriate sales density. We have already set out above the sales densities we have adopted for this assessment and these have been applied to the capacity figures to arrive at theoretical retail floorspace need figures. Table K at Appendix 3 provides the full details and a summary table for 2016, 2021 and 2031 is set out below.

Table 32: Comparison Goods Capacity Converted to Sales Floorspace

LB Sutton Town Centre	2016 m²	2021 m²	2026 m²	2031 m²
Sutton	6,456	9,439	14,577	22,551
Wallington	1,919	2,309	2,966	3,927
Worcester Park	-2,214 (nil)	-2,091 (nil)	-1,884 (nil)	-1,407 (nil)
Cheam	-513 (nil)	-425 (nil)	-258 (nil)	45
North Cheam	-1,657 (nil)	-1,471 (nil)	-1,119 (nil)	-438 (nil)
Carshalton	154	265	449	739
Rosehill	-856 (nil)	-822 (nil)	-766 (nil)	-623 (nil)
<i>Source: Appendix 3, Retail Capacity Analysis, Table K</i>				

6.74 For planning policy purposes, the sales area floorspace in the table above has been converted to an equivalent gross floorspace based upon 70% sales to gross ratio⁸. The table below provides the gross comparison goods shopping floorspace requirement.

Table 33: Comparison Goods Capacity Converted to Gross Floorspace

LB Sutton Town Centre	2016 m²	2021 m²	2026 m²	2031 m²
Sutton	9,223	13,484	20,824	32,216
Wallington	2,741	3,299	4,237	5,610
Worcester Park	-3,162 (nil)	-2,987 (nil)	-2,634 (nil)	-2,010 (nil)
Cheam	-732 (nil)	-607 (nil)	-368 (nil)	64
North Cheam	-2,367 (nil)	-2,101 (nil)	-1,599 (nil)	-625 (nil)
Carshalton	220	379	641	1,056
Rosehill	-1,223 (nil)	-1,174 (nil)	-1,094 (nil)	-890 (nil)
<i>Source: Appendix 3, Retail Capacity Analysis, Sales assumed to be 70% of gross floorspace</i>				

Allowance for Commitments and Plan Proposals

6.75 The table above provides a theoretical estimate for the floorspace needs of each of the borough's main town centres. It is however necessary to factor in the existing pipeline of consented comparison retail floorspace and information on retail planning permissions has been provided to us by LB Sutton.

⁸ Factor applied is sales area multiplied by 1.4286.

6.76 There is one significant permission for new additional comparison goods shopping (Gas Works Site) and permission for substantial remodelling of the Times Square shopping centre in Sutton. In Wallington there is permission for the redevelopment and extension of part of the Wallington Square shopping precinct. At Hackbridge, the mixed use regeneration proposals have consent for A1 retail floorspace in addition to the foodstore permission. There are also a number of smaller change of use conversions to and from A1 and existing A1 retail redevelopments which in overall balance terms have limited impact upon floorspace supply. The significant commitments that we have taken account of in our comparison goods floorspace need estimates are:

- Sutton, Old Gasworks Site (287-323 High Street) part of the mixed use retail and residential scheme comprises unit shopping of 2,572m² gross and the food superstore will also have an element of comparison goods shopping floorspace. Overall, we estimate the comparison goods floorspace within this scheme will be 4,000m² sales area.
- Sutton, Times Square SC is undergoing significant redevelopment/remodelling to reconfigure the shopping floorspace within the centre to provide a smaller overall number of larger floorspace units. The larger units will be more efficient in providing sales but overall there is no net increase in the amount of floorspace provided.
- Wallington, Wallington Square is a partial redevelopment to provide a mixed retail and residential scheme. We anticipate based upon information in the application material that the additional retail floorspace will be around 850m² sales.
- Hackbridge, Felnex Trading Estate (190 London Road) which comprises a mixed commercial and residential development. The potential A1 comparison goods floorspace is up to 2,000m² net sales and the foodstore will also have an element of comparison goods sales area.

Conclusions on Comparison Goods Shopping Needs

- 6.77 In total, based upon the commitment information above, there will be an additional 6,850m² of comparison goods shopping floorspace to be developed within the borough that needs to be factored into the floorspace need analysis.
- 6.78 Table K at Appendix 3 provides revised floorspace need figures for Sutton and Wallington which have been reduced to take account of these permissions.
- 6.79 For Sutton Town Centre, the revised floorspace need over the study period is:
- | | |
|--------|---|
| ▪ 2016 | 2,456m ² sales / 3,509m ² gross |
| ▪ 2021 | 5,439m ² sales / 7,770m ² gross |
| ▪ 2026 | 10,577m ² sales / 15,110m ² gross |
| ▪ 2031 | 18,551m ² sales / 26,501m ² gross |
- 6.80 The need analysis indicates that quantitatively there is scope for Sutton Town Centre to expand its comparison goods shopping floorspace over the period to 2031. However, it should be recognised that during this period, substantial redevelopment in Croydon town centre will bring forward expanded and improved comparison goods shopping and this will potentially impact upon the town centres market share and its ability to attract new retailers and investment.

6.81 In Wallington the Wallington Square redevelopment has reduced the level of comparison goods floorspace required over study period but it remains a positive requirement:

- 2016 1,069m² sales / 1,527m² gross
- 2021 1,459m² sales / 2,084m² gross
- 2026 2,116m² sales / 3,022m² gross
- 2031 3,077m² sales / 4,396m² gross

6.82 These are relatively low levels of need and we do not consider that there is a pressing requirement to address this through any site specific allocations.

6.83 The permission at Hackbridge will we anticipate bring about change to local shopping patterns and when developed it is likely that some of the comparison goods shopping trade currently being captured by Wallington will be diverted to these new facilities.

6.84 Of the other town centres, only Carshalton is found to have a theoretical requirement for a relatively modest level of comparison goods floorspace.

6.85 Cheam, North Cheam, Rosehill and Worcester Park do not have a requirement for additional comparison goods shopping floorspace over the study period.

Conclusions on Shopping Floorspace Need

6.86 The retail capacity and floorspace need analysis set out in Appendix 3 and explained above leads to the following conclusions on the need for additional floorspace to serve the borough's population over the period to 2031:

- Whilst theoretical need is identified for additional convenience floorspace, once existing foodstore permissions have been factored in, there is no need for any additional convenience goods floorspace. The large foodstores at the Gas Works site in Sutton and the Felnex site in Hackbridge will address the food shopping needs arising over the study period.
- Sutton Town Centre is the only town centre in which the need for additional comparison goods shopping is at a level that needs to be specifically addressed. Over the study period on the basis that Sutton Town Centre's market share continues at its current level, the growth in spending gives rise to a requirement for around 5,500m² sales (7,770m² gross) of comparison goods floorspace by 2021 rising to around 10,500m² (15,100m² gross) by 2026.
- Wallington town centre does show a modest level of comparison shopping need but it is considered that in establishing a new District Centre at Hackbridge with modern purpose-built floorspace the market share of Wallington will be reduced as residents local to Hackbridge that currently visit Wallington will be retained locally and use the new facilities there.

7. Commercial Leisure Need

Introduction

- 7.1 This section of the assessment provides a review of the potential needs of and demand from the commercial leisure sector. We highlighted earlier in the assessment the importance of the commercial leisure provision in many of the borough's town centres and how enhancing the offer of centres will promote the vitality and viability of centres and diversify them to become more than destinations for shopping.
- 7.2 Our commercial leisure assessment firstly identifies the current levels of expenditure available in the study area in the broad leisure sectors and expected growth over the study period to 2031. We then review the findings of the household survey to identify the destinations where commercial leisure visits are made (and money spent) and then provide a review of the capacity for the borough to support additional floorspace.
- 7.3 It is important to note however that the capacity assessment for commercial leisure uses should be relied on only as a broad guideline. The techniques used to determine leisure needs and information on leisure operator turnovers are not as comprehensive as those available for assessing retail needs.
- 7.4 In the leisure sector, operator demand tends to drive the market rather than estimates of capacity or need. Generally, operators look for opportunities whether they be premises, a requirement for a particular town or a location that matches their particular trading model and key demographics.
- 7.5 The spending analysis supporting this section is provided at Appendix 4

Commercial Leisure Expenditure Growth

- 7.6 Analyses of the baseline level of leisure spend available in the study area and the growth in expenditure over the study period is calculated by multiplying population by leisure spend per head. Tables CL 1, CL2 and CL3 at Appendix 4 provide population (same as used in retail analysis), spend per head for leisure services (by broad categories) and total spending potential over the study period.
- 7.7 The leisure spending information is provided by Experian and has been analysed for the following broad service categories:
- Accommodation services (both UK and abroad);
 - Cultural services (trips to cinemas, theatres, concerts, etc and also TV subscriptions);
 - Games of chance (bingo, lottery, bookmakers);
 - Hairdressing salons and personal grooming;
 - Recreation and sporting services (spectating, participating, club subs and fees);
 - Restaurants and cafes (meals, drinks and takeaway)
- 7.8 In proportionate terms spending in restaurants and cafes is the largest element of commercial leisure spend comprising approximately half the total leisure spend.

7.9 Table CL3 identifies shows the current total spending on each of the above-listed categories, and the extent to which this will increase in the study area over the period from 2016 to 2031. It shows that:

- Spending on accommodation services will increase from £60m to £86m (growth of £26m);
- Spending on cultural services will increase from £116m to £165m (growth of £49m);
- Spending on games of chance will increase from £47m to £67m (growth of £20m);
- Spending on hairdressing and grooming will increase from £38m to £54m (growth of £16m);
- Spending on recreation and sport will increase from £53m to £76m (growth of £23m);
- Spending on restaurants and cafes will increase from £499m to £714m (an increase of £215m).

7.10 Overall, expenditure on leisure goods and services within the study area will increase by £349m between 2016 and 2031 and this is a substantial uplift in expenditure. As highlighted above, the growth is particularly strong in the restaurant, café and takeaway sector, which has performed well over the period of the economic downturn and is expected to continue to provide strong levels of growth over the course of the study period.

Commercial Leisure Patterns

7.11 Utilising the results of the household survey, we can identify the levels of participation and patterns of usage of leisure facilities within and beyond the borough. This analysis provides us with an overall borough-wide share and also highlights the more popular destinations/town centres that leisure-based activities are undertaken. However, in some instances, the categories of commercial leisure questioned have low sample sizes as often households do not take part in the questioned activity. The table below highlights the differing levels of leisure participation in the study area.

Table 34: Commercial Leisure Participation Rates in Study Area

Commercial Leisure Activity	Percentage Participation
Health & fitness / leisure centre activities	29.40%
Cinema	50.40%
Restaurants, bars, pubs etc (Food and Beverage)	74.18%
Ten-pin bowling	15.29%
Bingo	3.37%
Theatre / concert halls / museums / art galleries	48.36%
(None of these)	14.17%
Source: Question 54, Household Telephone Survey Appendix 2	

7.12 For the most popular types of commercial leisure activity and those that will typically be located within and support town centres, we have provided analysis of market shares for LB Sutton and the main competitors. This is provided in Tables CL4 for food and beverage (Restaurants, Bars and Cafes) and Tables CL5 and CL6 review the patterns of cinema visits and cultural visits (theatre, concert, museum and galleries).

Food and Beverage

- 7.13 Analysis of food and beverage patterns is provided at Table CL4 (Appendix 4), the patterns of visits to facilities and town centres are shown on a zone by zone basis.
- 7.14 Sutton Town Centre is shown to have an established and popular food and beverage offer attracting visits from respondents across all ten of the study zones to varying extents. From our analysis of provision in Sutton Town Centre we anticipate that the majority of this spending is directed towards the town centre, although there will be some facilities across the urban area. As would be expected, the market shares are strongest from those zones in proximity to Sutton Town Centre, with a 54% market share from zone C, 40% from Zone D, and around 25% each from zones E, F, H and I.
- 7.15 Overall Sutton commands around 22% of food and beverage visits across the whole study area suggesting the town has a good and well supported food and beverage offer.
- 7.16 In the wider area beyond the study zones, Central London with its very extensive facilities is a strong attraction at around 9% draw from the local area and Croydon and Wimbledon have shares of around 6%. There is limited pull on the study area exerted by Kingston.
- 7.17 The other centres within the borough have a more varied attraction level and generally they pull in food and beverage visits from their 'home' zones.
- 7.18 Cheam which has a good range and choice of eating and drinking venues does draw custom from all of the study zones and achieves 9% attraction from the whole study area. However its main patronage is from zone J (42%) and draws around 15% from zones D and E.
- 7.19 Wallington draws a reasonable level of patronage predominately from the zones local to it (zones G and H) and overall has a study wide market share of food and beverage trade of around 5%. Worcester Park has an overall share of 4% and draws the bulk of its food and beverage trade from its 'home' zone A.
- 7.20 For its overall size, Carshalton has a good level of food and beverage trade at around 5% overall with a strong focus upon zone I (30%) and a reasonable draw from other zones including zones D, F and H.
- 7.21 North Cheam and Rosehill achieve only limited food and beverage attraction even from within their 'home' zones.

Cinemas

- 7.22 The only cinema with the LB Sutton is The Empire located within the St Nicholas Shopping Centre, Sutton Town Centre. The survey results (Table LC5 at Appendix 4) show that it is the most popular cinema going destination across the study area (38% market share) and within the zones around Sutton, it draws between 63% and 70% of visits. Visits from elsewhere in the study area are consistently above 20% for each zone.
- 7.23 The main competition for The Empire, Sutton is the Vue at Valley Park, Croydon (out of centre) with 20% share of study area visits and the Odeon at Epsom (18% from study area). Wimbledon (Odeon) and Kingston (Odeon) are the other main destinations for cinema going.

Arts and Culture

- 7.24 Theatres within the LB Sutton include The Secombe Theatre, Sutton and the Charles Cryer Studio Theatre, Carshalton. Neither facility have that strong an attraction within the study area and both rely primarily upon visits from residents within the immediate and surrounding study zones. Overall, all of the arts and culture provision within the borough achieves an overall attraction within the study area of only 5%.
- 7.25 The main locations visited for arts and culture are outside the study area with the majority traveling into central London (68%) and a smaller proportion choosing Wimbledon Theatre (12%) both of these facilities draw visits from across all study zones. Fairfield Halls in Croydon and the Epsom Playhouse have a limited draw from the extremities of the study area.
- 7.26 Given the range and choice of theatres and other cultural facilities in central London and the relative ease of access from the borough, these levels of leakage compared to usage of local facilities is not unexpected.
- 7.27 Analysis of the arts and culture patterns from the household survey are set out in LC5 at Appendix 4.

Other Commercial Leisure Categories

- 7.28 The household survey results (Appendix 2) provide details of the usage patterns for the other commercial leisure categories. The question numbers are:
- Q55 Which centre / facility did you last visit for indoor sports or health and fitness activity?
 - Q58 Which centre / facility did you last visit to go ten-pin bowling?
 - Q59 Which centre / facility did you last visit to play bingo?
- 7.29 However because many of the respondents do not participate in these leisure-based activities we have not analysed the patterns or provide any quantitative analysis upon them for the purposes of considering future need.
- 7.30 Section 3 reviewed town centre and occupier trends and highlighted the current market positioning for a range of commercial leisure uses. Over the next plan period, the Council should expect to see increasing interest from health and fitness operators, particularly at the budget end of the market.
- 7.31 The bowling and bingo market is not at present particularly buoyant and bingo in particular has been impacted by the rise in on-line gambling sites. That said, the recent reduction in taxation on bingo operators from 20% to 10% has stimulated some change including upgrading and investment in existing facilities to embrace new technology alongside traditional social bingo playing. The future for physical bricks and mortar bingo is likely to be a multi-channel offering of new technology and traditional games alongside food and beverage and live entertainment. These should be viewed as town centre uses and the Council should be receptive to these new formats coming forward in town centre locations.

