

**EASTLEIGH BOROUGH COUNCIL
RETAIL AND LEISURE NEEDS ASSESSMENT
2017
FINAL REPORT**

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1 INTRODUCTION

- 1.1 Carter Jonas (CJ) was commissioned by Eastleigh Borough Council in November 2016 to prepare the '*Eastleigh Borough Retail and Leisure Needs Assessment*' (EBRLNA 2017)' to help inform both plan-making and development management. The findings of the study will specifically provide the robust evidence base required to help inform the preparation of the emerging local plan (2011-2036) and other relevant supplementary planning documents.
- 1.2 The study has been prepared in the context of current and emerging national and development plan policy guidance, as well as other key material considerations; principally the *National Planning Policy Framework* (NPPF) published in March 2012. Where relevant the study also draws on advice set out in the *National Planning Practice Guidance* (PPG), published in March 2014, which places significant weight on the development of positive plan-led visions and strategies to help ensure the vitality of town centres. The sequential and impact 'tests' are also key to both plan-making and decision-taking at the local level.
- 1.3 The assessment of the need (or 'capacity') for new retail (convenience and comparison goods) floorspace has been carried out to help inform the likely scale, type, location and phasing of new retail development over the short (0-5 years), medium (6-10 years) and long term (11-15 years).
- 1.4 The study/catchment area defined for the purpose of the EBRLNA 2017 principally covers the Eastleigh Borough local authority area, but also extends to a wider area incorporating parts of neighbouring local planning authority areas. The Study Area (see Figure 4.1) has been divided into eleven zones that broadly reflect the population distribution and local catchments of the main study centres.
- 1.5 The defined Study Area and zones provide the framework for the new telephone interview survey of some 1,100 households conducted by NEMS Market Research (NEMS) in January 2017. The full (weighted) survey results are set out in **Appendix 10**. The survey provides the most up-to-date and robust evidence on shopping patterns, leisure preferences and expenditure flows within the Study Area. The survey findings have also informed the health check assessments for the main study centres, as well as the quantitative ('capacity') and qualitative need assessments for new retail (convenience and comparison goods) floorspace and leisure uses.
- 1.6 For ease of reference this report is structured as follows:
 - **Section 2** reviews the national and local planning policy context material to retail planning and town centres.
 - **Section 3** highlights some of the key trends that are driving the dynamic changes in the retail sector at the national and local level, and how this has shaped (and is likely to shape) the UK's urban and retail landscape.
 - **Section 4** sets out the results of the market share analysis for convenience and comparison goods shopping and leisure use across the Study Area based on the household telephone interview survey. The market share tabulations for convenience and comparison goods are set out in **Appendix 2** and **Appendix 3** respectively.
 - **Sections 5-9** set out the health check methodology and key findings for Eastleigh Town Centre and the District Centres of Hedge End and Chandlers Ford. These assessments draw on the Key Performance Indicators (KPIs) identified by the Planning Practice Guidance, recent research and the latest town centre audits for the centres completed by the Council and supplemented by site visits. The health check assessment also takes account of the results of the household survey for the main centres. An overview of town centre uses is also provided for the Borough's smaller centres.
 - **Section 10** sets out the key assumptions and outputs of CJ's in-house CREATE[®] (excel spreadsheet) capacity model, including: the forecast population and expenditure available in the study area (**Appendix**

4); the forecast convenience (**Appendix 5**) and comparison turnovers of all existing centres/stores; and the forecast trading characteristics of all known committed retail floorspace at the time of preparing this assessment (**Appendix 6**).

- **Section 11** presents the detailed Borough-wide and main centre capacity forecasts for both convenience (**Appendix 7**) and comparison goods (**Appendix 8**).
- **Section 12** sets out the findings of the commercial leisure and other town centre uses 'gap' assessment. This looks at the main leisure uses, including the need for new food and beverage uses, cinema and gyms. The supporting capacity tables used to inform the forecast need for new commercial leisure provision are set in **Appendix 9**.
- Finally, **Section 13** provides high level advice on where any forecast need for new retail floorspace and leisure uses could be accommodated in Eastleigh Town Centre and the district centres, carried out in accordance with the main aims of national and local plan policy.

- 1.7 When considering and assessing the findings of this retail assessment it is important to understand at the outset that capacity forecasts beyond a five year time period should be interpreted with caution by the Borough Council as they are subject to increasing margins of error. This updated study provides the robust evidence base required to help inform plan-making, site allocations and the determination of planning applications at the local level. However, it is advised that forecasts should be constantly monitored and updated to take into account any significant new retail development and changes in the retail expenditure and population growth forecasts over time. This should include monitoring of any potential impacts arising from other key trends in the retail and leisure sectors (such as, the growth in internet shopping) and commercial leisure sectors.

2 PLANNING POLICY REVIEW

- 2.1 This section provides a high-level overview of the relevant national and local development plan planning policy pertaining to retail and town centre uses, along with other material considerations.

NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

- 2.2 The NPPF was published in March 2012 and sets out the planning policies for England and how these are expected to be applied. It reinforces the importance of up-to-date plans and strengthens local decision making. The NPPF must be taken into account in the preparation of Local Plans and Neighbourhood Plans. At the heart of the NPPF is a presumption in favour of sustainable development, which is seen as *“a golden thread running through both plan-making and decision-taking”* (paragraph 14). The NPPF (paragraph 14) sets out the Government’s view of what sustainable development means in practice for both plan-making and decision-taking at the local level.
- 2.3 For plan-making the Framework states that local planning authorities should positively seek opportunities to meet the development needs of their area. Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits. The Framework (paragraph 15) states that policies in Local Plans should follow the approach of the presumption in favour of sustainable development so that *“...it is clear that development which is sustainable can be approved without delay”*.
- 2.4 The NPPF (paragraph 17) sets out twelve core planning principles that underpin both plan-making and decision-taking. Amongst other objectives these principles confirm that planning should be genuinely plan-led; proactively drive and support sustainable economic development to deliver thriving local places; promote mixed use developments; focus significant development in locations which are or can be made sustainable; and deliver sufficient community and cultural facilities and services to meet local needs.
- 2.5 The Framework (paragraph 150) emphasises that Local Plans are *“...the key to delivering sustainable development that reflects the vision and aspirations of local communities”*. They should be *“aspirational but realistic”* and should set out the opportunities for development and clear policies on *“...what will or will not be permitted and where”* (paragraph 154). Only those policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan. Any additional Development Plan Documents (DPDs) should only be used where clearly justified (paragraph 153).
- 2.6 The NPPF (paragraph 156) requires strategic priorities for the area covered by the Local Plan to deliver the homes and jobs needed in the area; the provision of retail, leisure and other commercial development; and the provision of health, security, community and cultural infrastructure and other local facilities; etc. Crucially the NPPF (paragraph 157) indicates that Local Plans should, amongst other key requirements: plan positively for the development and infrastructure required in the area; be drawn up over an appropriate time scale (preferably 15 years), take account of longer term requirements and be kept up to date; and allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate.
- 2.7 In terms of the evidence-based approach to planning, the Framework states LPAs should ensure that the Local Plan is based on *“...adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area”* (paragraph 158). Furthermore the assessment of and strategies for housing, employment and other uses should be integrated, and take full account of relevant market and economic signals. LPAs should use this evidence base to assess the needs for land or floorspace for economic development, including for retail and leisure development; examine the role and function of town centres and

the relationship between them; assess the capacity of existing centres to accommodate new town centre development; and identify locations of deprivation that may benefit from planned remedial action.

- 2.8 The NPPF is clear that pursuing sustainable development requires “...*careful attention to viability and costs in plan-making and decision-taking*” (paragraph 173). Plans should be deliverable and, in this context, sites and the scale of development identified in the plan should “...*not be subject to such a scale of obligations and policy burdens that their ability to be delivered viably is threatened*” (paragraph 173).
- 2.9 The Framework (paragraphs 18-149) sets out thirteen key ‘principles’ for delivering sustainable development, including building a strong, competitive economy; ensuring the vitality of town centres; promoting sustainable transport; delivering a wide choice of high quality homes; requiring good design; promoting healthy communities; protecting Green Belt land; and conserving and enhancing the natural and historic environment.
- 2.10 In terms of ‘ensuring the vitality of town centres’ the NPPF (paragraph 23) states that planning policies should be positive and promote competitive town centre environments, as well as setting out policies for the management and growth of centres over the plan period. When 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;
 - 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;
 - retain and enhance existing markets and, where appropriate, re-introduce or create new ones;
 - allocate a range of suitable sites to meet the scale and type of retail and leisure development needed in town centres;
 - ensure that the needs for retail and leisure are “*met in full*” and “*not compromised by limited site availability*”. Assessments should therefore be undertaken 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.
- 2.11 When assessing and determining applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date Local Plan, the NPPF states that LPAs should:
- Apply a **sequential test**, which requires applications for main town centre uses to be located in town centres first, then in edge-of-centre locations and only consider out-of-centre locations if suitable sequentially more preferable sites are not available. When considering edge and out-of-centre proposals, “...*preference should be given to accessible sites that are well connected to the town centre*” (paragraph 24). Applicants and LPAs should demonstrate flexibility on issues such as format and scale.

- Require an **impact assessment** if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sqm). The NPPF (paragraph 26) states that this should include assessment of the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made.

2.12 The NPPF (paragraph 27) states that “...where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused”.

2.13 As previously stated in Section 1, this study also draws on advice set out in the National Planning Practice Guidance (PPG), published in March 2014. The PPG has streamlined and replaced the advice previously set out in the PPS4 *Practice Guidance on Need, Impact and the Sequential Approach (December 2009)*. The revised PPG places significant weight on the development of positive plan-led visions and strategies for town centres, and has retained the key sequential and ‘impact tests’. Of relevance to this study the PPG (para 003) states that the assessment of the potential for centres to accommodate new development and different types of development should cover a “three-five year period” but should “**also take the lifetime of the Local Plan into account and be regularly reviewed**”.

2.14 By way of reference, the previous 2011 Southampton City Council & Eastleigh Borough Council Retail Study predated the 2012 NPPF guidance. It was in accordance with the guidance set out in PPS4 (December 2009).

CHANGES TO PERMITTED DEVELOPMENT RIGHTS

2.15 The Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2013 came into force on 30 May 2013 that amended the Town and Country Planning (General Permitted Development) Order 1995. The purpose for this reform was to make the planning system swift and responsive and for delivering sustainable development. The broader aim was to promote the use of brownfield land to assist regeneration and get empty and under-used buildings back into productive use.

2.16 The revision of the permitted development (PD) rights has implications for town centres. The most significant aspect of the revised policy is that property owners no longer need to apply for planning permission if the change of use is within the same class or the change of use is to dwellings. In 2016, office to residential (PD) rights were made permanent allowing conversion of office space to residential to be subject only to prior approval rather than an application for full planning permission.

2.17 More importantly, it means office-to-residential conversions can proceed under PD rights indefinitely, rather than developers being restricted to complete conversions within a specific time-frame or a more detailed planning application having to be submitted. Exercise of the PD rights is still subject to prior approval being received from the relevant local planning authority in relation to flooding, highways, transport and contamination impacts.

2.18 To qualify for this change of use under PD rights the existing floorspace in the building which is to change to residential must be in lawful B1 office use. If this is not the case then full planning permission is required.

LOCAL PLANNING POLICY CONTEXT

2.19 Eastleigh Borough Council is now preparing a new Local Plan and associated evidence base to cover the period 2011-2036. However, the Council's current policy documents are still of relevance to this study. The relevant development plans and policies for Eastleigh Borough Council consist of the following documents:

Eastleigh Borough Local Plan Review (2001-2011)

2.20 This is the Council's current adopted local plan. Although many of the policies have been saved, some are now out of date. It will eventually be completely replaced by the Eastleigh Borough Local Plan 2011-2036 which is currently in progress. The Local Plan sets out the relevant retail policy in Section 8 'Town and Local Centres'. Within this section the identified centres are defined as follows:

- **Large town centre:** Eastleigh town centre
- **District Centres:** Hedge End centre; Fryern centre, Chandler's Ford
- **Village and Local Centres:** The Precinct, Bournemouth Road and Hursley Road, Chandler's Ford; Boyatt Shopping Centre, Eastleigh; Fair Oak village centre; West End village centre; Botley village centre; Bursledon/Lowford village centre; Hamble village centre; Victoria Road and Station Road, Netley Abbey.
- **Neighbourhood Parades:** Hiltingbury Road (West), Chandler's Ford; Hiltingbury Road East, Chandler's Ford; Ashdown Road, Chandler's Ford; Twyford Road, Eastleigh; Falkland Road, Eastleigh; Nightingale Avenue, Eastleigh; Riverside, Bishopstoke; Whalesmead, Bishopstoke ; Sandy Lane, Fair Oak; Townhill Way, West End; St Luke's Close, Hedge End; Coronation Parade, Hamble.

2.21 It also sets out the overall strategy for the Borough's town centres that aims to attract more people and more activity and to enhance the distinctiveness of the urban environment, by respecting and enhancing its existing distinctive features and within this context adding variety to enhance the vibrancy and identity of the town centre. Policies within the Local Plan which set out to achieve this aim include:

- **Policy 125.TC** states that development/redevelopment proposals in or on the edge of Eastleigh town centre must create a high quality of built and urban design, maximise development density by providing the maximum number of storeys appropriate in design terms to the site and its surrounds and show that all storeys are designed for active use such as housing or office use.
- **Policy 127. TC** provides an overall framework for development in the shopping area. Development within Eastleigh town centre must: provide ground floor premise able to accommodate retail/leisure uses which attract a high number of customers, create on the ground floor a continuous visible retail frontage which avoids the creation of blank frontages and creates a design which respects and enhances the distinctiveness of the wider townscape and street scene which creates streets which are open to the public at day and night.
- **Policy 128. TC** is a site specific policy that refers to the surface level car park immediately to the east of Tesco and the Swan Centre as being a core retail area. The policy states that there is an extant permission for the development of a multiplex cinema on the first floor level over the car park but this proposal would leave the surface level commercially underutilised. This policy has since been fulfilled with the Swan Centre leisure scheme that opened in 2010.
- **Policy 129. TC** is the second site specific policy. This refers to the block to the north of Wells Place, which is also identified as being part of the core retail area which is commercially underutilised. The policy proposes the redevelopment of the block to strengthen Wells place as a key through street axis and shopping street. Additional site specific policies include **Policy 130. TC** which promotes the development of leisure and cultural uses at Leigh Road, **Policy 131. TC** that encourages the change of use to accommodate office, residential and hotel uses at Romsey Road and **Policy 132. TC** that promotes the redevelopment of the Bus Station/East of Upper Market Street site.
- **Policy 133. TC** sets out that the development of retail and town centre uses or other community uses will be permitted in the identified district centres, village and local centres and neighbourhood parades.
- **Policy 134. TC** aims to restrict out-of-centre or edge of centre development for retail, leisure, office or other town centre uses and sets out that development will only be permitted if there are no suitable, viable or available sites within an existing centre or edge of centre location.

- **Policy 139. TC** aims permits the development of or change of use of the ground floor of premises from A1 to A2, A3, A4 and A5 use, in the local parades/ village centres identified on the proposals map provided that no more than 35% of the total shopping frontage length of the centre would be given over to non A1 retail uses as a result.

Town Centres, Local Centres & Shopping Parades- Details of Occupancy (2016)

- 2.22 This background paper provides a review of shopping frontages in Eastleigh Borough as of September 2016. The paper is a basis for measuring the effectiveness of policies in the Eastleigh Borough Local Plan (2001-2011). Eastleigh town centre, district centres, local centres and neighbourhood parades are all reviewed in terms of retailer name, use class, shopping frontage length.

Strategic Land Availability Assessment (SLAA) Interim Update (2015)

- 2.23 The SLAA provides an overview of sites within Eastleigh Borough that have the potential to be available to help meet the development needs for the period up to 2036. The document is an interim update that seeks to identify the broad capacity of the existing urban areas of the Borough to accommodate future development. Further analysis alongside the preparation of the emerging Local plan 2011-2036 will result in an updated SLAA publication which will include a more detailed assessment. The SLAA identifies that urban areas within the Borough have the potential to accommodate approximately 4,666 dwellings. It also concludes that there is approximately 6,500m² of net additional employment floorspace likely to come forward within the borough's existing areas and potential for around 5,800m² of net additional retail floorspace with planning permission.

Transport Background Paper (2015)

- 2.24 This paper reviews the current evidence available on transport systems within the Borough and reviews transport issues that are to be addressed in the context of emerging development proposals. Issues identified include capacity of main road networks and public transport routes, in particularly trains, congestion of major routes and movement of heavy goods vehicles through Eastleigh town centre.

District and Local Centres Background Paper (2013)

- 2.25 This paper explores the vitality and viability of the Borough's district, local and neighbourhood centres, the potential for the centre boundaries to be redefined, potential to town centre environments, redevelopment opportunities and the relevance of the current retail hierarchy. The document sets out that viability of district and local centres should be maintained and enhanced through focusing new retail and community facilities within these locations rather than additional service uses. Although now outdated, this document provides background information which will be useful to the study.

Eastleigh Town Centre Background Paper (2013)

- 2.26 Similarly to the District and Local Centres Background Paper, this document explores Eastleigh town centre. It provides a review of the definition and description of the town centre, town centre and planning history, town centre use class data (including vacancies), accessibility, relevant policy, designations and constraints, issues and opportunities,

Southampton City Council and Eastleigh Borough Council Retail Study (2011)

- 2.27 This study predated the guidance under the current NPPF. It drew on the recommendations of the Good Practice Guidance on Need, Impact and the Sequential Approach that accompanied Planning Policy Statement 4 (PPS4).

- 2.28 The retail study estimated that Eastleigh achieves a 3% market share for comparison goods from the survey area. It recognised that the proximity of higher order competing centres such as Winchester and Southampton affected this low market share. The report states that Eastleigh Town Centre performs reasonably well in relation to the health check indicators. The report identified 243 sqm net of additional convenience goods floorspace capacity by 2016, increasing to 787 sqm net by 2026. In terms of comparison goods, the study forecast capacity to support 1,723 sqm net additional floorspace by 2016, increasing to 6,848 sqm net by 2026.

Eastleigh Town Centre Vision- Discussion Document (2014)

- 2.29 This document considers regeneration opportunities for Eastleigh town centre. It was prepared to be viewed by the public to promote town centre regeneration and investment. It sets out a vision for the centre by building on Eastleigh's current strengths. The document states that the vision for the centre is to promote sustainable town centre growth and regeneration by increasing the number of visitors choosing to visit the centre, developing family orientated arts, entertainment, culture and heritage, establishing green connections and providing for urban living. In order to deliver this, the Council's approach includes the promotion of the development of the town centre anchors north and south to strengthen the main retail circuit, facilitation of regeneration with development partners through land assembly, encouragement of market led regeneration in older shopping streets, strengthening of walking and cycling links and development of a programme of public realm improvements.

SUMMARY

- 2.30 In summary, the underlying objective of both the NPPF and Local Plan policy is to maintain and enhance the vitality and viability of town centres, and to promote new sustainable development and economic growth in town centre locations "first". This policy objective is crucial as town centres are facing increasing economic challenges associated with alternative forms of retailing; in particular online shopping and competition from major out-of-centre developments (discussed further in Section 3).
- 2.31 Notwithstanding the town centre first policy, this does not rule out edge of centre development where identified needs cannot be met in existing Primary Shopping Areas (PSAs). Indeed the NPPF (paragraph 23) encourages local planning authorities to assess the potential to expand town centres to ensure a sufficient supply of suitable sites. If edge of centre sites cannot be identified to meet the identified needs "in full", then local planning authorities are required by the NPPF to set policies for meeting the identified needs in other accessible locations that are well connected to the town centre. This should be subject to an assessment of the impact of any proposed retail and town centre uses on the vitality and viability of the existing centre.

3 RETAIL AND TOWN CENTRE TRENDS

3.1 This section summarises some of the key trends that have fuelled the changes in the retail sector over the last three decades, and the impact of these trends on the UK's town centres. It provides a commentary on the impact of the downturn in the economy since 2007 and the growth of internet ('multi-channel') retailing on consumer spending, retail development and retailers' business strategies. Drawing on the latest research it also describes how these trends may continue to shape changes in the future, and whether and how town centres can respond to help maintain and enhance their overall vitality and viability.

RETAIL TRENDS

3.2 Following an unprecedented period of growth in retail sales and expenditure since the mid-1990s, the onset of the longest and deepest economic recession in living memory in 2007/08 had a dramatic impact on consumer spending and market demand. Business and consumer confidence was further weakened by public sector cuts, the rise in VAT, increasing unemployment, less expansionary consumer credit and the rising cost of living (including higher energy costs, petrol and housing prices). This reduced disposable income and retailers' margins were squeezed further.

3.3 Official figures show that the UK recovery began in early 2013 and although GDP growth peaked at 2.9% in 2014, it slowed to 2.2% in 2015 against the backdrop of a waning global economy and further uncertainty on financial markets. The Brexit vote will further dampen business/consumer confidence and the prospects for growth in 2016/17.

3.4 The table below shows the actual and forecast growth in UK retail (convenience and comparison goods) spending per head identified by Experian Business Strategies in their latest post-Brexit Retail Planner Briefing Note 14, published in November 2016.

Table 3.1 Forecast year-on-year growth in retail expenditure per capita

Vol. Growth per head (%):	-----ACTUAL GROWTH-----								EXPERIAN FORECASTS			TRENDS	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	1997-07	1997-15
Total Retail Spend	1.8	-3.1	-0.1	-0.4	1.3	1.1	3.6	2.5	2.1	0.9	0.3	5.1	3.3
Convenience	-4.3	-4.4	-1.5	-2.5	-0.5	-0.6	-1.7	-1.1	0.0	-0.2	-0.9	-0.3	-1.0
Comparison	4.4	-3.1	0.6	0.8	2.5	2.2	7.2	4.6	3.3	1.4	1.0	8.0	5.6

Source: Experian Retail Planner Briefing Note 14 (November 2016); Figures 1a and 1b.

Notes: The table also shows historic growth rates for the period 1997-2007 (the pre-recession period) and for 1997-2015).

3.5 As the table shows, there has been negative annual growth in convenience goods expenditure per capita levels since 2008 and this is forecast to continue in 2017 (-0.2%) and 2018 (-0.9%). For the period 2019-2023 Experian forecast no growth in convenience goods expenditure, and a modest +0.1% per annum over the longer term, between 2023 and 2035. The forecast growth rates are above previous negative historic trends (1997-2014) of -0.3% (1997-2007) and -1.0% (1997-2015).

3.6 For comparison goods, Experian forecast that annual growth rates are recovering from a low of -3.1% in 2009, to a peak of +7.2% for 2014. However Experian forecast that growth will fall in the immediate period following the Brexit referendum, to +1.4% in 2017 and +1.0% in 2018. The average year-on-year growth for the period

2019-2023 is forecast to be +3%, increasing slightly to +3.2% between 2024 and 2035. Despite the return to growth forecast by Experian, it is clear that comparison goods growth rates are well below historic trends of +8% per annum¹. Furthermore, the retail sector is still vulnerable to fluctuations in the UK economy, and how it responds in the future to changes in the Eurozone (including the outcome of Brexit) and global economies (such as the slowdown in growth in China's economy). This further dampening of growth rates will have implications for the viability of existing retail businesses and the capacity for new retail floorspace over the short to medium term.

- 3.7 Experian's research also shows that retail sales have prospered in the past two years on the back of buoyant consumer confidence and spending. However, Experian warn that this buoyancy is true only in sales volume terms, as heavy discounting and persistent deflation of goods prices have depressed values. Experian (pre-Brexit) forecast that retail sales volume growth will ease from around +4% growth on average over the past two years, to +2.9% in 2016 given the dampening in consumer spending power. They also forecast that growth will continue at the same levels in 2017 as welfare cuts and rising interest rates bear down on spending, offsetting the gains from continuing overall economic growth.

SPECIAL FORMS OF TRADING AND INTERNET SHOPPING

- 3.8 One of the key trends that has impacted on the retail sector and shopping patterns over the last decade has been the growth in internet shopping, which forms part of special forms of trading (SFT)². Based on ONS data, Experian Business Strategies (EBS) estimate that:

- the current (2016) value of internet sales is £48.9bn (current prices), which represents a +16.2% increase from £42.1bn in 2015; and
- the value of other (non-internet) SFT³ sales stand at approximately £8.5bn in 2016, which represents a +7.6% increase from £7.9bn in 2015.

- 3.9 Total SFT sales therefore amount to some £57.4bn in 2016. This represents a 14.8% increase from £50bn in 2015 and a substantial increase from £17.1bn recorded in 2006. The overall market share of SFT (as a proportion of total retail sales) has increased nationally from 5.5% in 2006 to 14.9% in 2016, and is forecast by Experian to increase to 19.7% by 2026 and 20.7% by 2033 (see table below)⁴.

Table 3.2 SFT's market share of total retail sales

	2016	2021	2026	2033
TOTAL:	14.9%	18.2	19.7%	20.7%
Comparison	17.6%	20.8%	21.5%	21.9%
Convenience	10.1%	13.0%	15.4%	17.1%

Source: Appendix 3 of Experian Retail Planner Briefing Note 14 (November 2016)

¹ This covers the period 1997 to 2007

² Special Forms of Trading (SFT) comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

³ This includes other retail sales not in shops and stores; including mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.

⁴ Such forecasts need to be treated with caution, as according to Experian approximately 25% of all SFT sales for comparison goods and some 70% for convenience goods are still sourced through traditional ('bricks-and-mortar') retail space, rather than from 'virtual' stores and/or distribution warehouses. On this basis Experian has produced revised forecasts to reflect the proportion of internet sales sourced from existing stores.

- 3.10 This significant growth is being sustained by new technology (such as browsing and purchasing through mobile phones) and the development of interactive TV shopping. Although Experian forecast that the pace of e-commerce growth will slow after 2020, other commentators suggest that the growth and market share could be higher.
- 3.11 However, such forecasts need to be treated with caution, as according to Experian approximately 25% of all SFT sales for comparison goods and some 70% for convenience goods are still sourced through traditional ('bricks-and-mortar') retail space, rather than from 'virtual' stores and/or distribution warehouses. On this basis, Experian has adjusted the SFT market shares downwards to reflect the proportion of internet sales sourced from existing stores.

Table 3.3 Revised forecast growth in SFT's market share of total retail sales

	2016	2021	2026	2033
TOTAL:	9.6%	11.7%	12.7%	13.6%
Comparison	13.2%	15.6%	16.1%	16.4%
Convenience	3.0%	3.9%	4.6%	5.1%

Source: Appendix 3 of Experian Retail Planner Briefing Note 14 (November 2016)

- 3.12 Notwithstanding this, there is no question that the digital revolution and growth of online ('virtual') retailing has significantly impacted Britain's high streets and sales, as it provides local consumers with convenient and often cheaper alternatives to more traditional shops. Up to now, the impact of Internet shopping has been mainly concentrated on certain retail products and services (such as, for example, electrical goods, books, music and travel). In turn, this has resulted in a reduction in the number of retailers selling these types of products and services on the high street (the most recent examples being the rationalisation of HMV stores across the UK and the loss of Blockbusters). However, this does not mean that other comparison goods categories are immune to the impact of the internet, including clothing and footwear.
- 3.13 The digital revolution is also affecting how and where people choose to spend their leisure time. For example, instead of visiting the cinema or theatre, consumers can digitally stream to their televisions a vast library of filmed entertainment on demand; and social media, Skype, email and instant messaging are displacing face-to-face interactions. The innovation and development of these alternative digital customer experiences is accelerating, and in the process exacerbating a "digital divide" between, on the one hand, those well-resourced companies investing and competing in the digital arena, and on the other hand the small independent merchants that comprise most of today's high street communities. Yet the success of firms at both ends of the "divide" is mutually dependent, and is essential to a successful high street.
- 3.14 Notwithstanding the clear and present impact of the digital revolution on how people shop and 'play', some town centres should be well positioned to benefit from the growth of new retail related services and multichannel retail. This can be seen particularly through the provision of convenient '*click and collect*' facilities to help drive footfall; whereby customers can order a product on-line and then collect it from a local store at their convenience. This not only addresses the major weakness of online shopping, which is that customers may not be at home when their goods are delivered, but also offers an opportunity for the successful adaptation of traditional high street retailing. John Lewis has led the way in this field and Argos has reported that sales through its '*click & collect*' service account for circa 31% of the company's total turnover. Amazon also has an agreement with the Co-operative and Morrisons to locate self-service lockers' in local stores.

3.15 Further to this is the potential for ‘showrooms’ on the high street, where customers can view and test products in-store before purchasing online. This co-ordinated multi-channel strategy should therefore help to support the vitality and viability of town centres over time, and the demand for retail space.

FLOORSPACE ‘PRODUCTIVITY’ GROWTH

3.16 Floorspace ‘productivity’ (or turnover ‘efficiency’) growth represents the ability of retailers to absorb higher than inflation increases in their costs over time (such as rents, rates and service charges) to help maintain their profitability and viability. It is standard practice for retail planning assessments to make an allowance for the year-on-year growth in the average sales densities of existing comparison and convenience goods retail floorspace. However, there is limited evidence detailing actual changes in the turnover and profitability of retailers over time. Furthermore, analysis of past data and trends is complicated by the fact that sales density increases have been affected by changes in the use of retail floorspace over the last 20 years; such as, for example, the growth in out-of-centre retailing; Sunday-trading; longer opening hours; and the very strong growth of retail expenditure relative to the growth in floorspace. Following the recession, many retailers struggled to increase or even maintain sales density levels and, together with other financial problems, this resulted in some retailers going out of business.

3.17 The table below sets out the latest sales density growth forecasts for comparison and convenience goods floorspace published by Experian Business Strategies (EBS), based on predicted changes in retail floorspace over time and after making an allowance for ‘non-store’ (SFT) retailing.

Table 3.4 Forecast ‘productivity’ growth rates

	2014	2015	2016	2017	2018	2019-23	2024-35
Convenience	-2.0	-1.2	-0.3	-0.1	-0.4	-0.1	+0.1
Comparison	+5.4	+5.3	+2.7	+1.5	+1.0	+2.3	+2.2

Source: Figures 4a and 4b, Experian Retail Planner Briefing Note 14 (November 2016)

3.18 The forecasts show that the scope for sales density growth is very limited for convenience goods retailing. This is mainly due to slow growth in sales volumes and limited additions to the floorspace stock. For comparison goods retailing, the trends towards more modern, higher density stores and the demolition of older inefficient space is forecast to continue, resulting in average growth rates of over +2.0% per annum over the next two decades. However, this is still well below the rate seen during the boom of the early years of this century.

3.19 The floorspace ‘productivity’ growth rates forecast by EBS have been used to inform the retail capacity assessment set out in Section 9 of this study. It should be noted however that existing retailers and floorspace will have to achieve higher annual growth rates to absorb increasing costs in order to remain viable.

IMPACT OF OUT-OF-CENTRE RETAILING

3.20 Alongside the dramatic growth in online shopping and sales over the last decade, it is apparent that the appetite from investors and operators for new retail and leisure floorspace in out-of-centre locations has not diminished. Research⁵ shows that there has been a significant shift of institutional retail investment away from town centres over the last 20 years. In 1993, the proportion of investment held out of town was less than a fifth of that in town centres; today the value of retail property owned out of town has overtaken that held in town centres.

⁵ Property Data Report 2012, sourced from English Heritage Report (2013), The Changing Face of the High Street: Decline and Revival

- 3.21 Larger format units in out-of-centre shopping parks are increasingly attractive locations for more traditional high street retailers, with the benefits of good accessibility, lower operating costs and ample surface car parking compared with town centres.
- 3.22 Although planning policies and more restrictive conditions on what goods can and cannot be sold from some retail warehouses and parks has slowed down the growth of out-of-centre retailing to a degree. However, the sector continues to mature and move away from 'bulky' goods⁶ retailing to the provision of larger stores selling fashion and homewares that compete directly with the high street. Examples include Next at Home (which now includes a significant proportion of fashion sales), John Lewis at Home and Outfit (which includes the Arcadia brands in one store, including Dorothy Perkins, Topshop, Burton, Wallis, etc.).
- 3.23 Continuation of this trend will further challenge the future vitality of many high streets as retailers choose edge and out-of-centre locations ahead of town centres. The impact of these changes will also affect centres differently depending on their function and the future growth in their catchment populations and expenditure. For many towns, the simple fact is that in the future they will require a smaller, more concentrated retail core repositioned for future consumer and retailer needs, and not focused on the past. This will further reinforce the polarisation trend already being witnessed. The impact is likely to be felt across all centres to a greater or lesser extent, manifested through high vacancy rates, falling rent levels, decreasing footfall, weakening multiple retail offer and, potentially, a worsening town centre environment.