Hotels

- 7.32 Hotel usage was not covered by the household survey as it would not be expected that residents within the local study area would be using local hotel accommodation. We do provide some commentary upon the hotel market in Section 3 of this report and building upon that we have sought to review existing local provision and demand from hotel operators in the London Borough of Sutton. Although there have been permissions granted for hotels within Sutton Town Centre none of these have been implemented. The only national hotel chain operating within Sutton is the three star Holiday Inn located to the south west of Sutton Town Centre on Gibson Road which has 112 bedrooms and business and conferencing facilities. Both Travelodge and Premier Inn publish lists of towns/locations they have current hotel requirements, having reviewed those lists, Travelodge does have requirements for Sutton and Carshalton, but Premier Inn (Whitbread) does not have any current requirements in the borough.

Qualitative Review of Existing Commercial Leisure Facilities

- 7.33 Data from Experian Goad provides a review of the composition of town centres and compares the proportion of provision within a centre to national average levels on the basis of both outlet numbers and floorspace. The Experian Goad data also provides an index marker and the indexing system illustrates the difference between the percentage figure for the centre and the UK average. The index provides a gap analysis tool and can be used to identify under (below 100) and over representation (above 100) within a centre. The Experian data for 'leisure services' is provided below along with a descriptive review of current provision based upon our own town centre analysis and visits.

Sutton Town Centre

- 7.34 The composition data in the table below shows that Sutton Town Centre has above average provision of cafes, and restaurants but below average pub, bar and wine bar provision. In terms food and beverage occupiers, the following national business are currently represented in Sutton:

- | | | |
|-----------------|----------------------|----------------------|
| ▪ Nandos | ▪ Burger King | ▪ Brasserie Vacherin |
| ▪ Zizzi | ▪ McDonalds | ▪ Subway |
| ▪ All Bar One | ▪ Esquire Coffee | ▪ Dominos (X2) |
| ▪ Pizza Express | ▪ Starbucks | ▪ KFC |
| ▪ Weatherspoons | ▪ Patisserie Valerie | |
| ▪ Café Nero | ▪ Poppins | |

- 7.35 In addition there are a number of independent cafés, restaurant and takeaway operators of varying quality and the area around the station on High Street down to Cheam Road has a particular concentration of pubs, bars and restaurants.
- 7.36 Overall, for a centre of its size and status Sutton Town Centre's food and beverage provision is average in terms of quality and there is scope for improvement in standard of offer.

Table 35: Sutton Town Centre Commercial Leisure Outlets (Experian Goad Category Report 2014)

Leisure Service	Outlets	Area%	Base%	Index
Bars & Wine Bars	5	1.15	1.52	76
Bingo & Amusements	3	0.69	0.41	167
Cafes	25	5.77	4.16	139
Casinos & Betting Offices	8	1.85	1.46	127
Cinemas, Theatres & Concert Halls	1	0.23	0.25	91
Clubs	4	0.92	0.66	141
Disco, Dance & Nighclubs	2	0.46	0.25	187
Fast Food & Take Away	22	5.08	5.63	90
Hotels & Guest Houses	1	0.23	0.67	34
Public Houses	10	2.31	2.74	84
Restaurants	21	4.85	4.41	110
Sports and Leisure Facilities	1	0.23	0.28	94
TOTALS	103	23.79	22.43	106

- 7.37 The Goad outlet information also identifies that bingo and amusement provision is above average (two bingo halls) and betting office provision is similarly above average (8 outlets). Cinema provision is slightly below average and sports and leisure facilities are also below average (although Sutton is reasonably well provided but not within the town centre).

Wallington

- 7.38 Experian Goad's survey of Wallington Town Centre was undertaken in Autumn 2013. The leisure composition analysis is set out below:

Table 36: Wallington Town Centre Commercial Leisure Outlets (Experian Goad Category Report 2013)

Leisure Service	Outlets	Area%	Base%	Index
Bars & Wine Bars	0	0.00	1.52	0
Bingo & Amusements	0	0.00	0.41	0
Cafes	5	3.68	4.16	88
Casinos & Betting Offices	3	2.21	1.46	151
Cinemas, Theatres & Concert Halls	0	0.00	0.25	0
Clubs	1	0.74	0.66	112
Disco, Dance & Nighclubs	0	0.00	0.25	0
Fast Food & Take Away	10	7.35	5.63	131
Hotels & Guest Houses	0	0.00	0.67	0
Public Houses	3	2.21	2.74	81
Restaurants	5	3.68	4.41	83
Sports and Leisure Facilities	0	0.00	0.28	0
TOTALS	27	19.85	22.43	88

- 7.39 Wallington has below average café, restaurant and public house provision. There are also no outlets classified by Goad as bars/wine.

- 7.40 Our own occupier review identified the following national food and beverage chains:

- Café Nero
- Pizza Express
- Weatherspoons
- Subway
- KFC

- 7.41 In addition to the national operators, there are a number of local independent restaurant/takeaways and traditional public houses. Overall however, for a centre of its size and function, we consider there is a slight under provision in terms of both quality and number of outlets.
- 7.42 Betting office provision in Wallington is above average in overall composition terms and, whilst not registered in the Goad survey, there is a budget gym operator (Fit4Less) within the town centre.

Worcester Park

- 7.43 Experian Goad's survey of Worcester Park town centre was undertaken in February 2014. The leisure composition analysis is set out below:

Table 37: Worcester Park town centre Commercial Leisure Outlets (Experian Goad Category Report 2014)

Leisure Service	Outlets	Area%	Base%	Index
Bars & Wine Bars	2	1.19	1.52	78
Bingo & Amusements	0	0.00	0.41	0
Cafes	5	2.98	4.16	72
Casinos & Betting Offices	3	1.79	1.46	122
Cinemas, Theatres & Concert Halls	0	0.00	0.25	0
Clubs	1	0.60	0.66	91
Disco, Dance & Nighclubs	0	0.00	0.25	0
Fast Food & Take Away	11	6.55	5.63	116
Hotels & Guest Houses	0	0.00	0.67	0
Public Houses	2	1.19	2.74	44
Restaurants	8	4.76	4.41	108
Sports and Leisure Facilities	1	0.60	0.28	216
TOTALS	33	19.64	22.43	88

- 7.44 Food and beverage composition in Worcester Park is below national average levels.
- 7.45 Qualitatively, our survey of occupiers highlighted the following national operators:
- KFC
 - Costa
 - Dominos
 - Papa Johns
 - Pizza Express
- 7.46 Worcester Park also has a range of independent operators which extend the national chain provision. For a centre of its size however, we consider the provision is below that which could be expected given the role of the centre and its support population.
- 7.47 Worcester Park's other commercial leisure provision is also relatively limited, although it is reasonably well served with betting offices.

Cheam

- 7.48 Experian Goad's survey of Cheam town centre was undertaken in February 2014. The leisure composition analysis is set out below:

Table 38: Cheam town centre Commercial Leisure Outlets (Experian Goad Category Report 2014)

Leisure Service	Outlets	Area%	Base%	Index
Bars & Wine Bars	1	0.80	1.52	52
Bingo & Amusements	0	0.00	0.41	0
Cafes	8	6.40	4.16	154
Casinos & Betting Offices	1	0.80	1.46	55
Cinemas, Theatres & Concert Halls	0	0.00	0.25	0
Clubs	4	3.20	0.66	488
Disco, Dance & Nighclubs	0	0.00	0.25	0
Fast Food & Take Away	2	1.60	5.63	28
Hotels & Guest Houses	0	0.00	0.67	0
Public Houses	4	3.20	2.74	117
Restaurants	11	8.80	4.41	200
Sports and Leisure Facilities	0	0.00	0.28	0
TOTALS	31	24.80	22.43	111

7.49 Bearing a strong correlation with the results of the household survey, the food and beverage provision in Cheam is well above national average rates with strong numbers of cafes, restaurants and public houses.

7.50 Our occupier survey identified the following national chains:

- Costa
- Prezzo
- Pizza Express

7.51 As highlighted, there are only three national chain food and beverage operators. The strength of Cheam is its local restaurant and café offer which is of good quality and is diverse offering family dining through to fine dining.

7.52 The overall total 'leisure service' in Cheam is above the national level. Suggesting the town centre is well provided in terms of a leisure offering.

North Cheam

7.53 Experian Goad's survey of North Cheam town centre was undertaken in February 2014. The leisure composition analysis is set out below:

Table 39: North Cheam town centre Commercial Leisure Outlets (Experian Goad Category Report 2014)

Leisure Service	Outlets	Area%	Base%	Index
Bars & Wine Bars	0	0.00	1.52	0
Bingo & Amusements	0	0.00	0.41	0
Cafes	2	1.90	4.16	46
Casinos & Betting Offices	2	1.90	1.46	130
Cinemas, Theatres & Concert Halls	0	0.00	0.25	0
Clubs	0	0.00	0.66	0
Disco, Dance & Nighclubs	0	0.00	0.25	0
Fast Food & Take Away	12	11.43	5.63	203
Hotels & Guest Houses	0	0.00	0.67	0
Public Houses	1	0.95	2.74	35
Restaurants	7	6.67	4.41	151
Sports and Leisure Facilities	0	0.00	0.28	0
TOTALS	24	22.86	22.43	102

- 7.54 The indexing system in the table above shows that North Cheam has above national average provision of food takeaway outlets and restaurant outlets but below average provision of public houses and bars/wine bars.
- 7.55 The national representation in North Cheam is limited comprising a Costa and Starbucks (within Sainsbury), a McDonalds and a takeaway Pizza Hut.
- 7.56 The restaurant and takeaway provision is therefore predominately independently operated and covers a diverse eating range.

Carshalton

- 7.57 Experian Goad's survey of Carshalton town centre was undertaken in February 2014. The leisure composition analysis is set out below:

Table 40: Carshalton town centre Commercial Leisure Outlets (Experian Goad Category Report 2014)

Leisure Service	Outlets	Area%	Base%	Index
Bars & Wine Bars	0	0.00	1.52	0
Bingo & Amusements	0	0.00	0.41	0
Cafes	5	7.35	4.16	177
Casinos & Betting Offices	2	2.94	1.46	201
Cinemas, Theatres & Concert Hall	1	1.47	0.25	579
Clubs	0	0.00	0.66	0
Disco, Dance & Nighclubs	0	0.00	0.25	0
Fast Food & Take Away	3	4.41	5.63	78
Hotels & Guest Houses	0	0.00	0.67	0
Public Houses	3	4.41	2.74	161
Restaurants	4	5.88	4.41	134
Sports and Leisure Facilities	0	0.00	0.28	0
TOTALS	18	26.47	22.43	118

- 7.58 As with Cheam, the Goad information for Carshalton confirms a strong correlation between the pattern of food and beverage usage in the town centre and the level of existing provision. The index scores clearly show above average representation in cafes, public houses, and restaurants. Also given the size of the centre, the presence of the Cryer Theatre provides a strong positive score.
- 7.59 Our occupier survey found that the only national food and beverage operator in Carshalton was Costa. The remainder of the provision is local independents which provide a diverse and varied offer which includes dining pubs.
- 7.60 It is noteworthy that the Goad survey has missed from the leisure services 'Pinks Gym' which is located within the town centre.

Rosehill

- 7.61 Rosehill town centre has not been surveyed by Experian and therefore no composition data is available to allow a comparison of leisure service offer in the centre with the UK average.
- 7.62 Our occupier survey identified two national food and beverage businesses (KFC and Papa John's), three independent restaurant/takeaways, four independent takeaway food units, and four cafes. There are no pubs or bars within Rosehill town centre.

7.63 Other leisure uses include a Mecca bingo hall.

Commercial Leisure Need Conclusions

- 7.64 Having reviewed the existing patterns of commercial leisure use within the borough and assessed by way of quantitative and qualitative analysis the current levels of provision within the main town centres, we set out below our broad-based conclusions on the potential for additional commercial leisure uses to be provided.
- 7.65 It should be emphasised that assessing leisure-based need is less evolved than for retail and these conclusions should not be treated as prescriptive. Commercial leisure operators will take an opportunity-led approach and adjacencies with other leisure operators and key retailers are important motivators for these businesses. In addition, where a centre is felt to be improving or is benefiting from investment and new retail development, these factors can stimulate demand from the commercial leisure sector particularly food and beverage operators who are reliant heavily upon the strength of town centre anchors and footfall levels.
- 7.66 As such commercial leisure need is in part be driven by wider retail needs and the fulfilment of town centre strategies such as co-ordinated promotion, environmental improvements and upgrading works that make centres more attractive places to shop, live and generally spend time.
- 7.67 For the food and beverage sector, we have modelled existing patterns of usage across the borough's town centres and considered the potential growth in food and beverage spend (which is the largest leisure spend category). The forecast food and beverage need across the all of the borough's town centres based on continuing market share is set out below.

Table 41: Food and Beverage Floorspace Need

Year	Borough Share of Food & Beverage Spend (£m)	Food & Beverage Floorspace Need *(m ² gross)
2016	-	-
2021	£31.40m	4,712m ²
2026	£64.47m	9,436m ²
2031	£98.60m	14,076m ²
<i>Source: Appendix ?, Leisure Capacity Analysis, TableLC7</i>		

- 7.68 Apportioning this to the borough's main town centres based upon existing usage would focus the majority of this floorspace into Sutton with lesser proportions directed to the other centres (see Table LC7, Appendix 4)
- 7.69 However, if the distribution reflects the existing food and beverage shares, then Cheam and Carshalton would continue to 'punch above their weight'. It may be more appropriate to plan to address the quantitative and qualitative deficiencies identified in Wallington and Worcester Park. Although we would expect a change in composition would come about naturally over time, as the role of retailing in these centres is likely to reduce and service- and leisure-based uses increase.

- 7.70 For cinema provision, the market overall is diverging and there is a trend now toward smaller (in screen number terms) facilities serving smaller more localised catchments. Currently the only cinema in the borough is the six screen Empire Cinema in Sutton Town Centre. The survey results confirm it is popular and well used. In the wider area, there are cinemas nearby (easily within 20 minutes off peak drive) which include an 8 screen multiplex Vue Cinema at Purley Way, Croydon; Odeon, Epsom (8 screens) and Odeon, Wimbledon (12 screens).
- 7.71 In total therefore there are 34 cinema screens easily accessible to residents within the study area. This equates to approximately one screen per 9,000 people. The average screen density in the South East is 6.4 screens per 100,000 population. Therefore the level of cinema provision across the study area could not be considered deficient. However we would suggest that the council view positively any smaller format and boutique type cinema proposals that come forward within town centre locations as such uses can add diversity and extend activity within centres into the evening.
- 7.72 The private gym sector is another commercial leisure opportunity which can reinforce vitality and viability if located within town centres. There is growth in the budget end of the market and currently Sutton's town centres with the exception of Sutton and Wallington do not feature these types of facilities. There is therefore a potential gap in provision which the town centres could fulfil. Budget gyms do not have swimming pool facilities or sports courts so the potential overlap or impact upon existing council-owned and run leisure centres should not be a significant issue.

8. Employment Land Review

Introduction

- 8.1 Nathaniel Litchfield and Partners (NLP) carried out an Employment Land Review (ELR) for the London borough of Sutton in 2013⁹. It was a comprehensive study which included an overview of current stock in Sutton and adjoining areas, appraisals of existing employment sites, analysis of the commercial property market, an assessment of future requirements using a range of economic scenarios, commentary on the demand/supply balance and policy recommendations.
- 8.2 As the existing ELR is a detailed study which is relatively up to date, LB Sutton have requested a partial update/validation to reflect any changes which have occurred since it was completed, such as the changes related to permitted development from office to residential use, rather than an entirely new employment land review. This document therefore, does not provide a direct replacement for the NLP 2013 Employment Land Review and should be read in conjunction with it.
- 8.3 This validation of the ELR includes an update of the current employment stock and pipeline, updated site appraisals for the main employment areas, updated market demand information and updated employment projections to cover the 2016 to 2031 to align with the anticipated end date of the local plan.
- 8.4 The office market assessment has particular regard to the impact that prior approvals from office to residential have had to date and may have in future on Sutton's office floorspace supply.

Existing Supply

- 8.5 As set out in the 2013 ELR, the most recent estimates of current employment floorspace are the Valuation Office Agency (VOA) 2012 business floorspace statistics. These figures provide an estimate of industrial and office floorspace by borough up to 31st March 2012, however the VOA have not updated these figures in recent years. In order to provide a more updated picture on stock, these figures have been reconciled with Sutton's net completions data for 2012/13 and 2013/14.
- 8.6 As shown in **Error! Reference source not found.**, the net completions for 2012/13 and 2013/14 make minor differences to overall stock levels as there have been no significant gains or losses in this period. The current industrial floorspace stock figure for 2014 is estimated to be around 443,000m², which is an increase of around 5% since 2000. The current office floorspace stock figure for 2014 is estimated to be around 165,000m², which is a decrease of around 16% since 2000.

⁹ https://www.sutton.gov.uk/downloads/file/1592/13150_sutton_employment_land_review_-_final_report

Figure 1 – Sutton Employment Floorspace 2000 to 2014 (Source: VOA 2012, LB Sutton)

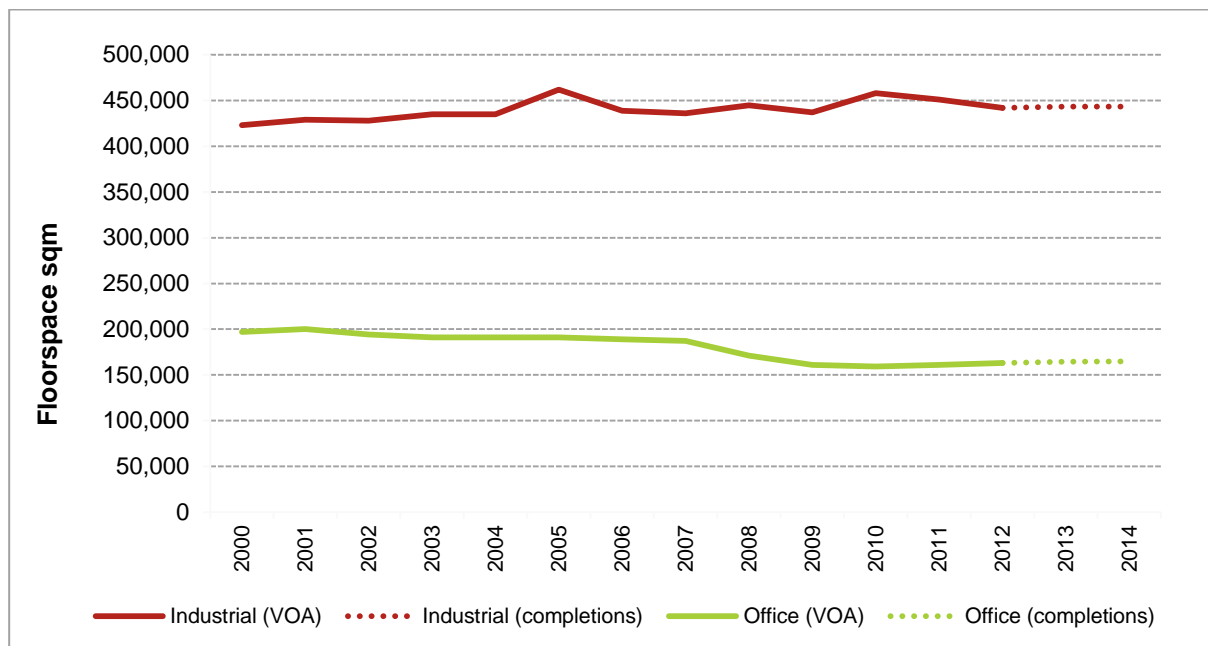
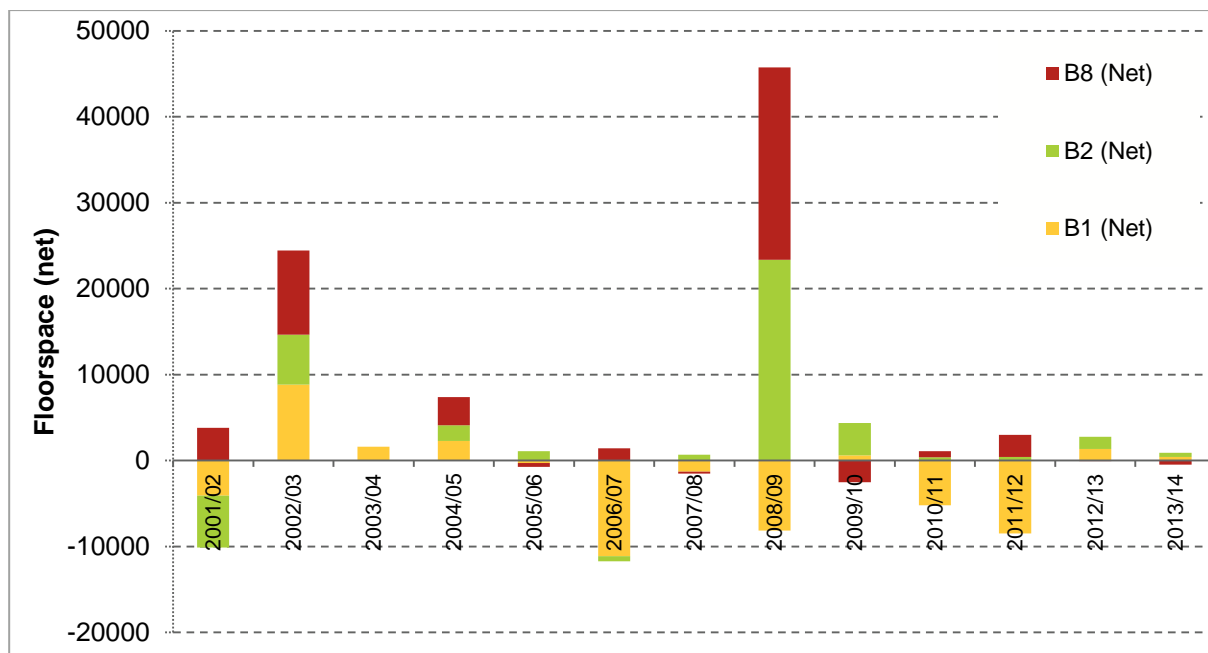


Figure 2 – Sutton B1, B2 and B8 completions 2001 to 2014 (LB Sutton)



- 8.7 According to council monitoring data, there has been an overall net gain of around 49,000m² employment floorspace in Sutton between 2001/02 and 2013/14. Of this, there has been a net loss of around 23,000m² B1 floorspace, a net gain of around 33,000 m² B2 floorspace and a net gain of around 40,000m² B8 floorspace.
- 8.8 There has been a net average annual gain of 2,500m² B2 floorspace and a net average annual gain of 3,100m² B8 floorspace between 2001/02 and 2013/14.
- 8.9 However as Figure 2 shows, the pattern of development has been very uneven with peaks of industrial completions in 2002/03 and 2008/09. The majority of development in 2002/03 related

to Prologis Park, Beddington and in 2008/09 related to the redevelopment of the Kimpton Sewage Treatment Works at the Kimpton Industrial Estate.

- 8.10 There has been an average annual loss of 1,800m² B1 floorspace which has been more evenly distributed but with some significant losses in 2006/07 which was related to the Aspects (formerly Surrey House) site in Throwley Way, 2008/09 which was related to the former Paynes Poppet site in Croydon Road and 2011/12 which included a range of different sites.

Future Supply (Pipeline)

- 8.11 Before making any estimates on future need, it is important to identify the potential gains/losses of employment floorspace which have already been granted planning permission or given prior approval.

Table 42: Sutton Planning Permission and Prior Approval Pipeline

	B1a Net	B1b Net	B1c Net	B2 Net	B8 Net	Total
Full Permission	-11,221	576	2,332	7,157	6,227	5,071
Outline Permission	6,097	20,400	0	-50,000	0	-23,503
Prior Approvals	-73,824	0	0	0	0	-73,824
Total	-78,948	20,976	2,332	-42,843	6,227	-92,256

- 8.12 The table above shows the current employment floorspace pipeline in Sutton according to the latest council monitoring data. This shows a potential loss of around 92,000m² employment floorspace across the borough if all permissions/prior approvals were to be implemented. The majority of the loss is due to the potential loss of B1a office floorspace from prior approvals comprising nearly 74,000m².
- 8.13 The pipeline analysis also shows a potential net loss of 13,300m² industrial floorspace (B1b, B1c, B2 and B8). A large proportion of this loss is a consequence of the redevelopment of the Felnex Trading Estate where 50,000m² B2 floorspace has been lost. Although for monitoring purposes this is included in the pipeline estimates, recent site visits show that the buildings have now been demolished.
- 8.14 Despite the overall loss, there are significant employment floorspace gains expected on some sites such as the Institute Of Cancer Research Campus, which is due to provide an additional 20,200m² of B1b floorspace and the former Brighton Road Car Park site, which is expected to provide an additional 13,325m² B1a floorspace. Further analysis of the impact of the pipeline on current stock can be found in the proceeding office and industrial assessment sections below.

Office Assessment

Prior approvals

- 8.15 In May 2013, the Town and Country Planning General Permitted Development Order was amended to allow, for a three-year period until May 2016, the change of use of a building and any land within its curtilage from B1a (office) use to C3 (residential) use.

- 8.16 To determine any prior approval application, the developer/applicant is required to submit details of the proposal, site and any other information deemed necessary for the local planning authority to assess the potential transport and highway impacts and flooding and contamination risks. A small number of local authorities were granted exemptions for areas of particular national importance; however this did not include any areas in Sutton.

Current Status in Sutton

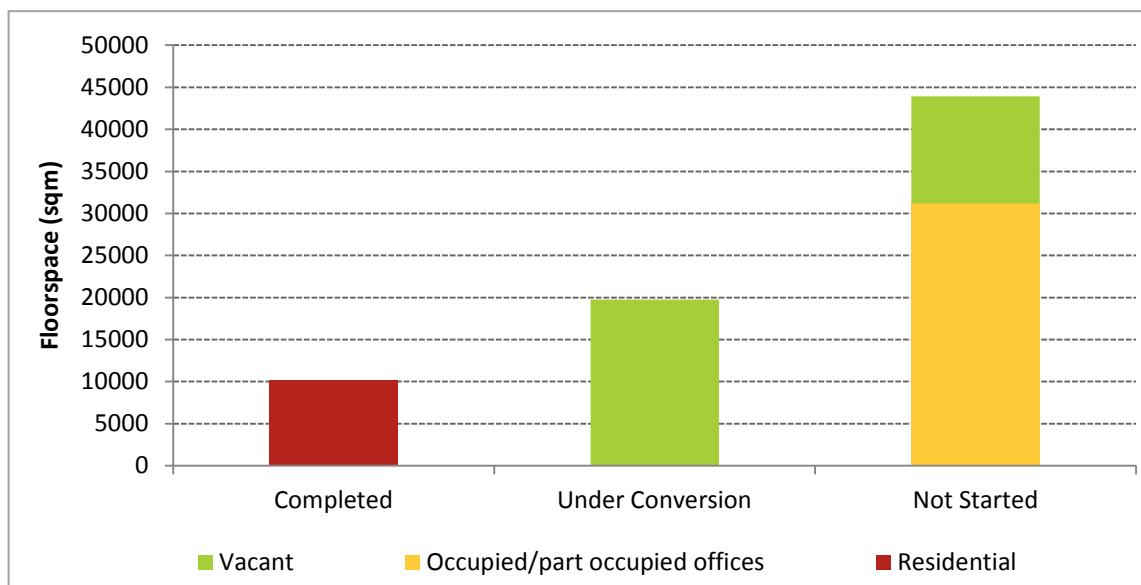
- 8.17 Between May 2013 and January 2015, LB Sutton approved 71 prior approval applications for B1a to C3 use across the borough. Excluding those which have been superseded by a subsequent prior approval and/or planning permission, this equates to a potential loss of 73,824m² B1a office floorspace, which represents a large proportion (around 44%) of Sutton's estimated 165,000m² total office floorspace.
- 8.18 As part of this assessment, all prior approval sites have been surveyed by Boyer to determine whether they have been implemented to date. Each site was visited and in a few circumstances where it was not possible to determine by site visit, VOA rating and council tax records have been used to reach a conclusion. A summary of the results are shown in the table below.

Table 43: Sutton Prior Approvals Survey March 2015

	Floorspace (m²)	% (total floorspace)	Dwellings	% (total dwellings)
Conversion Completed	10,123	14%	117	12%
Under Conversion	19,758	27%	339	34%
Not Started	43,943	60%	539	54%
Total	73,824	100%	995	100%

- 8.19 Our analysis shows that by March 2015, 10,123m² of B1a floorspace has already been lost through the prior approval process and a further 19,758m² is currently in the process of being converted. Together this represents a loss 29,881m² office floorspace, which is around 40% of the total floorspace given prior approval to date.
- 8.20 The remaining 60%, which is 43,943m² of floorspace, has yet to be converted. Figure 3 shows the breakdown of the floorspace by occupancy and shows that of those prior approvals which have not yet been started, 71% (31,180m²) is still occupied or part occupied as office use. The remaining 31% are currently vacant which suggests that the prior approval is likely to be implemented.