CHANGING RETAILER REQUIREMENTS

- 3.24 The economic downturn, the growth in internet shopping and the continued demand for out-of-centre shopping has resulted in national retailers reviewing and rapidly adapting their business strategies, requirements and store formats to keep pace with the dynamic changes in the sector and consumer demand.
- 3.25 This is best illustrated by the changes in the grocery sector over the last 2-3 years. Following a sustained period of growth over almost 20 years, which was principally driven by new store openings, the focus for the main grocery operators (i.e. Tesco, Sainsbury's, Asda, Waitrose and Morrisons) has now shifted to growing market share through new smaller convenience store formats (such as Tesco Express, Sainsbury's Local and Little Waitrose) and online sales. Over this period, applications for large store formats have slowed to a virtual standstill and in some cases permissions are not being built out⁷. At the other end of the grocery spectrum, the European-led 'deep *discount*' food operators (namely Aldi and Lidl) are increasing their market shares through new store openings across the UK. This will inevitably have implications for the scale and type of new floorspace required by foodstore in the future.
- 3.26 In the non-food sector, those retailers that experienced significant growth up to 2007 have had to adapt to the very different market conditions. The retailers that have not been flexible enough to respond to changing consumer needs, or are being squeezed in the increasingly competitive 'middle ground' between high-end and value retailing, have largely struggled to maintain market share. In some cases, this has resulted in a series of high profile 'casualties' and a number of key retailers have either disappeared from our high streets altogether (e.g. Woolworths, TJ Hughes, Jessops and Jane Norman), or have significantly reduced their store portfolio in centres across the UK (e.g. HMV, Blockbusters, etc.). Although the number of retailer 'casualties' has slowed over the last 12-18 months, there are still a number of traditional high street retailers that have recently been forced into administration, most notably BHS and Austin Reed.

⁶ 'Bulky' goods retailing is generally defined as comprising DIY goods, furniture and floor coverings, major household appliances and audio-visual equipment.

⁷ For example, Tesco is disposing of some 49 sites with relatively recent permissions for new foodstores, including sites in Ipswich, Basingstoke and Dartford.

- 3.27 Research also shows that there is an increasing concentration of retailer demand and investment interest in the 'top 100' centres) and specifically on the prime retail pitches, with the secondary and tertiary pitches deteriorating. This is because these centres usually have large and established catchment areas, and therefore represent less 'risky' investments in the current uncertain economic climate. These larger centres have also generally benefitted from recent new shopping centre development and investment over the last decade, and are therefore better placed than smaller and medium sized centres to accommodate retailers' requirements for modern larger format units. The continuation of these trends will impact on future operator requirements, with retailers looking to satisfy their demand for larger modern premises in prime shopping locations, with strong catchment areas and a good supply of appropriate retail space.
- 3.28 In addition to focusing their attention on larger, dominant centres, many of the multiples and traditional high street retailers are changing their store formats and locational requirements. For example, key anchor retailers such as Boots, Next, Mothercare, TK Maxx, John Lewis and Marks & Spencer are actively seeking larger format units to showcase their full product range and to provide an exciting shopper environment backed by the latest (digital) technology. As a result, it is the larger centres and out-of-centre retail parks that are often best placed to meet this demand; as larger units are difficult to accommodate within existing high streets and town centres, particularly historic areas characterised by conservation areas and listed buildings. Therefore, some traditional high street retailers are moving out of town centres to retail parks. For example, Marks & Spencer has recently closed its traditional variety stores in Harlow, Great Yarmouth and Rugby, and opened new stores in out-of-centre locations. This further underlines the growing demand from multiple retailers for larger format shop units, and the need for town centres to provide a good mix of large modern units to help attract and retain high street retailers, or potentially risk their relocation to new competing shopping destinations.
- 3.29 These changes in retailer requirements and market demand will continue to have a significant impact on the UK's town centres and high streets, particularly in those cases where retailers make the decision to relocate from town centres to out-of-centre locations, or even out of the area altogether.

VACANCY LEVELS

- 3.30 The impact of retail closures in town centres due to administration (beginning with Woolworths in 2008) and portfolio rationalisation has led to a dramatic increase in national vacancy rates. Experian indicate that national average vacancy levels more than doubled between 2006 and 2013, from circa 7% to 16%, and although vacancies fell back to just over 13% in 2015, these national average figures do 'mask' the reality for different centres and locations.
- First, research shows that there is a significant polarisation in vacancy levels between prime and secondary centres, and between centres in the north and south of the UK. The generally more "healthy" centres, closer to London and the south-east have vacancy levels of less than 10%, whereas the more challenging conditions in centres such as Blackpool, Grimsby and Hull is resulting in vacancy levels over 20-25%.
 - Second, since 2012⁸ a significant number of shopping centre and high street retail leases have expired as 25 year leases agreed in the late 1980's and early 1990's and more recently agreed sub-10 year leases all reach maturity. In some cases/locations this has helped retailers with their portfolio rationalisation as they adjust their store requirements for the new multi-channel environment.
 - Third, in many centres, there can be as many as 25–30% of the occupied shops on temporary short-term lets, with little or no rent being paid⁹.

⁸ Jones Lang LaSalle, Property Predictions, 2012.

⁹ Sourced from Beyond Retail (2013)

- 3.31 Experience shows that long-term vacancies and concentrations of vacant properties in centres can lead to a 'spiral of decline', engender feelings of neglect and lack of confidence in town centres, and act as a magnet for crime and antisocial behaviour. Redeveloping and bringing vacant and under-used sites and properties back into use can help stimulate vitality and economic viability, and kick-start local growth¹⁰.
- 3.32 In cases where these vacancies are long-term and units cannot be let, it will be necessary to consider alternative uses and options for redevelopment. This can include temporary uses that ensure town centres and frontages remain active, with the potential to accommodate business start-ups, art studios and galleries, community/youth centres, etc. Another option is 'meanwhile leases' which can facilitate temporary occupation of empty buildings while a permanent solution is being found. Furthermore, local planning authorities can provide greater flexibility for changes of use in areas with high vacancy levels, particularly secondary frontages, through local plan policies, Area Action Plans and other planning tools.

TRENDS IN RETAIL-LED INVESTMENT AND DEVELOPMENT

- 3.33 The weak UK retail economy, the low growth in retail sales volumes and the adverse impact of vacant space all combined with the absence of development finance have created a very difficult climate for new shopping centre development and investment in town centres since 2007. One of the key impacts was to 'weed out' some of the more expensive and unviable development schemes that were in the pipeline before the economic downturn.
- 3.34 The Shopping Centre Development Pipeline Report published by the British Council of Shopping Centres (BCSC) shows that the UK experienced, on average, nine new centre openings in each of the first 10 years of the 21st century. However, following the development of circa 260,000 sqm in 2009, 232,000 sqm in 2010 and 280,000 sqm in 2011, 2012 was the first year since records began in 1983 that no significant new shopping centres opened. Notwithstanding this, there are more positive recent signs of new shopping centre investment and development activity, with UK-based and international funds seeking assets (principally in prime and secondary locations) that offer the potential for growth. In terms of new development, three major schemes opened in 2013 with a total floorspace of circa 140,000 sqm (including Trinity Leeds), in 2014 the Old Market scheme in Hereford opened; and in 2015 there were a number of significant openings, including Grand Central in Birmingham as part of the New Street station redevelopment and Friars Walk in Newport.
- 3.35 Recent trends suggest that the average scheme size is generally smaller than during the 'golden age' of shopping centre development - less than 27,870 sqm (300,000 sqft) - other than in the largest cities with the strongest catchment populations and expenditure to support new floorspace. Furthermore, recent developments and schemes in the pipeline have a significantly higher proportion of leisure uses and space than earlier shopping centre developments. For example, Land Securities recently reported that leisure space had grown four-fold in their new development schemes over the last 10 years; as illustrated by their major Trinity Leeds scheme that includes a significant leisure and catering offer. In London, the High Street Quarter scheme in Hounslow Metropolitan Centre will also include a significant food and beverage offer, anchored by a multi-screen cinema, with a reduced retail offer.
- 3.36 Even smaller schemes, are providing between 5-10 restaurant (Class A3) units. Such demand is especially true in those town centres, which have wider employment, tourist or other attractions and offer the potential for longer stay shopping. It is apparent that the trend towards more eating out and more informal restaurants and catering outlets across town centres is now very much part of new investment and development. This is a trend that clearly has implications for the future planning and development of the Borough's main centres and the delivery of a realistic retail vision.

¹⁰ London Assembly Economy Committee: *Open for Business. Empty shops on London's high streets* GLA, March 2013.

- 3.37 Furthermore, the more challenging retail environment means that those shopping locations outside the 'top 100' centres that missed the previous (pre-recession) development cycle may face a long wait for new town centre development, as investors look to reduce their exposure and risks. While existing shopping centres may provide the opportunity for asset management by their owners to improve their overall attraction, offer and turnover (such as, for example, through extensions and/or increasing the food, beverage and leisure offer), it can still be problematical and prohibitively expensive to reconfigure units in the more dated early generation shopping centres. In addition, a lack of finance in recent years has severely limited investment in these centres. Therefore, even where there is single ownership and control, activity to create the right type of units for retailers has been restricted. However, it is preferable to work with existing schemes, where possible, to avoid simply moving retailers from one scheme to another and creating yet more vacant units.
- 3.38 Even with internet growth, additional floorspace remains one of the primary mechanisms which retailers use to grow profit and if they cannot occupy or adapt existing space, they will often look elsewhere. This means that new retail development solutions are likely to need to become more imaginative in the way in which existing properties (including listed buildings) are altered in order to help prevent further diversion of trade to out-of-centre locations. Notwithstanding this, the economic rationale for new floorspace in many town centres is much reduced and some commentators¹¹ argue that the focus will increasingly be on enhancing and updating the existing town centre fabric.

INDEPENDENTS AND MARKETS

- 3.39 Multiples continue to be a powerful force within the retail sector, both as marketable brands, and in their ability to secure prime locations in town centres. However, this does not underestimate or undervalue the important role of small independent shops¹² and street markets, which help to improve consumer choice and convenience to the communities they serve, as well as generating significant benefits for town centre economies in terms of local employment and income generation. Furthermore, it is widely accepted that a good mix of independent shops and market stalls help to enhance the character, diversity and vibrancy of town centres, preventing the growth of so-called "clone towns"¹³ due to the increasing colonisation of centres by larger chain stores.

*"Is the spread of clone towns and the creeping homogenisation of the high street anything more than an aesthetic blight? We think so. Yes, distinctiveness and a sense of place matter to people. Without character in our urban centres, living history and visible proof that we can in some way shape and influence our living environment we become alienated in the very places that we should feel at home."
(New Economics Foundation, Reimagining the High Street, 2010)*

- 3.40 Notwithstanding this research shows that the number of small shops in the UK has declined in the past decade. This decline has been caused by multiple factors, including changes in shopping behaviour, competition from supermarkets, internet shopping and rising costs (including rents and rates).
- 3.41 In terms of street markets, the 1994 *Rhodes Report* into the Retail Market sector demonstrated its collective and economic strength. From this report the industry has been successful in demonstrating its national economic value and successive governments have started to value the role of markets as a vibrant and active part of the future of our town centres and the High Street. This is illustrated by the NPPF (paragraph 23), which places weight on the need to "retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive".

¹¹ English Heritage (2013), *The Changing Face of the High Street: Decline and Revival*

¹² Defined by the Town Centres SPG as a shop with a gross floorspace of 80 sqm or less.

¹³ New Economics Foundation (NEF) *Clone Town Britain Report* (2005 and 2010)

- 3.42 The Portas Review also identified markets as an important factor in the future of successful town centres. This review produced 28 recommendations for reforms and whilst the success (or otherwise) of the Portas Pilots and other interventions are still the subject of debate, recommendation No 17, a national market day, was grasped by the retail market industry. In May 2012, the first 'Love Your Local Market Fortnight' (LYLM) was rolled out as an annual national celebration of all things positive about retail markets in the UK. The Department for Communities and Local Government (DCLG) have also been very proactive in supporting the positive role of markets in the UK and town centre economies, and there is a Minister with responsibility for Town Centres and Markets. The Great Yarmouth MP Brandon Lewis held this position in the first year and Marcus Jones MP is now the current Minister. It is important to note however that whilst DCLG continue to support the market industry the initial government funding for LYLM is ending.
- 3.43 Retail Markets continue to make a meaningful contribution to Towns and Cities across the UK. The successful markets seen today are those that have embraced change and adapted alongside the town in which they trade. As the demographics of a town change a successful market will reflect this change and continue to cater for and attract the residents creating a vibrant and successful market, this will in turn attract visitors from outside the area and increase the value of the market¹⁴.
- 3.44 In summary, providing for the needs of modern retailers in larger format stores, principally through new retail-led developments, whilst maintaining the viability, representation and mix of independent businesses and market stalls is a difficult balancing act for local planning authorities. It will be a greater challenge going forward with the threat of internet shopping and a fragile economy in the post-Brexit age, but it is vitally important that the diversity of a centre's offer is not undermined by the new retail brands.

SUMMARY

- 3.45 In summary, there are positive signs that the UK is emerging from the shadow of the longest and deepest economic downturn in living memory, but it is clear that it is clear that our town centres and high streets post-recession are facing a myriad of challenges and pressures to simply retain retail businesses, let alone attract new investment and development.
- First, although the economy in general and retail sector in particular is forecast to experience growth over the short to medium term at least¹⁵, albeit at a slower pace than in 2014 and 2015, there are risks to these growth forecasts; not least the slowdown in global economies, an increase in interest rates and the potential fallout from Brexit.
 - Second, the growth of online shopping is impacting on the vitality and viability of many of Britain's centres and high streets.
 - Third, although the NPPF reinforces the longstanding policy objective of promoting development and investment in town centres first, the market appetite for new and extended shopping facilities in out-of-centre locations shows no signs of slowing. The lack of available, suitable and viable sites in town centres to meet the demands of modern retailers and commercial leisure operators for larger format units will inevitably result in an increase in new out-of-centre applications and/or applications to widen 'bulky conditions' conditions on existing retail parks.
- 3.46 These trends, and others, are placing pressures on rental growth and market demand in many centres; particularly the smaller secondary centres and market towns outside the 'top 100' shopping locations. This has

¹⁴ Recent research documents supporting the benefits of Markets can be found via the following link: <http://www.nabma.com/publications/research-documents/>.

been further compounded by rising vacancy levels and the loss of key retailers. As a result, the share of non-food retail sales conducted through town centre shops has declined; from 64% in 2002 to just over 40% by 2013. Indeed research predicts that by 2020, the impact of declining in-store sales will result in a 31% reduction in high street stores¹⁶

- 3.47 As a result a far more uncertain future awaits the next wave of new retail investment and development, particularly for medium sized centres where demand from multiples is slowing and the space offered is often of the wrong size and configuration, and in the wrong location to meet today's retailer requirements. In contrast, the more dominant centres are in a stronger position to continue to attract new investment and interest from retailers leisure operators, while smaller local and neighbourhood centres will continue to meet the everyday retail, service and community needs of their local ('walk-in') resident catchment populations.
- 3.48 With increased demand and the lack of supply over the short to medium term, research for the British Council of Shopping Centres (BCSC) predicts that this will effectively 'push up' rental levels for the larger modern desirable units until a significant amount of new development reaches completion. As a result, over the medium term, retailers will be competing for limited available space.
- 3.49 Therefore, those shopping locations that are able to accommodate and deliver new developments over the next 5-10 years should be in a good position to attract operator interest. However, this will depend on the new retail floorspace being in the right location (i.e. preferably prime shopping locations, with good accessibility, parking, etc.) and having the right size, format and specification to meet the needs of modern retailers. Due care and attention will also need to be paid to ensuring that the new floorspace and tenants complement rather than compete with the centre's existing offer, and strengthen rather than weaken the existing pedestrian circuit so as to generate the maximum benefits for the centre's overall vitality and viability.
- 3.50 In this context, it is clear that the 'top 50-100' prime centres and shopping locations in Britain should continue to flourish once the economy recovers. The greatest challenge facing local planning authorities will be how to revitalise the fortunes of struggling small and medium sized centres and market towns that do not have the critical mass of retail, leisure and other uses to compete for more limited investment and development.
- 3.51 This provides the important background and context for assessing and understanding the potential for new retail investment and development in Eastleigh Town Centre and the two District Centres over the short, medium and long term.

¹⁶ Javelin Group (October 2011), 'How Many Stores Will We Really Need?'

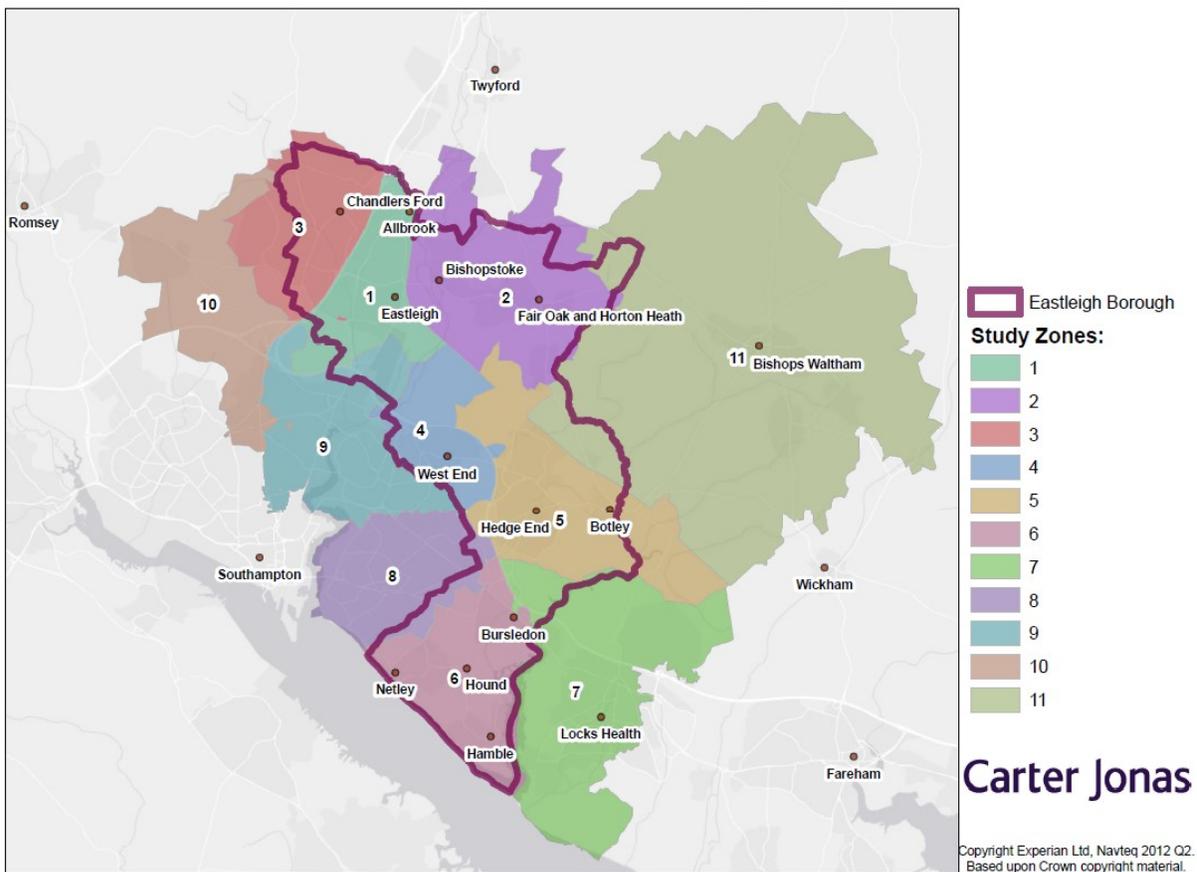
4 CATCHMENT AREA & SHOPPING PATTERNS

4.1 This section first defines the catchment/study area that provides the basis for the quantitative and qualitative needs assessment. It then describes the household telephone interview survey and summarises the key headlines of the survey-derived market share analysis for convenience and comparison goods retailing.

STUDY AREA AND ZONES

4.2 The definition of an appropriate study (catchment) area is an important starting point for any retail and town centre assessment. In this case the Study Area has been defined using postcode geography which covers the Eastleigh Council area in full, as well as outlying areas including parts of the surrounding local authority areas; namely, Southampton City Council, Winchester City Council, Fareham Borough Council, and Test Valley Borough Council (see Figure below and **Appendix 1**).

Figure 4.1 Study Area and Zones



4.3 The Study Area has been sub-divided into eleven zones based on ward geography. These zones provide the sampling framework for the household telephone interview survey (see Table 4.1). This zone-by-zone approach also enables more detailed analysis of shopping patterns and expenditure flows both within and outside the Study Area for the purpose of the retail capacity assessment, in accordance with good practice. The comprising postcodes and number of interviews is detailed in Table 4.1 below:

Table 4.1 Study Area Zones

Zones	Geographic Area	Postcode Sectors	No. of Interviews
1	Eastleigh Central	SOG0 4, SOG0 5, SOG0 9	105
2	Bishopstoke	SOG0 6, SOG0 7, SOG0 8	95
3	Chandlers Ford & Hillingbury	SOG3 1, SOG3 2, SOG3 3, SOG3 4, SOG3 5	105
4	West End	SO18 3, SO30 3	100
5	Hedge End	SO30 0, SO30 2, SO30 4	95
6	Bursledon & Hamble	SO301 4, SO31 5, SO31 8	100
7	Locks Heath	PO15 7, SO31 1, SO31 6, SO31 7, SO31 9	100
8	Woolston & Sholing	SO19 0, SO19 1, SO19 2, SO19, 5, SO19 6, SO19 7, SO19, 8, SO19 9	90
9	Portswood	SO14 6, SO16 2, SO16 3, SO17 1, SO17 2, SO17 3, SO18 2, SO18 4, SO18 5, SO18 6, SO19 4	110
10	Chilworth & North Baddesley	SO16 7, SO52 9	100
11	Bishops Waltham	SO32 1, SO32 2	100
Total			1,400

Source: Appendix 10

Notes: The number of interviews in each zone has been adjusted to accurately represent ethnically diverse areas of the Borough.

- 4.4 Zones 1-6 broadly fall within the administrative boundary for Eastleigh Borough Council. These combined zones are used to provide more detailed analysis of market shares achieved by stores in the Borough and to take account of catchments for competing centres outside.

Table 4.2 Study Area – Zones and Population

Zones	Geographic Area	2017 Population
1	Eastleigh Central	26,955
2	Bishopstoke	21,522
3	Chandlers Ford & Hillingbury	33,212
4	West End	11,354
5	Hedge End	27,534
6	Bursledon & Hamble	18,420
7	Locks Heath	36,454
8	Woolston & Sholing	57,019
9	Portswood	74,678
10	Chilworth & North Baddesley	13,641
11	Bishops Waltham	17,691
Total Study Area		338,480
Eastleigh Council area (Zones 1 to 6)		138,997

Source: Appendix 4

Notes: The base year (2017) population figures have been sourced directly from Experian's 'Retail Area Planner' Reports for each study zone using the (Experian-based) MMG3 Geographic Information System (GIS). The 2015 base year figures are based on ONS (mid-year) population figures. The projections for zones are derived from Experian's revised 'demographic component model'; these projections take into account mid-year age and gender estimates and project the population forward year-on-year based on Government population projections for local authority areas in England. The yearly components of population change that are taken into account are the birth rate (0-4 age band), ageing, net migration, death rates, etc..

HOUSEHOLD TELEPHONE INTERVIEW SURVEY & MARKET SHARE ANALYSIS

- 4.5 NEMS Market Research was commissioned to carry out a household telephone interview survey (HTIS) across the defined Study Area and zones in December 2016. The questionnaire was designed by Carter Jonas (CJ) in collaboration with Eastleigh Borough Council. The full 'weighted' survey results are set out in **Appendix 10**.
- 4.6 In total, some 1,100 interviews were conducted across eleven zones. This involved structured interviews by telephone with the person responsible for the main household shop. A number of measures were put in place by NEMS to ensure each sample was representative of the profile of the person responsible for shopping in the household. The number of interviews in each zone were adjusted to accurately represent ethnically diverse areas of the Borough. Responses across the study area were further weighted by the population in each zone to ensure that the results of respondents in more sparsely or heavily populated areas were not under or over represented in terms of the market share assessment. This is a standard approach that helps to ensure the survey results provide a robust and realistic picture of shopping and leisure patterns. **Appendix 10** provides a detailed overview of the survey sample size and methodology used to ensure a representative sample of a zone's population profile.
- 4.7 The survey results help to identify broad patterns and preferences for different types of convenience and comparison goods shopping purchases, as well as leisure use across the study area. The key findings are used to inform the baseline market share analysis¹⁷ and turnover estimates that underpin the quantitative retail capacity assessment, as well as the qualitative needs assessment.

Convenience Goods – Market Share Analysis

- 4.8 Convenience goods¹⁸ retailing is generally defined as comprising everyday essential items (including food, drinks, newspapers/magazines and confectionery), as well as an element of non-durable housing goods (such as washing up liquid, kitchen roll, bin bags, etc.). The survey-derived market share (%) analysis for all convenience goods shopping is set out in **Table 1 (Appendix 2)**. It should be noted that for this stage of the analysis the market shares for both convenience and comparison goods retailing include expenditure on Special Forms of Trading¹⁹ (including internet sales), but exclude 'null' responses (such as 'don't know', etc.) in accordance with good practice.
- 4.9 The overall market shares in Table 1 have been derived from the analysis of the responses as to where people normally shop for their main ('bulk') and 'top up' grocery purchases. The market shares for these different types of food shopping are set out in detail in **Tables 2-3 (Appendix 2)**.
- 4.10 In order to avoid the market share analysis of food shopping patterns being 'skewed' by larger superstores and foodstores in the study area, the survey also asked respondents where else they normally shop (if anywhere)

¹⁷ It is common practice in retail assessments to deduct special forms of trading (i.e. purchases over the internet, mail order shopping and market stalls) from average expenditure per capita figures at the outset according to national forecasts derived from Experian Business Strategies. Internet shopping and special forms of trading have therefore been filtered out from the survey results before undertaking the market share assessment.

¹⁸ For the purpose of this retail assessment, 'convenience goods' and 'food' shopping have the same meaning.

¹⁹ A more detailed explanation of SFT is set out in Section 3.

for their 'main' and 'top up' purchases in addition to the first store identified. The market shares are set out in Table 4 for 'top up food purchases' and Table 5 for 'other top up food purchases' (**Appendix 2**).

- 4.11 The responses for 'primary' and 'secondary' food shopping purchase have then been merged through the application of a weighting based on judgements as to the proportion of household expenditure normally accounted for by each type of convenience goods shopping. Assumptions are informed by Question 9 of the household survey, which identifies the proportion of expenditure spent on main food shopping. In this case a weighting of 60% for main 'bulk' shopping; 15% for secondary main 'bulk' shopping; 15% for primary 'top-up' shopping; and 10% for secondary 'top-up' shopping has been applied.
- 4.12 The key findings of the market share analysis are briefly described below.
- 4.13 In terms of the market share of **Special Forms of Trading** (SFT), and principally internet shopping, **Table 1 (Appendix 2)** shows that the share of all food shopping across the study area (i.e. Zones 1-11) is 5.7%; decreasing to 5.1% based on zones that broadly correlate to the Eastleigh Borough area (Zones 1 to 6). SFT's share varies across the Study Area from a low of 1.8% in Zone 1 to 9.8% in Zone 11. Higher SFT market shares in less built up areas correlates to a greater reliance on online grocery shopping where there is less access to foodstore provision compared to more urban areas.
- 4.14 Experian's latest Retail Planning Briefing Note 14 (November 2016) shows that the national average market share for non-store (SFT) convenience goods retail sales is 10.1% (see Section 3). This is higher than the market shares identified for the study area zones. A number of factors may influence this lower than average market share such as good access to foodstores and the extent/ quality of internet infrastructure. This highlights the potential for SFT market penetration to increase in the future as online grocery shopping becomes more popular and convenient. If this was to occur, then it would potentially reduce the expenditure available to support the need ('capacity') for new ('physical') retail floorspace over the forecast period to 2036 (see **Section 11**).
- 4.15 Turning to the market share analysis for the main centres and stores in the Borough, Table 1 shows that they are achieving an overall market share ('retention level') of 54.1% within the study area (Zones 1 - 11), increasing to 84.3% when based on the Borough area (Zones 1 to 6). The latter represents a strong retention rate, which reflects the strength of food shopping offer in the local authority area. Focusing on individual zones in the Borough area, the assessment shows that retention varies and is highest in Zone 1 at 92.7%, which reflects the presence of major foodstores serving Eastleigh Town Centre. Retention falls to 26.1% to 26.3% for Zones 9 to 11, which is due to overlapping catchments for other centres such as Southampton, Fareham, Portswood and Romsey located in close proximity to these zones.
- 4.16 Of the total retention across the study area, the survey shows that expenditure for each of the zones is supported by foodstores serving the local population. They include the following:

Table 4.3: Convenience goods market shares for key centres in the Borough

Centre	Study Area (Zones 1-11)	Local Authority Area (Zones 1-6)
Eastleigh Town Centre	5.4%	12.1%
Chandlers Ford District Centre	5.4%	11.0%
Hedge End District Centre	2.6%	5.4%
Asda, near Chandler's Ford	8.9%	14.5%
Sainsbury's, Tollbar Way	10.7%	15.2%
Tesco Extra, near Bursledon	11.3%	8.3%
Rest of Borough	9.7%	17.9%
Total Borough Retention	54.1%	84.3%

Source: Table 1, Appendix 2

- 4.17 As the table shows, Eastleigh Town Centre retains a market share of 5.4% of total study area expenditure, which is largely supported by the Sainsbury's and Tesco Metro stores. Chandler's Ford District retains an identical proportion of expenditure to Eastleigh Town Centre, the majority of which is directed to the Waitrose store in the Fryern Centre. Hedge End District Centre attracts half the level of expenditure retained by Eastleigh town centre and Chandlers Ford, which reflects the more limited choice of foodstore provision in the centre.
- 4.18 The Borough's out-of-centre foodstores account for the balance of convenience expenditure (36.6%) across the study area and 48% across the Borough area (Zones 1-6). Tesco Bursledon, Sainsbury's Eastleigh, and Asda Chandler's Ford are the most popular foodstores accounting for almost a third (31%) of study area expenditure (38% across the Borough area, Zones 1-6).
- 4.19 The Borough's local centres and neighbourhood parades collectively attract just 4.1% from the study area (and 7.9% of expenditure from the Borough Area, Zones 1-6). Typically, smaller centres have much lower market shares for food shopping; reflecting their relatively limited convenience goods floorspace and the fact that the mainly serve the day-to-day more frequent top-up food shopping needs of their local resident catchment populations.
- 4.20 The survey results indicate that the 'leakage' to online sales and other competing stores outside of the Borough area is relatively low. The main competing centre for food shopping is Bitterne, which attracts 8.6% of study area expenditure, followed by Southampton (6.5%). Leakage is largely confined to peripheral zones where foodstore catchments in neighbouring authorities overlap with the Borough area.

Comparison Goods – Market Share Analysis

- 4.21 Comparison goods²⁰ are generally defined as items not obtained on a frequent basis and include clothing, footwear, household and recreational goods (see Glossary of Terms). The household survey comprised questions on the main groupings of non-food expenditure, as defined by Experian in the latest Retail Planner Briefing Note, including 'clothing and footwear'; recording media; electrical goods; books; furniture and carpets; DIY and garden products; medical goods; etc.
- 4.22 **Table 1 (Appendix 3)** shows the market shares (%) for all comparison goods shopping purchases made both within and outside the Study Area. These total market shares have been informed by the shopping patterns for

²⁰ Please note that comparison goods and non-food shopping have the same meanings.

the different types of comparison goods expenditure set out in **Tables 2-12 (Appendix 3)**. The market share analysis (%) takes account of the distribution and weight of spend (£) by households on the different comparison goods categories. This ensures that that the resultant shares are not ‘skewed’ by any particular comparison goods expenditure category. This is a standard approach for retail assessments.

4.23 As for the analysis of convenience goods, the market shares include expenditure on Special Forms of Trading (SFT) but exclude all ‘null’ responses. The key findings of the market share analysis are briefly described below.

4.24 **Table 1 (Appendix 3)** shows that SFT’s share of all non-food shopping across the total study area (i.e. Zones 1-11) is 21.6% or 19.8% based on the Borough area (Zones 1 to 6). Market share varies for zones within the Borough area from 16% in Zone 6 to 25.1% in Zone 2. In comparison, Experian’s latest RPN14 shows that the national average market share for non-store (SFT) comparison goods retail sales is 17.6% in 2016 (see **Section 3**). While SFT for the study area and catchment is above the national average, there is still potential for SFT to increase its market share penetration in the future, with Experian forecasting average SFT market share to increase to 20.8% by 2021. If the SFT market share for the study was to increase by the same rate (proportionally), then it would potentially reduce the expenditure available to support the need (‘capacity’) for new (‘physical’) retail floorspace over the forecast period to 2036 (see Section 21).