Figure 3 – Prior approval floorspace status March 2015



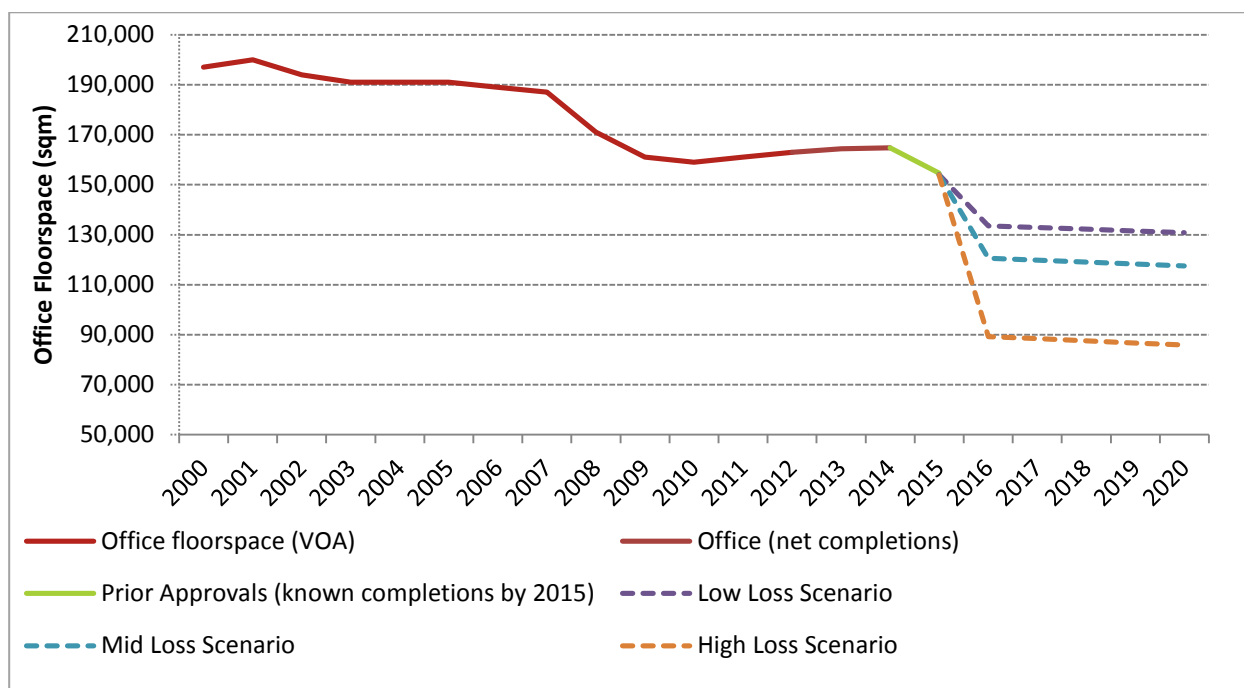
8.21 A summary of the prior approvals by location is shown in the table below. The majority of the prior approval floorspace (nearly 60%) is within Sutton Town Centre with the remaining 40% being relatively spread throughout the borough. An Article 4 Direction for Sutton Town Centre came into force on 29th January 2015 which prevents any further prior approval applications being granted however does not cancel those already approved as set out below. Further prior approvals in the rest of the borough may still occur up until the current deadline of May 2016.

Table 44: Prior Approval office floorspace lost by location

Location	Complete	Under Conversion	Not Started	Total
Sutton Town Centre	9,692	10,312	22,699	42,703
Hackbridge	0	0	1,865	1,865
Wallington	0	0	3,606	3,606
Cheam	0	2,179	4,830	7,009
Worcester Park	230	321	0	551
Carshalton	201	0	0	201
Rest of Borough	0	6,946	10,943	17,889
Total	10,123	19,758	43,943	73,824

Potential Impact of Pipeline on Office Stock

Figure 4 – Potential Impact of planning permissions and prior approvals on office stock in Sutton



8.22 The graph above shows the potential impact that the planning permission and prior approval pipeline may have on Sutton's total office stock. For this analysis, three different scenarios relating to the implementation of the pipeline have been modelled:

'Low loss' scenario: In this scenario it is assumed that minimum office floorspace is lost. This includes the floorspace already converted in 2015 and only the floorspace already known to be under conversion being lost by the prior approval expiry deadline in 2016. It is assumed that 80% of the net loss of B1a office floorspace in the planning permission pipeline has occurred by 2020. The potential office stock in this scenario is around 130,800m² by 2020.

'Mid-loss' scenario: In this scenario it is assumed that the floorspace already converted in 2015, the floorspace already under conversion and the currently vacant floorspace with prior approval is lost by the current prior approval expiry deadline in 2016. It is assumed that 90% of the net loss of B1a office floorspace in the planning pipeline has occurred by 2020. The potential office stock in this scenario is around 117,500m² by 2020.

'High loss' scenario: In this scenario it is assumed that maximum office floorspace is lost (of the current pipeline). In this scenario it is assumed that all floorspace with prior approval is completed by the current prior approval expiry in 2016 and 100% of the B1a floorspace in the planning pipeline has occurred by 2020. The potential office stock in this scenario is around 85,800m² by 2020.

8.23 It is impossible to know how many of the prior approvals will be completed by the current deadline of May 2016, or even if this deadline will be extended in future. It would seem sensible to suggest somewhere close to the 'mid case' scenario is the most likely to occur as it is unlikely

that no further prior approvals will be implemented and also unlikely that all of the existing ones will be completed. In reality, some of the outstanding prior approvals may be superseded by planning permissions and therefore the loss is still likely to occur but it may occur after 2016.

Office Market Analysis

8.24 This section updates some of the information in the existing ELR relating the current property market conditions in Sutton, including recent trends in the demand for office premises. This is based on an analysis of premises currently being advertised on property websites, discussions with a number of commercial property agents and the prior approval analysis as set out above.

8.25 Analysis of commercial property websites in March 2015¹⁰ has shown a small number of office premises currently being marketed in Sutton. In summary:

- Number of premises currently being marketed: 27¹¹
- Total Floorspace currently being marketed (m²): approx 8,400¹²
- Average price per m²: £159
- Range per m²: £107-£214

8.26 As set out above, according to our research there are currently 27 properties with around 8,400m² of office floorspace currently being marketed to let. This is estimated to represent around 5% of the estimated current supply. Three of these properties also have an outstanding prior approval for conversion to residential totalling around 1,300m²; therefore it is possible that if no commercial occupiers are found they may be converted to residential use. Our analysis shows that there is currently around 12,800m² office floorspace currently vacant with an unimplemented prior approval and/or planning permission for conversion to residential. This demonstrates that the vast majority of the vacant office floorspace with an outstanding prior approval is not being actively marketed for office use and is therefore likely to be converted to residential.

8.27 Discussions with office agents operating in the Sutton area have indicated that demand for office space has increased in the last 1-2 years and most believe this to be a combination of the general improvements in the economy and as a result of the loss of office space through conversions to residential. Most believe this to be a London-wide problem and not unique to Sutton, although some suggested that Sutton's outer London location and relatively poor transport links compared to some neighbouring areas may be responsible for the high number of conversions to residential. It was suggested that some employers were put off by the transport and parking situations in Sutton and would look to other areas such as Croydon, Wimbledon or Morden which are seen to be better connected.

¹⁰ Rightmove, Zoopla, EGI Property Link

¹¹ This includes some buildings which have been subdivided and are being marketed as separate units.

¹² Some premises give a range of floorspace available, so the maximum floorspace advertised has been used. A number of the very small premises do not give floorspace estimates so an estimate has been made.

- 8.28 Anecdotal discussions with the agents suggested that historically there has been an over-supply of offices in Sutton which has always led to fairly high vacancy rates however it is thought that this trend is now reversing and vacancy rates are much lower, although no estimates to the actual proportion could be made. It was suggested that there is a very high demand for free-hold office premises once they come onto the market, although this is usually due to the potential to convert them to residential.
- 8.29 The view of agents remains similar to that outlined in the 2013 ELR that Sutton is unlikely to attract any sizeable new build offices in the future and agents felt that this is demonstrated by the fact there have been very few speculative offices built in the last decade, with most new floorspace completed being for large scale employers to meet their own needs such as the Cancer Research site.
- 8.30 Some agents reported positive impacts of the conversion of offices to residential, such as the increased demand for premises such as Chancery House, which is a large office building that is now close to 30 years old but has had some level of vacancy for most of the last 15 years. Although some space in Chancery House is still available and still being marketed, the agents report that the increased demand for office space has led to its refurbishment and an increased number of viewings in recent months.

Assessment of Future Office Requirement

- 8.31 The 2013 ELR assessed B class employment space requirements in Sutton to the period 2024 using several different approaches:

Forecasts of employment growth in the main B class sector (labour demand) derived from the latest available economic forecasts (GLA and Experian);

Consideration of past trends in completions of employment space based on monitoring data supplied by the council, and how these might change in the future;

Estimating future growth of local labour supply related to the planning housing target for Sutton in the London Plan (210 dwellings per annum previously) and the amount of jobs and employment space this can support.

Scenario 1: Experian Job Growth Scenarios

- 8.32 For the Experian Job Growth Scenario, the 2013 ELR estimate has simply been annualised and factored from 2016 to 2031 rather than 2012 to 2024. Otherwise, the methodology used in the 2013 ELR has remained the same and the results are shown below in the table below. Based on the methodology used in the 2013 ELR of calculating a floorspace requirement of 12.5m² per office job and adding 10% vacancy, there is a requirement for an additional 47,000m² office floorspace in Sutton by 2031.

Table 45: Sutton Experian Office Floorspace Requirement 2016 – 2031

Scenario 1 Experian Job Growth	No of office jobs			Net Floorspace Requirement 2031 (m ²)
	2016	2031	2016-31	
Sutton	13,700	17,400	3,800	47,000

Scenario 2: GLA Job Growth Scenarios

- 8.33 The GLA job-based scenario in the 2013 ELR was compiled using GLA forecasts of office jobs growth in the London Borough of Sutton contained in the London Office Policy Review 2012 (LOPR). In July 2014, the GLA and Peter Brett Associates published the LOPR 2012 Update 2014 which updated the 2012 LOPR in light of more recent data in order to inform the Further Alterations to the London Plan (FALP).
- 8.34 The LOPR Update 2014 estimates an increase of 5,000 office jobs in the London Borough of Sutton between 2011 and 2036 based on the latest GLA projections. The GLA then calculate floorspace requirements using varying employment density ratios of 9m² per worker, 10.8m² per worker and 12m² per worker and then apply an 8% vacancy factor to all three scenarios. As Sutton's Local Plan is expected to cover the period 2016 to 2031; the projections have been annualised and proportioned from 2016 to 2031. The same employment densities and vacancy factor as in the LOFP 2014 have been applied – see table below.

Table 46: Sutton GLA Jobs Based Floorspace Requirements 2016 to 2031 (Peter Brett/GLA methodology)

Scenario 2 GLA Job Growth (from LOFP 2014)	No of office jobs			Floorspace Requirements 2031		
	2016	2031	2016-31	Density 9m ²	Density 10.8m ²	Density 12m ²
Sutton	13,000	16,000	3,000	29,100	35,000	38,900

- 8.35 As shown above, the projected office floorspace requirement by 2031 ranges between 29,100m² and 38,900m². The LOPR Update 2014 recommends that the 9m² density scenario should be adopted going forward, which for Sutton would result in the lower requirement of 29,100m² office floorspace by 2031. The LOPR Update 2014 also produces a trend based scenario which proportions out the expected growth by boroughs past completion rates. They then provide an average of the two to estimate geographic spread, which for Sutton shows a loss of 12,000 jobs between 2011 and 2036 (converted to a loss of 7,200 jobs over 2016 to 2031).
- 8.36 The NLP 2013 ELR uses a slightly different methodology to calculate the office floorspace requirement. It assumes a density of 12.5m² per job and a vacancy rate of 10% rather than 8%. If these same assumptions are used for the updated projections and for the updated date range of 2016 to 2031, the resulting requirement is higher at 41,300m² – see table below.

Table 47: Sutton LOFP Office Floorspace Requirements 2016 to 2031 NLP methodology

Scenario 2 GLA Job Growth (using NLP methodology)	No of office jobs			Floorspace Requirements 2031 ¹³
	2016	2031	2016-31	Density 12.5m ²
Sutton	13,000	16,000	3,000	41,300

Scenario 3: Past Completion Rates Continue

- 8.37 The 2013 ELR provided two scenarios based on past development rates; one which assumed past completion rates continued and one assuming a higher completion rate. These two scenarios will be updated based on two years' worth of updated completions data to 2014.

Table 48: Sutton Office Floorspace based on Past Completion Rate Continuing

Scenario 3 Past Completion Rates Continue	Average annual completion rate m ²	Floorspace Required (m ²) 2016 - 2031
Sutton	-2,248	-33,720

- 8.38 This scenario is based on B1a completion data which was provided by the council. This scenario simply assumes that future development rates of employment space up to 2031 will be similar to those that have occurred in Sutton over the last decade or so. The average annual net change between 2001 and 2014 was -2,248m² which is multiplied by 15 years to determine the net requirement between 2016 and 2031. This results in a requirement for 33,720m² less office floorspace by 2031.
- 8.39 This does not include the prior approvals known to be completed in 2015, however it is not considered appropriate to include them as we do not currently have the remaining 2014/15 planning permissions data from the council and would therefore not be a complete year of data. Including prior approvals in the estimates would also imply that they were to continue to 2031 which is currently not expected to occur, although this is subject to the decisions of any future government.

Scenario 4: Higher Completion Rates

- 8.40 In the 2013 ELR, the higher completion rate scenario is based broadly on past completion rates in the borough but with adjustments to reflect the potential for reduced losses of office space in future. To reflect such assumptions, a net completion rate of zero was assumed if the annual trend was negative, which it was in this case. As the annual trend is still negative, this figure would remain zero in this update.

¹³ Includes an added vacancy rate of 10%

Table 49: Sutton Office Floorspace based on Higher Completion Rates

Scenario 4 Higher Completion Rates	Average annual completion rate m ²	Floorspace Required (m ²) 2016 - 2031
Sutton	0	0

Scenario 5: London Plan Housing Target (and potential higher targets)

- 8.41 In this scenario, the London Plan minimum housing target for the London Borough of Sutton was converted into population using the current ratio of dwellings to population in the area. The future working age population was estimated using Experian population forecasts by age group, and an economic activity rate applied to estimate the resident labour supply. An adjustment was then made to reflect those likely to seek work outside the area, based on census data on out-commuting patterns.
- 8.42 The recently adopted Further Alterations to the London Plan (FALP) increased Sutton's housing target from 210 per annum to 363 per annum. The methodology outlined above has been applied to the updated housing target for the period 2016 to 2031 to provide an update for the floorspace requirement¹⁴. The council has also requested that the same scenario be run based on potential targets of 423 dwellings per annum and 500 dwellings per annum, which are also included below for information.

Table 50: Sutton Office Floorspace based on the London Plan Housing Target

Scenario 5 Housing Target Based	Number of projected office jobs	Floorspace Required (m ²) 2016 - 2031
5a London Plan Housing Target (FALP) 363 dwellings p.a.	495	6,800
5b Potential Growth Scenario at 423 dwellings p.a.	577	7,900
5c Potential Growth Scenario at 500 dwellings p.a.	682	9,400

- 8.43 Predicting the exact requirements that new housing and a new population will have is extremely difficult because there are a large number of variables and a large number of wider factors to take into consideration. It should be noted here that the labour force projection scenarios are based on a number of assumptions such as household size, economic activity rates, commuting patterns, proportion of B jobs etc.

¹⁴ Note – all other assumptions used in the calculation remain unchanged from the 2013 ELR to ensure consistency

8.44 Changes to these assumptions can vary the resulting requirement fairly significantly and therefore they should be used as indicative estimates only. For example, the 2011 census results have shown that levels of out-commuting have increased in Sutton compared to those used in the 2013 ELR, which would reduce the figures slightly. However, the 2013 ELR estimated a fairly low proportion of B class jobs which, if raised, could increase the figures slightly. We have therefore left the assumptions as they are for consistency however emphasise the indicative nature of these estimates.