4.25 Turning to the market shares for the main centres and out-of-centre stores and shopping facilities in the Borough, **Table 1 (Appendix 3)** shows that they are achieving an overall ‘retention level’ of 32.6% within the total study area (Zones 1-11). This retention level increases to 46.8% within the Borough area (i.e. Zones 1 to 6). Expenditure retention is highest in Zones 1 and 2, with stores in the Borough area retaining 52.3% and 57.2% of expenditure from these zones, respectively.

Table 4.4: Comparison goods market shares for key centres in the Borough

Centre	Study Area (Zones 1-11)	Local Authority Area (Zones 1-6)
Eastleigh Town Centre	7.0%	12.8%
Chandlers Ford District Centre	1.5%	3.1%
Hedge End District Centre	1.3%	1.9%
Local Centres & Neighbourhood Parades	1.9%	1.9%
Out-of-Centre	20.9%	27.0%
Total Borough Retention	32.6%	46.8%

Source: Table 1, Appendix 3

4.26 Looking at expenditure retention for the main centres, the following key market shares have been identified:

- **Eastleigh Town Centre** accounts for 7% of study area expenditure and 12.8% from the Borough area (i.e. Zones 1 to 6). Within Zone 1 retention increases to 29%.
- **Chandlers Ford District Centre** accounts for 1.5% of total study area expenditure, increasing to 3.1% when based on the Borough area (Zones 1 to 6). Within Zone 3 stores in the district centre account for 11% of zone expenditure.
- **Hedge End District Centre** accounts for 1.3% of total study area expenditure with market share remaining low even for the Borough area at 1.9%. Within Zone 5, stores in the district centre account for 7.2% of zone expenditure.

- The Borough’s local centres and neighbourhood parades together retain 1.9% of total study area comparison goods expenditure, with market share remaining unchanged for the Borough area (Zones 1 to 6). This is unsurprising given the limited comparison goods offer available in the centre.
- The **out-of-centre retail parks** and standalone stores account for 20.9% of total study area expenditure, or 27% based on the Borough area (Zones 1 to 6). These market shares are greater than the combined market shares for the Borough’s network of centres. Hedge End Retail Park attracts the greatest proportion of expenditure; 13.5% within the study area and 15.7% in the Borough area (Zones 1 to 6).

4.27 The survey indicates that some 45.8% of study area expenditure is directed to competing centres compared to 33.3% for the Borough area (Zones 1 to 6). Based on an analysis of the entire study area, the main competing centre is Southampton; attracting 20.6% of study area expenditure. Based on expenditure from the Borough area, Southampton remains the main competing centre (15.6%) alongside West Quay Retail Park (10.1%). The strength of Southampton’s market share is expected given the centre’s proximity to the study area and role as a regional centre.

4.28 The figure below shows the market shares for the Borough’s main centres and stores (aggregated), other centres and SFT/internet shopping for residents in the study area (Zones 1-11) and the Borough area only (Zones 1 to 6) for different categories of comparison goods expenditure, based on the survey-derived results set out in Tables 2-12 (**Appendix 3**).

Figure 4.2: Comparison Goods market shares for the study area (Zones 1-11)

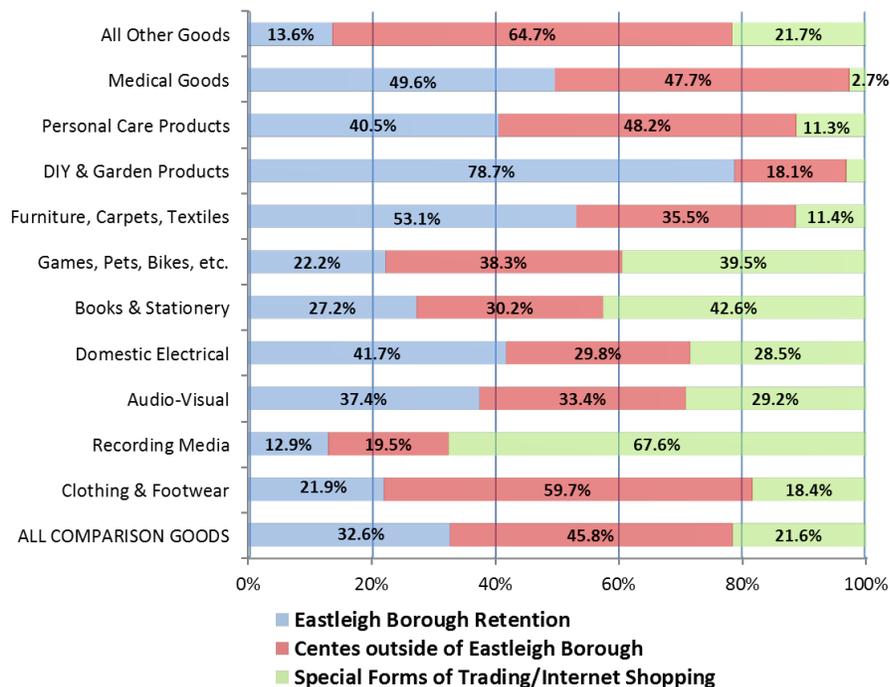
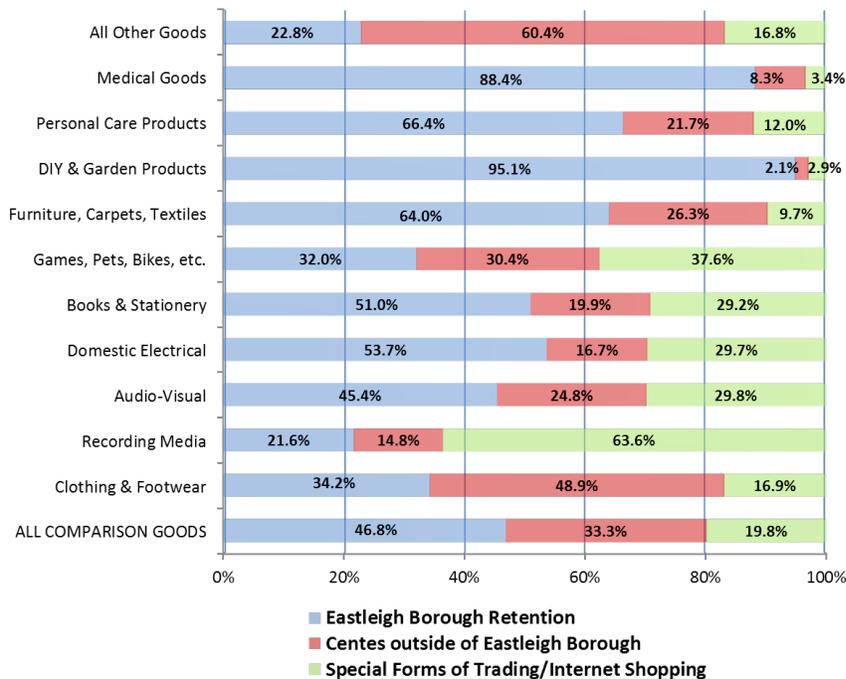


Figure 4.3: Comparison Goods market shares for the Borough Area (Zones 1 to 6)



4.29 The figures show the relatively strong competition from other centres and shopping facilities located both within and outside the defined study area (Zones 1 -11) and the Borough area (Zones 1 to 6) for different types of comparison goods expenditure. For example, based on the study area, expenditure retention is strongest for the Borough’s stores for ‘DIY and garden’ goods (78.7%) and ‘carpets and floor coverings’ (53.1%). Market shares for these comparison goods categories are even higher when based on the Borough area, particularly for DIY and garden goods where almost all (95.1%) of Borough area expenditure is retained by stores in the Borough. Market shares based on the Borough area are also strong for ‘medical’ goods (88.4%) and ‘personal care’ products (66.4%) purchases.

4.30 In contrast, retention at study area and Borough area level is lowest for recording media goods which is largely due to SFT sales; principally internet shopping. SFT accounts for 67.6% of the study area catchment expenditure on recording media or 63.6% based on the Borough area. In contrast, SFT’s market share is more limited for including DIY (3.2% of study area) and medical goods (2.7%). However, this does not necessarily mean that these specific sectors will be ‘immune’ from the growth in internet shopping over the medium to long term.

5 TOWN CENTRE HEALTH CHECKS: METHODOLOGY

- 5.1 This section sets out the methodology used to inform the health check assessments and audits provided in **Sections 6-9**.
- 5.2 Detailed health check assessments for the Eastleigh Borough Council's main centres, namely:
- Eastleigh Town Centre
 - Fryern Centre, Chandler's Ford District Centre
 - Hedge End District Centre
- 5.3 There are also a number of local centres across the Borough. These include: The Precinct, Bournemouth Road and Hursley Road, Chandler's Ford; Boyatt Shopping Centre, Eastleigh; Fair Oak; West End; Botley; Buresdon/Lowford; Hamble; and Victoria Road and Station Road, Netley Abbey. An overview has been provided on retail provision for these smaller centres.
- 5.4 Health checks are recognised as important planning 'tools' for appraising and monitoring the changes in the overall vitality and viability of town centres, and informing both plan-making and decision-taking at the local level.
- 5.5 In accordance with the PPG (paragraph 005), there are a number of Key Performance Indicators (KPIs) that are widely used (where the information exists) to help assess and monitor the overall health and performance of centres. Some of the KPIs include:
- the scale and diversity of uses (e.g. retail and services offer);
 - retailer representation and demand;
 - commercial property indicators (such as Prime Zone A Rents);
 - changes in vacancy levels;
 - accessibility and parking provision;
 - the quality of the town centre environment;
 - pedestrian footfall; and
 - customers' views and behaviour.
- 5.6 In this case the most reliable KPIs have been gathered (where possible) for the centres to help inform the assessment of their overall strengths and weaknesses in terms of their retail and leisure provision, the opportunities for new sustainable development and growth, and any potential current and future threats to their overall vitality and viability.
- 5.7 The health check assessments of the town centres have been informed by analysis of Town Centre Audits produced by the Council. The Study also relies on Experian Goad Category Report's classifications of shops and businesses audited i.e. convenience, comparison and service uses, and vacant units to allow for comparisons to be made to the UK national average. It should be noted that 'services' as defined by Experian Goad can be sub-divided into the following three sub-categories.
- **Retail services** - including hairdressers, beauty salons, travel agents, launderettes, opticians, etc.;

- **Leisure services** - which comprise cafes and restaurants (Class A3), betting shops (sui generis), fast food/ takeaway outlets (Class A5); and
- **Financial and professional services** - covering all Class A2 uses (such as banks, estate agents, etc).

- 5.8 In addition, other datasets and research are also referred to help assess the relative vitality and viability of the Borough's main town centres, as referenced throughout the report. The applicability and robustness of the different data is discussed separately for the individual town centres in the respective sections of this report.
- 5.9 As described above, the health checks provide an effective 'gap' analysis tool to help identify retail types and categories that are under or over represented in centres. This is based on benchmarking against Goad UK averages for all circa 1,950 centres and shopping locations covered by Experian.
- 5.10 Information on retailer requirements, which provides an indication of demand by retail and leisure operators for accommodation in a given town centre has been obtained from a variety of sources including CoStar and the Requirements List.
- 5.11 It should be noted that commercial property indicators normally include Prime Zone A Rents and Yields assessment. Therefore, an assessment of Prime Zone A rents and yields is provided where available.

6 EASTLEIGH TOWN CENTRE - HEALTH CHECK ASSESSMENT

- 6.1 This section sets out the key findings of the detailed health check assessment and town centre audit for Eastleigh Town Centre. Sections 7-8 provide health checks for the other main centres covered by this study; namely Hedge End and Chandler's Ford district centres.
- 6.2 As highlighted in Section 5 the health check assessments have been prepared in compliance with the Key Performance Indicators (KPIs) set out in the *Planning Practice Guidance* (PPG), where available.

CONTEXT

- 6.3 Eastleigh is a town in the South East region of England located in Hampshire and in the north of Eastleigh Borough. It is the largest centre within the Borough. The town centre is relatively compact with around 200 shops.
- 6.4 Eastleigh is regarded as a sub-regional²¹ shopping destination and is the focus for a range of retail and leisure uses. The Council is interested in the sustainable growth and regeneration of the town centre. This is being achieved through a diverse and committed approach, which includes working with the Eastleigh Business Improvement District (BID) and other stakeholders, using land and building assets to deliver investment and development on key sites and delivering projects that enhance the public realm and improve the function and aesthetic of the town. Examples of recent and current Eastleigh Town Centre projects include:
- the development of a new Marks and Spencer food store close to Eastleigh railway station;
 - the redevelopment of the Market Place;
 - the redevelopment of the railway station forecourt;
 - the development of 113 residential units on the Travis Perkins site close to the town centre; and
 - the development of 120 residential units on Toynbee Road also close to the town centre.
- 6.5 Eastleigh town centre is ranked 238th in the 2017 Javelin Venuescore²² ranking of all town and shopping centres. This is a slight drop in rank since the 2015 Javelin ranking which placed Eastleigh town centre as 235th. The centre is classified in the 'Middle' market position by Javelin based on its shopping and fashion offer²³. Eastleigh town centre's main competitors are set out in the table below.

²¹ This is in comparison to a regional centre such as Southampton, which by virtue of its larger floorspace and associated retail offer serves a wider spatial catchment.

²² Venuescore is Javelin Group's annual ranking of the UK's top 3,000+ retail venues based on provision of multiple retailers including anchor stores, fashion operators, and non-fashion multiples, where each operator is given a weighted score to reflect its overall impact on shopping patterns and the attraction of centres. The Market Position Index measures the degree to which the centre's offer has a high-end or discount focus (High=Bias towards High-end retailers; Low=Bias towards Discount-oriented retailers)

²³ The criteria hierarchy is as follows: Upscale (e.g. London West End), Upper Middle (e.g. Manchester), Middle (e.g. Newcastle Upon Tyne, Reading), Lower Middle (e.g. Sunderland), and Lower.

Table 6.1 Competing Centres

Town Centre	Location Grade	Venuescore Rank
Southampton	Major Regional	20
Salisbury	Regional	94
Portsmouth	Regional	101
Winchester	Regional	125
Fareham	Sub-Regional	179
Eastleigh	Sub-Regional	238

Source: Javelin Venuescore (2017)

- 6.6 Southampton is located around five miles south of Eastleigh town centre. It is under a 20 minute drive and train journey away. Southampton is considered to be a 'Major City'. Located on the south coast, Southampton is the largest city in Hampshire. Southampton's retail provision includes the Westquay Shopping Centre, which is situated in the heart of the city centre. The centre is anchored by John Lewis and Marks and Spencer. A new Leisure Complex, Westquay Watermark (later renamed Westquay South), opened in December 2016. The scheme includes a 10-screen cinema, owned by Showcase Cinemas and Hollywood Bowl. There are around twenty new eateries including Five Guys, Nandos, TGI Fridays, Red Dog Saloon, Franco Manca, The Real Greek, Casa Brasil and Kupp.
- 6.7 Salisbury is a cathedral city in Wiltshire located around 25 miles to the northwest of Eastleigh. The centre is considered to be a popular tourist destination with key historic buildings such as Salisbury Cathedral. There are three shopping centres in Salisbury including Old George Mall anchored by Marks and Spencer, Cross Keys anchored by TK Maxx and The Maltings anchored by Sainsbury's.
- 6.8 Portsmouth is situated 20 miles to the southeast of Eastleigh town centre and can be accessed by train in 30 minutes. It is a waterfront city popular with visitors. Retail is concentrated around the pedestrianised Commercial Road, Arundel Street and the Cascades Shopping Centre. Gunwharf Quays Shopping Centre consists of premium retail outlet stores.
- 6.9 Winchester is a popular tourist and shopper destination. It is located approximately nine miles north of Eastleigh town centre and is just under ten minutes away via train that is a popular tourist and shopper destination. The main shopping areas in the centre include the pedestrianised High Street and the Brooks Shopping Centre. Provision includes a range of national multiples and independents.
- 6.10 Fareham is a market town situated around 15 miles to the southeast of Eastleigh town centre. It is situated on the northwest tip of Portsmouth Harbour. The centre is larger than Eastleigh but much smaller than Southampton. The centre is part pedestrianised. The main shopping areas include West Street and the two shopping centres located on the pedestrianised area of the street; Fareham Shopping Centre and Market Quay. Fareham Shopping Centre is anchored by Marks and Spencer, Next and Debenhams. Additional multiple retailers in the centre include River Island, New Look, Thorntons, Waterstones, Topshop and Monsoon. Market Quay is situated opposite the centre but is occupied by fewer retailers. Occupants include TK Maxx, Peacocks, JJB Sports, Wilkinsons and Reel cinema. West Street is occupied by mainly independent retailers.

RETAIL COMPOSITION & DIVERSITY OF USES

- 6.11 Eastleigh town centre as defined in the Council's Policies Map is defined along the southern boundary by the Swan Shopping/Leisure Centre and Blenheim Road, providing a well-defined edge between the town centre and the residential and community uses immediately to the south. The western boundary is marked by the

predominately residential area of terraces west of, and including Desborough Road, and the live/work properties fronting Hanns Way. Romsey Road, an arterial route, defines the northern boundary of the town centre and incorporates the recreation ground and 'The Point' theatre. The northeast of the town centre is bounded by the land between Twyford Road and the Romsey Railway line, including Lidl supermarket and the Plumb Centre site. The railway line forms the eastern boundary of the town centre.

6.12 The main retail and commercial leisure uses can be divided into the following areas:

- **The Swan Centre** is an indoor shopping centre, accommodating a range of retail and leisure uses across three floors; the centre dominates the south of Eastleigh town centre and is the main retail anchor. The centre is occupied predominately by mid-range multiple retailers including Argos, Boots, Clarks, Dorothy Perkins, Next, New Look and TK Maxx. Tesco Metro is also located within the centre. A more recent leisure development (opened in 2009) occupies the east of the centre. Facilities include a Hollywood Bowl, Vue Cinema, Anytime Fitness, Nandos, Frankie and Benny's and Prezzo
- The north of the centre is anchored by a **Sainsbury's** store. This is also the location of the town's bus station that is situated directly to the east of the store. The store is of a relatively modest size and the additional offer includes clothing, click and collect, bakery, deli and hot food counter.
- Between the two anchors or 'bookends' of the Swan Centre and Sainsbury's is the traditional **High Street** which runs north to south. The Swan Centre can be accessed from the south of the street. The street is characterised by small units occupied by a range of town centre uses including retail, cafes, restaurants and the majority of the town centre's service uses. There are fewer national retailers and a concentration of charity shops in this area. There is also an Iceland food store.
- Parallel to High Street is **Market Street**. It has a greater provision of national multiples with retailers including Boots, Superdrug, Store Twenty One, Burton, Carphone Warehouse, Peacocks and Millets. Similar to the High Street, it is a traditional shopping street characterised by relatively small units.
- **Leigh Road** provides the town's main east to west axis and links The Point regional arts and dance centre with the railway station. Further west along Leigh Road around the Sainsbury's store the street becomes pedestrianised. Leigh Road acts as a secondary shopping street, mainly occupied by service uses including HSBC and Natwest, a betting shop and takeaways. There is a need to improve the signage and linkages to The Point theatre as it stands on the fringe of the town centre and the focus of leisure provision gravitates towards the Swan Centre. There is also scope to improve the quality of the A3-A5 provision to raise the night time economy of the area.

6.13 **Table 6.2** summarises the composition of the centre's retail and service uses, and the mix and diversity of uses are reviewed in more detail below.

Table 6.2: Retail and Service Composition at 2013 and 2016

	No. Outlets 2016	% 2016	No. of Outlets 2013	% 2013	UK Average 2016 %
Comparison	81	40.7	71	35.7	31.72
Convenience	12	6.0	13	6.5	8.67
Services	87	43.7	89	44.7	48.24
Vacant	19	9.5	26	13.1	11.18
Total	199	100	199	100	100

Notes: Based on the Council's audits for 2016. Figures may not fully add up to 100% due to rounding.

Please also note that CJ have undertaken a more up to date assessment of vacancies, which is detailed at Table 6.3 and shows a lower rate of 8.5%. The above data is nevertheless used as a comparator to benchmark the retail and service composition of centres using a consistent methodology and across centres undertaken by the LPA at that time.

Convenience Offer

- 6.14 There are 12 convenience units in Eastleigh Town Centre according to the Council's 2016 town centre audit. This represents 6% of total outlets, which is below the national average of 8.67% therefore suggesting there is an undersupply of convenience goods stores in the town centre. This is only a slight decrease since the 2013 audit which identified one extra food store (equivalent to 6.5%).
- 6.15 The main food and convenience stores in the town comprise Tesco Metro in the Swan Centre and Sainsbury's located on Leigh Road which is the largest food store in the town. On the day of our site visit, Sainsbury's was busy despite it being early morning. In addition to food goods, the store also sells a range of comparison goods including some clothing, toys, household items and a pharmacy. There are a total of 10 checkouts plus eight self-checkouts. At the time of our visit, Tesco Metro was also relatively busy.
- 6.16 Provision also includes:
- One frozen food store (Iceland);
 - One grocers;
 - One butchers;
 - One bakery (Greggs);
 - One smaller convenience store;
 - One sweet shop;
 - One sandwich shop; and
 - Two health food shops (including Holland and Barrett).
- 6.17 Eastleigh's convenience offer also includes a Lidl, which is located just north of the railway station within the town centre boundary. The centre's convenience offer is also enhanced by the local market held twice a week, which sells a variety of food goods.
- 6.18 The HTIS results identified that 15.4% of the total number of respondents that visit Eastleigh do so for food shopping. Within Zone 1 (Eastleigh Central), this figure increases to 50.2%. In comparison to non-food shopping, this is a lower proportion of the overall study area respondents but a higher proportion of just Zone 1 respondents.
- 6.19 The survey identified that 20.6% of those living in Zone 1 visit Sainsbury's in Eastleigh town centre for their food shopping. Additionally, 17.2% from Zone 1 visit Tesco Metro and 6.9% visit Lidl. In comparison, only 2.5% of the overall study area visit Sainsbury's and only 1.9% visit Tesco Metro. This suggests that competing centres are drawing expenditure away from Eastleigh town centre.
- 6.20 Overall, it is considered that Eastleigh town centre currently has a relatively good convenience provision however the number of units occupied by convenience goods is below the national average. Therefore, there is potential to improve the foodstore offer, if the demand exists, although the approval of planning permission for the Marks and Spencer store on Twyford Road could help to enhance the food store offer and increase visits to the centre for food shopping purposes.

Comparison Offer

- 6.21 There are 81 comparison goods retailers located in Eastleigh Town Centre according to the Council's 2016 audit. This represents 40.7% of total outlets, which is significantly above the national average of 31.72% and is

also a five percent increase since the 2013 audit (35.7%). This is an overall increase of ten additional comparison goods units. This suggests that overall the town centre's comparison goods sector is performing well.

- 6.22 Although the centre has no major national department store, this is expected for a town of this size. The majority of retailers within the town centre are considered to be low-mid range retailers and includes a variety of both national multiples and independents. The Swan Centre is occupied by the highest quality retailers and has the largest range of items being sold. Across the different comparison sub-categories, there are representations of many different categories including footwear, woman's and men's wear, homeware, games and toys, books and stationary, technology (including phone shops), toiletries, gifts and jewellery.
- 6.23 Along the traditional High Street and Market Street there is a more limited comparison provision and many of the operators are independents. There is also a noticeable concentration of charity shops including Life, Age UK, Oxfam, British Heart Foundation and Save the Children. It is important that the number of charity shops is monitored to ensure a further concentration of these shops does not occur.
- 6.24 The HTIS results identified that 37.6% of the overall respondents who visit Eastleigh town centre do so with the main purpose of non-food shopping. This figure decreases to 12.3% when considering only those in Zone 1 (Eastleigh Central) who visit the town centre. Overall 9.4% stated they liked Eastleigh town centre for its good range of non-food shops, 5.5% claimed it had a good range of high street shops. Therefore attracting a more diverse range of non-food retailers, including both independents and multiples, could help to compete with larger centres and encourage more visitors to shop here.

Service Offer

- 6.25 Service businesses are defined by Experian Goad as including retail, professional and financial services. As Table 6.2 shows, there are 87 service outlets in Eastleigh Town Centre. They account for 43.7% of all units, which is below the national average of 48.24% and is a slight decrease from the 2013 figure of 44.7%. The following provides a brief summary of provision in the different service categories:
- There are 20 **retail services**, which represents 10.1% of total outlets. This is below the national average of 14.06%. This category is mostly made up of the health and beauty outlets, particularly along the High Street and Leigh Road. It also includes opticians, a post office, dry cleaners and travel agents.
 - In terms of **financial services**, there are 23 outlets, which represents 11.6% of total units and is above the national average of 10.56%. The majority of financial services are located along the High Street (10). Financial services are dominated by estates agents, employment and career services and retail banks (including HSBC, Natwest, Nationwide and Halifax).
 - There are 44 **leisure service** outlets in 2016. This is equivalent to 22.1% of total provision and is just below the national average of 23.50%. The current leisure offer is considered to be varied and that it provides a good choice for customers and visitors to the Centre. For example, the leisure mix includes cafes and restaurants, takeaways, pubs, betting shops, a cinema, bowling alley and museum. The majority of the takeaways are located along the eastern section of Leigh Road and along the High Street. The cafes and restaurants along the High Street and Market Street are mainly independents whereas the concentration of restaurants within the Swan Centre leisure development are all national multiple leisure operators. Overall Eastleigh has a quality leisure provision, particularly in terms of restaurants and cafes however there is potential to increase the number of bars and pubs to boost the night time leisure economy.

- 6.26 Given the size and the role of the centre, the overall representation of services is considered to be adequate although provision is currently below the national average. The potential need for new commercial leisure uses is assessed in more detail in Section 12 of this study.

MULTIPLE AND INDEPENDENT RETAIL REPRESENTATION

- 6.27 A retail multiple is defined by Experian Goad as being part of a network of nine or more outlets. It is widely accepted that a good presence and mix of multiples in a town centre, alongside a strong independent offer, helps to increase the overall attraction and performance of shopping centres. Multiples are a strong draw for customers and they help to generate frequent shopping trips and footfall, and linked expenditure for other shops, businesses and services.
- 6.28 The Council's 2016 audit data identifies a strong multiple retail and service offer, particularly focussed within the Swan Centre and adjoining leisure development. In terms of high street stores, Clarks, Game, Clinton Cards, New Look, Next, H Samuel, W H Smith, Boots, Poundland, Argos and TK Maxx alongside other similar mid-low range retailers occupy the shopping centre. Although multiple retailers are not as prominent in the units along the traditional shopping streets outside of the Swan Centre some are present including Iceland, Burton, Carphone Warehouse, Millets, Subway, The Works, Sainsbury's and Greggs.
- 6.29 This multiple offer within the Swan Centre also includes leisure operators such as Prezzo, Frankie and Benny's, Nando's, Caffe Nero and McDonalds.
- 6.30 The town centre also has a strong independent retail and service offer, particularly focussed along the secondary and primary streets along Market Place, High Street and Leigh Road. This includes independent cafes/restaurants/takeaway operators and health and beauty operators.
- 6.31 The independent stores and shops all contribute to the overall diversity, vitality and viability of the town centre's offer.
- 6.32 In summary, the complementary mix of multiple and independent retailers, serving the centre and its catchment population is considered to be good.

MARKETS

- 6.33 A street market is held every Thursday and Saturday at the new Market Place in Eastleigh Town Centre. The market is open between 9am and 4pm and is located between Sainsbury's/Leo Leisure Bingo Club and the Recreation Ground to the north of the High Street. The Market Place was recently refurbished with improvements such as resurfacing, lighting and street furniture to create an appealing community space for traders and the public. Products sold include plants, local food produce, household goods and clothing.
- 6.34 The market is considered popular and well managed. It provides variety and diversity to the traditional retailing across the rest of the town centre and is of a high quality in terms of its environment and offer. However, there is potential for expansion therefore the market should be maintained and enhanced.

VACANCIES

- 6.35 The number and scale of vacancies in a centre, and the length of time properties have been vacant, represents a key performance indicator (KPI) to help assess a centre's overall vitality and viability. For example, high vacancy levels, or a concentration of vacancies in certain areas/ streets, could point to underlying weaknesses

in terms of retailer demand and/ or the fact that the vacant units are not meeting demand and are not ‘fit-for-purpose’. Notwithstanding this, vacancies can arise in even the strongest centres due to the natural “churn” in businesses opening and closing at any point in time. This KPI must therefore be used and interpreted with care.

6.36 The Council’s 2013 audit (Table 6.2) showed a vacancy rate of 13.1% and an update in 2016 of 9.5%. Carter Jonas have undertaken an assessment in January 2017 and as Table 6.3 below shows, the number of vacant outlets in Eastleigh Town Centre, is some 7.5%, which is below the national average of 11.18% and is a reduction in the number of vacancies recorded in the Council’s 2016 audit (19 units; 9.5%). Overall, the centre is considered to be performing well in terms of its level of vacancies.

Table 6.3: Vacant units – Eastleigh Town Centre 2017

	No. Of Units	% of Total	2016 GOAD UK Average %
Number of Units	15	7.5%	11.18

Source: Figures based on CJ site visit January 2017.

6.37 Based on our site visit there were no significant concentrations of vacant units on specific streets to indicate that particular areas of the centre are failing or are unattractive as shopping locations. However only three units are vacant along Market Street where as there are five vacancies within both the Swan Centre and on High Street.

RETAILER DEMAND & REQUIREMENTS

6.38 The below sets out the retail requirements as listed by the *Requirement List* (January 2017) and CoStar Shop Property (January 2017). In summary, the majority of requirements come from service and leisure providers. There are also two convenience store requirements alongside two clothing/footwear operator requirements:

- Pavers Shoes (min. 2,500sq.ft. max. 4,000 sq.ft)
- Topps Tiles (min. 3,000 sq.ft. max. 8,000 sq.ft.)
- Churchill’s Fish and Chips (min. 900 sq.ft.)
- McDonalds (min. 3,900 sq.ft.)
- Marstons (min. 5,000 sq.ft. max 9,000 sq.ft)
- Formula One Autocentre (min. 4,400 sq.ft. max. 7,000 sq. ft.)
- Aldi (min. 17,000 sq.ft.)
- One Stop (min. 1,800 sq.ft. max. 3,500 sq.ft.)
- Saltrock clothing (min. 1,000 sq.ft max. 2,000 sq.ft.)

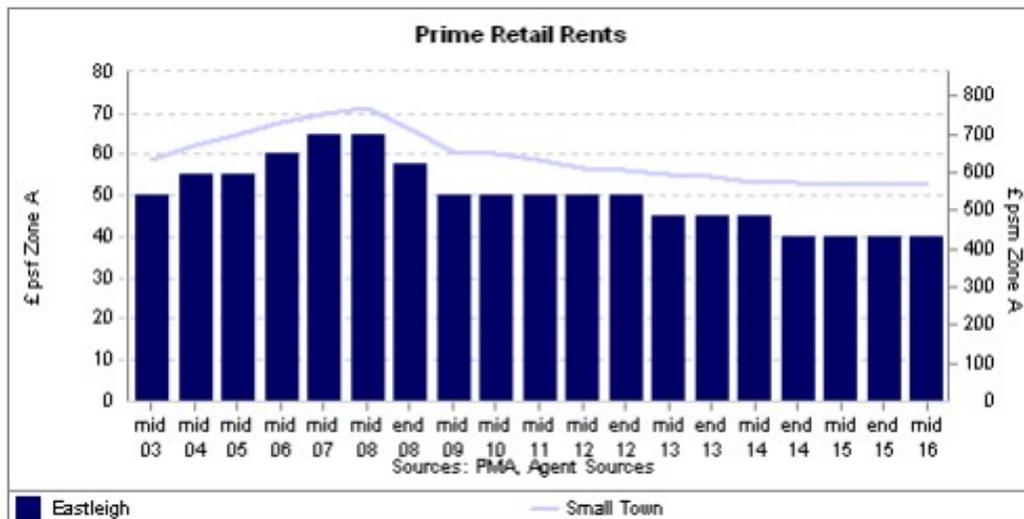
PRIME ZONE A RENTS

6.39 The level of rent that businesses are prepared to pay for retail space, and the commercial yields achieved provide a further indication of the relative strength of the centre and its prime retail pitch. However, it should be noted that Prime Zone A rents and yields are not available for all centres, particularly smaller centres where there are more limited transactions.

6.40 PROMIS reports that at mid-2016, agent sources estimated prime rents in Eastleigh at £40 per sqft (psf) Zone A. This represents no change on the end 2015 level of prime rents in the town.