Safety Margin, Conversion to Gross Floorspace and Estimated Land Requirement

8.45 The 2013 ELR applied a safety margin in order to estimate the overall requirement of employment space that should be planning for in allocating sites, and to give some flexibility of provision and to allow for factors such as delays in some sites coming forward for development. It then converted the net requirement into a gross requirement (the amount of employment space or land to be allocated) with an allowance made for some replacement of losses of existing employment space and then finally to an estimated land requirement.

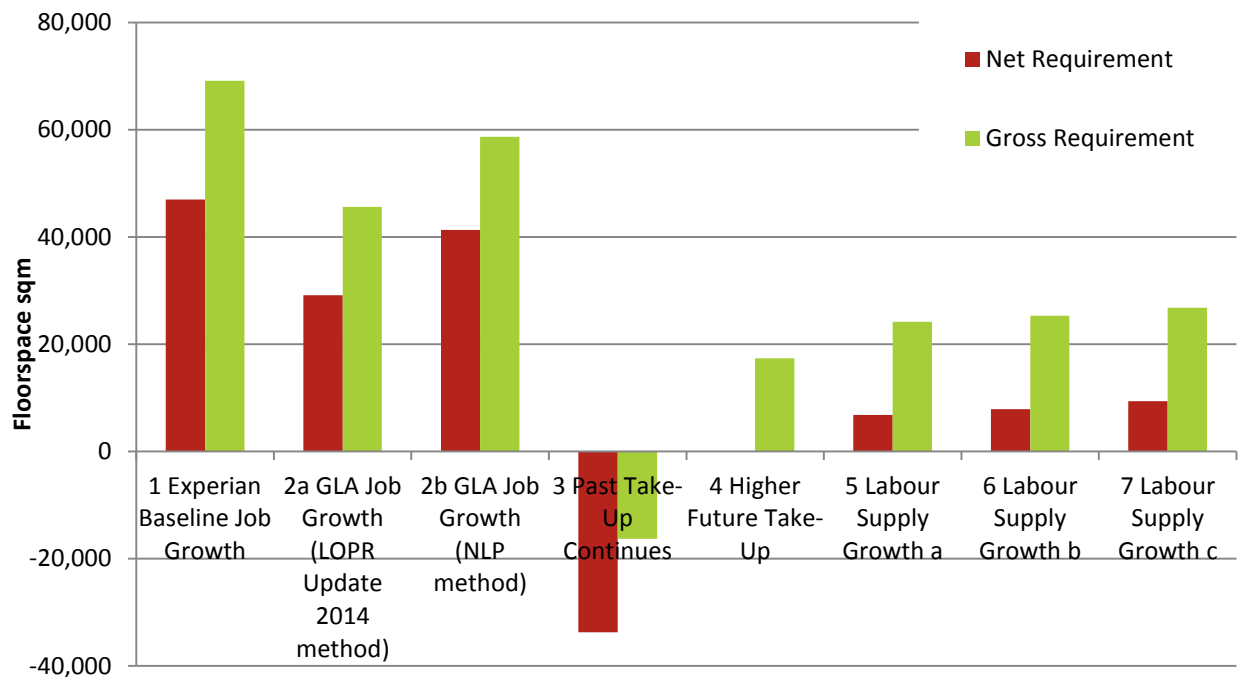
8.46 The same methodology for each of these factors has been used for the updated net floorspace requirements. See Appendix 5 for further details on the methodology and calculations.

Table 51: Updated Net and Gross Office Floorspace and Land Requirement 2016 to 2031

Scenario		Net Office Floorspace Requirement (m ²) 2016-2031	Gross Office Floorspace Requirement (m ²) 2016-2031	Land Requirement (ha)
Labour Demand	1 Experian Baseline Job Growth	47,000	69,100	4
	2a GLA Job Growth (LOPR Update 2014 method)	29,100	45,600*	2.7*
	2b GLA Job Growth (NLP method)	41,300	58,700	3.4
Past Development Rates	3 Past Take-Up Continues	-33,720	-16,300	-0.9
	4 Higher Future Take-Up	0	17,400	1.0
Labour Supply Growth	5a 363 dwellings p.a.	6,800	24,200	1.4
	5b 423 dwellings p.a.	7,900	25,300	1.5
	5c 500 dwellings p.a.	9,400	26,800	1.5

*Conversion to gross and land requirement uses NLP methodology and is not part of the LOPR Update 2014

Figure 5: Updated Net/Gross Office Floorspace 2016 to 2031



Supply/Demand Balance

8.47 As discussed in the pipeline analysis section, the London Borough of Sutton currently has a potential 23,415m² B1a new office floorspace with planning permission in the pipeline. However, due to losses expected from prior approvals and planning permissions, this results in an overall net loss of 78,948m² if all were to be implemented. However, it is important to note that the pipeline shown here only includes sites currently with planning permission/prior approval and will not include any allocated sites currently without permission.

8.48 The table below compares the net pipeline with the net requirements identified in the scenarios to show the potential shortfall/surplus that would occur for each scenario if the current pipeline loss was fully implemented. It shows the level of floorspace that would be required if all of lost floorspace was to be fully replaced.

Table 52: Potential Office Supply Shortfall

Scenario		Net Pipeline	Net Requirement	Net shortfall (m ²)
Labour Demand	1 Experian Baseline Job Growth	-78,948	47,000	125,948
	2a GLA Job Growth (LOPR Update 2014 method)		29,100	108,048
	2b GLA Job Growth (NLP method)		41,300	120,248
Past Development Rates	3 Past Take-Up Continues		-33,720	45,228
	4 Higher Future Take-Up		0	78,948

Scenario		Net Pipeline	Net Requirement	Net shortfall (m ²)
Labour Supply Growth	5a 363 dwellings p.a.		6,800	85,748
	5b 423 dwellings p.a.		7,900	86,848
	5c 500 dwellings p.a.		9,400	88,348

8.49 The 2013 ELR reported that London Borough of Sutton had a net office pipeline of 9,460m²; however the position has changed considerably since then, mainly due to the introduction of office to residential prior approvals. The table above shows what the council would need to achieve to completely replace the lost stock, however it should be noted that a large proportion of this lost stock had been vacant for some time and also some of the prior approvals have already taken place. They are therefore not actively contributing to Sutton's economy and consequently complete replacement may not be appropriate. The methodology used in the 2013 ELR, and replicated here, does include a loss replacement allowance of 1,000m² per year (15,000m² over the plan period) in addition to the net requirement identified as part of the conversion to gross floorspace, as set out above.

Office Projections Conclusions

8.50 As in the 2013 ELR, the office floorspace projections are wide ranging, from the highest Experian net requirement of 47,000m² to the lowest past development trend scenario with a loss of 33,720m². The majority of the scenarios are based on the original methodology of applying a 12.5m² floorspace to jobs ratio and allowing a 10% vacancy rate for consistency. However, the latest research outlined in the LOPR Update 2014 is suggesting a mean density of 10.9m² NIA (11.3m² GIA) to which they then apply a benchmark ratio of 1.2 workers per desk, converting to an overall ratio of 9m². These assumptions are based on evidence that occupiers are seeking greater efficiencies from their space which is leading to more widespread adoption of desk sharing. The LOFP 2014 reports that this trend is being reinforced as the positive benefits of flexible working (including home working) are being increasingly realised. They also suggest that these trends might increase further into the future and ran some sensitivity testing at 8m² although this may be more likely to be achieved in more central parts of London where rents are much higher and therefore has not been tested here.

8.51 This latest evidence may suggest that the scenarios 1 and 2b and 5 as set out above may be too high at 12.5m² and subsequently may over-estimate the requirement. If all scenarios that include the jobs to floorspace calculation are re-run with the 9m² jobs to floorspace ratio and 8% vacancy allowance as set out in the LOFP 2014, the requirements reduce as follows:

Table 53: Updated Gross Office Floorspace and Land Requirement 2016 to 2031 (sensitivity tested with revised density of 9m²)

Scenario		Net Office Floorspace Requirement m ² 2016-2031	Gross Office Floorspace Requirement m ² 2016-2031	Land Requirement (ha)
Labour Demand	1 Experian Baseline Job Growth	36,500	53,900	3.1
	2a GLA Job Growth (LOPR Update 2014 method)	29,100	45,600*	2.7*
	2b GLA Job Growth (NLP method)	29,100	45,600	2.7
Past Development Rates	3 Past Take-Up Continues	-33,720	-16,300	-0.9
	4 Higher Future Take-Up	0	17,400	1.0
Labour Supply Growth	5a 363 dwellings p.a.	4,800	22,200	1.3
	5b 423 dwellings p.a.	5,600	23,000	1.3
	5c 500 dwellings p.a.	6,600	24,000	1.4

*Conversion to gross and land requirement uses NLP methodology and is not part of the LOPR Update 2014

- 8.52 The choice of which level of demand to plan for will to some extent reflect the aspirations of the council. The Experian and GLA projections both suggest an increase in office based sector growth in Sutton however, both of these are based on the assumption that all sectors will grow at the same level across London which based on past development trends, seems unlikely to be the case. However, as set out in the pipeline and prior approval sections, Sutton has lost and is continuing to lose vast amounts of office stock through planning permissions and prior approvals, which it may wish seek to replace to some extent.
- 8.53 The market demand analysis is suggesting that demand for office floorspace in Sutton is increasing with the historically high vacancy rates falling and rents now starting to increase as the available supply is decreasing. The discussion with local agents also suggested that the main issues in attracting office occupiers to Sutton were its outer London location and relatively poor transport links. Therefore, the level of office floorspace to be planned for may need to be linked to the aspirations of the council relating to its transport strategy and the majority of growth should be planned for sustainable locations such as Sutton Town Centre. It is suggested that the council may wish to plan for the GLA job growth demand scenario of around 29,000m² net office floorspace (46,600m² gross) between 2016 and 2031 or up to the revised density Experian based forecast of 36,500m² (53,900m² gross) if they are seeking to encourage economic growth, replace more of the lost stock and potentially improve the transport links. This revised Experian

estimate of around 36,500m² is similar to the GLA based estimate if a slightly higher density at 10.8m² were to be applied which provides some validation to this projection.

- 8.54 This level of growth takes an optimistic but realistic view of office sector growth in Sutton and reflects the NPPFs requirements to encourage economic growth and will help to replace some of the stock lost through the prior approval process. This level of growth should more than meet projected labour supply growth based on the current London Plan targets and the tested potential higher targets (423 and 500 dwellings per annum).

Types of office space required

- 8.55 It is difficult to precisely predict the types of office space required as far ahead as 2031. The key will be to allow some flexibility to respond to latest market trends and particularly to technological changes, which will impact how companies operate and use space. The revised density calculations shown above already factor in the latest trends which suggest that employers are seeking greater efficiencies from space by introducing desk sharing and flexible/home working policies and this may continue in future and will need to be monitored.
- 8.56 The Experian and GLA forecasts project growth in different sectors which make analysis of the type of space required more difficult, however they both project the highest levels of growth in professional, real estate, scientific and technical activities sector. Therefore, some of this growth will be in uses such as estate and employment agencies which are likely to require some A2 floorspace. The increasing requirement for A2 uses is discussed in other sections of this document however it is important that the potential growth in A2 uses is considered, particularly in service centres such as Sutton Town Centre and the District Centres.
- 8.57 Other office based sectors which are projected to grow in both the GLA and Experian forecasts are information and communication and administrative and support service activities meaning general office space for these types of sectors is likely to be required. The Experian forecasts also project growth in financial and insurance activities although the GLA project a decline. In terms of size, the view of office agents, which although could be considered to relate to current conditions only, was that Sutton was unlikely to attract too many larger companies and that demand was currently coming from smaller and more locally based companies.

Industrial Land Assessment

- 8.58 This industrial land assessment involves an update to the findings of the 2013 ELR where possible. This includes updated site assessments for the Strategic Industrial Locations (SIL) and Established Industrial Locations as identified in the Sutton Site Development Policies DPD. To be consistent with the existing ELR, the same site scoring criteria have been used – see Appendix 5 for full site proformas. The update also includes discussions with agents and updated industrial floorspace projections where possible.

Strategic Industrial Locations

Beddington Industrial Area

- 8.59 The Beddington Industrial Area is the largest industrial area in Sutton and is designated as a SIL, meaning it is of strategic importance to London. There has been little change since the 2013 ELR and it remains a high profile, good quality location with very low vacancy rates. At the time of the site visit, there were very few vacant units and undeveloped land available. There is currently a large vacant unit which housed the recently closed Brakes Professional Foods Market and a vacant storage yard which is currently being advertised to let. The conclusions of the 2013 ELR remain unchanged and the site should be retained for B class employment uses, predominantly industrial. There are no vacant plots currently available however there may be scope for more intensive industrial development on some sites such open storage and/or waste related uses.

Kimpton Industrial Estate

- 8.60 Kimpton Industrial Estate is the second largest industrial area in Sutton and is designated as a SIL. At the time of the 2013 ELR, there were a number of undeveloped plots totalling around 3ha however it seems that the majority of these have now been developed and there appears to be only one small plot remaining. The newer units include Wickes, Tile Giant, Big Yellow Storage and Selco Builders Warehouse suggesting high demand for these trade counter/storage type uses. There are still some vacancies at the recently developed IO Centre and discussions with agents have suggested that there has been less demand for these smaller units in recent years although this is now increasing (see market demand section). There is also some redevelopment currently occurring at Kimpton which also suggests that the site remains in demand. The site should be retained for industrial use however there are now limited opportunities for redevelopment, although some further intensification may be possible.

Imperial Way Strategic Industrial Location

- 8.61 Imperial Way Industrial Area is a large, mixed use employment area to the east of Wallington with good quality modern units. At the time of the survey there were two units available to let and it appeared that one was being refurbished. Waddon House, which was a former office building, is also currently vacant and has an outstanding prior approval for conversion to residential. Therefore it is possible that this part of the site will be lost for employment use if this is implemented and the boundary of the employment area may need to be amended. Overall, this remains a good quality employment area and the remainder of the site should be retained for employment uses.

Established Industrial Locations

Croydon Road Industrial Area

- 8.62 The Croydon Road Industrial Area is a relatively new and modern industrial area which is on the former Payne's Chocolate Works site. At the time of the 2013 ELR, vacancy rates were high in the IO centre due to them coming to the market at a difficult time. There are still some vacant units in the IO centre although discussion with industrial agents has highlighted that interest in

these smaller units is now increasing as the economy improves. This is a good quality site providing small units for start-ups/small businesses. This site should be retained for industrial and business uses.

Gander Green Lane and Abbots Road Industrial Area

- 8.63 The Gander Green Lane and Abbots Road Industrial Area in North Cheam contains two sites, one of which contains a BT operations depot which appears to still be in use and another site which contains a number of older industrial units. There has been little change since the 2013 ELR with the site being of average quality and having some access and loading issues, although is still fully occupied. The current BT building appears to be purpose built and may not easily re-let if BT left however, the site is suitable for B1 use and should be retained for business uses.

Mill Green Business Park

- 8.64 Mill Green Business Park was a small office park development near Beddington Corner. At the time of the site visit it was completely vacant and currently has an outstanding prior approval for conversion to residential. If this is implemented it is likely to be lost for employment use and will need to be removed as an established industrial location.

Oldfields Road Industrial Area

- 8.65 The Oldfields Road Industrial area is a small industrial site at Sutton Common. At the time of the 2013 ELR it was cleared however is now under construction for a storage centre.