6.41 The figure below is sourced from the PROMIS report and illustrates the changes in the centre’s Prime Zone A Rents since 2003, benchmarked against the PROMIS small town average.

Figure 6.1: Eastleigh Town Centre – Changes in Prime Zone A Rents



Source: PROMIS

6.42 The table below also compares Prime Zone A rents achieved in Eastleigh Town Centre at mid-2016 with competing centres including Southampton, Salisbury, Portsmouth and Winchester. Compared to these centres Eastleigh town centre commands a lower prime Zone A rent but it this is to be expected as it is a much smaller centre and compact in comparison to the competing centres.

Table 6.4 Prime Zone A Rents in Eastleigh and nearby centres

Town	Prime Zone A Rents at 2016
Eastleigh	£40 psf
Fareham	£64 psf
Havant	£140 psf
Southampton	£350 psf
Salisbury	£100 psf
Portsmouth	£150 psf
Winchester	£190 psf

Source: PROMIS & CJ Research

ACCESSIBILITY & PEDESTRIAN FLOWS

6.43 Eastleigh town centre is well placed in terms of transport links by road, rail and other modes of travel. It is located to the north of Southampton and to the south of Winchester. With the M3 running past the west of the town, this road provides links to these centres and connections to the M27. Basingstoke and London can also be accessed easily from Eastleigh via the M3.

- 6.44 Eastleigh railway station is located to the east of the town centre in close proximity to the main retail area. There are regular rail services to Brighton, Southampton, Poole, Portsmouth and Salisbury. There are also twice-hourly services to London Waterloo.
- 6.45 Eastleigh bus station is located to the north of the town centre, adjacent to Sainsbury’s supermarket. Regular bus services connect Eastleigh to other parts of the Borough as well as to Southampton and other major destinations.
- 6.46 The town centre benefits from eight car parks, as set out in the table below. Additional on street parking is available around Eastleigh Town Centre including on Market Street, High Street, Blenheim Road and Leigh Road. On street parking charges range as follows: up to 30 minutes is only 60p and up to one hour is £1.30. Between 3-6pm, on street parking along Market Street and High Street it is free for one hour. Prices for pay and display car parks throughout the centre are set as follows (unless noted in the table below): up to 1 hour £1.30, up to 2 hours £2.60, up to 3 hours £3.60, up to 4 hours £4.40, up to 5 hours £5.40, up to 7 hours £8.50 and over 7 hours £13.50. When compared to parking prices in nearby Southampton (i.e. Eastgate MSCP- maximum charge of £5.00, Westquay Podium- maximum charge of £10.00 and Westquay Multi-storey- maximum charge of £5.00) and Winchester (i.e. Park and Ride- maximum charge of £3.00, Tower Street- maximum charge of £8.00, Gladstone Street- maximum charge of £8.00 and Chesil Street- maximum charge £6.00), parking prices are considered to be more expensive. Given the scale and size of Eastleigh town centre, these higher parking prices may deter those travelling by car from visiting the centre and instead push them to travel elsewhere. Additionally, car parks open in the evening charge a maximum of £2.60.

Table 6.5 Car Parking Provision in Eastleigh Town Centre

Location	Approximate Number of Spaces	Notes
Swan Centre Car Park	690	Max stay: 7+ hrs.
Wells Place Car Park	141	Max stay: 4 hrs
Mitchell Road Multi Storey Car Park	503	Up to 10 hours- £8.50
Romsey Road Car Park	48	Max stay: 2 hrs
Southampton Road Car Park	58	1 hr- 90p, 2 hrs- £1.60, 3hrs- £2.20, 4 hrs- £2.70, all day £6.00
Leigh Road Car Park	36	Max stay: 2 hrs
Bishopstoke Road Car Park	79	3 hrs free parking and no return within 12 hrs, up to 10hrs £5.20
Hanns Way	19	Max stay: 2 hrs

Source: Eastleigh Borough Council

- 6.47 With regard to pedestrian flow, the centre was relatively busy for the time and date of our visit (morning of Monday 23rd January). Areas of peak pedestrian flow include outside the entrance of the Swan Centre and around the Sainsbury’s store and adjacent bus station. The High Street was quiet in comparison and there were very few visitors using Market Street however cold weather conditions would have contributed to this.
- 6.48 Pedestrian access throughout the town is good with wide pavements along Market Street and High Street and pedestrianised streets along parts of Leigh Road and Wells Place and the covered Swan Centre.

CUSTOMER VIEWS AND PERCEPTIONS

Household Survey

- 6.49 This assessment draws on the findings of the household telephone interview survey (HTIS) to help gauge customers' views and perceptions of the town centre as a place to shop and visit for a range of leisure uses and other activities.
- 6.50 The survey indicated that the majority of respondents in Zone 1 (Eastleigh Central) visit Eastleigh Town Centre one day a week (45.8%) or every two weeks (16.5%). Approximately 10.8% and 10.6% of those in Zone 1 visit the town centre 2-3 days a week and 4-6 days a week respectively. In terms of the wider study area, 39.2% have never visited, 11.9% visit monthly, 10.8% visit every two weeks and 10.9% visit one day a week.
- 6.51 The household telephone interview survey asked specific questions on respondents' views and perceptions of Eastleigh Town Centre. This included asking people what key improvements they would like to see that might encourage them to visit Eastleigh town centre more often for shopping and other purposes. The household survey results showed that respondents mainly liked the following features of Eastleigh town centre:

Table 6.6 Features respondents liked about Eastleigh Town Centre

Response	Total Catchment Area	Zone 1 (Eastleigh Central)
Compact	22.7%	7.8%
Close to home	21.3%	52.1%
Nothing/very little	20.1%	28.1%
Easy to park	13.9%	3.7%
Good range of non-food shops	9.4%	7.3%
Attractive environment/nice place	9.0%	3.3%

Source: HTIS 2016

- 6.52 As the table shows, more respondents in Zone 1 like the centre because it is close to home (52.1%) which is as expected whereas a higher proportion of respondents from the total catchment area like to visit Eastleigh town centre because of its compact nature (22.7%). A lower proportion of respondents from the total catchment area claimed they liked nothing/very little compared to just Zone 1 (20.1% compared to 28.1%). The ease of parking (13.9%), good range of non-food shops (9.4%) and attractive environment (9.0%) also appealed to the total catchment area.
- 6.53 Respondents were also asked what, if anything, they would improve in the town centre that might encourage them to visit more. The most frequent suggestions are as follows:

Table 6.7 Key Improvements for Eastleigh Town Centre

Response	Total Catchment Area	Zone 1 (Eastleigh Central)
Nothing	45.1%	19.4%
More national multiples/high street shops	14.6%	31.7%
More/better parking	11.1%	15.8%
Don't know	10.8%	8.3%
Free car parking	9.3%	15.0%
More independent shops	6.8%	18.6%

Source: HTIS 2016

6.54 As the table shows, a high proportion of overall respondents appear to be happy with the town centre as it currently is (45.1%) however only 19.4% of those living within Eastleigh Central believe no improvements are required. The most frequently suggested improvements to the town centre include more national multiple shops, more/better parking, free parking and more independent shops.

ENVIRONMENTAL QUALITY

6.55 Eastleigh town centre benefits from a generally attractive and pleasant environment.

6.56 Both Market Street and High Street are traditional shopping streets and it is considered that these areas are generally well maintained. Traffic is one-way and the pavements are wide, encouraging pedestrian movement along the two streets and throughout the centre. Along both streets, glass awnings extend over the pavement along sections of the two streets, providing shelter from the weather. Some shop fronts and the office space/accommodation above could benefit from modernisation and need to be tidied. For example, the units above Iceland and Nationwide situated to the southern end of High Street and the vacant units located to the northern end next to Dominos are in need of repair. The vacant nightclub neighbouring Store Twenty One on Market Street is a large boarded up unit, which needs to be maintained to ensure it does not run into a state of disrepair.

6.57 Planting and street furniture including lighting, benches and litterbins are also distributed throughout the town centre. The Market Place is an area of particularly high quality. This large open space should be further utilised for events and specialist markets.

6.58 The Swan Shopping Centre is the highest quality retail area within the centre. The three storey covered mall, including leisure area, is clean and tidy both inside and out and is relatively modern in appearance. There are many seating areas and the glass entrance/ceilings and white walls create an open and attractive shopping environment. However, during our site visit areas of open space were identified within the first and second floors of the centre around the stairwell which could be utilised to enhance the centre's offer. For example, market style stalls or pop-up shops and events could be located here.

6.59 Furthermore, there is a need to integrate the retail offer with the leisure provision across the town centre. For example integrating the cultural facilities at The Point theatre, the adjacent recreation ground with the wider retail circuit centred around the Swan Centre would be beneficial in increasing dwell times and raising the quality and offer of adjacent leisure and retail provision.

6.60 There is also a broader need to provide additional signage to link the retail and leisure provision across the centre. Extending and enhancing the cycle and pedestrian connections through the town centre and linking the town centre, leisure provision and the railway station would enhance permeability and accessibility further.

OUT-OF-CENTRE PROVISION

6.61 There is only one main out-of-centre shopping facility near Eastleigh Town Centre.

6.62 **Channon Retail Park**, to the northeast of the town centre is Eastleigh Borough's largest out-of-centre retail park. Units are occupied by bulky goods retailers including Home Bargains, Halfords, Matalan, Pets at Home and Costa. Customer parking is to the front of the units.

6.63 There are also a number of standalone stores including Magnet, situated to the north of the town centre, adjacent to the railway line along Twyford Road; B&Q Shakespeare Road and Screwfix, Stansted Road.

NEW INVESTMENT & POTENTIAL DEVELOPMENT

6.64 Businesses in the centre of Eastleigh are now part of a new BID that was established in 2014. This gave businesses and organisations in Eastleigh Town Centre more control over their future. Over £1 million is to be invested by the BID in Eastleigh Town Centre over the period to 2019 to deliver key priorities. These include:

- Marketing, Promotions and Events
- Safe, Clean and Welcoming
- Access and Car Parking
- Business Support

6.65 It is anticipated that a coherent voice for the town centre will enable it to remain competitive in promulgating town centre investment initiatives and against competition from surrounding town centres.

6.66 Additionally, examples of recent investment in and around Eastleigh town centre include:

- the development of a new Marks and Spencer food store close to Eastleigh railway station;
- the redevelopment of the Market Place;
- the redevelopment of the railway station forecourt;
- the development of 113 residential units on the Travis Perkins site close to the town centre; and
- the development of 120 residential units on Toynbee Road also close to the town centre.

SUMMARY

6.67 The health check assessment has demonstrated that overall Eastleigh Town Centre is performing well. It is a compact retail centre currently ranked 238th by Javelin and is well placed in terms of communication links by road, rail and other modes of travel. It is located to the north of Southampton and to the south of Winchester. Overall, it appears that Eastleigh town centre has a good range of shopping and leisure facilities typically found in a centre of its size and position in the retail hierarchy.

6.68 The key strengths identified are as follows:

- The centre has good accessibility and pedestrian flows.
- The Swan Centre provides an important anchor especially for comparison shopping.
- Vacancy levels are below the national average, indicating that the centre is a desirable location. There is no significant concentration of vacant units across the centre.
- There is market demand from retail and leisure operators for representation in the town centre and it is performing well in terms of reported Prime Zone A Rents.
- The centre benefits from a market which provides a positive contribution to the centre.
- The town centre has a strong independent retail and service offer particularly focussed along Market Place, High Street and Leigh Road which positively contribute to the vitality and viability of the centre.
- The Town Centre benefits from an attractive and pleasant environment with no signs of dereliction. The wide pavements encourage pedestrian flows along Market Street and the High Street.
- The Town Centre benefits from having a BID designation which provides a coherent voice in promoting the town centre.

6.69 The key weakness identified was as follows:

- Cost of parking is a concern.

6.70 Suggestions for improvements:

- Attracting a more diverse range of non-food retailers, including both independents and multiples, could help to compete with larger centres and encourage more visitors to shop in the town centre.
- There is scope to enhance the leisure provision by increasing the numbers of bars and pubs to boost the night time leisure economy.
- The market should be retained and enhanced where possible.
- There is the potential to integrate the existing leisure provision with the wider retail circuit across the town centre so as to facilitate longer dwell times and encourage a wider night-time economy.

7 HEDGE END DISTRICT CENTRE - HEALTH CHECK ASSESSMENT

7.1 This section sets out the key findings of the health check and audit carried out for Hedge End District Centre.

CONTEXT

- 7.2 Hedge End District Centre is situated to the south of the Borough on the junction between Northam Road and St John's Road. It is located approximately 5.9 miles from Eastleigh Town Centre and can be accessed easily via the M27. It forms part of the Southampton Urban Area. The centre hosts a number of retail and service facilities and is anchored by a Co-op supermarket.
- 7.3 Spatially, the centre is mostly linear, with the majority of the town centre uses distributed along Upper Northam and Lower Northam Road, forming the primary retail zone. The units along the north side of the street form a parade directly looking onto the road whereas those along the south side of the street are set back, separated from the main road by a grassed area. The retail area also extends south of Northam Road along St John's Road to include the units within the St John's Centre.
- 7.4 The area surrounding Hedge End District Centre has a particular concentration of out-of-centre retail warehousing with retail parks including Hedge End Retail Park and Tollbar Way.
- 7.5 The Local Plan sets out to improve Hedge End so that it becomes an improved district centre due to it serving a large freestanding community.

RETAIL COMPOSITION & DIVERSITY OF USES

7.6 **Table 7.1** summarises the composition of the centre's retail and service uses, and the mix and diversity of uses are reviewed in more detail below.

Table 7.1: Retail and Service Composition at 2013 and 2016

	No. Outlets 2016	% 2016	No. Outlets 2013	% 2013	UK Average 2016 %
Comparison	13	24.1	16	30.8	31.72
Convenience	4	7.4	5	9.6	8.67
Services	34	63.0	31	59.6	48.24
Vacant	3	5.6	0	0	11.18
Total	54	100	52	100	100

Notes: Notes: Based on the Council's audits for 2016. Figures may not fully add up to 100% due to rounding.

Convenience Offer

- 7.7 There are four convenience units in Hedge End District Centre according to the Council's 2016 town centre audit. This represents 7.4% of the total units. This is a reduction of just one unit since the 2013 audit. This figure is just below the national average of 8.67%. The convenience offer comprises Greggs bakery, a fruit and veg shop, a cake shop and a Co-op store which is the centre's main anchor store.
- 7.8 The main supermarket provision is located out of centre. This includes Sainsbury's and Marks and Spencer. Both stores are situated one mile northwest of the town centre on Tollbar Way.

- 7.9 The HTIS shows that 24.0% of the total number of respondents that visit Hedge End do so for food shopping. Within Zone 5 (Hedge End), this figure increases to 30.4%. In comparison to non-food shopping, this is a much lower proportion of the overall study area respondents but a higher proportion of just Zone 5 respondents.
- 7.10 The survey identified that 15.0% of those living in Zone 5 normally shop in Co-op in the district centre however only 1.2% of the overall study area shop here for their main food shopping. The majority of respondents living in Zone 5 shop in the out-of-centre Sainsbury's store (48.9%) whereas only 13.2% of the overall study area shop here for their food goods.
- 7.11 Overall, it is considered that there is potential to expand the centre's independent convenience offer to include, for example, a fishmongers. The potential for a dedicated street market should also be considered to help improve the range and choice of independent stores/stalls and goods.

Comparison Offer

- 7.12 According to the 2016 audit, Hedge End District Centre has 13 comparison outlets. This represents 24.1% of total units and is significantly below the national average of 31.72%. It is also a reduction in the number and proportion of comparison units recorded in the 2013 audit as a difference of three units has been identified (7.4% compared to 9.6%).
- 7.13 There is only one major national multiple retailer situated within the town centre; 'Cotswold' is a specialist outdoor clothing shop and is located on Northam Road to the far east of the main retail pitch. The remaining comparison retailers are local independents.
- 7.14 Additional comparison provision includes two chemists/pharmacies, card shop, furniture store, florist, video rental store and electrical shop. There are four charity shops within the centre which is significantly higher than the national average (7.41% compared to 2.71%). It is considered that the number of charity shops may be a concern given the small size of the centre therefore additional provision of these should be monitored.
- 7.15 Hedge End has a large quantity of out-of-centre bulky good comparison provision. There are a number of retail parks and standalone stores located around one mile outside of the town centre. Although the majority of these are bulky goods retailers, which does not really compete with centre's current offer. It is considered that the majority of new development in Hedge End has been directed out-of-centre rather than in the centre where more investment should be concentrated given the significantly low proportion of comparison retailers.
- 7.16 The HTIS results identified that 42.1% of overall respondents that visit Hedge End do so for non-food shopping. However, this figure decreases to 13.7% when considering only those from Zone 5 who visit the centre.
- 7.17 Overall, comparison provision in Hedge End is limited with mainly low quality retailers and specialist and charity shops occupying the centre. However, it is quite common for district centres to act as 'local hubs' for specialist stores (such as furniture, chemists and electricals) and hence the concentration of these types of stores is not as much of a concern. Given the proximity to Eastleigh town centre and the larger, competing centre of Southampton, a rather limited comparison goods shopping provision is expected. Although widening the offer to attract more visitors and enhance the character of the centre would be beneficial.

Service Offer

- 7.18 Service businesses are defined by Experian Goad as including retail, professional and financial services. As **Table 7.1** shows, there are 34 service outlets in Hedge End District Centre, which accounts for 63.0% of all units. The current provision is above the national average of 48.24%. Based on examination of other similar

towns and district centres, a high concentration of services is quite common; however, it is the quality and range of services that is important.

7.19 The following provides a brief summary of provision in the different service categories:

- There were 10 **retail services** in 2016 according to the Council's audit data. This represents 18.5% of total outlets in the town centre. This is above the national average of 14.06%. This category is made up of an opticians, three hairdressers, one locksmiths, two travel agents, a dry cleaners, post office and printers. Given the role and function of the district centre, that seeks to cater for its local catchment, the wide range of retail services offer is considered to be appropriate.
- In terms of **financial services**, there were 15 outlets recorded in 2016. This represented 27.8% of total units and is above the national average of 23.05%. The mix of financial services is dominated by estate agents (8) and retail banks/building societies (4). There is a very strong concentration of estate agents in the St John's Centre and along St Johns Road. The number of units occupied by this use is considered to be excessive and that moving forward, any further proliferation should be monitored. However, the number of banks within the centre is considered to be a positive factor.
- There were 9 **leisure service** outlets in 2016, which was equivalent to 16.67% of total provision. This is significantly below the national average of 23.50%. The current leisure offer consists of four takeaways, two betting shops, one public house and two cafes/restaurants. At the time of the audit, all food/beverage providers (other than Dominos) were independents. In terms of the overall service provision, leisure has the lowest representation within the district centre, particularly in regards to food and beverage provision. These town centre uses are critical to a centre's evening economy and therefore it is suggested that additional evening/night time uses are to be encouraged.

VACANCIES

7.20 The number and scale of vacancies in a centre, and the length of time properties have been vacant, represents a key performance indicator (KPI) to help assess a centre's overall vitality and viability. For example, high vacancy levels, or a concentration of vacancies in certain areas/ streets, could point to underlying weaknesses in terms of retailer demand and/ or the fact that the vacant units are not meeting demand and are not 'fit-for-purpose'. Notwithstanding this, vacancies can arise in even the strongest centres due to the natural "churn" in businesses opening and closing at any point in time. Therefore, this KPI must be used and interpreted with care.

7.21 As table below shows, the number of vacant outlets in Hedge End District Centre, as recorded by the Council in 2016, is significantly below the national average.

Table 7.2: Vacant units – Hedge End District Centre 2016

	No. Of Units	% of Total	2016 GOAD UK AVERAGE %
Number of Units	3	5.6	11.18

7.22 All three of the vacant units are located along Northam Road. They are all evenly distributed with the largest vacant unit situated to the western end of the road, a smaller unit located within the central parade and the third unit located on the corner of Cedar Close. Despite being vacant all units are relatively well maintained other than the larger unit which is in some need of repair.

RETAILER DEMAND

7.23 The below sets out the retail requirements as listed by the *Requirement List* (January 2017) and Shop Property (January 2017). In summary, the majority of requirements come from retailers (including two discount food stores) with only one leisure provider:

- Maplin Electronics (min. 1,500 sqft max. 5,000 sqft)
- Cats Protection (min. 500 sqft. max. 2,000 sqft.)
- Lidl (min. 10,000 sqft max. 40,000 sqft)
- Aldi (min. 17,000m sqft)
- Blue Cross (min. 800 sqft. max. 1,500 sqft)
- Travelodge (min. 10,000 sqft max. 40,000 sqft.)
- Furniture Barn (min. 15,000 sqft. max. 30,000 sqft)

PRIME ZONE A RENTS

7.24 Due to paucity of transactions, it has not been possible to obtain Zone A rents for this centre.

ACCESSIBILITY

7.25 Hedge End is relatively well served by public transport. The railway station is situated to the north of the centre and is approximately two miles from the town centre. Services run every hour between London Waterloo and Portsmouth Harbour calling at stations including Eastleigh, Woking, Farnborough, Winchester and Fareham.

7.26 The centre is strategically located with the M27 situated to the west of the main town centre. Hedge End is located only 5.5 miles from Southampton, easily accessed by car via the A334 and A3024. Portsmouth is around 15 miles southeast of Hedge End and is accessed via the M27. The centre is also connected to Eastleigh via the M27 and is approximately a 12 minute drive time away.

7.27 Southampton Airport is just under a 10 minute journey away from Hedge End District Centre.

7.28 There is just one main pay and display car park serving the centre which is located at Hedge End railway station. Parking is available off-street in designated spaces to the front of the retail units along the northern side of Northam Road. Some similar parking is also available to the front of the public house situated to on the southern side of the road. A large free car park serves the Co-op store and the St John's Centre.

7.29 There is only a single pedestrian crossing situated on Northam Road. Given the busy nature of this road, the additional crossing could be beneficial in encouraging safe pedestrian movement across the centre.

CUSTOMER VIEWS AND PERCEPTIONS

Household Survey

7.30 The household telephone interview survey asked specific questions on respondents' views and perceptions of Hedge End as a place to shop and visit for a wide range of uses and attractions. This included identifying key improvements residents would like to see that might encourage them to visit the centre more often for shopping and other purposes.

7.31 The survey indicates the majority (39.6%) of respondents in Zone 5 (Hedge End) visit the centre one day a week, 11.1% never visit, 11.7% visit every two weeks, 10.3% visit monthly and 10.1% visit 2-3 days a week. In terms of the overall study area, the majority of respondents (62.2%) never visit Hedge End.

7.32 The survey results also showed that respondents like the following features of Hedge End District Centre. The most frequently raised themes are shown in the table below.

Table 7.3 Features respondents 'like' most about Hedge End

Response	Total Catchment Area	Zone 5 (Hedge End)
Close to home	31.2%	79.1%
Nothing/very little	16.4%	5.1%
Easy to park	9.9%	2.2%
Compact	8.7%	7.9%
Good range of high street shops	6.8%	0.5%
Good range of non-food shops	6.7%	2.6%

Source: HTIS 2016

7.33 It is noted that both those living in the overall study zones and Zone 5 like that Hedge End is close to home. A large proportion also stated that they do not like anything/like very little about Hedge End, however it should be noted that this is a common response on these types of surveys.

7.34 Approximately 9.9% of the overall study area like the district centre due to the ease of parking whereas only 2.2% of respondents living in Hedge End liked this factor. The compact nature was also to be positive factor. A good range of high street and non-food shops was identified however the findings of the health check do not reflect these results as the diversity of town centre uses assessment revealed that there is a lack of comparison retailing and there is very limited provision of national multiples.

7.35 Respondents were also asked what, if anything, they would improve in Hedge End that would encourage them to visit more. The table below provides a summary of the most frequently raised suggested improvements for the town centre.

Table 7.4 Key Improvements for Hedge End

Response	Total Catchment Area	Zone 5 (Hedge End)
Nothing	68.5%	33.4%
Don't know	14.7%	1.3%
More/better parking	3.5%	6.0%
More high street shops	3.3%	16.8%
More independent shops	3.2%	14.8%

Source: HTIS 2016

- 7.36 As the table shows, a high proportion of respondents are happy with the town centre as it is regardless of the area surveyed. However, 'nothing' is a common responses in these types of surveys. Where improvements are suggested these are focused on providing more/better or free parking, more multiples and more independent shops.

ENVIRONMENTAL QUALITY

- 7.37 Hedge End is a relatively attractive place and is generally clean and tidy throughout. However, as a whole it is considered that the centre lacks identity. The rather tired and outdated appearance of the parade along the northern frontage of Northam Road does not complement the greenery and more varied architecture on the southern side of the road. Similarly, the parade to the western end of Northam Road and St John's Road also does not contribute significantly to the centre's shopping environment. Overall, the architectural styles of the buildings in Hedge End are somewhat varied but largely undistinguished. Therefore, the centre could benefit from initiatives to improve the general character.
- 7.38 The most notable areas that could benefit from redevelopment that improve the overall 'dated' appearance of the centre includes the northern parade on Northam Road. The shop fronts and building frontage could be modernised. This retail area is particularly important given its position along the main road. The appearance of the large vacant unit and neighbouring service uses (including Ladbrokes and Printline) units could also be enhanced to help create a more coherent and distinctive character.
- 7.39 Areas of high quality include the communal grassed area, which separates the southern parade of shops from the Lower Northam Road. Benches, lighting, tree planting and litter bins help to enhance this space and make it useable for the public. It also helps to soften the impact of the main road that passes through the centre which somewhat deters from the overall environmental quality and accessibility of Hedge End.
- 7.40 The set-back position of the central parade along the north of Northam Road as well as the units along the south of the road enhances the environmental quality of the centre. Parking to the front of the units away from the main road combined with the wide pavements enhances the pedestrian experience. Tree planting also enhances the street scene.

OUT-OF-CENTRE PROVISION

- 7.41 According to the Council out-of-town provision at Hedge End is some three times the retail area of Eastleigh town centre. In this way, Hedge End has a particularly strong concentration of out-of-centre retail parks in comparison to Eastleigh town centre and other centres in and around the Borough. These include:
- 7.42 **Hedge End Retail Park** is situated to the southwest of Hedge End District Centre, directly off junction 7 on the M27 on A334 Charles Watts Way. It is a scheme consisting of six units with tenants including DFS, Oak

Furniture Land, SCS, Fabb Sofas, Starbucks, The Carphone Warehouse and a large Next Home and Garden store. The scheme is approximately 86,000 sq.ft.

- 7.43 On the other side of Charles Watts Way are **Sainsbury's superstore** and **Marks and Spencer** standalone stores. The Sainsbury's store facilities includes petrol filling station, café, pharmacy, Argos Click & Collect, clothing, electronics, home ware, white goods, deli, bakery and hot food counter. Marks and Spencer has a food hall. There are 1800 free car parking spaces as well as regular bus services to the stores.
- 7.44 **Hedge End Park** is situated on Tollbar Way to the north of the Marks and Spencers store and adjacent to Hedge End Trade Park. The site has only two units which include Currys PC World megastore and Homebase.
- 7.45 **Hedge End Trade Park** sits across the carriage way, adjacent to Hedge End Park. Retailer and leisure operators include KFC, McDonalds, Pizza Hut, Halfords, Topps Tiles, Floors 2 Go, American Golf and Formula One Autocentres.
- 7.46 **Bradbeers Retail Park** is situated to the west of Tollbar Way. It is occupied by Bradbeers home furnishing store, Burger King, CarpetRight, Harveys and Ponden Homes.
- 7.47 Opposite Bradbeers Retail Park is a large single storey retail warehouse unit occupied by **TK Maxx** and **Home Sense**. Surface car parking is to the front of the unit with a service yard to the rear. There is also a standalone **Wickes** store situated to the southeast on Botley Road.

SUMMARY

- 7.48 Hedge End is a linear centre strategically located near J7 and J8 of the M27 motorway. Hedge End's is also served by trains to London Waterloo and Portsmouth Harbour thereby making it a popular commuter settlement. The centre is mostly linear, with the majority of the town centre uses distributed along Upper Northam and Lower Northam Road, forming the primary retail zone
- 7.49 The key strengths identified are as follows:
- The centre is highly accessible.
 - A low vacancy rate with no significant area of concentration.
- 7.50 The key weakness identified were:
- Limited and poor provision of comparison goods shopping provision in the town centre.
 - Centre lacks identity and is bypassed by consumers who shop at the surrounding retail parks.
 - Poor leisure provision across the centre.
- 7.51 Suggestions for improvements:
- There is potential to expand the centre's independent convenience offer to include, for example, a fishmongers.
 - Furthermore, there is a potential for a dedicated street market to help improve the range and choice of independent stores/stalls and goods.
 - Shop fronts and building frontages could be modernised along Northam Road. This retail area is particularly important given its position along the main road.

- An additional pedestrian crossing provision on Northam Road would encourage safer pedestrian flows across the centre.

8 FRYERN CENTRE, CHANDLER'S FORD DISTRICT CENTRE - HEALTH CHECK ASSESSMENT

- 8.1 This section sets out the key findings of the health check assessment for Fryern Centre, Chandler's Ford District Centre (also known as 'Chandler's Ford').

CONTEXT

- 8.2 The Fryern Centre, Chandler's Ford is a district centre located some 2.5 miles northwest of Eastleigh Town Centre.
- 8.3 The centre is generally linear with the majority of town centre uses located either side of Winchester Road. The centre is anchored by Waitrose and Co-op convenience stores and hosts a range of services.
- 8.4 The District Centre is marked by both primary and secondary retail zones. The Fryern Arcade is a small shopping precinct situated on the north side of Winchester Road and is considered to make up the central prime retail pitch within the district centre. The units immediately to the west of the arcade including those up to the east of Brownhill Road, the units directly opposite the Fryern Arcade between Oakmount Road and Eastern Arts Beauty (including The Mall Shopping Centre) and the Half Way Inn public house and Waitrose on Oakmount Road are also included within the primary shopping zone.
- 8.5 The western secondary zone includes those units situated along the small set-back parade including Wessex Cancer Trust and Domino's and those between the parade and Brownhill Road along the north of Winchester Road. Along the south of the road, the row of terraces including Sparks Ellison estate agency to the hairdressers just west of the public house car park. The eastern secondary zone along the northern side of Winchester Road includes Goadsby estate agency, Natwest and Fryern House. Along the southern side of Winchester Road, the secondary zone includes the units from the petrol filling station to Austin & Wyatt estate agency.

RETAIL COMPOSITION & DIVERSITY OF USES

- 8.6 The main retail and commercial uses can be divided into the following areas:
- **The Fryern Arcade** is a two storey purpose-built shopping precinct situated in the centre of Chandler's Ford district centre. It is located around the Oakmount Road and Winchester Road junction. A car park sits within the centre of the arcade with units located around the three surrounding sides in a horseshoe style layout. Fryern Arcade has a range of retail and service uses located at ground floor level with predominately residential accommodation above. Occupants of the centre include a dental surgery, Chinese restaurant, WH Smith Local (which incorporates the post office), Costa Coffee, a florist, Boots and homeware store. Immediately to the west of the arcade is a Co-op store.
 - **The Mall Shopping Centre** is situated opposite the Fryern Arcade and both are linked by a pedestrian crossing.
 - **Oakmount Road** is occupied by the anchor Waitrose store.
 - **Winchester Road (West)** includes mainly service uses and incorporates a set-back parade along the northern side of the road occupied by five takeaways and a computer repair shop. Along the southern side of the road is a row of terraces occupied by financial services including three estate agents and an insurance brokers. Adjacent to the west of these provisions, lies the Chandlers Ford Methodist Church

servicing the local community and facilities clubs and leisure activities such as badminton, dance classes and drama groups.

- **Winchester Road (East)** is also occupied by mainly service uses, including the petrol filling station. The units are larger compared to the west of the centre and consists of stand alone units rather than terraces and parades.

8.7 The table below summarises the broad composition and diversity of the centre’s retail and service offer.

Table 8.1 Retail and Service Composition: number and type of units at ground floor level.

	No. Outlets 2016	% 2016	No. of Outlets 2013	% 2013	UK Average 2016 %
Comparison	17	25.8	14	21.2	31.72
Convenience	5	7.6	4	6.1	8.67
Services	41	62.1	41	62.1	48.24
Vacant	3	4.5	7	10.6	11.18
Total	66	100	66	100	100

Sources: Notes: Based on the Council’s audits for 2016. Figures may not fully add up to 100% due to rounding.

Convenience Offer

8.8 The table shows the current convenience provision represents 7.6% of total outlets in the District Centre, which is below the national average of 8.67%. This is a slight increase (7.6% compared to 6.1%) since the 2013 audit, which is equivalent to an increase of one additional unit. The main food and convenience retailers in the centre include:

- a convenience store;
- a butchers;
- a bakery;
- one large supermarket (Waitrose); and
- one small supermarket (Co-op).