Restmor Way Industrial Area

- 8.66 The Restmor Way Industrial Area is a larger employment area containing older 1970s industrial units of moderate quality as well as the Sutton Business Centre which provides small, low cost units for start-ups/small businesses. In the 2013 ELR, vacancy was reported as low however Vulcan House, which is a large office building on the site, has now been given prior approval for conversion to residential. Vulcan House appears to still be partly occupied and the conversion has yet to take place. If it is implemented, the boundary of the employment area may need to be reviewed.

Established Industrial Locations shown as a Site Allocation or Part of a mixed-use allocation

Felnex Trading Estate

- 8.67 The Felnex Trading Estate has been demolished since the publication of the 2013 ELR, resulting in the loss of approximately 50,000m² employment floorspace in Sutton. The site has planning permission for a mixed use redevelopment including residential, retail, employment, a care home and other community uses as part of the expanded Hackbridge District Centre. The permission currently includes around 6,100m² replacement B1 floorspace. The boundaries of this employment area will need to be reviewed following the redevelopment.

Land adjoining Hackbridge Station

8.68 This is a medium sized industrial estate on the edge of Hackbridge District Centre and immediately adjacent to Hackbridge Station. There has been little change since the 2013 ELR and it contains reasonable quality units and vacancy remains low. The site is allocated for mixed use development, including residential and 30% employment uses. The conclusions of the 2013 remain the same that this is a good quality employment site and a proportion of it should be retained for B1 industrial and business uses.

Trading Estate and Gas Holder, Plumpton Way

8.69 The Plumpton Way Trading Estate is a small industrial area with an adjacent Gas Holder in a low profile predominately residential location. There have been no changes since the 2013 ELR and it appears to be fully occupied.

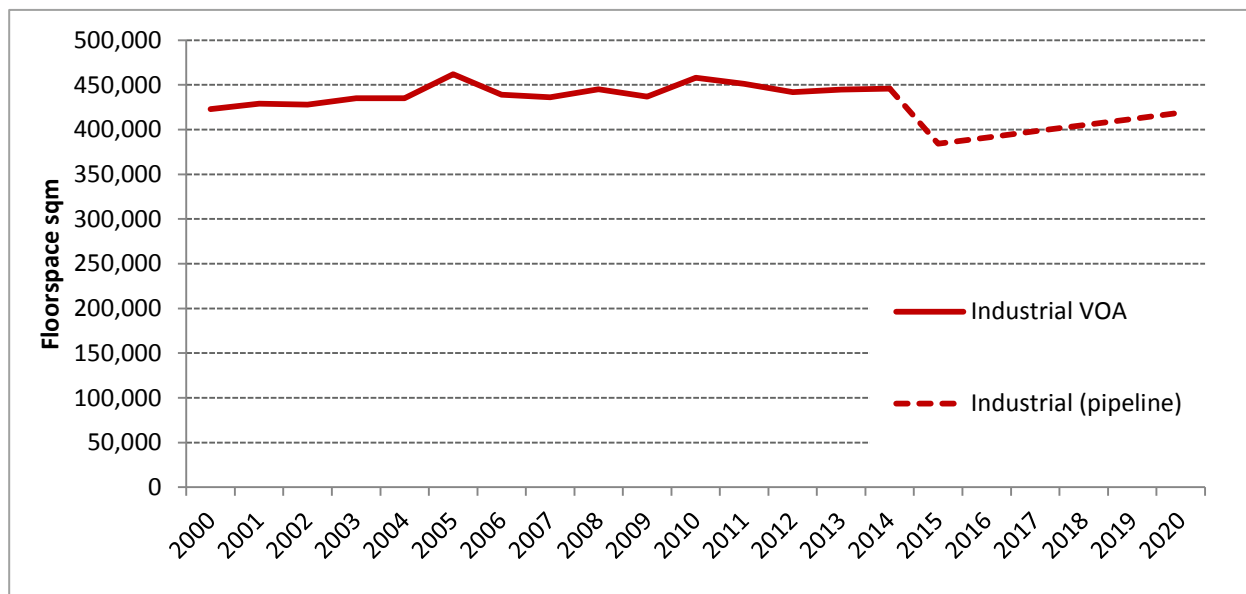
Wandle Valley Trading Estate

8.70 The Wandle Valley Trading Estate was formerly three separate areas; two of which have now been demolished resulting in the loss of around 11,400m² of B2 floorspace. The riverside part of the site remains and appears to be fully occupied. There is now planning permission for mixed use redevelopment on the site including around 1,100m² B1 floorspace (B1b and B1c). The boundaries of this site will need to be reviewed following the redevelopment.

Impact of Pipeline on Industrial Stock

8.71 The current industrial floorspace stock estimate and the planning permission pipeline have been analysed earlier in this chapter. Drawing them together provides an estimate of the impact of the pipeline on the total amount of industrial floorspace in Sutton.

Figure 6: Current Industrial Floorspace and Pipeline Permissions



- 8.72 For the purposes of this assessment, the floorspace known to be demolished at the Felnex and Wandle Valley Trading Estates (which totals around 61,000m²) has been included in 2015 to provide an up to date picture of current stock. The remaining net floorspace in the pipeline has been annualised between 2016 and 2020. The estimated industrial floorspace by 2020 if all permissions in the pipeline are implemented is around 419,000m², which is 1% lower than the estimated stock in 2000.

Industrial Market Assessment

- 8.73 Discussions with industrial agents suggest that there is a lack of available industrial stock in Sutton and that there is strong demand. Agents feel that vacancy rates are at an all-time low and there has been very little speculative development in recent years. There has been strong demand for larger units between 10,000 to 50,000sq ft and there are very few of these coming on the market. Most of the vacant stock in Sutton is smaller units of around 3,000 to 5,000 sq ft such as those in the IO centres at Croydon Road and Kimpton Industrial Estates. Agents reported that rents for these units are relatively high compared to smaller units further outside of London and therefore take up of them has not been high. The agents report that demand for these types of units was expected to pick up about 12 months ago however is only just starting to now. One agent reported more viewings for these smaller vacant units in the first quarter of 2015 than the third and fourth quarters of 2014 combined. The general view was that the larger companies who need larger premises have weathered the recession better than the small companies and start-ups.
- 8.74 According to our research, there are currently 14 industrial units in Sutton being actively marketed to let with a total floorspace of around 6,500m². The units range in size from 215m² to 1,243m² with an average size of 433m² (4,656ft²). The majority of the units available to let are within the IO centre in Croydon and the IO centre in Kimpton Park as discussed above. There is currently around 2,500m² industrial floorspace being marketed for sale although two of these units are also being advertised to let. The units for sale range from 176m² to 684m² with an average size of 411m². The analysis of the current market shows the prevalence of small units and the lack of large units available as highlighted by the agents. The total floorspace available (allowing for properties which are listed for both rent and sale) is estimated to be around 8,000m² which is around 2% of the current estimated stock and once again suggests a shortage of supply.

Assessment of Future Industrial Requirement

- 8.75 As set out in the office assessment chapter, the 2013 ELR assessed B class employment space requirements in Sutton to the period 2024 using several different approaches:

Forecasts of employment growth in the main B class sector (labour demand) derived from the latest available economic forecasts (GLA and Experian);

Consideration of past trends in completions of employment space based on monitoring data supplied by the council, and how these might change in the future;

Estimating future growth of local labour supply related to the planning housing target for Sutton in the London Plan and the amount of jobs and employment space this can support.

- 8.76 This was translated into six different growth scenarios/approaches. For this update, the same methodology has been used where possible but with updated information where available and/or updated to reflect the proposed plan period of 2016 to 2031.

Scenario 1: Experian Job Growth Scenarios

- 8.77 For the Experian Job Growth Scenario, the 2013 ELR estimate has simply been annualised and factored from 2016 to 2031 rather than 2012 to 2024. There is currently no evidence to suggest that the methodology previously used needs to be revised. Based on this methodology of calculating a floorspace requirement of 43m² per manufacturing job, 65m² per warehouse job and adding a 10% vacancy rate, there is a requirement for an additional 71,126m² floorspace in the London Borough of Sutton by 2031.

Table 54: Sutton Experian Industrial Floorspace Requirement 2016 – 2031

Scenario 1 Experian Job Growth	No of jobs			Net Floorspace Requirement 2031 (m ²)
	2016	2031	2016-31	
Manufacturing	5,612	5,453	-159	-3,413
Warehousing	5,204	6,247	1,043	74,539
Total	10,816	11,699	844	71,126

Scenario 2: GLA Job Growth Scenarios

- 8.78 For the GLA Job Growth Scenario, the 2013 ELR estimate has once again been annualised and factored from 2016 to 2031 rather than 2012 to 2024. There is currently no evidence to suggest that the methodology previously used needs to be revised. Based on this methodology of calculating a floorspace requirement of 54m² per industrial job and adding a 10% vacancy rate, there is a requirement for 50,963m² less industrial floorspace in Sutton by 2031.

Table 55: GLA Job Growth Scenario

Scenario 2a GLA Job Growth	No of jobs			Net Floorspace Requirement 2031 (m ²)
	2016	2031	2016-31	
Industrial	10,057	8,169	-1,888	-50,963

- 8.79 The industrial projections used in the 2013 ELR were based on the findings of GLA Working Paper 39 which provided borough-level employment forecasts to 2031. This has not yet been updated and therefore there are no updated figures to analyse. However, the GLA have produced updated projections by sector on a London wide basis and by borough-based on a total jobs basis. The GLA do not currently provide sector forecasts by borough however we have created our own sector forecasts using BRES 2011 sector data for the London Borough of Sutton which we have then calibrated with the 2013 GLA borough and London-wide sector level forecasts. For the purposes of this analysis, it is assumed that each sector in Sutton is projected

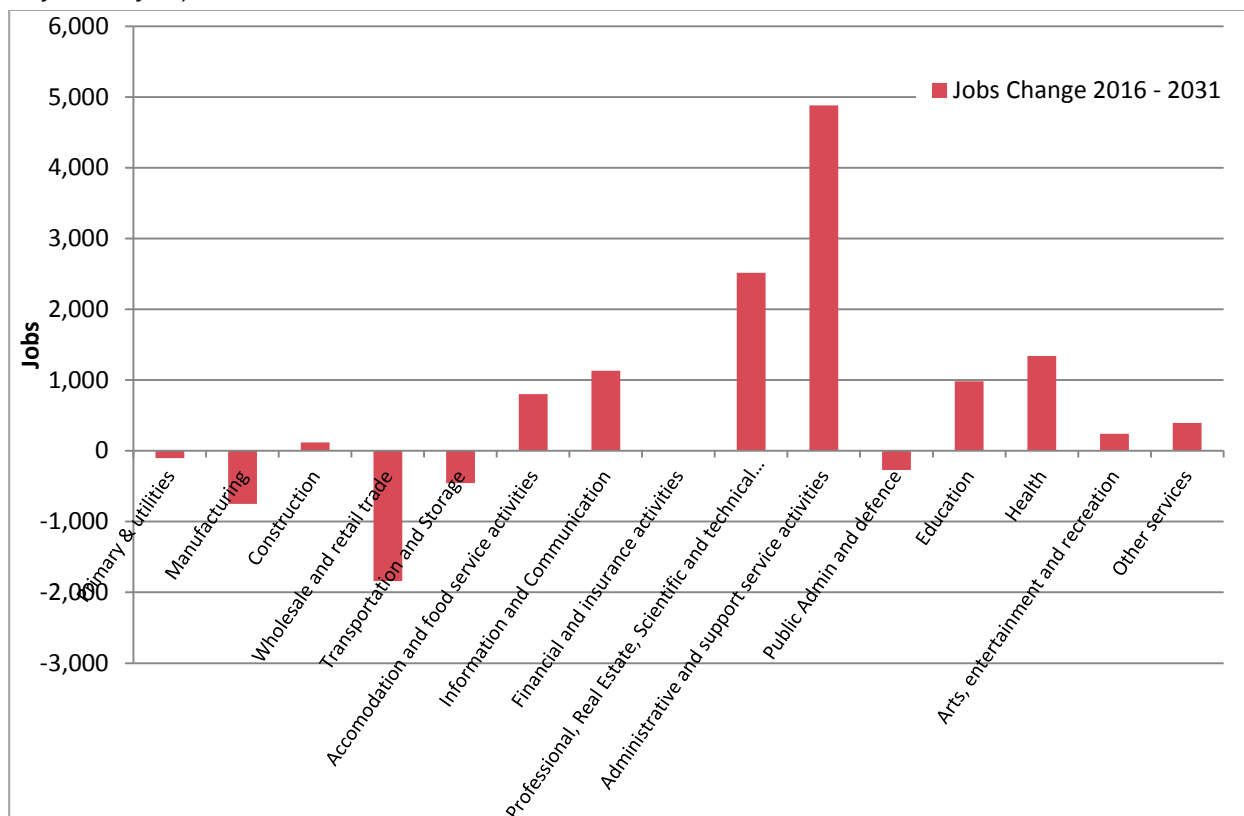
to grow at the same rate as it is for London. This is the approach used in the LOFP 2014 update and by the GLA to create its borough wide projections.

Table 56: Projected Jobs change in Sutton 2016 to 2031 (Source: NOMIS, BRES, GLA – with Boyer analysis)

Sector	Jobs Change 2016 - 2031
Primary & utilities	-100
Manufacturing	-748
Construction	117
Wholesale and retail trade	-1,840
Transportation and Storage	-457
Accommodation and food service activities	803
Information and Communication	1,133
Financial and insurance activities	7
Professional, Real Estate, Scientific and technical activities	2,517
Administrative and support service activities	4,883
Public Admin and defence	-269
Education	982
Health	1,339
Arts, entertainment and recreation	242
Other services	393
Total	9,000

- 8.80 It is not possible within the scope of this study to reproduce floorspace estimates from these projections due to the lack of further breakdowns of the types of jobs within each of these sectors. However our updated analysis shows that the manufacturing and wholesale and retail trade sectors are still projected to decline as they were in the estimates used in the GLA Working Paper 39, which validates the projections used for these estimates.

Figure 7 – Sutton Projected Job Changes 2016-2031 by Sector (Source: NOMIS, BRES, GLA – with Boyer analysis)



Scenario 3: Past Completion Rates Continue

- 8.81 The 2013 ELR provided two scenarios based on past development rates; one which assumed past completion rates continued and one assuming a higher completion rate. These two scenarios will be updated based on two years' worth of updated completions data to 2014.

Table 57: Sutton Industrial Floorspace based on Past Completion Rate Continuing

Scenario 3 Past Completion Rates Continue	Average annual completion rate m ²	Net Floorspace Required (m ²) 2016 - 2031
Manufacturing	3,150	47,250
Distribution/Storage	3,100	46,500
Total		93,750

- 8.82 This scenario is based on B use net completions data from 2001 to 2014 which was provided by the council. This scenario simply assumes that future development rates of employment space up to 2031 will be similar to those that have occurred in Sutton over the last 13 years. The average annual net change was 3,150m² for manufacturing and 3,100m² for distribution/storage which is multiplied by 15 years to determine the net requirement between 2016 and 2031. This results in a requirement for 47,250m² manufacturing and 46,500m² distribution/storage floorspace with a total requirement for 93,750m² industrial floorspace by 2031.