8.9 There were no fishmongers or delicatessens at the time of the audit. There is also no dedicated market.

8.10 Waitrose is the largest store within Chandler’s Ford and is the key retail anchor. Services/facilities provided include John Lewis click and collect, Johnsons dry cleaning, quick check/quick pay, fish counter, cheese counter, rotisserie, bakery and café. A large surface level car park also serves the store.

8.11 The HTIS identified that 48.1% of respondents that visit Chandler’s Ford, do so for food shopping. Within Zone 3 (Chandler’s Ford and Hiltingbury) this figure increases just slightly to 49.7%. This overall figure is much higher than the proportion of respondents who visit Chandler’s Ford for non-food shopping (13.7%).

8.12 The survey revealed that 25.7% of respondents living in Zone 3 visited the Chandler’s Ford Waitrose store for their food shopping. Only 0.7% of respondents in Chandler’s Ford use the Co-op for their main food shopping. The majority of respondents in Zone 3 (42.6%) visit Asda on Bournemouth Road.

8.13 Overall, given the small size of the centre, convenience goods provision is considered to be good despite being just below average. However, there would appear to be potential to enhance and widen the offer by attracting more independent food and convenience retailers such as a fishmonger or delicatessen.

Comparison Offer

- 8.14 As **Table 8.1** shows Chandler's Ford has 17 comparison outlets. This represents 25.8% of total provision which is significantly below the national average of 31.72%. However, there has been an increase in three units since the Council's 2013 audit.
- 8.15 The majority of comparison retailers across the centre are independents however there are a number of national multiple retailers in the Fryern Arcade where the majority of comparison units are concentrated. High street non-food goods retailers located here include Boots Pharmacy and WH Smith Local as well as the high street charity store Age UK. Within The Mall Shopping Centre there is also a Marie Curie charity shop.
- 8.16 The Fryern Arcade has the widest range of comparison goods in the centre; additional comparison provision includes a lighting shop, gift shop, stationers, hardware store and flower shop. As well as two charity shops, The Mall Shopping Centre hosts a household fitting shop and card shop and hence provides a more limited offer than the Fryern Arcade. There is a lack of comparison goods stores located along Winchester Road however there is a PC and laptop shop situated to the west of the centre and a carpet shop situated just west of the Co-op store.
- 8.17 The household survey results show that only 13.7% of overall respondents that visit Chandler's Ford District Centre do so for non-food shopping. This figure is the same when considering those from just within Zone 3 (Chandler's Ford and Hiltingbury). This suggests that the comparison goods shops available within the District Centre fail to attract a large number of those living both within and outside of the town.
- 8.18 Overall comparison provision within the centre is limited and provides a relatively specialist offer. For example there are no fashion stores within the centre meaning residents of the town are required to travel elsewhere for their general comparison shopping needs. However, the limited offer was expected given the small size of the centre. It is considered that if there is demand, the centre could have the potential to widen the independent comparison offer to help enhance the centre's shopping provision, particularly in regards to the sale of clothing, shoes and accessories.

Service Provision

- 8.19 There are 41 retail, leisure and financial services in the District Centre. This represents 62.1% of total provision and is well above the 2016 national average of 48.24%. Service provision is concentrated along the length of Winchester Road rather than within the two shopping precincts/arcades. The current distribution of service uses is as follows:
- There were 16 **retail services** in 2016. Current provision represents 24.2% of total units, which is significantly above the (2016) national average of 14.06%. The retail service offer consists of two opticians, one holiday home sales shops, two dry cleaners, one garage, four hairdressers, one locksmith and three beauty/nail salons. The results show that there is a clear overprovision of retail services and the number of hairdressers and beauty salons is excessive considering the small size of the centre. Retail services should be carefully monitored to ensure further growth managed appropriately.
 - There were 16 **financial service** outlets in 2016, including eight estate agents, four banks and building (Santander, National Westminster, Barclays and Lloyds TSB) and four financial services outlets. Current provision represents 24.2% of total units in the town, which is more than double the national average of 10.56%. Similarly to Hedge End, there is a high number of estate agencies within the District centre; any further growth should be monitored. However, the high number of banks/building societies within the centre is regarded as being positive.

- **Leisure services** accounted for 9 outlets in 2016, equivalent to 13.6% of total provision. This is below the national average figure (23.50%). The current leisure offer consists of one public house, one café (Costa Coffee), one restaurant, four takeaways and one betting shop. Overall, the centre could benefit from a wider leisure offer. For example, more cafes and restaurants could help to attract visitors into the centre and encourage them to visit the shops. The food and beverage offer is mostly made up of takeaways which should not be expanded further and instead attention should be given to the provision of high quality independent food and beverage providers.

VACANCIES

- 8.20 The proportion and scale of vacant street level property in a centre and the length of time properties have remained vacant represents one of the key performance indicators used to help inform an assessment of a centre’s overall vitality and viability. High vacancy levels in a centre, or a concentration of vacancies in certain areas/ streets, could point to underlying weaknesses in terms of retailer demand and/ or the fact that the vacant units are not ‘fit-for-purpose’. However, vacancies can arise in even the strongest centres and this indicator must therefore be used and interpreted with care.
- 8.21 As table below shows, there are four vacant outlets in Chandler’s Ford, as recorded by the Council in 2016. This represents a vacancy level of 4.5% (three vacant units), which is significantly below the 2016 national average of 11.18%. There is no particular concentration of units. The 2013 audit identified a total of seven vacant units, equivalent to a vacancy rate of 10.6%. This reduction in vacancies and current low vacancy rate suggests that the centre has improved and is generally healthy.

Table 8.2 Vacant units – Chandler’s Ford District Centre 2016

	2014 (Goed)	
	No. units	%
Number of Units	3	4.5%

RETAILER DEMAND & REQUIREMENTS

- 8.22 The below sets out the retail requirements as listed by the Requirements List (January 2017) and Shop Property (January 2017). In summary, the majority of requirements are from retailers with only two requirements from leisure operators. There are three convenience requirements, two from budget food stores and one from a frozen ready meal specialist. There are two comparison requirements.
- The Works (min. 1,200 sq.ft. max. 2,500 sq.ft.)
 - Cook (min. 700 sq.ft. 1,200 sq.ft.)
 - Churchill’s Fish and Chips (min. 900 sq.ft.)
 - Lidl (min. 3,500 sq.ft. max. 15,000 sq.ft.)
 - The Original Factory Shop (min. 3,500 sq.ft. max. 15,000 sq.ft.)
 - Aldi (min. 17,000 sq.ft.)
 - KFC (min. 1,800 sq.ft. max. 3,500 sq.ft.)

PRIME ZONE A RENTS

- 8.23 Due to the lack of transaction data for this centre Prime Zone A data has not been obtained.

ACCESSIBILITY & PEDESTRIAN FLOWS

- 8.24 Chandler's Ford is located to the west of the M3 which links the centre to Southampton and Winchester. The centre is situated 2.5 miles from Eastleigh town centre.
- 8.25 Chandler's Ford is served by a railway station. This is located around 0.7 miles southwest of the centre and is a 15 minute walk away along Winchester Road. Hourly services operate between Romsey and Salisbury via Southampton and Eastleigh. The station has a large car park. Although it is a relatively short walk from the station to the centre, the main road may deter visitors from making this journey on foot.
- 8.26 Regular bus services provide links to and from Chandler's Ford to Eastleigh, Winchester and Southampton.
- 8.27 Car parks in Chandler's Ford include the surface car park to the rear of Waitrose which is free of charge for up to three hours, the Co-op which allows one hour free parking and the Fryern Arcade car parks to both the front and rear also offer three hours free parking.
- 8.28 Pedestrian access throughout the centre is generally good with The Mall Shopping Centre and the Fryern Arcade being pedestrianised albeit there is a parking area to the front of the arcade. However, the circulation space around the units is elevated which ensures pedestrians are away from moving vehicles. Pedestrian crossings are also well spaced across the centre.

CUSTOMER VIEWS AND PERCEPTIONS

Household Survey

- 8.29 The household telephone survey asked specific questions on respondents' views and perceptions of Chandler's Ford as a place to shop and visit for a wide range of uses and attractions. This included identifying key improvements people would like to see that might encourage them to visit the town more often for shopping and other purposes.
- 8.30 The results confirm that the majority (33.6%) of respondents living in Zone 3 (Chandler's Ford and Hiltinbury) visit the centre 2-3 days per week. Approximately 24.9% of Zone 3 respondents visit one day a week and 10.3% visit daily. Within the overall study area, 77.1% never visit Chandler's Ford. Only 4.5% of total respondents visit one day a week.
- 8.31 The survey results also showed that respondents like the following features of Chandler's Ford District Centre. The most frequently raised themes are shown in the table below.

Table 8.4 Features respondents 'like' most about Chandler's Ford

Response	Total Catchment Area	Zone 3 (Chandler's Ford & Hiltingbury)
Close to home	25.2%	44.2%
Nothing/very little	20.6%	12.5%
Good range of non-food shops	10.0%	14.6%
Attractive environment/nice place	12.3%	17.9%
Easy to park	9.2%	15.1%
Compact	7.3%	3.9%
Free car parking	7.1%	14.1%

Source: HTIS 2016

- 8.32 The survey results revealed that the majority of the overall study area (25.2%) and Zone 3 (44.2%) like that Chandler's Ford is close to home. In comparison to the other main centres, respondents living in the centre's zone liked a wider range of features of the town. For example 17.9% liked the centre's attractive environment, 15.1% liked that it is easy to park, 14.1% like the availability of free parking and 14.6% like the range of non-food shops.
- 8.33 Respondents were also asked what, if anything, they would do to improve the District Centre that would encourage them to visit more often. The main responses are summarised in the table below.

Table 8.5 Key Improvements for Chandler's Ford

Response	Total Catchment Area	Zone 3 (Chandler's Ford & Hiltingbury)
Nothing	71.1%	39.6%
Don't know	16.6%	8.4%
More national multiple/high street shops	3.0%	3.1%
More independent shops	1.7%	6.5%
More/better food shops	1.2%	11.7%

Source: HTIS 2016

- 8.34 The majority of the respondents from both the wider area and Zone 3 could not think of anything that would improve the District Centre. The main suggestions included more/better food shops, more independent and high street shops.

ENVIRONMENTAL QUALITY

- 8.35 Based on our health check and audit of Chandlers Ford District Centre, the level of environmental quality is considered to be moderate. Both The Mall Shopping Centre and Fryern Arcade as well as the units along Winchester Road are well managed and appear clean and tidy throughout.
- 8.36 The buildings surrounding the district centre are of varying architectural styles and functions. For example, The Mall Shopping Centre is a modern red brick design whilst the older Fryern Arcade is a grey brick design and although in a good state of repair, it appears much more worn than the adjacent Mall. The large Waitrose is also an example of more modern architecture, which complements The Mall development.

8.37 Across the district centre, the pavements are wide, encouraging pedestrian movement, and there is an adequate provision of street furniture, street lighting and litter bins. The retail units at Fryern Arcade benefits from a raised covered walkway around the central surface car park, protecting visitors from weather conditions,

OUT-OF-CENTRE PROVISION

8.38 There is only one main out-of-centre retail park located at Chandler's Ford.

8.39 **Chestnut Avenue Retail Park** is situated to the west of Eastleigh Town Centre. It is a small retail park with the only occupants being Dreams Bed Superstore and American Golf. The former Homebase unit has planning consent for the division of the unit to occupy discount retailers Poundland and Aldi.

8.40 Asda supermarket is also located out-of-centre on Bournemouth Road in close proximity to the retail park. A large Peter Green home furnishings retail warehouse is located to the southwest of the centre close to the railway station.

SUMMARY

8.41 The Fryern Centre, Chandler's Ford centre is a linear with the majority of town centre uses located either side of Winchester Road. The centre performs a specific role in the retail hierarchy serving, to varying degrees, not only the day-to-day needs of the local resident catchment population but also a wider catchment. Overall, the centre has a generally pleasant environment.

8.42 The key strengths of the centre are:

- Strong pedestrian linkage with community buildings comprising a library and GP surgery adjacent to The Mall.
- Good convenience goods provision.
- Good parking provision for a centre of its size.
- Good shopping environment particularly around the pedestrianised areas outside of the Fryern Arcade and The Mall Shopping Centre.
- Low vacancy rates across the centre.

8.43 The key weaknesses identified were:

- Comparison goods provision within the centre is limited.

8.44 Suggestions for improvements:

- The food and beverage offer is mostly made up of takeaways with a need for higher quality independent food and beverage providers to boost choice and increase dwell times in the pedestrianised area.

9 AUDIT OF LOCAL CENTRES

9.1 This section sets out an overview of the Borough's network of 10 village and local centres. The assessment focusses on the diversity of uses for each centre and commentary on how the centres are serving their local population.

Boyatt Centre

9.2 **Boyatt Shopping Centre** is a purpose built shopping centre situated to the northwest of Eastleigh town centre. The parade consists of ten units with a large car park situated to the front of the units. There are three additional units located adjacent to the parade.

9.3 The centre is anchored by Co-op food store, which is supplemented by a bakery. There are only two convenience units within the centre. The majority of units are occupied by service uses including two takeaways, a post office, hairdressers, betting shop, launderette, dentist, tattoo shop and café.

9.4 Overall, the centre appears to be relatively modern with planting and grassed areas which helps to create an appealing village centre.

Fair Oak Centre

9.5 **Fair Oak** is situated just over three miles to the east of Eastleigh town centre. It is a relatively large village centre with approximately 29 units. Town centre uses are distributed along three main streets; Summerlands Road, Fair Oak Road and Botley Road/ Winchester Road. The units along Summerlands Road are focused along a small parade; units and shop frontages situated here appear to be tired and are in need of modernisation. There is designated parking to the front of the parade. The units along Winchester Road are larger and of various architectural styles. There are fewer units located along Botley Road, which includes only a small parade similar to the one on Summerlands Road.

9.6 The centre is anchored by a One Stop convenience store (including post office). Additional convenience provision includes a greengrocers, off licence and bakery. There is a petrol filling station and associated Tesco Express situated just outside of the centre along Winchester Road. Comparison provision includes a pet supply and country clothing store, pharmacy, florist and card shop. There is a wide range of service uses such as four takeaways, one dog grooming parlour, three hairdressers/beauty salons, two public houses and two cafes/restaurants. There are four vacancies.

9.7 Overall, it is considered that there are a variety of town centre uses that serve the local community.

West End Centre

9.8 **West End** village centre is situated around a fifteen minute drive to the southeast of Eastleigh town centre. It is a linear centre with nearly all units located either side of the High Street. With a total of 29 units it is a similar size to Fair Oak centre.

9.9 The centre is anchored by an Asda supermarket. This is supplemented by a bakery and Londis convenience store. There are also a number of comparison goods stores in the centre including three charity shops, hardware store, clothing shop, carpet shop and chemist. It is considered that this is an overprovision of charity shops for a centre of this size. Service provision is good with a betting shop, two estate agents, funeral directors, four hairdressers/beauty salons, post office, public house/restaurant and three takeaways. At the time of the Council's 2016 audit, there were no vacant units.

9.10 The centre is considered to have a good public realm and it is generally clean and tidy.

Botley

9.11 **Botley** is a historic village situated close to Hedge End District Centre and to the east of Eastleigh town centre. The centre is linear and similarly to West End village centre, town centre uses are located along both sides of the High Street. The village's historic architecture contributes to the centre's unique identity and helps to create an attractive environment. A building of particular interest includes the town hall.

9.12 The centre is anchored by a Co-op convenience store. There is no other convenience provision available within the centre and it is considered that it could benefit from additional food stores such as a bakery or butchers. Comparison goods stores include Botley Mills Crafts (equestrian products and petfoods), a florist, wedding dress shop, general clothing store, lingerie shop, PC repair centre, pharmacy and gift shop. Service occupants include a takeaway, two restaurants, two cafes, two public houses and five hairdressers/beauty salons. The centre also hosts a dentist surgery. There are no vacancies suggesting the centre is performing well.

The Square (Hamble)

9.13 **Hamble-le-Rice** village centre is situated at the top of the Hamble Peninsula to the east of Southampton. Its riverside setting and cobbled streets and alleyways make the centre a unique destination to visit. It is one of the main yachting centres on the south coast and the river attracts many tourists during the summer months.

9.14 The core retail area is concentrated around the High Street/Square and along The Quay, a cobbled street leading down to the riverside. There are only two convenience stores within the centre and this includes a small Co-op store located in the main square and a delicatessen. There are also a number of specialist non-food shops such as an art/gift shop and antiques shop. There is a strong leisure provision consisting of two restaurant and three public houses which also function as restaurants. This reflects the centre's role as a visitor destination.

9.15 Overall it is considered that Hamble is an attractive and unique village centre. The centre has potential to benefit further from its waterfront location and links to sailing by attracting additional leisure and comparison retailers.

Victoria Road and Station Road (Netley)

9.16 **Victoria Road** is located in the village of **Netley**, on the south coast. The Netley Abbey ruins are located to the west of the centre whilst the Royal Victoria Country Park flanks the centre to the east. There are a total of 15 units located along the linear Victoria Road. Town centre uses occupy units with accommodation above and are dispersed between residential properties. The only food store is a small Co-op and a bakery. Other uses include an estate agents, restaurant, three takeaways, chemist, dry cleaners and garage.

9.17 Around a five minute walk away from Victoria Road is **Station Road**. A smaller number of retail and service units are located here, including another larger Co-op store, post office, café and florist. The units here are larger in size although they are also located along a parade within a residential area.

9.18 Overall, the centre benefits from on-street parking and wide pavements, particularly along Station Road. The provision of two convenience stores is considered to be a positive factor.

Central Precinct and surrounds (Chandler's Ford)

- 9.19 This centre encompasses the provision found within the Central Precinct and along both Bournemouth Road and Hursley Road. **Central Precinct** and **Bournemouth Road** (adjacent to Bournemouth Road roundabout) are situated a short distance from each other just outside of Chandler's Ford District Centre. The Central Precinct is a 1970s shopping precinct with retail units located within the inner courtyard. The front of the building along Bournemouth Road is landscaped with trees and beech hedging, helping to soften and enhance the harsh concrete design of the shopping precinct.
- 9.20 There are no food stores within the precinct however there are a small number of comparison goods stores including a sports shop, furniture shop and curtain and blind shop. The majority of occupants within the centre provide leisure and service uses for example there are three takeaways, a printers, two sandwich shops, a restaurant, chiropodist, four hairdressers/beauty salons, building society and fitness studio. There are two vacant units within the centre. Although the centre is performing relatively well in terms of vacancies, attracting more diverse retail offer, including a food store, would be beneficial as well as improving the 1970s façade.
- 9.21 Four additional takeaways can be found further along the small shopping parade on Bournemouth Road. Any further proliferation of this use should be monitored to ensure higher quality retail and leisure uses are attracted to the centre. Convenience provision consists of a One Stop, a butchers and sandwich shop. The centre benefits from designated parking to the front of the units however the busy main road means that pedestrian access to the centre is relatively poor.
- 9.22 Hursley Road consists of two parades of shops located either side of the main road. The parade along the western side of the road is set back from the road with a car park to the rear. There are seven units located here including two takeaways, hairdressers, electrical shop and a Co-op convenience store, which has a separate parking area. The eastern parade is also slightly set back from the road with a wide pavement to the front with space for parking. Occupants here include Spar and a cycle store. There are two vacant units within the centre.

Lowford (Bursledon)

- 9.23 **Bursledon** is a village situated on the River Hamble. It is situated around seven miles from Eastleigh town centre and five miles from Southampton. The centre is linear with all units located along Portsmouth Road. The centre is relatively modern although public realm could be improved by providing additional street furniture and planting to reduce the impact of the main road.
- 9.24 The centre's only food store consists of a One Stop convenience store. The majority of units are occupied by leisure uses including three estate agents, three takeaways, a sandwich shop, travel agents and two hairdressers. This is considered to be an overprovision of service uses.

Bishopstoke Riverside

- 9.25 **Bishopstoke Riverside** is located 0.9 miles to the east of Eastleigh town centre. It is a small, linear neighbourhood parade consisting of approximately eight units lining the east of Riverside. The centre's retail provision consists of a Co-op store alongside a local butchers. There is also a chemist and a hairdresser. The centre has three hot food takeaways which is an overprovision of this use. The parade has just one vacant unit.
- 9.26 The River Itchen lies adjacent to the parade, enhancing the environmental quality of the area. It is considered that the parade could benefit from enhancement to the shop frontages as many appear tired and outdated. On-street parking is available to the front of the units alongside a small parking area to the front of the Co-op store.

10 ECONOMIC CAPACITY MODEL AND ASSUMPTIONS

10.1 This section provides an update on the key assumptions and forecasts underpinning the quantitative need (capacity) assessment for new retail (comparison and convenience goods) floorspace within the Eastleigh Borough area up to the 'plan period' to 2036. The assessment updates and supersedes the retail capacity findings identified in the 2014 RLSU.

METHODOLOGY

10.2 The assessment is based on CJ's CREATE model and draws on the most up to date population and convenience and comparison goods forecasts alongside key retail trends reviewed in **Section 3**. The forecasts are presented for the Borough with a breakdown of the potential capacity for new floorspace for the Borough's main centres; Eastleigh, Chandler's Ford, and Hedge End.

10.3 The capacity forecasts will enable the local planning authority to test the strategic options for the spatial distribution of new retail-led development over the plan period, and make informed policy choices about where any forecast need should be met in accordance with the advice set out in the NPPF (para 23). The allocation of sites to meet any identified need over the next five years and over the lifetime of the development plan will depend on a range of key considerations, including the suitability, viability and availability of sites in or on the edge of existing centres, and the potential to expand existing centres to accommodate the forecast needs.

10.4 The capacity assessment is underpinned by the market shares analysis for stores and centres across the Borough (Section 4), which was identified by a Household Telephone Interview Survey (HTIS) conducted by NEMS Market Research in December 2016.

10.5 It has necessarily been assumed for the purpose of the Borough-wide capacity assessment that the Borough's (convenience and comparison goods) retail market is in 'equilibrium' at the base year. In other words it is assumed that the Borough's existing centres and stores are broadly trading in line with appropriate 'benchmark' turnover levels at the base year and based on adjusted market shares for new store openings. Therefore, any residual expenditure available to support new retail floorspace within the study area over the development plan period is derived from the difference between the forecast growth in 'current' (survey-derived) turnover levels; and the growth in 'benchmark' turnovers based on applying year-on-year 'productivity' ('efficiency') growth rates to all existing and new retail floorspace²⁴.

10.6 For all existing and new convenience floorspace it is have assumed that an annual average 'productivity' growth rate ranging from a low of -0.4% (2018) to 0.1% (2024 and onwards). Corresponding annual productivity growth for comparison floorspace is higher, ranging from 1.5% (2017) to an average of 2.2% (2019 and onwards). These growth rates have been informed by Experian's latest Briefing Note²⁵ and other research (see Table 3.4 **Section 3**).

10.7 At the outset it is advised that all capacity forecasts beyond a five year period should be treated with caution. This is because long term trends in the economy, consumer demand and retail property market could have a significant impact on the potential capacity and need for new retail floorspace. For example, as discussed

²⁴ The 'productivity' growth rates are based on Experian's latest Retail Planner Briefing Note 14 (published in November 2016). However, it should be noted that individual centres, stores and shopping facilities will be capable of achieving higher and/or lower annual 'productivity' growth depending on a range of trading factors (including the size, quality and type of retail floorspace).

²⁵ However, it should be noted that individual centres, stores and shopping facilities will be capable of achieving higher and/or lower annual 'productivity' growth depending on a range of trading factors (including the size, quality and type of retail floorspace).

previously, a higher growth in non-store retail sales (i.e. Internet sales) than forecast by Experian would reduce the capacity for new retail floorspace over time. Notwithstanding this, it should also be noted that this Borough-wide strategic capacity assessment is based on a standard constant market share approach. It does not therefore take account of any potential uplift in market shares and capacity that could occur within catchment areas due to the 'claw back' of expenditure to planned retail floorspace in more convenient and sustainable town centre locations.

10.8 The following describes the key steps and assumptions underpinning the retail capacity assessment.

POPULATION AND EXPENDITURE FORECASTS

Population Projections

10.9 The capacity forecasts are based on the population growth projections from Experian, which are derived from the Office of National Statistics' (ONS) 2014-based Sub National Population Projections. **Table 1 (Appendix 4)** sets out the base year (2015) population and projections by study zone. It also shows the population projections over the plan period (up to 2034) and to 2036 based on Experian's 'demographic component model', which takes into account age, gender, birth rates, ageing, net migration and death rates.

10.10 Experian's population projections show a +13% growth for the study area as a whole between 2015 and 2036, from 338,480 to 382,567 (+44,087)²⁶.

Expenditure per Capita & Special Forms of Trading (SFT)

10.11 The expenditure per capita forecasts for each study zone are set out in **Table 3 (Appendix 4)** for convenience and **Table 5** for comparison goods. The base year average expenditure figures have been derived from our in-house Experian MMG3 Geographic Information System (GIS) and are expressed in 2015 prices.

10.12 In identifying expenditure per capita, an allowance has been made for the market share of non-store retail sales (i.e. Special Forms of Trading) at the base year and over the forecast period. In order to provide a robust 'starting point' for the assessment the SFT allowance at the base year has been informed by the results of the household telephone interview survey. The market share analysis (**Table 1, Appendix 3**) shows that some 21.6% of all comparison goods expenditure in the defined study area was accounted for by internet and non-store sales (including mail order purchases). For convenience goods SFT accounted for 5.7% of total available expenditure in the study area (**Table 1, Appendix 2**).

10.13 The SFT forecasts have then been 'adjusted' to take account of goods sourced from traditional ('physical') retail space. Drawing on Experian's latest Retail Planner Briefing Note 14 (November 2016), it has been assumed that some 25% of SFT comparison goods sales and 70% of convenience goods sales are sourced from traditional ('physical') retail space. This reduces the survey-derived market share of SFT across the study area to 15.2% for comparison goods in 2017 and to 1.4% for convenience goods in the same year. Experian's national figures for 2016 show a lower market share for comparison of 13.8% and a higher market share of 3.2% for convenience goods.

²⁶ At the time of preparing this study it is understood that the Council are in the process of assessing various population scenarios (including that of a PUSH SHMA, Local Housing market option and another looking at Sub-Regional Development) (as part of the Eastleigh Borough Local Plan (2011-2036) Demography Background Paper (Draft April 2017)). Hence, the above Experian projection may be lower than any policy led projection and we recommend that it will need to be reviewed and refreshed in the future once there is a firm view on the preferred option for population growth.

10.14 Based on Experian's national forecasts and other research a robust allowance for the growth in SFT for comparison goods over the plan period from 15.2% in 2017 to 18.3% by 2036, and from 1.4% to 2.4% for convenience goods over the same period has been made.

Average Expenditure Growth Forecasts

10.15 The growth in average expenditure per capita levels over the plan period (up to 2036) has been informed by the forecasts set out in Experian's latest Retail Planner Briefing Note (Figure 1a) as described in Section 3. Experian's forecasts show for:

- **convenience goods** – negative forecast annual growth in the short term (-0.9% in 2018), with no growth forecast for the medium term (up to 2018) before averaging at 0.1% for future years. This forecast growth is lower than long-term historic (1997-2015) trends of +3.3%; and
- **comparison goods** - forecast annual growth averaging at 3% up until 2023, with growth averaging +3.2% per annum for remaining forecast years. This forecast growth is lower than long-term historic (1997-2015) trends of +5.6%.

Total Available Expenditure

10.16 Total available retail expenditure in the study area is derived by multiplying the population and average expenditure per capita levels together. The forecasts for the study period (2017 to 2036) show a 12.3% (+£89.8m) growth in total **convenience goods** expenditure (**Table 3, Appendix 4**); and a 91.9% (+£943.7m) growth in total **comparison goods** expenditure (**Table 5, Appendix 4**).

10.17 The growth in comparison goods expenditure significantly outstrips convenience goods spend, which means that there should be greater capacity potential for new comparison goods floorspace over the forecast period than for convenience goods. This assumes no changes in the key forecasts (i.e. expenditure, population and special forms of trading) and before taking into account new commitments and an allowance for the increased 'productivity' of all existing and new floorspace.

TURNOVER OF EXISTING CENTRES / STORES

'Inflow' and Base Year Turnover Estimates

10.18 In order to provide a complete picture of the current trading (turnover) performance of the Borough's main centre's and stores, necessary informed judgements have been made with regard to the likely 'inflow' (trade draw) from outside the study area. In the absence of detailed turnover and trade draw information for the Borough's centres and stores, our judgements have been informed by previous studies and retail assessments, as well as the survey and health check evidence²⁷. The 'inflow' assumptions also take account of:

- the scale, offer and location of all existing centres and stores in the Borough;
- the likely extent of their catchment areas;
- the competition from centres, stores and shopping facilities outside the Borough and Study Area; and
- the likely retail expenditure derived from people who live outside the Study Area (including visitors and commuters) in the Borough's main centres and stores.

²⁷ This includes the market share and trade draw pattern identified by the Council's previous retail evidence base: 2011 *Southampton & Eastleigh Retail Study*.

- 10.19 Although the assessment of 'inflow' is not a straightforward exercise, due to the complex nature of overlapping catchments and shopping patterns, it is reasonable to assume that for comparison goods retailing the Borough's main centres and larger shopping facilities will draw a proportion of their shoppers and trade from outside the defined study area. On the other hand the Borough's smaller stores and local centres will draw the majority of their shoppers and trade from within their more localised catchments, with limited or no 'inflow' from outside the study area.
- 10.20 For convenience goods it has reasonably been assumed that Eastleigh Town Centre, Chandlers Ford District Centre and the out-of-centre foodstores serving both centres will be the main recipients of expenditure 'inflow' from outside the defined study area. Therefore, for Eastleigh and Chandler's Ford it has been assumed that expenditure 'inflow' will uplift the centres' turnover by 3% and 5%, respectively. It has been assumed a net 'inflow' of expenditure of between 5% and 10% for the out-of-centre foodstores; namely Asda (Chandler's Ford), Marks & Spencer (Tollbar Way), and Sainsbury's (Tollbar Way).²⁸
- 10.21 For comparison goods, a net 'inflow' of 11% for Eastleigh Town Centre has been assumed, whilst also allowing for expenditure inflow for Chandler's Ford District Centre (5%), and Hedge End District Centre (2%). It has also been assumed that the out-of-centre retail parks and major foodstores (that offer comparison goods) will attract a net inflow ranging from 3% to 7%.
- 10.22 Based on the (survey-derived) market analysis and the 'inflow' assumptions, **Table 1 (Appendix 7)** sets out the revised turnover estimates for convenience across the Borough's main centres with estimates for comparison goods turnover presented in **Table 1 (Appendix 8)**.

PLANNED RETAIL FLOORSAPCE

- 10.23 In terms of retail commitments, **Table 2 (Appendix 7)** sets out planned retail floorspace identified for convenience goods and in **Table 2 (Appendix 8)** for comparison goods. Details on planned schemes have been provided from Eastleigh Borough Council, alongside evidence submitted in support of planning applications for each scheme.
- 10.24 The main commitments and new store developments include:
- **Eastleigh: New retail unit, Coles Close, Twyford Road** (ref: F/14/74936): Planning permission was granted for a new retail unit and associated parking. The retail unit comprises a gross floor area of 1,489 sqm and it has been assumed it will be for comparison goods retail.
 - **Eastleigh: New retail unit within the Mall Atrium, Swan Centre** (ref: F/15/77196): Planning permission for a ground and first floor unit within the existing atrium space of the shopping centre. The unit extends to 1,845 sqm gross. It is assumed the unit will be occupied by a comparison goods retailer.
 - **Hedge End (Out of Centre): Extension to Sainsbury's, Tollbar Way** (ref: F/14/75689): Planning permission to extend the existing store (totalling 1,317 sqm GEA) to provide new 'goods online' loading bay, replacement management suite, additional sales area, educational facility, dentist unit and new customer lobby. The actual increase in the retail sales area equates to 120 sqm for which is assumed to be for the sale of convenience goods.
 - **Hedge End (Out of Centre): New retail unit at Hedge End Retail park** (ref: F/14/75520) Planning permission for a new retail unit (gross floor area 929 sqm) and alterations to car park and vehicle access point (for sale of pet related products with associated veterinary services facility).

²⁸ Note: No net inflow is assumed for Hedge End District Centre due its offer with inflows given to the larger out-of-centre provision of Marks & Spencer (Tollbar Way), and Sainsbury's (Tollbar Way).