Scenario 4: Higher Completion Rates

- 8.83 In the 2013 ELR, this scenario is based broadly on past completion rates in the borough but with adjustments made to reflect the potential for higher growth in industrial development and reduced losses in office space. The same methodology as the 2013 ELR has been applied which involves raising the completion rate of manufacturing by 10% but making no change to the distribution/storage rate. This was based on a general upturn in manufacturing activity in line with greater national support for the sector. This results in a slightly higher floorspace requirement of 51,975m² and a total of 98,475m² industrial floorspace by 2031.

Table 58: Sutton Industrial Floorspace based on Higher Past Completion Rates

Scenario 4 Past Completion Rates Continue	Average annual completion rate m²	Net Floorspace Required (m²) 2016 - 2031
Manufacturing	3,465	51,975
Distribution/Storage	3,100	46,500
Total		98,475

Scenario 5: London Plan Housing Target

- 8.84 In this scenario, the London Plan minimum housing target for Sutton was converted into population using the current ratio of dwellings to population in the area. The future working age population was estimated using Experian population forecasts by age group, and an economic activity rate applied to estimate the resident labour supply. An adjustment was then made to reflect those likely to seek work outside the area, based on out-commuting patterns.
- 8.85 The recently adopted Further Alterations to the London Plan (FALP) increased Sutton's housing target from 210 per annum to 363 per annum. The methodology outlined above has been applied to the updated housing target for the period 2016 to 2031 to provide an update for the floorspace requirement¹⁵. The council has also requested that the same scenario be run based on potential targets of 423 dwellings per annum and 500 dwellings per annum, which are also included below for information.

¹⁵ Note – all other assumptions used in the calculation remain unchanged from the 2013 ELR to ensure consistency

Table 59: Sutton Industrial Floorspace based on London Plan Housing Targets

	Scenario 5 London Plan Housing Target	Number of projected jobs	Floorspace Required (m ²) 2016 - 2031
5a London Plan Housing Target (FALP) 363 dwellings p.a.	Manufacturing	179	8,484
	Warehouse	179	12,825
	Total	358	21,309
5b Potential Growth Scenario at 423 dwellings p.a.	Manufacturing	209	9,887
	Warehouse	209	14,945
	Total	418	24,832
5c Potential Growth Scenario at 500 dwellings p.a.	Manufacturing	247	11,686
	Warehouse	247	17,665
	Total	494	29,352

- 8.86 This approach gives a requirement for an additional 8,484m² of manufacturing floorspace and 12,825m² of warehouse floorspace, resulting in a total requirement of 21,309m² of industrial floorspace. Based on a target of 423 dwellings per year the requirement rises to 24,832m² and based on 500 dwellings per year the requirement would increase to 29,352m².
- 8.87 Predicting the exact requirements that new housing and a new population will have is extremely difficult because there are a large number of variables and a large number of wider factors to take into consideration. It should be noted here that the labour force projection scenarios are based on a number of assumptions such as household size, economic activity rates, commuting patterns, proportion of B jobs etc.
- 8.88 Changes to these assumptions can vary the resulting requirement fairly significantly and therefore they should be used as indicative estimates only. For example, the 2011 census results have shown that levels of out-commuting have increased in Sutton compared to those used in the 2013 ELR, which would reduce the figures slightly. However, the 2013 ELR estimated a fairly low proportion of B class jobs which, if raised, could increase the figures slightly. We have therefore left the assumptions as they are for consistency however emphasise the indicative nature of these estimates.

Safety Margin, Conversion to Gross Floorspace and Estimated Land Requirement

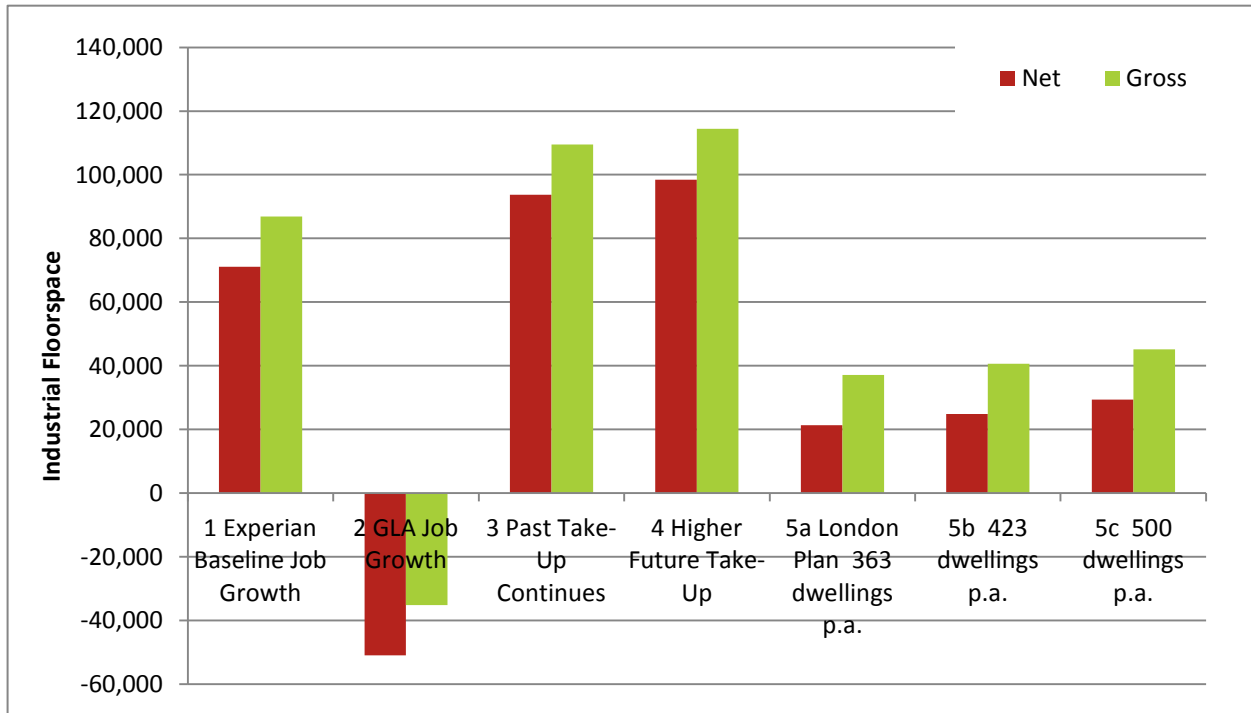
- 8.89 The 2013 ELR applied a safety margin in order to estimate the overall requirement of employment space that should be planned for in allocating sites in order to give some flexibility of provision and to allow for factors such as delays in some sites coming forward for development. It then converted the net requirement into a gross requirement (the amount of employment space or land to be allocated) with an allowance made for some replacement of losses of existing employment space and then finally to an estimated land requirement.

8.90 The same methodology for each of these factors has been used for the updated net floorspace requirements. See Appendix 5 for further details on the methodology and calculations.

Table 60: Gross Industrial Floorspace and Land Requirement 2016 to 2031

Scenario		Net Industrial Floorspace Requirement (m ²) 2016-2031	Gross Industrial Floorspace Requirement (m ²) 2016-2031	Land Requirement (ha)
Labour Demand	1 Experian Baseline Job Growth	71,126	86,886	21.7
	2 GLA Job Growth	-50,963	-35,203	-8.8
Past Development Rates	3 Past Take-Up Continues	93,750	109,510	27.4
	4 Higher Future Take-Up	98,475	114,400	28.6
Labour Supply Growth	5a London Plan Housing Target (FALP) 363 dwellings p.a.	21,309	37,069	9.3
	5b Potential Growth Scenario at 423 dwellings p.a.	24,832	40,592	10.1
	5c Potential Growth Scenario at 500 dwellings p.a.	29,352	45,112	11.3

Figure 8: Net and Gross Industrial Projected Floorspace Requirements



Industrial Projection Conclusions

- 8.91 In all scenarios, with the exception of the GLA-based one, there is growth in industrial floorspace projected in the London Borough of Sutton. These projections range from a net requirement of -51,000m² to 98,000m² (-35,000m² to 114,000m² gross). It is difficult to know which one is the most likely to occur, however with 4 out of 5 projections predicting growth and with the market analysis suggesting that demand is still strong for industrial floorspace; it would seem likely that there will continue to be industrial demand rather than decline in Sutton.
- 8.92 The 2013 ELR recommended that for industrial floorspace, the Experian-based projection may be the most appropriate to use as it more than meets local job needs and would appear achievable in the context of past development trends. Our analysis would suggest that this is still the case as it predicts growth, which is still supported by market analysis, however slightly lower growth than previous trends. The Experian forecast estimates a requirement for 71,100m² net industrial floorspace which equates to 86,900m² gross requiring 21.7ha of land.

Supply/Demand Balance

- 8.93 The table below provides a comparison between the current net industrial pipeline and the net requirements for all scenarios as set out above.

Table 61: Potential Industrial Supply Shortfall/Surplus

Scenario		Net Pipeline	Net Requirement (m ²)	Net Surplus/Shortfall (m ²)**
Labour Demand	1 Experian Baseline Job Growth	-13,308*	71,126	84,434
	2 GLA Job Growth		-50,963	37,655 (surplus)
Past Development Rates	3 Past Take-Up Continues		93,750	107,058
	4 Higher Future Take-Up		98,475	11,783
Labour Supply Growth	5a London Plan Housing Target (FALP) 363 dwellings p.a.		21,309	34,617
	5b Potential Growth Scenario at 423 dwellings p.a.		24,832	38,140
	5c Potential Growth Scenario at 500 dwellings p.a.		29,352	29,352

* The net pipeline includes the 50,000m² loss at Felnex Trading Estate which has already occurred

** Red = shortfall, Black = surplus

- 8.94 Despite the anticipated demand in Sutton, there is a net loss of industrial floorspace in the pipeline, resulting in a potential shortfall in all scenarios except the GLA based scenario.

However, it is important to note that the pipeline includes the already demolished industrial floorspace at Felnex and Wandle Valley Trading Estates and recent site visits show this to have already occurred.

- 8.95 The demand created by the closure of these sites is likely to already be reflected in our market demand analysis which suggested that vacancy rates were very low and that there were very few premises available to let/buy. The methodology used already includes a loss replacement allowance of 500m² per year (7,500m² over the plan period).
- 8.96 There are some vacant new build units at the IO centres at Kimpton and Croydon Road industrial estates which suggest that demand may not be as strong for these modern smaller units, although agents suggested that this is now improving as the economy improves.
- 8.97 At the time of the 2013 ELR, there were some vacant plots available at the Kimpton Industrial Area and Oldfields Trading Estate. Our survey shows that the majority of these plots have now been developed or are in the process of being developed, with the exception of one small site at Kimpton meaning that there is very little land available for further industrial development. With very few, if any, new sites likely to come forward, the recommendations in the 2013 ELR to accommodate some industrial growth remain the same:
- The more intensive development of safeguarded waste sites.
 - Utilising for more intensive industrial development on any sites released by existing older industrial users who are closing down or downsizing
 - Monitoring future demand and supply levels in case the forecasts, the allowances for replacing losses and the safety margin are over generous or change with different economic conditions
- 8.98 The most appropriate sites for potential intensification are thought to be the Beddington and Kimpton SILs as these are the largest sites and contain a range of buildings of varying age, quality and use and include some open storage sites which could be redeveloped. Given the loss of the Felnex and Wandle Valley Trading Estates and the potential loss at other sites allocated for mixed use redevelopment, very little scope is seen to release some smaller, poorer performing industrial sites to other uses as most of these are occupied and serve a local need at some level. Only vacant older units constrained by residential uses and therefore difficult to let would be obvious candidates for release. The recommendation in the ELR 2013 that Sutton should not lose any significant amounts of industrial land in future and should take a strong line in resisting pressure on such land remains valid.

Changes to Permitted Development Rights

- 8.99 The potential for even further losses of industrial floorspace has now arisen due to the changes to permitted development rights published in April 2015. These changes temporarily allow for the change of use of B8 (storage and distribution) to C3 (residential) subject to certain conditions. It is too early to predict any quantitative impact on the supply/demand for industrial use in Sutton; however it does highlight the potential for further losses in industrial floorspace to occur and strengthens the recommendation to retain and intensify existing floorspace where possible.

9. Conclusions and Recommendations

- 9.1 In this section of the report we draw upon the analysis provided in the previous sections of the assessment and set out below our conclusions and make strategic recommendations for the council to take forward into the Local Plan review.

Summary of Findings

- 9.2 In section 2, we summarised the current national and local planning policy context under which this study has been prepared. Current national planning policy guidance, as set out in the NPPF, promotes the vitality and viability of town centres, and identifies them as the most suitable location for retail, leisure, cultural and other 'town centre' uses. This supports the wider government objectives for sustainable economic growth. The NPPF also identifies the need for local planning authorities to have a robust and up-to-date evidence base to inform local planning policy documents. This study contributes to this required evidence base in respect of retail and broader economic development matters.
- 9.3 Section 3 of the assessment reviewed the current market context and the issues and opportunities that town centres have to address. We have highlighted significant structural changes in the retail market leading retailers to focus their activities into a smaller number of stores in higher order town centres; and constant advances in online shopping which is evolving the way in which consumers undertake their shopping. Coupled with potential shrinkage in retail provision there is the growth in leisure and, in particular, the food and beverage market which has grown steadily despite the past economic downturn. The implications for these market place changes are we feel most apparent in the network of smaller town and district centres. However, even larger centres are not immune to these changes, and more than ever there is a need for town centres to assert their positions as centres of retail, leisure, culture and civic/administration. The potential for mixed use and more intensive in-centre living must be explored.
- 9.4 The health checks of the borough's main town centres are provided in Section 4 of this report and are supplemented by the information in Appendix 1 which includes supporting environmental audit work and quantitative town centre data. These health checks and the data show that the borough's main town centres are all vital and viable but there is a need to focus upon improving their environment and townscape to create attractive places where shoppers and visitors will be more inclined to spend time (and money) to the benefit of existing occupiers and in order to attract new and improved occupiers.
- 9.5 Drawing upon the findings of the household telephone survey (Appendix 2) Section 5 of the assessment provides a review of current shopping patterns and the influence of the borough's main town centres. The shopping pattern review confirms that Sutton Town Centre is the main shopping destination within the borough and that below it, the district centres have a supporting role and serve primarily their own local catchment areas within which they have significant influence but do not dominate. Competition to Sutton Town Centre is strongest from Croydon, Kingston, Wimbledon and Purley Way's agglomeration of larger retail stores and retail parks. Overall the market shares achieved by Sutton's town centres are viable and this is borne out in the retail capacity and need modelling.

- 9.6 The need for additional convenience and comparison goods floorspace is examined in Appendix 3 and explained in Section 6.
- 9.7 For convenience goods shopping, we identify some theoretical potential for additional food shopping floorspace across the borough, particularly focused upon Sutton and Wallington town centres in response to current strong trading performance and the growth in spending potential.
- 9.8 However that theoretical capacity is absorbed by new foodstore floorspace which is committed at Sutton and Hackbridge. Whilst there is a small residual convenience floorspace need over above the committed requirements, our recommendation is that given this need arises later in the plan period it is not necessary to specifically allocate a site to accommodate this need, instead, a criteria-based policy which promotes in-centre food shopping provision within the main town centres would respond to the need and have flexibility to reflect the emerging smaller supermarket trend. The council should also regularly review the food shop capacity position and have regard within that review process to the final form of foodstore development that does come forward at Hackbridge.
- 9.9 For comparison goods shopping capacity and need, the analysis shows that there is a need for additional floorspace in Sutton, Wallington and Carshalton. The table below summarises the analysis.

Table 62: Comparison Goods Floorspace Requirement

LB Sutton Main Town Centre	2016 (m²)	2021 (m²)	2026 (m²)	2031 (m²)
Sutton	2,456	5,439	10,577	18,551
Wallington	1,069	1,459	2,116	3,077
Worcester Park	-2,214 (nil)	-2,091 (nil)	-1,884 (nil)	-1,407 (nil)
Cheam	-513 (nil)	-425 (nil)	-258 (nil)	45
North Cheam	-1,657 (nil)	-1,471 (nil)	-1,119 (nil)	-438 (nil)
Carshalton	154	265	449	739
Rosehill	-856 (nil)	-822 (nil)	-766 (nil)	-623 (nil)

Source: Appendix 3, Retail Capacity Analysis, Table K

- 9.10 There is the potential for Sutton Town Centre to expand its comparison goods shopping floorspace over the period to 2031 with around 10,500m² feasible by 2026. However, it should be recognised that during this period, substantial redevelopment in Croydon town centre will bring forward expanded and improved comparison goods shopping and this will potentially impact upon Sutton Town Centre's market share relative to Croydon, this will also affect the ability of the town to attract new retailers and investment.
- 9.11 In Wallington, the comparison goods floorspace requirement is at a low level and we do not consider that there is a pressing requirement to address this through any site specific allocations. The permission at Hackbridge will, we anticipate, bring about change to local

shopping patterns and when developed it is likely that some of the comparison goods shopping trade currently being captured by Wallington will be diverted to these new facilities and this would, in part, address the requirement within the catchment of Wallington.

- 9.12 Of the other town centres, only Carshalton is found to have a requirement for a relatively modest level of comparison goods floorspace. The level of need does not in our view need to be fulfilled by allocating a site or sites to meet the need, higher levels of trading by existing shops would absorb the growth in spending directed to this centre.
- 9.13 In centres where there is a negative need, this could be viewed as an indication of there being too much comparison goods floorspace or that the trading conditions need to be improved in those centres.
- 9.14 We have also considered the retail capacity position with low, medium and high housing based population estimates. The results of this analysis are provided at Appendix 6.
- 9.15 In section 7 of the assessment we considered commercial leisure needs. The growth in consumer spending on leisure goods and services within the study area will increase by £349m between 2016 and 2031 and this is a substantial component of this growth is attributed to the food and beverage sector with spend growth of over £200m in the restaurant, café and takeaway sector
- 9.16 The analysis of commercial leisure needs is less refined than for retail. The market is more elastic and operator demand is a key driver to the market. The recent trend has been for shopping developments to have an increasing proportion of food and beverage and other commercial leisure uses often in equal proportions to the retail floorspace.
- 9.17 The market shares for food and beverage use in Sutton is good and Cheam and Carshalton also attract a number of visits. Overall based on the growth in spending the town centres, the study area can support around 9,500m² gross of floorspace in 2026. Applying a market share as much based upon existing attraction levels of the borough's town centres individually, Sutton Town Centre would have the largest requirement of around 2,000m² by 2026 and the other towns have a smaller share of the requirement. (Table LC7 at Appendix 5).
- 9.18 Within the study area the cinema in Sutton commands a good share of the market but does have competition from a number of similar multi-screen facilities. Overall, we do not consider there is need for an additional cinema over the study period but, with the changing cinema market and small and boutique operators looking for opportunities, there could be the potential for such a facility within LB Sutton.
- 9.19 Health and fitness is another growth sector and the budget 'dry' gym operators are acquisitive and opportunity/site led. All of the borough's main town centres have the potential to accommodate such a facility, all command good footfall and are very accessible locations.
- 9.20 We also reviewed the arts and culture sector and it is clear that whilst the borough's existing facilities have local attraction, the pull of central London does limit any potential in this sector.
- 9.21 Section 8 of the assessment provided a review and update of the employment land requirements for the borough.

- 9.22 We have considered office needs on demand, supply and past development based scenarios.
- 9.23 In our updating we looked specifically at the effect office to residential prior approvals could have upon existing supply and there is the potential for 73,800m² of office floorspace to be lost with over 60% of this being with and around Sutton Town Centre. A consequence of office stock being lost is that relative market demand for office floorspace in Sutton is increasing with the historically high vacancy rates falling and rents now starting to increase as the available supply is decreasing
- 9.24 The gross office floorspace requirement adopting a revised density of 9m² compared to the 12m² density used in the previous work shows a gross floor space requirement in the range 17,400m² to 53,900m² and a land requirement of 1ha to 3.1ha.
- 9.25 In terms of specific employment sectors and type of space required, this is difficult to predict with any great accuracy and the key will be to allow some flexibility to respond to latest market trends and particularly to technological changes, which will impact how companies operate and use space. The revised density calculations factor in the latest trends which suggest that employers are seeking greater efficiencies from space by introducing desk sharing and flexible/home working policies and this may continue in future and will need to be monitored.
- 9.26 The office based sectors which are projected to grow in both the GLA and Experian forecasts are information and communication and administrative and support service activities meaning general office space for these types of sectors is likely to be required. The Experian forecasts also project growth in financial and insurance activities although the GLA project a decline in this sector.
- 9.27 The industrial land supply updating work has included assessments for the Strategic Industrial Locations (SILs) and other established industrial locations in the borough to consider quality and potential for intensification.
- 9.28 Market information is that there is a lack of available industrial stock in the borough and that there is strong demand, vacancy rates are low and there has been very little speculative development in recent years. There has been strong demand for larger units between 10,000 to 50,000sq ft and there are very few of these coming on the market.
- 9.29 The demand, supply and past development scenario analysis shows there is growth in industrial floorspace projected in Sutton. These projections range from a net requirement of -51,000m² to 98,000m² (-35,000m² to 114,000m² gross). It is difficult to know which of the scenarios is the most likely to occur, however with 4 out of 5 projections predicting growth and with the market analysis suggesting that demand is still strong for industrial floorspace; it would seem likely that there will continue to be industrial demand rather than decline in Sutton.
- 9.30 That Sutton should not lose any significant amounts of industrial land in future and should take a strong line in resisting pressure on such land remains a valid conclusion.

Recommendations

- 9.31 The matters identified in the study brief have been considered in the assessment and details of retail, leisure and employment floorspace need have been provided. The brief also asked a

series of specific questions and we provide our recommendations in respect of each of these below.

Verification of the hierarchy of centres and a vision for each town centre

9.32 The existing hierarchy as defined is in our view correct:

- **Sutton** is appropriately defined as a Metropolitan centre and sits atop the borough hierarchy. Whilst the town centre is vital and viable there is scope for improvement to the environment and there should be a focus upon encouraging a stronger comparison goods offer and better quality of food and beverage provision. Through town centre improvements and the private sector investments including the redevelopment of Times Square to provide larger units and the mixed use Gas Works site development, there is a catalyst for change that should attract new occupiers and stimulate further improvements. Sutton Town Centre should continue to be the main town centre for the borough's residents able to offer an range and choice of retail and other activities within an attractive and well maintained town centre environment
- **Wallington** is a large District Centre which is vital and viable. Food retailing underpins its function and this should continue. Some enhancement to its non-food shopping should arise from the Wallington Square development and there is scope for the town centre environment to be improved. Wallington should be the centre of choice for its local catchment area providing a range and choice of convenience, everyday comparison and service facilities within an improved town centre environment.
- **Worcester Park** is a large District Centre which is vital and viable. Whilst its primary role for food retailing, it does have a range of comparison and retail service provision. Like Wallington, Worcester Park should be the centre of choice for its local catchment area providing a range and choice of convenience, everyday comparison and service facilities within an improved town centre environment.
- **Cheam** is an attractive District Centre with a distinct village 'feel'. For its size, the town centre has a reasonable range and choice of food and good retail service uses specifically a food and beverage offer that attracts visits from beyond its local catchment. The environment is good but there are issues and conflict as a consequence of heavy traffic flows through the town centre. Cheam should continue provide food and everyday comparison shopping for its local catchment and measures to address the impact of through traffic on the town centre should be explored.
- **North Cheam** is a District Centre but that status is heavily reliant upon the support and attraction provided by the large Sainsbury store. The linkage between the Sainsbury store and the town centre should be enhanced to encourage a stronger level of linked trips.
- **Carshalton**, like Cheam is an attractive vital and viable District Centre with a village 'feel'. We consider that the town centre should continue to serve the food, everyday comparison and service needs of its local support population.
- **Rosehill** is a small District Centre which provides the food and everyday non-food and service needs of its support population, local independents dominate and the Co-Op store which should anchor the centre is not based on our analysis performing particularly well. The town centre, whilst in reasonable health, would benefit from a programme of environmental improvement works '

- 9.33 In addition to the above, an overall town centre management approach which co-ordinates marketing and events for the town centres and is responsive to feedback from business and shoppers would strengthen the town centres.

Advisability of relaxing frontages policy in centres to allow D1/D2 uses in primary and secondary frontages

- 9.34 We highlighted in the market trend section that commercial leisure uses should be considered an important element of town centre provision as they can attract visitors and extend activity within a centre beyond normal shopping hours.
- 9.35 Some flexibility to accommodate these types of uses should be provided, however the primary retail frontage should be the focus for retail activity and any D1/D2 uses should be directed toward secondary areas.

Changes to the frontages designations in centres

- 9.36 We have reviewed the designated primary and secondary frontages, primary shopping area and town centre boundaries¹⁶ for each of the borough's main centres. Set out below on a centre by centre basis are comments and some minor changes that we feel appropriate:

- Sutton (Map 5.3) the primary frontage and primary shopping area is appropriate. The secondary frontages are extensive reflecting the linear structure and some of these areas.
- Carshalton (Map 5.4) the primary frontage and primary shopping area is appropriately defined. We would suggest that the secondary frontage on the north side of High Street is extended east up to the Fox and Hounds PH. On the south side of the High Street it would be appropriate to delete the small public space area to the east of Carshalton Place.
- Cheam (Map 5.5) no changes.
- North Cheam (Map 5.6) we would suggest that the car parking and PFS areas at the Sainsbury store are removed from the primary shopping area.
- Rosehill (Map 5.7) the primary shopping frontage applied to Rosehill Court should be revised to secondary frontage. The Co-Op store should be re-classified as primary shopping frontage and included within the primary shopping frontage. The new retail development at the junction of Reigate Avenue and Rose Hill should be shown as secondary frontage.
- Wallington (Map 5.8) remove the primary shopping area shading on the secondary frontage a between Grosvenor Road and the station entrance.
- Worcester Park (Map 5.9) remove the primary shopping area shading from the north side of Central Road between St Phelps Avenue and the boundary of the town centre.

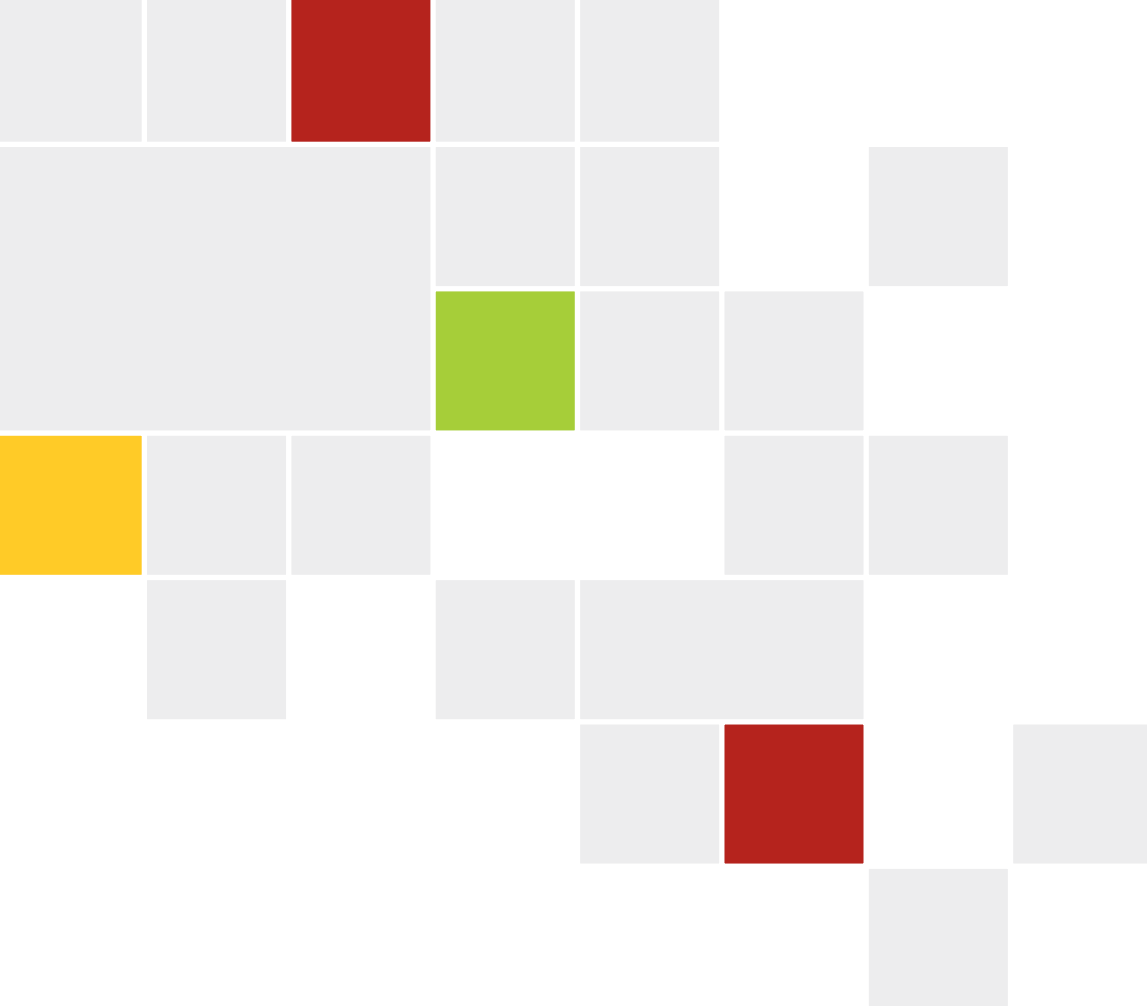
Sutton Town Centre Quarters

- 9.37 The brief sought comment on the town centre quarters approach currently being taken to the spatial planning and character areas within Sutton Town Centre.
- 9.38 We consider that this is a sensible approach which reflects the characteristics and prevailing land use and nature of these interlinking areas. We highlighted earlier that the length of the

¹⁶ LB Sutton Site Development Policies DPD, March 2012

shopping area in Sutton is an issue and the quarter's approach deals with this in appropriate way by seeking to establish predominate activity areas.

- 9.39 The Exchange Quarter should be the primary focus for any new retail development and redevelopment and the intensification of retail activity within this area will provide a stronger and more cohesive retail offer.
- 9.40 The challenge for this approach however will be the interrelationship between the Exchange Quarter and the Village Quarter where the Gas Works redevelopment has a substantial level of retail floorspace (food and non-food). The non-food element in particular will be competing with the Exchange Quarter for both tenants and trade and it will be important that these two areas complement rather than compete with each other.



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