- **Hedge End (Out of Centre): Extension to Unit 1a, Bradbeers Retail Park** (ref: F/14/75157): Extension to side of the existing unit at ground and mezzanine level, creating additional gross floorspace of 1,437 sqm.
- **Fair Oak: Redevelopment/ replacement of garden centre** (ref: F/15/77191): Planning permission to redevelopment the existing garden centre building; creating an additional retail floor area of 214 sqm gross.
- **West End: 3 High Street** (ref: 13/73591) Construction of single storey unit with associated car parking & altered access, yard & bin store, landscaping, creating additional gross floorspace of 373 sqm following demolition of existing 2no. retail units
- **Unit 1 Chestnut Avenue Retail Park Chestnut Avenue Chandler's Ford** (ref: F/15/77194): Subdivision of a vacant retail unit (former B&Q) to create two A1 retail units; creating gross floorspace for Aldi (1,747 sqm gross) & Poundstretcher (1,348 sqm gross). To note, only taken into account the convenience goods element associated with this commitment as this represents the new floorspace (and associated turnover). The former use was bulky comparison goods only and the turnover was broadly similar to that of the new comparison goods floorspace proposed as part of this commitment.

10.25 In addition to the above, retail floorspace is also identified as part of new local centres planned to serve two strategic housing sites in the Borough; including sites in Eastleigh (North Stoneham Lane/ Cheshunt Avenue, planning ref: O/15/76023) and Botley (Land at Boorley Green, Winchester Road, planning ref: O/12/71514). Outline permission was granted for residential-led schemes for both sites and it is assumed that the planned retail floorspace for both local centres will serve convenience retail needs.

10.26 The turnover of all of the above schemes have been discounted from residual expenditure capacity in order to estimate net residual expenditure from which forecast need for new retail floorspace is identified. The retail capacity assessment is covered in detail in the following section (Section 11).

11 RETAIL CAPACITY ASSESSMENT

11.1 This section sets out the results of the quantitative need (capacity) update for new retail (comparison and convenience goods) floorspace in Eastleigh Borough over the study period to 2036. The results supersede the findings of 2011 Southampton City Council & Eastleigh Borough Council Retail Study ('2011 SCCEBC') and take account of market shares for retail across the study area (Section 4) and up to date population projections, expenditure forecasts and planned retail schemes (Section 10).

CONVENIENCE GOODS CAPACITY

11.2 **Table 3 (Appendix 7)** sets out and explains the key steps underpinning the convenience goods capacity assessment based on residual expenditure. The 'baseline' expenditure and floorspace capacity forecasts are summarised in the table below:

Table 11.1 Borough-wide Capacity Forecasts (sqm net) – Assuming 'Equilibrium' at 2017

	2022	2027	2032	2036
Residual Expenditure (£m):	-£9.0	£5.6	£18.7	£29.4
Floorspace Capacity:				
Option 1: Superstore Format (sqm net)	-729	454	1,500	2,345
Option 2: Local supermarket/ Deep Discounter Format (sqm net)	-1,302	811	2,678	4,188

Source: Table 3, Appendix 7

11.3 In order to convert the residual expenditure into a net sales figure it has been assumed that new floorspace occupied by the 'top 6' grocers (i.e. Tesco, Sainsbury's, Asda, Morrison's, Waitrose and Marks & Spencer) will achieve an average sales density of circa £12,250 per sqm in 2017 (at 2015 prices).

11.4 As the table shows, after taking into account all known convenience commitments there is no capacity until 2027 for 454 sqm net of additional superstore format retail floorspace, increasing to 1,500 sqm net in 2032. By the end of the study period (2036), capacity is forecast to increase to 2,345 sqm net. The results indicate that the Borough could support a new foodstore by the end of the study period or the delivery of smaller format stores in the intervening term. The economic capacity forecasts also 'marry up' with the current trends in the grocery sector (see Section 3) which are showing growth in online food shopping and smaller convenience stores with limited (if any) demand from the major foodstore operators for new larger format superstores.

11.5 Alternatively, assuming the residual expenditure capacity is taken up by a supermarket (e.g. Co-Op, Budgens, etc.) and/or 'deep discount' retailer (e.g. Aldi, Lidl, Netto, etc.) trading at lower average sales levels of circa £7,000 per sqm in 2017, then forecast capacity increases to 811 sqm net in 2027, increasing to 4,188 sqm net by the end of the study period (up to 2036). This could support new deep discount foodstores and/ or multiple local supermarkets towards the end of the plan period.

11.6 To further inform the Council's assessment of the potential quantum and optimum location for new retail (convenience and comparison goods) floorspace in the Borough, localised capacity has also been assessed for Eastleigh Town Centre and the two district centres of Chandler's Ford and Hedge End. However, it should be noted at the outset that any forecast capacity identified for a specific centre/area does not necessarily mean that all the retail floorspace can and/or should be provided within that centre per se. For example, there may be

a lack of suitable and viable sites available in some centres, or there may be other policy, heritage, transport and physical constraints to development. Alternatively, it may be more appropriate to locate the floorspace capacity in one centre over another to encourage more sustainable travel patterns and/or help to achieve specific policy, regeneration and/or investment objectives.

11.7 Against this background, **Tables 4-6 (Appendix 7)** disaggregate the Borough-wide ‘global’ capacity for the three centres based on their relative trading performance and market shares at the base year, and the forecast growth in available expenditure and floorspace ‘productivity’ over the study period (2036). Forecast capacity is also presented as an aggregate figure for the Borough’s smaller centres (Table 10) (**Appendix 7**) and alongside residual capacity for the rest of the Borough (Table 11) (**Appendix 7**). The results are summarised in **Tables 12 and 13 (Appendix 7)** and reproduced in the tables below.

Table 11.2 Main Shopping Locations: Capacity for Foodstore-Format Floorspace (net sq m)

	2022	2027	2032	2036
EASTLEIGH				
Town Centre	104	221	324	408
Out-of-Centre	-647	-572	-505	-452
Sub-total	-543	-351	-181	-44
CHANDLERS FORD				
Town Centre	106	225	330	415
Out-of-Centre	-601	-392	-207	-58
Sub-total	-495	-167	123	357
HEDGE END				
Town Centre	50	105	154	194
Out-of-Centre	-37	239	482	679
Sub-total	13	344	637	873
LOCAL CENTRES & NEIGHBOURHOOD PARADES	77	163	240	301
REST OF BOROUGH	219	465	682	857
BOROUGH-WIDE CAPACITY FOR SUPERSTORE FLOORSPACE	-729	454	1,500	2,345

Source: Table 12, Appendix 7

Note: figures may not add up due to decimal rounding

Table 11.3 Main Shopping Locations: Capacity for Local Supermarket/ Deep Discount Format Floorspace (net sqm)

	2022	2027	2032	2036
EASTLEIGH				
Town Centre	186	395	579	728
Out-of-Centre	-1,155	-1,021	-903	-807
Sub-total	-969	-626	-323	-78
CHANDLERS FORD				
Town Centre	189	402	590	741
Out-of-Centre	-1,073	-700	-370	-104
Sub-total	-884	-298	219	638
HEDGE END				
Town Centre	88	188	275	346
Out-of-Centre	-66	427	861	1,213
Sub-total	23	614	1,137	1,559
LOCAL CENTRES & NEIGHBOURHOOD PARADES	137	292	428	538
REST OF BOROUGH	391	830	1,217	1,531
BOROUGH-WIDE CAPACITY FOR SUPERMARKET/ DEEP DISCOUNT FLOORSPACE	-1,302	811	2,678	4,188

Source: Table 13, Appendix 7

Note: figures may not add up due to decimal rounding

- 11.8 The assessment shows that after taking account of planned convenience floorspace in Eastleigh town centre and surrounding out-of-centre locations (including a new local centre) there is no forecast capacity to support new convenience floorspace. For Chandler's Ford (including out-of-centre locations) capacity is identified of between 357 sqm and 638 sq m net over the latter part of the study period to 2036. This could support an extension to an existing store or smaller independents. The forecast need for Hedge End, which takes account of capacity generated from out-of-centre foodstores, shows potential capacity of between 873 and 1,559 sq m net this could support a local supermarket or deep discount format floorspace.
- 11.9 Forecast capacity is more limited for the Borough's smaller centres with up to 301 sqm net of superstore format floorspace identified over the study period (2036) or 538 sqm net for local supermarket. Capacity is typically more limited for smaller centres as this reflects the scale of their retail offer (food and non-food), their market shares and their role and function in the hierarchy and network of centre, principally serving the day-to-day needs of their local catchment populations.
- 11.10 The balance of forecast capacity is diverted to the 'rest of the Borough, which includes standalone foodstores and local convenience stores that are not located in and/or on the edge of existing centres. As the table above shows, 857 sqm net of superstore format floorspace identified over the study period (2036) or 1,531 sqm net for local supermarket or deep discount format floorspace.
- 11.11 By way of comparison the 2011 SCCEBC identified a Borough-wide capacity in the order of 6,502 sqm net by 2026. Of this, Eastleigh town centre accounted for 787 sq m net by 2026. The Freyrn Centre/ Chandler's Ford

accounted for up to 401 sq m net by 2026; Hedge End 177 sqm net and all other out-of-centre locations accounted for the majority of some 5,136 sqm net.²⁹

11.12 It is recommended that the provision of new convenience floorspace within the Borough should be located in a sustainable and sequentially preferable location - preferably located either in or on the edge of an existing town centre in accordance with national and local plan policy. This is particularly relevant to Eastleigh Town Centre where strengthening new convenience provision could help to attract new shoppers and support footfall for the town centre as a whole.

COMPARISON GOODS CAPACITY

11.13 **Table 3 (Appendix 8)** sets out the detailed steps in the comparison goods capacity assessment. The residual expenditure and floorspace capacity forecasts are summarised in the table below. As for convenience goods this approach assumes 'equilibrium' at the base year and constant market shares over the forecast period.

11.14 The forecast residual expenditure capacity has been converted into a net retail sales area based on an assumed average sales density for all new non-food floorspace of circa £6,000 per sqm at 2017. This is broadly equivalent to an average sales density for retail units in prime shopping locations in the South East. However, average sales levels inevitably vary between different locations, different retail formats, and different operators. Where this is the case it will have implications for assessing the capacity for, and impact of new retail floorspace. The local planning authority will therefore need to take this into account when plan making and in assessing and in determining applications for different operators and different types of retail floorspace in different locations (such as, for example, 'bulky goods' retail warehousing).

Table 11.4 Borough-Wide Capacity Forecasts – Assuming 'Equilibrium' at 2017

	2022	2027	2032	2036
Residual Expenditure (£m):	£0.6	£47.1	£106.8	£167.3
Floorspace Capacity (sqm net sales):	94	6,360	12,935	18,564

Source: Table 3, Appendix 8 (Steps 5 & 6)

11.15 As the table above shows, there is limited capacity for new comparison goods floorspace in the short term. By 2027 capacity emerges for 6,360 sqm net of new comparison goods floorspace. By 2032 capacity increases to 12,935 sqm net and to 18,564 sqm net by 2036.

11.16 The assessment also disaggregates identified Borough-wide capacity for the Borough's main centres based on the relative trading performance and market shares of each centre at the base year. The results are set out in **Tables 4 to 11 (Appendix 8)** and summarised in the table below.

²⁹ It should be that the higher capacity forecasts identified by the 2011 SCCEBC (when compared to the current study) is attributable to a number factors including the higher growth rates previously used; the range of commitments and the shopping patterns identified at the time.

Table 11.5 Capacity Forecasts by Centre – Assuming ‘Equilibrium’ at 2017 (net sqm)

	2022	2027	2032	2036
EASTLEIGH				
Town Centre	-215	1,252	2,775	4,103
Out-of-Centre	-481	-229	34	262
Sub-total	-696	1,023	2,809	4,365
CHANDLER'S FORD				
Town Centre	124	388	673	915
Out-of-Centre	134	409	695	942
Sub-total	258	797	1,368	1,857
HEDGE END				
Town Centre	112	340	583	789
Out-of-Centre	367	3,536	6,866	9,693
Sub-total	479	3,876	7,449	10,482
LOCAL CENTRES & NEIGHBOURHOOD PARADES	-8	321	669	966
REST OF BOROUGH	61	342	640	894
TOTAL BOROUGH COMPARISON GOODS CAPACITY	94	6,360	12,935	18,564

Source: Table 12, Appendix 8

11.17 As the table shows, Hedge End accounts for most of the Borough's forecast need for new comparison goods floorspace. This reflects the strong market share of comparison goods expenditure achieved by the larger out-of-centre stores serving the area and wider catchment (e.g. Marks & Spencer, Next at Home, ScS, Currys/PC World, TK Maxx, Fabb Sofas). While the District Centre accounts for some of the identified capacity (788 sq m net), the significantly higher market share of the out-of-centre retail parks³⁰ and stores generates the majority (9,693 sqm net). Hence capacity for Hedge End overall increases from 479 sqm net in 2022 to 7,449 sqm net in 2027. By the end of the study period, capacity increases to 10,482 sqm net in 2036.

11.18 For Eastleigh town centre, no capacity is identified in the short term (up to 2022) after taking account of committed comparison goods floorspace. However, capacity emerges in 2027 for 1,023 sqm net, increasing to 2,809 sqm net in 2032, and 4,365 sqm net by the end of the study period (2036). The 2011 SCCEBC only provides an indication of capacity for Eastleigh Town Centre³¹. The identified capacity was 6,848 sqm net by 2026.

11.19 For Chandler's Ford, overall, forecast capacity increases from 258 sqm net in 2022 to 1,857 sqm net by 2036.

11.20 Capacity is more limited for the Borough's smaller centres, with a combined forecast need for up to 966 sqm net of new comparison goods floorspace identified over the study period (2036). These forecasts are expected and

³⁰ Hedge End District Centre's market share in the study area is 1.3%, whereas Hedge End Retail Park is achieving a market share of 13.5%.

³¹ The forecasts provided for comparison goods in the 2011 SCCEBC identify capacity for a Southampton City Centre, Eastleigh Town Centre, Southampton/Eastleigh 'Other' and a Global Forecast (combining Southampton & Eastleigh).

reflect the limited provision of comparison goods in smaller centres and their role and function within the Borough’s retail hierarchy.

11.21 For the ‘rest of the Borough’³² (which includes standalone foodstores), forecast capacity is also limited with up to 894 sqm net identified over the study period (up to 2036), which takes account of planned comparison goods floorspace that is not located in proximity to any of the Borough’s three main centres.

STRATEGIC GROWTH AREAS

11.22 The Council is presently exploring the feasibility of large-scale strategic development of housing/settlements stemming from the projected population growth in the Borough. There are currently a number of potential areas identified for growth. It is understood that these are potentially two site areas where a range of consortia are seeking to promote the creation of new settlements. These are:

- Allington Lane³³ – c.2,500 homes to including a local centre with retail, leisure and community facilities
- Allbrook – Bishopstoke – Fair Oak³⁴ – c.6,000 homes to include new local / district centres to provide shops, services and facilities in hub locations

11.23 Although it is understood that these sites do not formally contribute to any source of supply (i.e. allocations) under the Local Plan and that no assessment has been undertaken in relation to the nature and scale of the proposed retail/commercial provision. To note, the Council has provided projected populations for these settlements and this is accounted for in the current population forecasts. On this basis, a very broad overview has been undertaken to provide an indication of the potential retail floorspace that could be supported based on the total number of new homes. As a first step, the number of units proposed into potential number of persons were converted, as detailed below in **Table 11.6**. This is based on applying a factor of 2.4 persons per household as recorded within the census for Eastleigh Borough (2011).

Table 11.6: Growth Areas: Housing Units and Derived Population

Location	No of Units	Potential Population
Allington Lane	2500	6000
Allbrook - Bishopstoke - Fair Oak	6000	14400

Notes:

1) Housing Units Converted in to population numbers using a an average household size per unit of 2.4 (as derived from the Eastleigh Borough Council Annual Monitoring Report 2015).

11.24 From the derived population the potential retainable expenditure (i.e. the estimated available expenditure) to support new floorspace towards the plan period to 2036 has been calculated.

³² Principally the out-of-centre Tesco Extra, Bursledon

³³ Source: <https://www.eastleigh.gov.uk/media/252255/26760-Allington-Lane-Vision-Document-committee-version-m.pdf>

³⁴ Source: <https://www.eastleigh.gov.uk/media/252267/161130-v2-Highwood-Drew-Strategic-Site-Rationale-Delivery-Strategy-FINAL.pdf>

Table 11.7: Growth Areas: Potential Available Expenditure

Location	Available Expenditure by Goods Type in 2036 (£m)	
	Convenience	Comparison
Allington Lane	6.42	8.79
Allbrook - Bishopstoke - Fair Oak	15.41	21.11

Notes:

1) Potential available spend calculated by applying 2015 average national spend per head for convenience goods (£2,136) and comparison goods (£3,174) (grown over the period to 2036) to the derived potential population. We have assumed that some 50% of this will be retained for convenience goods and 25% for comparison goods.

11.25 The final stage in the assessment is to derive the net supportable floorspace from the potential available spend. This shows that Allington Lane could potentially support some 512 sqm net of convenience floorspace and some 831 sqm net of comparison goods floorspace. This could support a small supermarket with ancillary comparison goods provision in a sustainable settlement.

11.26 In comparison, the larger Allbrook-Bishopstoke-Fair Oak area could support up to 1,228 sqm net of convenience goods floorspace and 1,995 sqm net of comparison goods floorspace. This could support a supermarket with ancillary and other comparison goods provision in a sustainable settlement.

Table 11.8: Growth Areas: Net Supportable Floorspace

Location	Net Supportable Floorspace by Goods Type in 2036 (sqm)	
	Convenience	Comparison
Allington Lane	512	831
Allbrook - Bishopstoke - Fair Oak	1,228	1,995

Notes:

1) The available expenditure has been converted into net supportable floorspace by applying a sales density for convenience goods (£12,500/sqm) and comparison goods (£6,000/sqm) in 2017 (grown by floorspace productivity factor) over the period to 2036.

11.27 It should be noted that this assessment does not take in to account any phasing associated and therefore provides broad quantum of supportable comparison and convenience goods floorspace. Additionally any provision is subject to market demand and dependent on ultimately the actual number of housing units proposed. Furthermore, it should be emphasised that the derived supportable floorspace represents part of sustainable development for these potential settlements. It is not an addition to the Borough wide floorspace capacity already forecast but an indication of what potentially could be supported.

SUMMARY

11.28 In summary, the forecast capacity for new retail (comparison and convenience) floorspace should be directed to the main centres first, and then to edge-of-centre locations if no suitable sites can be identified in existing centres. This approach conforms with Paragraph 24 of the NPPF.

11.29 Broadly, the distribution of the forecast need for new retail floorspace should reflect the network and hierarchy of centres and the relative role and function of the Council's centres. The identified capacity should principally be directed to Eastleigh Town Centre and the Borough's District centres first to help maintain and strengthen their vitality and viability.

- 11.30 In our judgement, and in accordance with national and local plan policy objectives, there should be no intensification of retail and leisure uses in out-of-centre locations where sequentially preferable sites have been identified in and/or on the edge of existing centres, or where such out-of-centre provision is likely to result in a “*significant adverse impact*” on existing centres.
- 11.31 The Council is therefore faced with the challenge of identifying sites in Eastleigh, Chandler’s Ford and Hedge End to accommodate the identified floorspace capacity in full over the development plan period. Although some of the identified floorspace capacity could support convenience and comparison goods retail offer in the new local centres serving the Borough’s two strategic housing areas, the market demand for new comparison goods floorspace is likely to be limited. Therefore, the capacity for new comparison goods floorspace should be directed towards the Borough’s three main centres.
- 11.32 The provision of new convenience floorspace within the Borough should be located in a sustainable and sequentially preferable location - preferably located either in or on the edge of an existing town centre in accordance with national and local plan policy.

12 COMMERCIAL LEISURE NEED/ 'GAP' ASSESSMENT

- 12.1 The NPPF (paragraph 23) states that in drawing up Local Plans to ensure the vitality of town centres, local planning authorities should promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres. Against this background, leisure uses can make a significant contribution to a town centre's vitality and viability. A good provision and choice of leisure facilities and uses can help to increase 'dwell times', footfall and turnover in centres, with significant benefits for both daytime and evening economies. However, forecasting the need for new commercial leisure uses is more complicated and problematic than for retailing, as the sector is highly complex and dynamic, and particularly sensitive to changes in economic, demographic, lifestyle and fashion trends. Consequently, the methods and approaches developed to forecast the need for new commercial leisure floorspace and uses are more wide-ranging and less sophisticated than for retail capacity forecasts.
- 12.2 The NPPF recommends that need assessments for new leisure uses and floorspace should take account of both quantitative and qualitative considerations (paragraph 161). In this context the analysis focuses on the following key elements:
- a review of the key trends driving market demand in the sector over the last 10-15 years;
 - an audit of existing commercial leisure uses in the Borough to help identify any marked 'gaps' in provision;
 - a review of the results of the household survey to understand current commercial leisure participation rates and preferences across the Borough area (Zones 1 to 6); and
 - a broad economic assessment of the need for new additional leisure facilities across the main centres based on different datasets and accepted approaches.
- 12.3 For the purpose of this assessment, focus has been provided to the main commercial leisure uses that are widely accepted as making a significant contribution to the overall vitality and viability of town centres; namely food and beverage uses (Class A3-A5), cinemas and health clubs and gyms, and to a lesser extent ten-pin bowling, casinos and bingo halls.
- 12.4 Detailed tables on forecast commercial leisure capacity, including projections on expenditure and need are set out in **Appendix 9**.

LEISURE EXPENDITURE GROWTH

- 12.5 Like the retail market, the commercial leisure sector has experienced significant growth in consumer and market demand since the mid-1990s; fuelled by a buoyant economy, growing disposable income and low unemployment levels. Although the leisure sector has not been immune to the impact of the recent economic downturn, leisure activities remain an important lifestyle choice for many consumers who are prioritising leisure over other areas of spending.
- 12.6 The table below shows the UK annual average expenditure per head on commercial leisure services³⁵ and the average for the defined Study Area based on Experian data. It shows that UK household spending on leisure services is dominated by the restaurant and café category (including pubs). This pattern is broadly repeated across all the zones.

³⁵ Excludes expenditure on education, insurance, social protection, and 'other leisure' as identified by Experian.

Table 12.1 Estimates of Annual Spending on Leisure Services in 2015 (£ per head)

	Accommodation	Cultural services	Games of chance ⁽¹⁾	Hairdressing salons & personal grooming	Recreational & sporting services	Restaurants, cafes, etc.
Zone 1	£218	£313	£158	£87	£116	£1,012
Zone 2	£294	£364	£167	£112	£152	£1,126
Zone 3	£341	£374	£146	£126	£174	£1,173
Zone 4	£315	£355	£153	£111	£160	£1,131
Zone 5	£279	£360	£151	£111	£148	£1,119
Zone 6	£286	£349	£161	£110	£145	£1,114
Zone 7	£336	£388	£143	£128	£181	£1,209
Zone 8	£176	£265	£154	£68	£89	£820
Zone 9	£247	£296	£142	£85	£119	£1,174
Zone 10	£356	£380	£158	£131	£183	£1,273
Zone 11	£375	£374	£136	£135	£201	£1,234
Study Area Average	£293	£347	£152	£110	£152	£1,126
UK Average	£241	£290	£154	£99	£128	£1,082

Source: Experian, 2015 prices.

Notes: (1): Games of Chance refers to bingo clubs, casinos, betting shops, amusement arcades, etc.

- 12.7 The table below shows the most recent leisure spend projections by Experian Business Strategies (EBS) as set out in the Retail Planner Briefing Note 14 (November 2016). EBS forecasts shows a decreasing growth forecast in the short term (2016-2018) before stabilising over the longer term (from 2019) to between +1.3% and 1.5% per annum. This forecast growth is higher than annual average historic growth rates for the period 1997-2015, which showed no growth.

Table 12.2 Actual & Forecast Growth in UK Leisure Spend (% per annum)

	2013	2014	2015	2016	2017	2018	2019-2023	2024-2035
Leisure Spend Growth (%)	2.3	2.1	1.3	1.9	0.5	0.2	1.3	1.5

Source: Experian Business Strategies, Retail Planner Briefing Note 14 (November 2015).

- 12.8 The base year expenditure per capita levels for leisure (Table 12.1) have been projected forward to 2036 using Experian's forecast annual growth rates (Table 11.2) and then applied to the projected population for each Study Zone to identify the total available expenditure on leisure and recreation goods and services. As for the retail assessment, the total available leisure expenditure has been assessed using the ONS's 2014-based Sub-National Population Projections.
- 12.9 Looking at the Borough area (Zones 1 to 6), the table below shows that available commercial leisure expenditure is forecast to increase by 42.8% (+72m) up to 2036. Growth in commercial leisure expenditure is greatest in Zone 5 with total expenditure forecast to increase by 46.7% over the study period (2017 to 2036), followed by Zone 7 (+46.1%). The forecast growth is lowest in Zone 4 at 37.4%.

Table 12.3 Total Available Commercial Leisure Expenditure: 2017 – 2036 (£m)

	2017	2022	2027	2032	2036	Change: 2017-2036 (£ m)	Change: 2017-2036 (%)
Zone 1	£52.6	£58.4	£65.5	£73.0	£79.8	£27.3	51.8%
Zone 2	£48.8	£53.9	£60.1	£65.8	£71.8	£23.0	47.1%
Zone 3	£79.4	£86.6	£95.9	£104.7	£113.7	£34.3	43.2%
Zone 4	£25.9	£28.4	£31.5	£34.1	£37.1	£11.2	43.2%
Zone 5	£61.1	£67.4	£75.1	£82.2	£89.5	£28.4	46.4%
Zone 6	£40.8	£44.9	£49.9	£54.2	£58.9	£18.1	44.3%
Zone 7	£89.0	£97.4	£108.5	£118.9	£129.5	£40.5	45.5%
Zone 8	£91.8	£99.5	£110.8	£121.6	£132.4	£40.6	44.3%
Zone 9	£157.7	£170.8	£189.8	£207.3	£224.3	£66.7	42.3%
Zone 10	£34.7	£37.4	£41.0	£44.1	£47.4	£12.8	36.8%
Zone 11	£44.5	£48.8	£54.6	£60.0	£65.2	£20.7	46.5%
Study Area	£726.2	£793.5	£882.7	£966.0	£1,049.	£323.6	44.6%
Borough Area (Zones 1 to 6)	£308.6	£339.6	£377.9	£414.0	£450.8	£142.2	46.1%

Source: Appendix 9 - All monetary figures are expressed in 2015 prices.

- 12.10 Based on the broad leisure expenditure profile, the majority of the growth in leisure expenditure is likely to be weighted towards eating and drinking out. This highlights the potential to improve the scale and quality of Class A3 uses in the Borough and its main centres over the study period, subject to market demand.
- 12.11 In the context of this forecast growth in leisure spend, the following commentary identifies the potential 'gaps' in the commercial leisure offer of the Borough's main centres and the likely need for new uses and facilities over the forecast period.

CINEMA NEED

- 12.12 Although cinema audiences grew significantly during the 1990s, the UK cinema market has traditionally been dominated by a handful of operators namely Cineworld, Odeon/UCI; Vue (who operate the multiplexes in Westfield's Stratford and White City schemes); and Showcase (the UK arm of National Amusements of the USA). There was significant consolidation in the UK market in 2012 when Odeon acquired the BFI Southbank and a site from AMC, Vue acquired the Apollo cinema chain and Cineworld acquired Picturehouse. From its beginnings in 1995 Cineworld now operates over 100 cinemas in the UK (including Picturehouse) and accounts for more than one quarter (25.9%) of the cinema box office market. Its most recent openings include an 11-screen cinema in Telford, a 6 screen site in St Neots and a 9 screen cinema in Wembley (all opened in 2013/14).
- 12.13 According to research by Dodona (a specialist market research consultancy in the cinema industry) there are 750 cinemas in the UK with a total of 3,909 screens, of which approximately three-quarters are multiplexes. It should be noted that the number of cinemas has fluctuated, and has decreased between 2013 and 14 by six, yet the number of screens has risen by 42 due to the increase in the number of multiplex screens and the loss

of 'traditional' cinemas. The rest of the market is mainly represented by smaller multiplex operators and independents which tend to operate non-multiplex cinemas (i.e. less than five screens) and screens in mixed-use venues (such as arts centres).

- 12.14 The cinema industry has not been immune from the recession and there have been some closures since 2008, although the majority have been smaller art centre venues rather than the larger chains. Notwithstanding this, the industry generally appears to be in good health and the UK is the second largest consumer market for filmed entertainment in the world after the USA. The latest research shows that box office revenue in 2014 in the UK exceeded £1bn for the fourth year in succession, based on 157.2m admissions, which although lower than in 2013 (165.5m admissions), maintained the flat trend that has been apparent since 2002. Overall the cinema sector has remained relatively resilient in the prevailing economic and consumer environment.
- 12.15 In recent years, cinema operators have also introduced changes to the cinema experience, including premium seating areas and better quality refreshments, such as alcohol and higher quality food. For example, Vue Cinemas introduced their 'Evolution' concept which provides a mix of seating types comprising bean bags and sofas, as well as regular seats. Cineworld has also introduced the 'Screening Room' concept, characterised by leather chairs and table service. The first 558 sqm 'Screening Room' cinema opened in June 2011; in the Brewery, Cheltenham.
- 12.16 Research by Dodona indicates there has been a growth in smaller (Digital) cinemas to serve smaller catchment areas. These Digital cinemas are more flexible and less "space-hungry" as they do not require the large sloping auditoriums needed to accommodate traditional projectors. There are therefore opportunities for the modern cinema offer to be provided in existing buildings. Examples include the HMV in Wimbledon which has a small Curzon cinema above the store.

Existing Provision and Projected Demand

- 12.17 The Borough is served by one cinema venue; Vue Cinema, which is located within the Swan Centre in Eastleigh Town Centre. The nearest competing cinema venues are located in Southampton, Whiteley and Winchester.
- 12.18 The household survey shows that 60% of respondents living within the Borough area (Zones 1 to 6) visit cinema facilities, which is slightly higher than the participation rate for the study area as a whole (53%). Of those that visit the cinema, the survey results show that respondents are most likely to visit the nearest cinema venue to where they live. Vue in Eastleigh is very popular with those who live in the Borough area (Zones 1 to 6), attracting 78% of cinema goers. Cinema venues in Southampton are next popular attracting 13% of cinema visits from those living in the Borough area. Within the wider study area (Zones 1 to 11), Vue Eastleigh attracts a lower market share of 52%, which is attributed to those living in zones closest to Southampton choosing venues within and close to the City (26%).
- 12.19 In quantifying potential need for new cinema provision, consideration has been given to growth in the Borough area population over the study period (2017 to 2036) and average screen densities for cinemas in the region. The table below sets out the estimated requirement for additional cinema screens based on these parameters.

Table 12.4 Potential Capacity for New Cinema Screens

	2017	2022	2027	2032	2036
Cinema Catchment Area (Zones 1 to 6)	138,997	145,028	150,155	154,583	158,634
Cinema Screen Density (screens per 100,000 persons)	6.7	6.7	6.7	6.7	6.7
Screen Potential	9	10	10	10	11
Existing Screens	9	9	9	9	10
Screen Capacity	0	1	1	1	1

Source: Screen density for South East of England derived from British Film Institute Statistical Yearbook 2016

Notes: Screen density is used to measure screen provision in a given area. Existing cinema screens account for key cinema facilities only.

12.20 The results of this assessment indicate that based on population growth within the potential cinema catchment area for the Borough area (Zones 1 to 6), there is limited quantitative capacity to support new cinema screens over the study period.

12.21 Additionally, and in response to the question as to what improvements could be made to commercial leisure offer that would encourage people to participate more in leisure activities from the core catchment area (Zones 1 and 2) respondents stated that they would like a multi-screen cinema (0.5%), an art house cinema (0.4%). This demonstrates a marginal demand for this type of facility in the Borough.

12.22 While no screen capacity is identified, current trends show that most major cinema operators are currently expanding their venue portfolios into regional town. While the Borough is unlikely to support sufficient market demand for a new multi-screen facility, given that the Borough benefits from strong retention levels for cinema goers living in the area, there may be potential to support a different type of cinema offer, such as a 'boutique' format cinema venue (e.g. Picturehouse, The Light, Everyman, etc.). Where a new cinema is considered, it should be directed to a town centre location, in either Eastleigh, Hedge End or Chandler's Ford. However, any potential for a new cinema would need to consider the impact on the viability of the existing cinema in Eastleigh Town Centre.

EATING & DRINKING OUT

12.23 The food and beverage sector, including restaurants, cafes, bars and pubs (Class A3, A4 and A5), provide an increasingly important part of a town centre's wider offer and economy. They also complement other town centres uses, particularly shops, offices and cinemas, helping to lengthen 'dwell times' (the time people spend in centres) and increase expenditure as part of the same trip. Research shows that average household spending on leisure services in the UK is largely dominated by eating and drinking out. Even in the context of the current economic recession this sector has remained buoyant and the year-on-year forecasts for growth by Experian are strong:

Table 12.5 Forecast year-on-year growth in leisure expenditure per capita

	2011	2012	2013	2014	2015	2016	2017	2018	2019-23	2024-35
Retail Spend	-0.4	1.3	1.1	3.6	2.5	2.1	0.9	0.3	2.0	2.3
Leisure Spend	0.7	1.1	2.3	2.1	1.3	1.9	0.5	0.2	1.3	1.5

Source: Experian Retail Planner Briefing Note 14 (November 2016); Figures 1a and 1b.

12.24 The following provides a summary of some of the key trends driving changes in the food and beverage sector over recent years:

- **Pubs and Wine Bars** - pub operators have widened their food and non-alcoholic beverage offer, resulting in the growth of so-called “gastro-pubs” in competition with more established restaurants, and the rise in ‘micro pubs’. Notwithstanding this the sector has also been characterised by increasing consolidation and closures. According to the Campaign for Real Ale (CAMRA) there have been 5,800 pub closures since 2008³⁶. Recent research by CAMRA also suggests that on average around 29 pubs closed every week in the UK between June and December 2014³⁷. The sale of pubs for conversion to alternative uses has also increased over recent years, particularly for convenience retailing (e.g. Tesco Express and Sainsbury’s Local).
- **Restaurants** – this sector has also experienced mixed fortunes during the economic downturn. Some of the key trends driving change in this sector include an increase in ‘eating at home’, which has increased sales for take-aways and deliveries. At the same time customers are increasingly basing their decisions to eat out on ‘value for money’, but not at the expense of quality in terms of service, food and the overall experience. Recent successes include Jamie’s Italian, Bill’s and Cote, with branded restaurants increasing their share in the market. There has also been a growth in ‘all-you-can-eat’ style restaurants which are aimed at offering value for money (examples include the Taybarns brand owned by Whitbread).
- **Cafés/Coffee Shops** – This sector has experienced strong growth over the last five years. The branded coffee chains dominate the market with some 6,495 outlets in 2014 and a £3.3bn turnover. Of these, the three leading multiple chains are Costa Coffee (1,821 outlets), Starbucks Coffee Company (824) and Caffè Nero (590), representing a combined 56% of the branded chain market by outlet numbers³⁸. Costa Coffee has a recorded £878m turnover alone. Notwithstanding the rise of the multiples, there has also been growth in independent and specialist cafés and coffee houses, particularly those serving a more luxury or specialist offer (e.g. organic and Fairtrade). The strong independent coffee sector has fuelled many new start-up businesses in local centres. While many forecasters considered the café market to be saturated a few years ago, a recent study by management consultancy Allegra Strategies predicts that the total UK coffee shop market still has potential for strong growth, and there is forecast to be over 20,500 outlets by 2018, with a total turnover of £8.7 billion. There would therefore appear to be potential for further growth in the café market, driven mainly by branded coffee chain expansion and non-specialist operator growth. Meanwhile, the independent café and coffee shop market is growing from strength to strength, with approximately 6,500 coffee shops recorded in the UK in 2015.

Existing Provision

12.25 Based on the most recent Council audits, the current provision of Class A3 (restaurants and cafés), A4 (Pubs, bars etc.) and A5 (hot food takeaways) uses within Eastleigh Town Centre and the two district centres is shown within Table 12.6 below:

³⁶ Source: Article published by CAMRA on 20th March 2013, www.camra.org.uk

³⁷ Source: Published results from the CGA-CAMRA Pub Tracker published in January 2015

³⁸ Source: Allegra Strategies

Table 12.6 Current Provision of Leisure Uses (%)

	A3	A4	A5	Total	% of Total Units
Eastleigh Town Centre	22	2	2	26	13.07%
Chandler's Ford District Centre	3	1	1	5	7.58%
Hedge End District Centre	3	1	4	8	14.81%
UK Average					18.87%

Source: Eastleigh Borough Council

12.26 The table above shows that the main provision of Class A3-A5 uses is concentrated in the Eastleigh Town Centre. The offer in the town centre comprises of a range number of multiples, which largely cater to the budget and fast food market, including Caffè Nero, McDonalds, Costa Coffee, Subway, Dominos Pizza, KFC, Pizza Hut etc. These are complemented by a number of independent cafés and restaurants. Provision in Chandler's Ford is limited to a small number of local restaurants, coffee shops and fast-food venues within the Fryern Centre. Similarly, for Hedge End, food and beverage offer is also limited and mainly comprises independent fast food outlets and cafes within the St Johns Centre and along Lower Northam Road.

12.27 The HTIS identified where people living in the Study Area currently choose to eat and drink, and whether there are potential 'gaps' in the current offer. The survey shows that 81% of respondents from the Borough area (Zones 1 to 6) visit restaurants or cafes. Of this total, some 71% chose restaurant or café in the Borough; mainly in Eastleigh Town Centre (39%). Correspondingly some 51% of respondents from the Borough area visited a pub, bar or nightclub, of which 70% visit pubs, bars and night venues in the Borough.

12.28 Evidence from other centres in the UK shows that improving a town centre's food and beverage offer can significantly increase the attraction of daytime and evening economies for different customer profiles, as well as generating higher footfall, dwell times and increased expenditure in centres. Taking account of these trends and the strong market shares achieved by food and beverage operators in the Borough, there is potential further invest in the Borough's food and beverage economy.

Forecast Demand for Eating and Drinking

12.29 In order to assess the potential economic capacity for new Class A3-A5 floorspace, a standard and robust approach based on the assumption that between 15%-20% of the forecast capacity for new comparison goods floorspace (as identified in **Section 11**) could support a mix of new leisure services including cafés, restaurants, takeaways, pubs and wine bars. This assumption is supported by research that specifically identified that the hospitality industry, in its widest sense, "...forms an important and sizeable proportion of premises averaging 24% of ground floor stock"³⁹. Furthermore Experian GOAD's centre reports show that on average cafés, restaurants, bars, pubs and takeaways account for over 14% of floorspace and 18% of outlets in the 2,500 shopping areas that they cover.

12.30 The table below summarises the capacity for new Class A3-A5 floorspace assuming that the forecast need represents 15%-20% above the comparison goods capacity forecasts identified in Section 11. The table shows indicative capacity for between 1,363 sqm gross to 1,817 sqm gross in 2027 increasing to 3,978 sqm gross and 5,304 sqm gross by the end of the study period (2036).

³⁹ The Streetscape of major UK cities', Savills (Winter 2004, pg.3).

Table 12.7 Eating & Drinking Out - Projected Gross Floorspace (sqm)

	2022	2027	2032	2036
Projected Comparison Floorspace (gross sqm)	134	9,085	18,478	26,520
15% of Comparison Floorspace to A3/A4/A5 Uses	20	1,363	2,772	3,978
20% of Comparison Floorspace to A3/A4/A5 Uses	27	1,817	3,696	5,304

Source: Projected comparison floorspace sourced from Table 3 Appendix 8.

- 12.31 This forecast need should be directed to Eastleigh Town Centre as a priority to help increase competition and choice, and to help underpin the centre's daytime/evening economy in accordance with national and local policies. New provision could form part of a new retail or leisure scheme for the town centre. Opportunities for new food and beverage provision in the Borough's two district centres should also be promoted. This would help to increase dwell times and attract new town centre users.
- 12.32 However, the need for new cafés, restaurants and bars is highly dependent on the level of market demand and confidence in town centres as trading locations. In simple terms the more successful, vital and viable a centre is, the more likely it will be that café and restaurant operators will want to locate there. While new investment in Eastleigh Town Centre should be a priority given the centre's role as the Borough's primary town centre, the quality of the eating and drinking offer should also be improved in the district centres at an appropriate scale to meet local demand, but subject to market demand.
- 12.33 As the analysis has shown there is already a strong demand and retention from within the catchment. In this way, there is scope for both qualitative improvements and the potential for investment across centres as there is a lower provision of these services when compared to the national average. Furthermore, attracting these operators will boost the night time economy. Centres are increasingly aiming to become leisure destinations to increase footfall, dwell times and create an engaging environment in addition to just being retail destinations. Within any centre the night time economy is driven by statutory planning whilst the industry itself is regulated by policing, planning, licensing, environmental health, health and safety and trading standards authorities. In creating the right mix for the night time economy requires a wider assessment of factors (beyond the scope of this study) relating to the built environment including access routes, lighting, interaction with vehicular traffic, signage schemes, public realm, the architecture of new developments, the sense of arrival in the centre, street scene, planting and safety measures. This is important, as centres in the future will need to transform themselves to compete effectively for leisure spending. At present, the Eastleigh town centre's broader nighttime economy gravitates towards the Swan Centre. Hence, there is a need to look at the town centre holistically and facilitate linkages between the retail and leisure provision such as The Point Theatre on Leigh Road. This would enable the town centre to effectively retain leisure expenditure and increase dwell times across the town centre.

HEALTH & FITNESS

- 12.34 The Council has recently commissioned a Sports Facility Needs Assessment as part of the evidence base for the 2036 Plan. This will provide a detailed assessment of need in the Council area. Notwithstanding this, a broad indication of national trends and participation in the study area from the commissioned is provided.
- 12.35 The health and fitness market has generally performed well during the economic downturn. The latest statistics from the Leisure *Database Company*⁴⁰ (LDC) show that over the twelve month period to March 2016, the

⁴⁰ LDC is a market research specialist for the leisure industry

industry has grown its total market value by 5.3% to £4.4 billion, and its member base by 5.3%. According to LDC there were an estimated 6,435 private health clubs and public fitness centres facilities in the UK in 2016, which represented a small +1.9% net increase from the 6,312 facilities the previous year³⁸. The main operators in the market currently include:

- Esporta, Greens & David Lloyd Leisure – at the premium end of the market focus on health, racquet and tennis clubs;
- Virgin Active & Nuffield Health (previously Cannons) – dominate the mid-range family-oriented health and fitness market;
- LA Fitness, Fitness First and Bannatyne’s Health Clubs – operate smaller in-centre clubs at the more value end of the market; and
- Within London smaller ‘boutique’ gyms are popular, such as Soho Gyms, which have facilities across the City

12.36 However, the most significant growth in the sector in recent years has been fuelled by value and budget operators. The new wave of (“no frills”) fitness clubs is growing steadily and lead by Pure Gym, which opened 60 clubs across the UK in 2015. Other popular low cost brands include EasyGym, Fitness 4 Less, Fitspace, TruGym and SimplyGym. The low cost business models is based on 24-hour opening, discounted monthly subscriptions (of between £10 and £20 on average) and ‘pay as you go’ membership. According to LDC, the low cost gym sector now accounts for 12% of total private clubs and 32% of private sector membership.

12.37 Overall, the proportion of the population in 2016 with a gym membership was estimated at 14.6%, up from 13.7% in 2015. According to LDC, the average number of members per club in the UK is estimated to be 1,426, which takes into account the average for independent venues (726 per club) and leisure chains (2,198 per club). For the larger fitness chains (e.g. David Lloyds, Virgin, LA Fitness, etc.) the average club membership increases to 2,897, while budget chains are even higher at 3,452 members⁴¹.

12.38 The rapid growth of this sector has also been characterised by a marked shift in the location of clubs from out-of-centre locations to town centres, often as part of wider mixed use developments. This is helping to create a wider range of attractions and activity in town centres, particularly in the evenings and at weekends. More flexible planning policies will therefore need to be introduced which help to encourage an element of such uses within existing buildings or as part of mixed use schemes.

12.39 The table below summarises the current representation of the main national, regional, independent, privately-owned as well as Council-owned leisure centres health and fitness operators across the Borough area.

⁴¹ Sourced from the 2014 State of the UK Fitness Industry, the Leisure Database Company.

Table 12.8 Leisure Centres, Fitness Clubs & Gyms in Eastleigh Borough

Gym/ Health Facility	Location	Private	Public
The Hub	Bishopstoke		✓
Macdonald Botley Park Hotel & Spa	Boorley Green	✓	
3d Health & Fitness	Chandlers Ford		
Knightwood Leisure Centre	Chandler's Ford		✓
Nuffield Health	Chandler's Ford	✓	
The Velmore Community Centre	Chandler's Ford		✓
Anytime Fitness, Swan Centre	Eastleigh	✓	
BodySound Heath and Fitness Centre	Eastleigh	✓	
Crestwood Leisure Centre	Eastleigh		✓
Fleming Park Leisure Centre	Eastleigh		✓
Samsons Gym	Eastleigh	✓	
Spirit Health Club, Holiday Inn	Eastleigh	✓	
Curves Gym	Eastleigh	✓	
Wyvern Sport & Fitness	Fair Oak	✓	
Hamble Sports Complex	Hamble		✓
Botleigh Grange Hotel and Spa	Hedge End	✓	
The Mint Yard Gym	Hedge End	✓	
Wildern Leisure Centre	Hedge End		✓
Virgin Active Health and Racquet Club	West End	✓	

12.40 The above table identifies 19 health and fitness facilities within the Borough. National operators are represented by Virgin Active, Anytime Fitness, Nuffield Health and Curves, with a greater choice of local private operators. This provision is supplemented by public sector venues operated by the local authority and leisure centres operated by educational institutions.

12.41 In terms of fitness/ health activity participation rates, the household survey results show that 26% of respondents from the Borough area (Zones 1 to 6) visited a gym, health club or sports facility. Of those that participate in this activity, 63% visit venues in the Borough. Fleming Park Leisure Centre is the most popular attracting a market share of 20% from the Borough area (Zones 1 to 6). This followed by the Virgin Active (9%) near West End and Wildern Leisure Centre (7%) in Hedge End.

12.42 In terms of improvements to the Borough's leisure offer, 11% of respondents from the Borough area (Zones 1 to 6) suggested improvements to existing or for more or better health clubs / gyms), which indicates that respondents are generally satisfied with current provision.

12.43 It should be noted that a new Fleming Park Leisure Centre is currently being developed by Eastleigh Borough Council. The existing leisure centre remains open whilst the new centre is developed on the site next door. New facilities include a 15-badminton court sports hall; gym and studio; 'wet facilities' such as an eight lane, 25 metre swimming pool and learner pool with a floor depth that can be altered depending on use and; four tennis courts. The centre will be family friendly with a crèche and large soft play area. The development has received funding from Sport England who have awarded £2 million with additional support from England Netball. The new centre will continue to be operated by Places for People Leisure.

- 12.44 In terms of supporting new facilities, there is likely to be demand for new provision given that the population of the Borough area is forecast to increase by 19,637 from 2017 to 2036. When applying the Borough wide participation rate for gym and health club activities identified (26%), this equates to 5,150 potential new gym members. This highlights the potential opportunity to support new gym provision in the Borough. Based on average membership numbers for key gym operators such as David Lloyd and LA Fitness (2,897 per facility), this number could support approximately two commercial facilities or two new budget gyms (3,452 average members per facility). These should ideally be directed to a town centre location in the first instance, which would aid in increasing footfall and associated linked trips.
- 12.45 As for the other leisure sectors, attracting new health and fitness facilities will be determined by the level of market interest and demand. However, given that only two of the larger chain operators (Virgin Active and Nuffield Health) are represented in the Borough area, there may be scope for a new facility.

BINGO & GAMBLING

- 12.46 Gambling represents a significant element of the leisure industry. The main sectors of the gambling industry comprise 'games of chance' (i.e. bingo clubs, casinos, betting shops, amusement arcades, etc.). The key trends in this sector and the forecast need/demand for new facilities in the Borough area, if any, are briefly described based on the available evidence.
- 12.47 In terms of **Bingo Halls**, the latest research by *The Gambling Commission* (Industry Statistics November 2015) indicates that there are over 599 licensed premises in operation in the UK, which is a reduction from 653 recorded in 2014. Gala Leisure and Mecca Bingo are the leading operators accounting for over a third (36.9%) of all premises. Research by Mintel indicates that the industry has experienced a fall in revenues and admissions over recent years as a result of legislative changes (such as the ban on smoking in public places), the impact of the economic downturn and the growth of online gaming. In response to falling admissions, bingo operators are increasingly taking advantage of the online market and embracing smart-phone technology through new 'app' development. This forms part of a wider trend and growth in 'remote/online' gambling, which including gambling activities through the internet, telephone, radio, etc. Bingo operators are also increasingly looking to diversity their customer profile, and are marketing their clubs at a younger, predominantly female audience. As a result there has been an increase in the number of younger and more affluent bingo players over recent years, particularly as deregulation has enabled clubs to offer bigger (national) prizes. The above has resulted in the closure of many bingo halls across the UK. The Borough is served by one bingo hall; Leo Leisure Bingo Club in Eastleigh Town Centre with a greater range of facilities in Southampton.
- 12.48 For **Casinos** research shows that there were some 147 in the UK in September 2015. The number of premises has remained fairly static over the past five years⁴². This sector is dominated by three companies: the Rank Group (incorporating Grosvenor Casinos and Gala Coral Casinos); and Genting UK. There has been consolidation of the sector in the past few years, with acquisitions such as Rank Group's purchase of Gala Coral Casinos making it the largest operator in the UK. While casino attendance has grown from 18.24m in 2012 to 20.44m in 2015, attendance dropped by 2.6% from 2014 (20.99m). The increase in attendance since 2012 is largely explained by larger new casino venues granted licences under the 2005 Gambling Act. There are no known casinos located within the Borough with the nearest facility in Southampton (Grosvenor Casino).
- 12.49 The household survey results indicate that going to bingo halls and/or casinos is not a major leisure activity for the vast majority of respondents living in the Borough area (Zones 1 to 6); with 8% indicating that they frequent bingo clubs, casinos or bookmakers. Typically, participation rate for gambling activities is lower. Of those that do

⁴² Source: Gambling Commission Industry Statistics 2016.

partake, over half (56%) of respondents partake in gambling activities just once every six months, with 28% partaking in this activity more frequently (one a month or more). In terms of venues, and based on the Borough area (Zones 1 to 6) the household survey indicates that of those who participate, 48% visit venues in the Borough, including Leo Leisure Bingo Club. However, Gala Bingo in Lordshill (Southampton) is the most popular named venue attracting 22% of respondents from the Borough area.

- 12.50 There is no demonstrable need to enhance existing provision to improve competition and choice at the local level, although this will be subject to market interest and demand from other bingo and casino operators. If demand arises in the future, it is advised that this should be directed to Eastleigh Town Centre first in accordance with national and local plan policy. Given that current trends for bingos and casinos show activity moving online instead of physical venues, future demand for new venues is expected to be very limited.
- 12.51 **Betting shops** do represent a growing market in the gambling sector and are ever present on the UK's high streets. There are approximately 9,000 betting shops in the UK, of which around half are operated by Ladbrokes and William Hill. Regulatory changes in 2015 led to a fall in revenue and profit. In response, William Hill announced their intention to close 150 of their 2,300 outlets. As gambling activities continue their shift to online channels demand for physical outlets could dampen in the future. The presence of betting shops in high streets is a contentious issue, particularly the perceived social issues that are linked to this particular activity (e.g. anti-social behaviour) and their concentration in deprived areas. The reclassification of betting shops from A2 to Sui Generis was aimed at giving local authorities greater control on managing the number of outlets in town centres. The audit undertaken by the Council's identifies four betting offices, forming 2% of all units, which is above the national average of 1.44%. By comparison, Chandler's Ford only has one betting office while Hedge End has two. While betting shop provision is relatively low for the Borough's main centres, it is advised that the council monitors provision across all centres to prevent proliferation and to ensure a healthy balance and diversity of town centre uses.
- 12.52 No respondents to the household survey stated that they would like a casino or bingo. These findings further demonstrate the lack of demand for bingo and gambling facilities in the Borough area.

FAMILY ENTERTAINMENT

- 12.53 Other commercial **leisure** facilities can be grouped together under 'family entertainment' venues which include paid activities that appeal to adults and children; such as, for example, tenpin bowling, roller skating, ice skating, and similar uses.
- 12.54 Within the UK, tenpin bowling is possibly the most popular of this category and has been established as a commercial leisure activity for over 40 years. It remains a strong family and group activity. Research shows that there are currently over 321 bowling centres in the UK⁴³. This sector benefited from a period of growth from the mid-1990s onwards, fuelled by the development of large entertainment 'boxes' and leisure parks at one end of the spectrum, and smaller independent specialist bowling facilities at the other end. A number of the successful bowling facilities opened over the last 15-20 years tend to form part of larger leisure complexes that include multi-screen cinemas, restaurants and nightclubs. It is the critical mass of leisure uses under one roof or as part of leisure parks that helps to underpin the viability of ten-pin bowling centres, which can struggle as standalone attractions. Examples of the smaller specialist operators include All Star Lanes which operates five bowling venues in the UK (four in London and one in Manchester) and largely targets the corporate/private hire market. Bloomsbury Bowl Lanes also operates from smaller venues with sites in Bloomsbury (8 lanes) and Bristol (5

⁴³ Tenpin Bowling Market UK, Mintel (November 2012)

lanes). The company offers a 1950's American-themed bowling venue with ancillary karaoke rooms, venue rooms for hire, DJ booths, bars, small scale cinema and a venue for bands and live performers/comedy nights.

- 12.55 The Borough is served by ten-pin bowling facility, namely AMF Bowling at the Swan Centre. The range and choice of other family activity venues is limited and includes Partyman World (Swan Centre) and Flipout Trampolines.
- 12.56 The household survey indicates that 24% of respondents from the Borough area (zones 1 to 6) partake in family entertainment activities. Compared to other commercial leisure activities family activities are carried out less frequently with the majority (70%) of respondents engaging in family entertainment once to twice year, followed by once every two months (16%). Only 11% visit family attractions once a month or more.
- 12.57 The survey results show that AMF Bowling is the most popular family activity venue for respondents in the Borough area, followed by Bowlplex in Basingstoke Leisure Park.
- 12.58 In terms of improvements, 6.8% of respondents to the household survey living in the Borough area (Zones 1 to 6) stated that they would like more family activity related facilities (e.g. ten pin bowling and ice rink) or facilities for children. As such, in terms of future needs, the Borough could benefit from a wider range of family activities, such as a multi-use venue. The potential for new family activity venues will be subject to market demand and should be directed to a town centre location, such as Eastleigh Town Centre.

CULTURAL ACTIVITIES

- 12.59 Cultural activities include a broad range of activities that are focused on the arts and historic attractions. For the purpose of this assessment consideration is given to the provision of theatres, music venues, and historic/cultural attractions across the Borough area. A review of cultural venues (including theatres, music venues, museums and art galleries) identified very few venues of note. The main venues identified include Eastleigh Museum, The Concorde Club (music venue), Thornden Concert Hall, The Point Theatre and the Berry Theatre.
- 12.60 The results of the household survey indicate that 19% of respondents from the Borough area (Zones 1 to 6) visit museums, galleries and places of historical interest. Specifically, theatre, concerts or music venues are more popular with some 45% of respondents take part in these activities from the Borough area.
- 12.61 The household survey confirms that this form of activity is carried out infrequently, with the majority of respondents visiting places of cultural interest (i.e. museums, galleries, etc.) every six months (52%) with just under half of respondents (47%) also visiting theatre, concerts or music venues every six months.
- 12.62 The majority of respondents from the Borough area (zones 1 to 6) that visit places of cultural interest as a leisure attraction chose attractions in London (56%) compared to 13% for venues in the Borough. Within the Borough, the most popular named attraction is Eastleigh Museum (12%).
- 12.63 With regard to theatres and music venues, the majority (78%) of respondents in the Borough area visit venues in Southampton with the Mayflower Theatre identified as the most popular venue. This outflow suggests the potential to 'reorientate' or 'clawback' this type of participation within venues located within the Borough.

SUMMARY

- 12.64 In summary, the commercial leisure industry faces considerable challenges and pressures. It is clear that consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure spending. There will also be a continued increase in at-home activities due to the advances in computers,

tablets, television, gaming, and audio technology. The challenge for town centres and leisure operators in the future will therefore be to attract customers away from their homes.

- 12.65 By reviewing the Borough's commercial leisure sector and offer, combined with the results of the household survey, indicates that there is a relatively good level of leisure facilities (for example cinema and food and drink), although there is scope to improve the range and quality of this provision. Across all centres attention should be paid to increasing provision within the main retail area rather than on the edge of the centre. The participation rate for certain leisure activities is particularly high (e.g. restaurants and cinemas) and this offers the potential to enhance the overall offer, subject to market demand.
- 12.66 There is clearly potential to improve and strengthen the leisure offer in the main centres to help stimulate their evening economies and increase "dwell times" during the day to the benefit of other shops, businesses and facilities. Eastleigh town centre's broader nighttime economy gravitates towards the Swan Centre. Hence, there is a need to look at the town centre holistically and facilitate linkages between the retail and leisure provision such as The Point Theatre on Leigh Road. This would enable the town centre to effectively retain leisure expenditure and increase dwell times across the town centre.
- 12.67 In terms of cinema provision, the assessment found that a high proportion of respondents frequent the cinemas in the Borough area thereby indicating strong retention levels for cinema goers living in the area. The quantitative assessment identifies that there is limited capacity to support new cinema screens in the Borough area. However, there may be market demand from operators who are seeking to expand their venue portfolio, particularly within the 'boutique' cinema market. As highlighted this assessment, any cinema need should be directed to a town centre location and should not impact on viability of existing town centre facilities, namely Vue in Eastleigh Town Centre.
- 12.68 Potential qualitative improvements have been identified for eating and drinking out. There is potential to enhance the quality and type of food and drink offer (e.g. quality restaurants and branded restaurants), although investment will be subject to market demand.
- 12.69 Given that the population of the Borough area is forecast to increase by 19,637 from 2017 to 2036 and compounded by the popularity of the need for a healthier lifestyle, attracting new health and fitness facilities will be determined by the level of market interest and demand. Based on current participation rates for this activity there may be potential support two new gym operators for the Borough.
- 12.70 Additionally, in terms of addressing future needs, the Borough could benefit from a wider range of family activities, such as a multi-use venue. The potential for new family activity venues will be subject to market demand and should be directed to a town centre location.

13 EXECUTIVE SUMMARY: KEY FINDINGS & RECOMMENDATIONS

- 13.1 This final section provides a summary of the key findings of the Eastleigh Borough *Retail and Leisure Needs Assessment* ('RLNA') and robust recommendations to help inform plan-making and future strategies. It sets out high level advice on how the local planning authority can effectively plan for, manage and promote the vitality and viability of Eastleigh town centre and main district centres over the development plan period to 2036.
- 13.2 This advice is based on the updated assessment of the quantitative and qualitative need for new retail (comparison and convenience goods) floorspace and commercial leisure uses up to 2036. The need assessment draws on a robust and up-to-date evidence base and new primary research, including:
- a health check of the Eastleigh Centre and main District's centres of Hedge End, Chandler's Ford and an overview of the Borough's network of 10 village and local centres;
 - a telephone interview survey of some 1,100 households across the local authority area and a wider defined Study Area to help establish current shopping patterns, leisure preferences and market shares.
- 13.3 The study has been prepared in the context of national and development plan policy guidance, as well as other key material considerations. This includes the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG), which place weight on the development of positive plan-led visions and strategies for town centres, and promote new investment and development in town centres first ahead of edge and out-of-centre locations.
- 13.4 Based on the Borough-wide and centre capacity forecasts, the following provides a brief summary of:
- each centres' relative health, role and function in the Borough's network and hierarchy of centres;
 - the forecast quantitative and qualitative need for new retail (convenience and comparison goods) floorspace, and potential 'gaps' in leisure provision/uses;
 - the preferred options for accommodating the identified need over the short, medium and long term;
 - a reasonable and robust impact 'threshold' set in accordance with the NPPF and PPG. This will allow the Council to assess and understand any likely impacts from new edge and out-of-centre applications on the vitality and viability of each main centre; and
 - recommendations on the extent of primary and secondary shop frontages based on the evidence, as well as suitable Primary Shopping Areas (PSA) for Eastleigh town centre and the main District centres of Hedge End and Chandler's Ford.

CENTRE OVERVIEW

Eastleigh Town Centre

- 13.5 The health check assessment has demonstrated that overall Eastleigh Town Centre is performing relatively well. It is a compact retail centre and is well connected by road, rail and other modes of travel. It is located to the north of Southampton and to the south of Winchester. Overall, Eastleigh town centre has a good range of shopping and leisure facilities typically found in a centre of its size and position in the retail hierarchy.
- 13.6 The Council is promoting the sustainable growth and regeneration of the town centre. This is being achieved through a diverse and committed approach, which includes: working with the Eastleigh BID and other stakeholders; using land and building assets to deliver investment and development on key sites; and delivering projects that enhance the public realm and improve the function and aesthetic of the town. This is particularly

important as the town centre competes against much larger and diverse centres and shopping/leisure locations (by way of size and retail offer) that draw consumers from the Borough; including Southampton, Fareham, Portsmouth, Salisbury and Winchester. In response to this competition, it is anticipated that the BID and other key initiatives will provide a coherent vision and voice for the town centre to help it remain competitive and to attract new town centre investment.

- 13.7 The Swan Centre to the south of the town centre provides the main retail anchor with a range of national multiple operators. The north of the centre is anchored by a Sainsbury's store, which is also served by the town's bus station. In between these two locations is the traditional High Street that runs north to south and is characterised by predominantly smaller sized retail units. Market Street runs parallel to the High Street and also has a large number of smaller sized units, interspersed with a greater provision of national multiples. Leigh Road provides the town's main east to west axis and links 'The Point' regional arts and dance centre with the railway station. Service providers mainly occupy Leigh Road.
- 13.8 Eastleigh town centre currently has a relatively good convenience provision however the number of units is below the national average and there would appear to be potential to improve the quality of the food offer, subject to market demand.
- 13.9 The town's comparison goods offer is generally good, with the majority of units occupied by low to mid-range retailers including a mix of both national multiples and independents. The town centre also has a strong independent retail and service offer, particularly focussed along the secondary and primary streets on Market Place, High Street and Leigh Road.
- 13.10 Eastleigh also benefits from a popular market that provides a positive contribution to the variety and diversity of the town's retail offer.
- 13.11 The town centre has a low vacancy rate with no significant concentrations. This is a positive indication of the town's overall performance and attraction; especially considering the town centre's position against several competing centres with larger critical mass.
- 13.12 Overall Eastleigh benefits from an attractive and pleasant environment. Market Street and High Street are traditional shopping streets which are attractive and generally well maintained. The Swan Shopping Centre represents the highest quality modern retail area within the town centre.
- 13.13 There is an identified need to integrate and link the retail offer with the leisure provision across the town centre. In particular, integrating the cultural facilities at *The Point* theatre with the wider retail circuit centred on the Swan Centre would be beneficial in helping to increase dwell times and raising the quality and offer of adjacent leisure and retail provision. More broadly, this may also help to increase the numbers of café's, bars and pubs and thereby boost the town's leisure offer, and particularly, the night time economy.
- 13.14 There is a broader need to provide additional signage to link the retail and leisure provision across the centre. Extending and enhancing the cycle and pedestrian connections through the town centre and linking the town centre, leisure provision and the railway station would enhance permeability, wayfinding and accessibility across the centre.

Hedge End District Centre

- 13.15 Hedge End is strategically located near J7 and J8 of the M27 motorway and is served by trains to London Waterloo and Portsmouth Harbour; thereby making it a popular commuter settlement. The centre is mostly

linear, with the majority of the town centre uses distributed along Upper Northam Road and Lower Northam Road, which form the primary retail area.

- 13.16 Hedge End is surrounded by a large concentration of out-of-centre food and non-food retailing, including Hedge End Retail Park and Tollbar Way. These out-of-centre facilities act as a key draw for consumers in the Borough, as well as the wider Southampton Urban Area.
- 13.17 The centre hosts a number of retail and service facilities and is principally anchored by a Co-op supermarket. The main foodstore provision is located out of centre; for example Sainsbury's and Marks and Spencer are situated one mile northwest of the town centre on Tollbar Way. Nevertheless it is considered that there is potential to expand the quality of the centre's independent convenience offer to include, for example, a fishmongers; although this will be dependent on market demand. A dedicated street market could also be introduced into the centre to help improve the range and choice of independent stores/stalls and goods sold.
- 13.18 The majority of major new retail investment and development in Hedge End has been directed out-of-centre rather than in the centre. Notwithstanding this, the town centre has a relatively low vacancy rate, which is a positive indication that it is performing an important role in the Borough's network and hierarchy of centres. The challenge over the plan period will be to identify sites and direct appropriate new investment and development to the centre first, ahead of out of centre locations.
- 13.19 Finally, whilst the centre is a relatively attractive place, it lacks a sense of place and identity. The rather tired and outdated appearance of the parade along the northern frontage of Northam Road does not complement the green and more varied architecture on the southern side of the road. A holistic approach and strategic vision that focuses on revitalising the centre's environment as a whole is therefore recommended, as this would help to retain existing businesses and attract new investment.

Fryern Centre, Chandler's Ford District Centre

- 13.20 Chandler's Ford is a linear centre served by two retail precincts. The majority of town centre uses are located either side of Winchester Road. The centre performs a specific role in the retail hierarchy serving, to varying degrees, not only the day-to-day needs of the local resident catchment population but also a wider catchment. Overall, the centre has a generally pleasant environment and appearance. Vacancy levels in the centre are also low (4.5% of total outlets) and reported market demand is also relatively strong for a centre of its size; which is a further positive indication of its overall attraction and performance.
- 13.21 The choice and quality of food and convenience stores in the centre is good; anchored by Waitrose and supplemented by a smaller Co-op supermarket and a mix of smaller independents. Notwithstanding this, there is potential to enhance and widen the offer by attracting more independent food and convenience retailers (such as a fishmonger or delicatessen), dependent on market demand. There is also reported demand from both Lidl and Aldi for representation in the centre.
- 13.22 Although the comparison goods provision within the centre is limited, the offer is anchored by a number of key multiple retailers; namely Boots and WH Smith. The centre's limited comparison goods and fashion offer is to be expected and reflects its role and function in the Borough's network and hierarchy of centres.
- 13.23 Overall there could be potential to widen the centre's retail and leisure offer in the future (particularly the number and quality of cafés and restaurants), although this will also be subject to market demand.

Local Centres

- 13.24 A broad review of the village centres is detailed below:

- **Boyatt Shopping Centre** is a purpose-built shopping centre. It is relatively modern with planting and grassed areas that helps to create an attractive and viable small village centre. The current provision is considered to be appropriate to the scale and role of the centre in the Borough's network and hierarchy of centres.
- **Fair Oak** is a relatively large village centre with town centre uses distributed along three main streets; Summerlands Road, Fair Oak Road and Botley Road/ Winchester Road. The centre is viable with a range of town centre uses (including One Stop, pet supply, pharmacy, florist, hairdressers, cafes and restaurants) that serve the local catchment. However, the units along Summerlands Road appear to be tired and are in need of modernisation.
- **West End** village is a viable linear centre anchored by an Asda supermarket. This is supplemented by a bakery and Londis convenience store. There are also a number of comparison goods units across the centre with no vacant units.
- **Botley** is a historic and linear centre with the main town centre uses located along both sides of the High Street. The village's historic architecture contributes to the centre's unique identity and helps to create an attractive environment. The current provision is considered to be appropriate to the scale and role of the centre in the Borough's network and hierarchy of centres.
- **Hamble-le-Rice** village is on a riverside setting with cobbled streets. It is an attractive and unique village centre. The centre has potential to benefit further from its waterfront location and links to sailing by attracting additional leisure and comparison retailers.
- **Victoria Road** is located in the village of Netley. The town centre uses are located within units located along the linear Victoria Road and are interspersed between residential properties. The retail provision comprises a foodstore and a range of other service units which are considered to be appropriate to the scale and role of the centre in the Borough's network and hierarchy of centres.
- **Station Road** is similar to Victoria Road in that the retail and service units are interspersed amongst residential properties. The centre benefits from street parking and wide pavements and the provision of two convenience stores.
- **Bournemouth Road** and **Central Precinct** are located just outside of Chandler's Ford District Centre. The retail units are located within the inner courtyard. The provision is largely dominated by leisure and services, and it has low vacancies. The centre would benefit from a more diverse offer, particularly convenience provision. Improvements to the harsh 1970s façade would also help to raise the environmental quality of the precinct. The centre benefits from designated parking to the front of the units, but the busy main road impedes pedestrian access to the centre.
- **Hursley Road** is just a four minute walk from the Central Precinct and consists of two parades of shops located either side of the main road. The centre benefits from parking and the provision of two convenience stores. The current provision is appropriate to the scale and role of the centre in the Borough's network and hierarchy of centres.
- **Bursledon** is a linear centre located along Portsmouth Road. The centre is dominated by leisure and service provision. The centre would benefit from improvements to the public realm to help reduce the impact of the main road.
- **Bishopstoke Riverside** is a small, linear neighbourhood parade on the east of Riverside. The centre's retail provision consists of a Co-op store alongside a local butchers. There is also a chemist and a hairdresser. The current provision is appropriate to the scale and role of the centre in the Borough's network and hierarchy of centres. The parade could benefit from enhancement to the shop frontages as many appear tired and outdated.

RETAIL NEEDS ASSESSMENT

13.25 Section 11 of this assessment addresses the broad quantitative capacity for new (convenience and comparison goods) retail floorspace over the development plan period. The retail capacity assessment is informed by Carter Jonas's **CREAT^e** Capacity Model and is underpinned by robust evidence and forecasts. The capacity approach adopted in this case assumes that the retail market is in 'equilibrium' at the base year (2016) and that market shares will remain constant over the study period.

13.26 The assessment shows that, after accounting for all known commitments and the forecast growth in the market share of Special Forms of Trading (including internet shopping), there is no capacity for new superstore-format floorspace until 2027 (454 sqm net). Capacity is forecast to increase to 1,500 sqm net in 2032 and to 2,345 sqm net by 2036. The results indicate that the Borough could support either: (i) a new foodstore towards the end of the study period; (ii) or the delivery of a number of smaller format stores; (iii) or extensions to existing stores.

13.27 The Borough-wide 'global' capacity has been disaggregated for the main centres based on their relative trading performance and market shares at the base year, and the forecast growth in available expenditure and floorspace 'productivity' over the study period (2036). The capacity results for superstore-format floorspace trading at higher sales levels are reproduced in the table below:

Table 13.1 Main Shopping Locations: Capacity for Foodstore-Format Floorspace (net sq m)

	2022	2027	2032	2036
EASTLEIGH				
Town Centre	104	221	324	408
Out-of-Centre	-647	-572	-505	-452
Sub-total	-543	-351	-181	-44
CHANDLERS FORD				
Town Centre	106	225	330	415
Out-of-Centre	-601	-392	-207	-58
Sub-total	-495	-167	123	357
HEDGE END				
Town Centre	50	105	154	194
Out-of-Centre	-37	239	482	679
Sub-total	13	344	637	873
LOCAL CENTRES & NEIGHBOURHOOD PARADES				
	77	163	240	301
REST OF BOROUGH				
	219	465	682	857
BOROUGH-WIDE CAPACITY FOR SUPERSTORE FLOORSPACE	-729	454	1,500	2,345

Source: Table 12, Appendix 7

Note: figures may not add up due to decimal rounding

13.28 The capacity forecasts for new convenience goods on a centre-by-centre basis are as follows:

- For **Eastleigh** there is no forecast capacity to support new convenience floorspace after taking account of planned convenience floorspace in the town centre and surrounding out-of-centre locations (including a new local centre),
- For **Chandler's Ford** (comprising the District Centre and out-of-centre locations) there is limited forecast capacity for some 357 sqm net by 2036. This could support an extension to an existing store, or a smaller convenience store format (e.g. Tesco Express, Sainsbury's Local, etc.).

- For **Hedge End** (comprising the District Centre and the more substantial out-of-centre superstores) there is potential capacity of 873 sq m net by 2036. This provides potential scope for a supermarket, or possibly a deep discounter (i.e. Aldi or Lidl), or a number of smaller convenience stores.
- For **Local Centres** there is forecast capacity for a modest 301 sq m net by 2036. This would support one or two smaller convenience stores in some of the centres, subject to market demand. The more limited capacity generated by the local centres reflects the scale of their retail offer, their market shares and their role and function in the hierarchy and network of centre; principally serving the day-to-day needs of their local catchment populations.
- For the **Rest of the Borough** there is total forecast capacity for up to 857 sqm net by 2036. This is mainly being generated by the Tesco at Bursledon and would support either an extension to this store, or a new deep discounter or a number of smaller convenience stores.
- Additionally, should development proceed in the strategic housing growth areas this will further absorb convenience capacity of up to 725 sqm net. This would be met from the convenience goods capacity already identified.

13.29 For comparison goods, after allowing for all known commitments, there is limited Borough-wide capacity over the short term (up to 2022), but capacity increases thereafter to 6,360 sqm net by 2027, 12,935 sqm by 2032 and 18,564 sqm net by 2036.

13.30 The forecast 'global' capacity forecasts have been further disaggregated by location as shown below.

Table 11.5 Capacity Forecasts by Centre – Assuming ‘Equilibrium’ at 2017 (net sqm)

	2022	2027	2032	2036
EASTLEIGH				
Town Centre	-215	1,252	2,775	4,103
Out-of-Centre	-481	-229	34	262
Sub-total	-696	1,023	2,809	4,365
CHANDLER'S FORD				
Town Centre	124	388	673	915
Out-of-Centre	134	409	695	942
Sub-total	258	797	1,368	1,857
HEDGE END				
Town Centre	112	340	583	789
Out-of-Centre	367	3,536	6,866	9,693
Sub-total	479	3,876	7,449	10,482
LOCAL CENTRES & NEIGHBOURHOOD PARADES	-8	321	669	966
REST OF BOROUGH	61	342	640	894
TOTAL BOROUGH COMPARISON GOODS CAPACITY	94	6,360	12,935	18,564

13.31 The capacity forecasts for new comparison goods on a centre-by-centre basis are as follows:

- For **Eastleigh** (comprising the Town Centre and out-of-centre floorspace) there is no forecast capacity over the short term (up to 2022) after taking account of all known commitments. There is some capacity

in 2027 for 1,023 sqm net, increasing to 2,809 sqm net by 2032, and 4,365 sqm net by the end of the study period (2036).

- For **Hedge End** (comprising the District Centre and the substantial out-of-centre floorspace) there is forecast capacity for 479 sqm net in 2022, increasing to 7,449 sqm net by 2032 and 10,482 sqm net in 2036. As the table shows this accounts for most of the Borough's forecast need for new comparison goods floorspace over the study period. The higher capacity reflects the strong market share of the larger format out-of-centre stores serving the area and wider catchment (including Marks & Spencer and Next).
- For **Chandler's Fords** (comprising the District Centre and out-of-centre floorspace) there is forecast capacity for 258 sqm net in 2022, increasing to 1,857 sqm net by 2036.
- For the Borough's **Local Centres** there is limited forecast capacity for 321 sqm net by 2027, increasing to 966 sqm net in 2036. These forecasts are expected and reflect the limited provision of comparison goods in smaller centres and their role and function within the Borough's retail hierarchy.
- Finally, for the **Rest of the Borough** there is also limited forecast capacity for 342 sqm net in 2027, increasing to 894 sqm net by 2036.
- Additionally, should development proceed in the strategic housing growth areas this will further absorb comparison goods capacity of up to 1,177 sqm net. This would be met from the comparison goods capacity already identified.

13.32 Promoting new retail investment and development within the Borough's main centres (namely Eastleigh Town Centre and Hedge End and Chandler's Ford District Centres) is a priority for the Council over the plan period, as it will help to rebalance expenditure and investment that has been largely directed to the Borough's out-of-centre facilities. In accordance with the "*town centre first*" approach the substantial forecast capacity identified for Hedge End (which is mainly generated by the larger format out-of-centre food and non-food stores) should be directed to Eastleigh Town Centre and the Borough's main District Centres. However this will depend on the Council identifying suitable sites in and on the edge of these centres that can accommodate the forecast needs in full over the plan period. It will also depend on the scale and level of market demand from retailers seeking representation in the Town Centre. Where suitable and viable sites cannot be identified in or on the edge of the Eastleigh Town Centre or the District Centres, then new retail floorspace proposed in out-of-centre locations (that are not in accordance with the up-to-date development plan) will be subject to the sequential and impact tests, as set out in the NPPF.

13.33 Finally, although the capacity forecasts presented in this study are robust and draw on the most up-to-date survey evidence and research, it is advised that forecasts beyond five years should be treated with caution. This is because the retail sector is dynamic and the various assumptions and forecasts that underpin the capacity forecasts are subject to year-on-year changes. For example, if the growth in Internet and multi-channel shopping is stronger than current forecasts suggest, then this could further reduce the future demand and capacity for new 'physical' space over the long term. The Council should take the dynamic nature of the retail sector and market trends into account when assessing the need for new retail floorspace, and identifying/allocating sites to meet forecast needs over the medium to long term. In this context it is strongly advised that the capacity forecasts are reviewed and refreshed regularly (normally within a 2-year period) to test and ensure the robustness of the original forecasts and assumptions.

LEISURE NEEDS/GAP ASSESSMENT

13.34 Section 12 of the RLNA assesses the need for new commercial leisure uses and the 'gaps' in provision. The results of the household survey, indicate that there is a relatively good level of leisure facilities (for example cinema and food and drink), although there is scope to improve the range and quality of this provision.

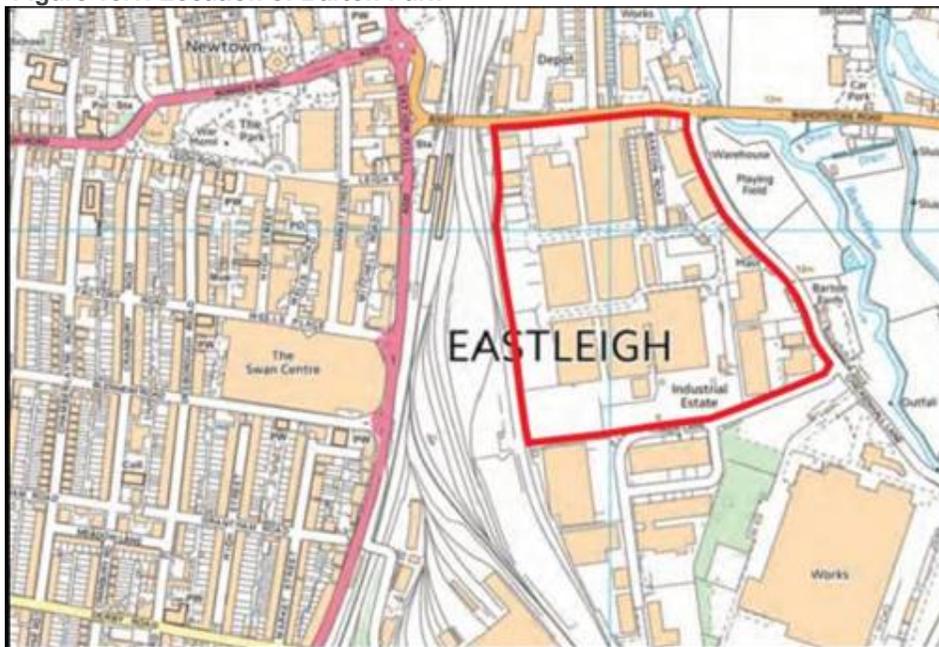
- 13.35 Across all the Borough's main centres there is potential to improve and strengthen the leisure to help stimulate their daytime and evening economies, and increase "*dwell times*" to the benefit of other shops, businesses and facilities.
- 13.36 At present, the Eastleigh town centre's broader night time economy gravitates towards the Swan Centre. Hence, there is a need to look at the town centre holistically and facilitate linkages between the retail and leisure provision such as The Point Theatre on Leigh Road. This would enable the town centre to effectively retain leisure expenditure and increase dwell times across the town centre.
- 13.37 It is recommended that in creating and curating the right mix for the night time economy for Eastleigh town centre, a detailed assessment in the form of a Masterplan is undertaken that sets out a strategic vision for the town. This would help identify new development and investment opportunities. It would cover the built environment (including access routes, lighting, interaction with vehicular traffic, signage schemes, public realm), the architecture of new developments, the sense of arrival in the centre, street scene, planting and safety measures. This would ensure that the centre can be transformed to compete for leisure spending in the future.
- 13.38 In terms of cinema provision, the quantitative assessment identifies that there is limited capacity to support new cinema screens in the Borough area. However, there may be market demand from operators who are seeking to expand their venue portfolio, particularly within the 'boutique' cinema market. If there is demand for a new cinema in the Borough this should be directed to a town centre location and should not result in a significant adverse impact on the vitality and viability of existing town centre facilities, principally Vue in Eastleigh Town Centre.
- 13.39 Given that the population of the Borough area is forecast to increase by 19,637 up to 2036, there may be potential support up to two new gym operators across the Borough. The Borough could also potentially benefit from a wider range and choice of family activity facilities, such as a multi-use venue. All new leisure facilities should be directed to the Borough's main town centres first, possibly as part mixed use developments. However, as for the provision of other leisure facilities, the forecast need will mainly be driven by the level of market interest and demand. The Council's updated Sports Facility Needs Assessment commissioned as part of the evidence base for the 2036 Plan will provide further detailed information on the scale and type of provision in the Council area.

MEETING NEEDS IN THE MAIN CENTRES

- 13.40 The capacity forecasts show that there is no convenience goods capacity until 2027 (454 sqm net), increasing to 1,500 sqm net in 2032 and 2,345 sqm net by 2036. The majority of this is likely to be absorbed by extensions to existing stores, or by any convenience provision proposed as part of a new sustainable settlement. Where demand exists for a new deep discounter store (i.e. Lidl or Aldi) this should be directed to the Borough's main centres first in accordance with the sequential approach.
- 13.41 In contrast, there is substantial Borough-wide capacity forecast for new comparison goods floorspace towards the end of the study period; 12,935 sqm net by 2032 and 18,564 sqm at 2036. The Council is therefore faced with the challenge of identifying suitable sites in and/or on the edge of Eastleigh Town Centre and Chandler's Ford and Hedge End District Centres to accommodate the identified floorspace capacity in full over the development plan period, in accordance with the NPPF (paragraph 23). The identified capacity should be directed to Eastleigh town centre and the District centres first in accordance with the sequential approach.
- 13.42 A high level assessment shows there are no substantial development sites that are available in the Borough's existing centres, or are likely to become available, over the short term (i.e. to 2022).

13.43 Notwithstanding this, the Council has identified a site on the edge of Eastleigh Town Centre that could provide a longer term opportunity to accommodate the scale of the forecast need at 2036. This is the Barton Park site located to the east of Eastleigh town centre, which has good access to both the town centre, bus station and railway station (see Figure 13.1). The site extends to approximately 19.8ha and currently comprises, in part, an industrial estate. By virtue of its proximity to the town centre, there is a clear opportunity to provide new retail/leisure uses on this site that are well connected and complementary to the town centre's offer. A planning and development brief/prospectus could be prepared to help identify the appropriate scale, mix, quality and design of uses on the site, land ownerships and potential delivery vehicles. It is understood through information provided by the Council that a major part of the site is owned by Legal & General and as such that any development on the site will require land assembly and therefore represents a long term opportunity over the development plan period.

Figure 13.1: Location of Barton Park



LOCAL IMPACT THRESHOLD: RECOMMENDATIONS

13.44 It has also been assessed whether there is a requirement for the local planning authority to set a local (floorspace-based) impact threshold, rather than use the default of 2,500 sqm gross identified by the NPPF (paragraph 26). This is important as it will determine whether applicants should carry out an impact assessment for new retail, leisure and office development outside of town centres that are not in accordance with an up-to-date Local Plan. In summary the Planning Practice Guidance (PPG) published in March 2014 provides advice in setting a locally appropriate threshold and states that it will be important to consider the:

- scale of proposals relative to town centres;
- the existing viability and vitality of town centres;
- cumulative effects of recent developments;
- whether local town centres are vulnerable;
- likely effects of development on any town centre strategy; and
- impact on any other planned investment.

- 13.45 While the quantitative and qualitative research evidence indicates that the main towns and smaller centres in appear to be performing relatively well, they are nevertheless vulnerable to increased competition from out-of-centre retailing and the growth of internet shopping.
- 13.46 The assessment of retail trends in Section 3 has highlighted the dynamic growth in smaller convenience stores operated by the major grocers (i.e. Sainsbury's Local, Tesco Express, Little Waitrose, etc.). Although sizes vary from location-to-location, the main grocers are generally seeking new convenience stores (e.g. Tesco Express, Sainsbury's Local, Little Waitrose) with a minimum gross floorspace of circa 4,000 sq ft (372 sqm) gross. In circumstances where these smaller stores are proposed on the edge or outside of smaller local and village centres, often as part of petrol filling stations, they could result in a significant adverse impact on their trading performance, and overall vitality and viability. This will particularly be the case where smaller centres and villages are dependent on smaller supermarkets and convenience ('top-up') stores to anchor their retail offer and generate footfall and linked trips/expenditure to the benefit of other shops, services and facilities.
- 13.47 In addition, modern retailers selling a range of comparison goods (including fashion, homestore and 'bulky' goods retailers) generally have requirements for larger format shop units with a minimum floorspace of approximately 5,000 sq ft (465 sqm) gross. This scale of floorspace provides operators with the necessary minimum 'critical mass' of sales needed to display their full range of goods in-store and attract customers from a wider catchment area, particularly where they are co-located alongside similar stores in town centre and out-of-centre locations. In general terms larger format non-food stores of over 5,000 sq ft gross are also unlikely to trade as a purely local facility. In circumstances where these types of stores are proposed on the edge or outside of defined town centres, they could result in a significant adverse impact on the trading performance, and overall vitality and viability of existing centres. In this way, investment of this type should be oriented towards town centres to generate footfall and linked trips/expenditure to the benefit of existing shops, services and facilities.
- 13.48 It is therefore reasonable for applicants proposing developments for new A1 retail (comparison and convenience goods) floorspace and A3-A5 uses of 350 sqm gross and above to demonstrate that they will not, either on their own or cumulatively with other commitments, result in a "significant adverse impact" on any defined centres within the local authority area; carried out in accordance with the NPPF and PPG.
- 13.49 This is judged to be a reasonable impact threshold as it will provide the local planning authority with sufficient flexibility to assess the merits and implications of edge and out-of-centre foodstore applications that could potentially have significant implications for the viability and delivery of new or extended floorspace in these existing centres. It is advised that this threshold should be applied, where relevant, to change of use applications and applications seeking variations of conditions.
- 13.50 A 350 sqm gross impact threshold is also reasonable in this case based on experience of advising other local planning authorities, and also drawing on the minimum impact thresholds identified in recently adopted local plans (including, for example, Richmondshire District Council, Rother District Council, Rotherham Metropolitan Council, Stafford Borough Council, Warrington Borough Council and Norwich City Council).
- 13.51 Notwithstanding the adoption of a lower locally set impact threshold, it is important that the scope of any *Retail Impact Assessment* (RIA) in support of planning applications is discussed and agreed between the applicants and the Council at an early stage in the pre-application process. The level of detail included within a RIA should be proportionate to the scale and type of retail floorspace proposed, and should be agreed between the Council and applicant on a case-by-case basis. In all cases the local planning authority should adopt a pragmatic and reasonable approach with regard to the scope and detail of evidence required in support of planning applications.

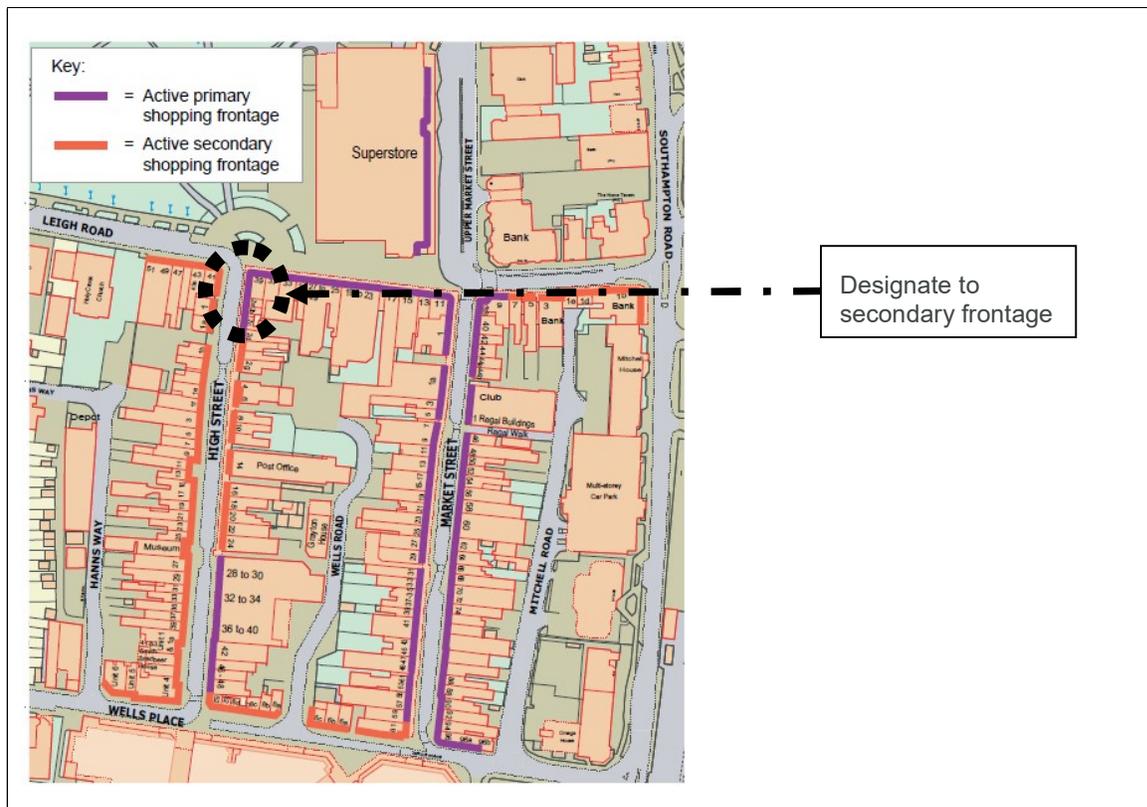
PRIMARY AND SECONDARY SHOP FRONTAGES: RECOMMENDATIONS

13.52 In preparing policies for the management and growth of centres over the plan period, and promoting competitive town centre environments, local planning authorities are required by the NPPF (paragraph 23) to 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.

13.53 In this policy context, a high-level review has been carried out to assess the extent of the primary and secondary shopping frontages in Eastleigh town centre and the District Centres of Hedge End and Chandler’s Ford. This assessment has been informed by the evidence provided by Council, including audits detailing the current mix of Class A uses in each of the main centres on a street-by-street basis. This has been further supplemented by further health checks and site visits of the main centres.

13.54 In summary, the active primary and secondary shopping frontages currently defined under Policy 139.TC of the extant local plan across all the three centres are broadly reasonable and robust. The only minor change recommended pertains to Eastleigh town centre and specifically to the High Street Area. As shown below the majority of the western portion of the High Street is designated as having an active secondary frontage. In contrast, the eastern portion is mainly defined as having an active primary frontage interspersed with a secondary frontage in the middle. The units at the northern end of the High Street (numbers 2a, 2b, 2c, 2d) should be designated as a secondary frontage by virtue of their size and position within the retail circuit in this part of the town centre.

Figure 13.2: Eastleigh Town Centre: Primary & Secondary Frontages – Suggested Revision



Source: Eastleigh Borough Council: Town Centres, Local Centres & Shopping Parades - Details of Occupancy: Background Paper (July 2015)

CONCLUSIONS

- 13.55 In conclusion, the RLNA has identified that the majority of the forecast capacity for new retail floorspace and leisure uses occurs towards the end of the study/plan period (i.e. between 2032 and 2036).
- 13.56 This forecast capacity/need over the long term should be directed to Eastleigh Town Centre and the Borough's District Centres first, in accordance with national and local plan policy objectives. The distribution of the forecast need for new retail floorspace should reflect the network and hierarchy of centres, and the relative role and function of the Council's centres.
- 13.57 In terms of accommodating needs in full over the plan period in accordance with the NPPF (paragraph 23), the Council has identified that the Barton Park site, located close to Eastleigh Town Centre, could represent the key strategic development opportunity at the present time. As such, it is advised that this site should be prioritised by the Council for more detailed assessment to establish its availability, suitability and viability for new mixed use development over the plan period. In turn, this will help to inform its potential allocation as part of the emerging local plan. This assessment will need to establish the exact mix of uses, phasing and scale of floorspace that can be provided on the site, subject to more detailed analysis and testing of land ownerships/assembly, market demand, transport and design issues. Consideration will also need to be given to the phasing of the opportunity to help maximise the benefits to the town centre as a whole through the provision of complementary uses, improved connections and high quality design.
- 13.58 The intensification of retail and leisure uses in out-of-centre locations is not advised as this could have a significant adverse impact on the vitality and viability of the Borough's centres due to the further loss of businesses, customers, footfall and turnover/trade. Applications for new retail, leisure and town centre uses outside of the Borough's existing centres should be assessed on their merits, and considered against the key sequential and impact tests set out in the NPPF (paragraphs 24-27), and other material considerations.
- 13.59 Finally, it is important to restate that capacity forecasts beyond five years should be treated with caution, as they are based on various layers of assumptions and forecasts. The Council should take into account these margins for error and the dynamics of the retail property sector when assessing the need for new retail floorspace. For this reason it is advised that the capacity forecasts should be subject to regular review and a refresh (normally within a 2-year period) to take account of any key changes in the economic forecasts and retail/leisure trends.

GLOSSARY

CITY CENTRES:	The highest level of centre identified in development plans. In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas that may perform different main functions.
TOWN CENTRES:	Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas, they are likely to be market towns and other centres of similar size and role that function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.
DISTRICT CENTRES:	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.
LOCAL CENTRES:	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette.
TOWN CENTRE USES:	Main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
TOWN CENTRE BOUNDARY:	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined on a proposals map.
PRIMARY SHOPPING AREA (PSA)	Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages, which are adjoining and closely related to the primary shopping frontage). The extent of the primary shopping area should be defined on the proposals map. Smaller centres may not have areas of predominantly leisure, business and other main town centre uses adjacent to the primary shopping area, therefore the town centre may not extend beyond the primary shopping area.
PRIMARY & SECONDARY FRONTAGES	Primary frontages are likely to include a high proportion of retail uses, which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses, such as restaurants, cinemas and businesses.
EDGE-OF-CENTRE	For retail purposes, a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances.
OUT-OF-CENTRE	A location, which is not in or on the edge of a centre but not necessarily outside the urban area.
OUT-OF-TOWN	A location out-of-centre that is outside the existing urban area.
CONVENIENCE SHOPPING	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
SUPERMARKETS	Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
SUPERSTORES	Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.
COMPARISON SHOPPING	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
RETAIL WAREHOUSES	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
RETAIL PARKS	An agglomeration of at least 3 retail warehouses.
WAREHOUSE CLUBS	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
FACTORY OUTLET CENTRES	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.

REGIONAL & SUB-REGIONAL SHOPPING CENTRES	Out-of-centre shopping centres which are generally over shopping centres 50,000 square metres gross retail area, typically comprising a wide variety of comparison goods stores.
LEISURE PARKS	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
CONVENIENCE GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.
COMPARISON GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
SPECIAL FORMS OF TRADING	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
GROSS GROUND FLOOR FOOTPRINT FLOORSPACE	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
GROSS RETAIL FLOORSPACE	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
NET RETAIL SALES AREA	The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
RETAIL SALES DENSITY	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.
QUANTITATIVE NEED	Is conventionally measured as expenditure capacity (i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area.
QUALITATIVE NEED	Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.
OVERTRADING	The extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, and in some cases inform quantitative need considerations. For example it may be an expression of the poor range of existing facilities or limited choice of stores and a lack of new floorspace within a locality. In certain cases 'overtrading' occurs when there is an imbalance between demand (i.e. available spend) and supply (i.e. existing floorspace capacity).
BENCHMARK TURNOVER	In the case of specific types of provision (such as foodstores) company average turnover figures are widely available and can provide an indication of a 'benchmark' turnover for existing facilities. However, turnover benchmarks should not be used prescriptively or in isolation to indicate a measure of 'need'. It is important to recognise that a range of factors (such as rental levels and other operating costs) mean that operators are likely to trade at a wide range of turnover levels. Given the inherent margins of error involved in this type of exercise, the use of company averages as benchmarks should be treated with caution unless they are corroborated by other independent evidence of under-performance, or strong trading. Examples might include the results of in-centre health checks, or the extent of congestion in stores and queuing at checkouts.

APPENDIX 1: STUDY AREA

APPENDIX 2: CONVENIENCE GOODS - MARKET SHARES (incl SFT)

APPENDIX 3: COMPARISON GOODS - MARKET SHARES (incl SFT)

APPENDIX 4: POPULATION AND EXPENDITURE

APPENDIX 5: CONVENIENCE GOODS - FORECAST TURNOVER

APPENDIX 6: COMPARISON GOODS - FORECAST TURNOVER

APPENDIX 7: CONVENIENCE GOODS – CAPACITY ASSESSMENT

APPENDIX 8: COMPARISON GOODS – CAPACITY ASSESSMENT

APPENDIX 9: LEISURE ASSESSMENT

**APPENDIX 10: HOUSEHOLD SURVEY METHODOLOGY & RESULTS
(WEIGHTED)**