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Richmond Retail Study

2014 Update

London Borough of Richmond

November 2014

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Contents

1.0	Introduction	1
	Background	1
	Study Objectives	1
2.0	The Shopping Hierarchy	2
	Introduction.....	2
	The Shopping Hierarchy.....	2
	Existing Retail Provision in LBRuT.....	7
3.0	Recent Changes and Retail Trends	8
	Introduction.....	8
	National Policy Context	8
	Retail Trends	9
4.0	Retail Capacity Assessment	14
	Introduction.....	14
	Study Area.....	14
	Population and Expenditure	15
	Existing Retail Floorspace 2014.....	15
	Existing Spending Patterns 2014	16
	Quantitative Capacity for Convenience Floorspace	18
	Quantitative Capacity for Comparison Floorspace.....	19
5.0	Qualitative Need for Retail Floorspace	21
	Introduction.....	21
	Diversity of Town Centre Uses.....	21
	Convenience Goods Shopping.....	24
	Retail Warehouses	25
	Local Centres	26
6.0	Food and Drink Outlets	27
	Introduction.....	27
	Existing Trading Patterns 2014	28
	Future Capacity	28
7.0	Accommodating Growth	30
	Introduction.....	30
	Floorspace Projections.....	30
	Accommodating Future Growth.....	32
	Development Opportunities	33

8.0	Conclusions	37
	Meeting Shopping Needs in LBRuT	37
	Retail Floorspace Projections	37
	Strategy Recommendations	39
	Scale of Retail Development	40
	Future Strategy Implementation and Monitoring.....	40

1.0 Introduction

Background

- 1.1 The London Borough of Richmond upon Thames (LBRuT) commissioned a Retail Study in 2006, prepared by GVA Grimley. This study was partially updated in November 2009. Nathaniel Lichfield & Partners (NLP) has been commissioned by LBRuT to prepare a comprehensive Retail Study Update, which assesses changes since the 2006 and 2009 Studies.

Study Objectives

- 1.2 The key objective of the Retail Update will be to provide a robust and credible evidence base to inform the Council's work on emerging policy documents. The key objectives of the study will be to:

- assess changes in circumstances and shopping patterns since the previous studies were undertaken, not least the effects of the recession and the availability of 2011 Census data;
- assess the future need and (residual) capacity for retail floorspace distributed by the five main centres for the period up to 2029;
- assess the potential implications of emerging developments both within and outside the Borough e.g. Westfield London, in terms of impact on town centres and potential changes to shopping patterns;
- review the existing retail hierarchy and network of centres and advise whether any changes are required;
- provide advice on future reviews of development plan policies, allocations and provide recommendations on how each centre can develop its role.

- 1.3 Section 2 of this report describes the shopping hierarchy. Section 3 outlines recent changes and retail trends. Sections 4 and 5 provide the updated retail capacity and a quantitative and qualitative need assessment. Section 6 assesses the capacity for Class A3 to A5 food and drink floorspace. Section 7 explores opportunities for accommodating growth and Section 8 provides the recommendations and conclusions.

2.0 **The Shopping Hierarchy**

Introduction

2.1 The National Planning Policy Framework (NPPF) indicates (paragraph 23) that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. Development plans are expected to define a network and hierarchy of centres that is resilient to anticipated future economic changes.

2.2 The National Planning Practice Guidance (NPPG) recently published adopted replaces the PPS4 guidance on town centres. In terms of plan-making the NPPG's emphasis is on developing strategies for town centres that are appropriate and realistic to the role of centres in the hierarchy. Town centre strategies should be based on the current state of a centre and opportunities to meet development needs. These town centre strategies should seek to support the town centre vitality and viability, and should assess if changes to the role and hierarchy of centres are appropriate. This section provides an overview of the shopping hierarchy in LBRuT and the surrounding sub-region.

The Shopping Hierarchy

2.3 Richmond upon Thames is located in the south west London, south of the River Thames and is bounded by six boroughs: Hounslow to the north and west, Wandsworth to the east, Kingston upon Thames to the south and Elmbridge and Spelthorne to the south and west. In terms of the London Plan hierarchy LBRuT contains one Major Centre and four District Centres as set out in Core Strategy Policy CP 8:

Major Centres

- Richmond

District Centres

- East Sheen
- Teddington
- Twickenham
- Whitton

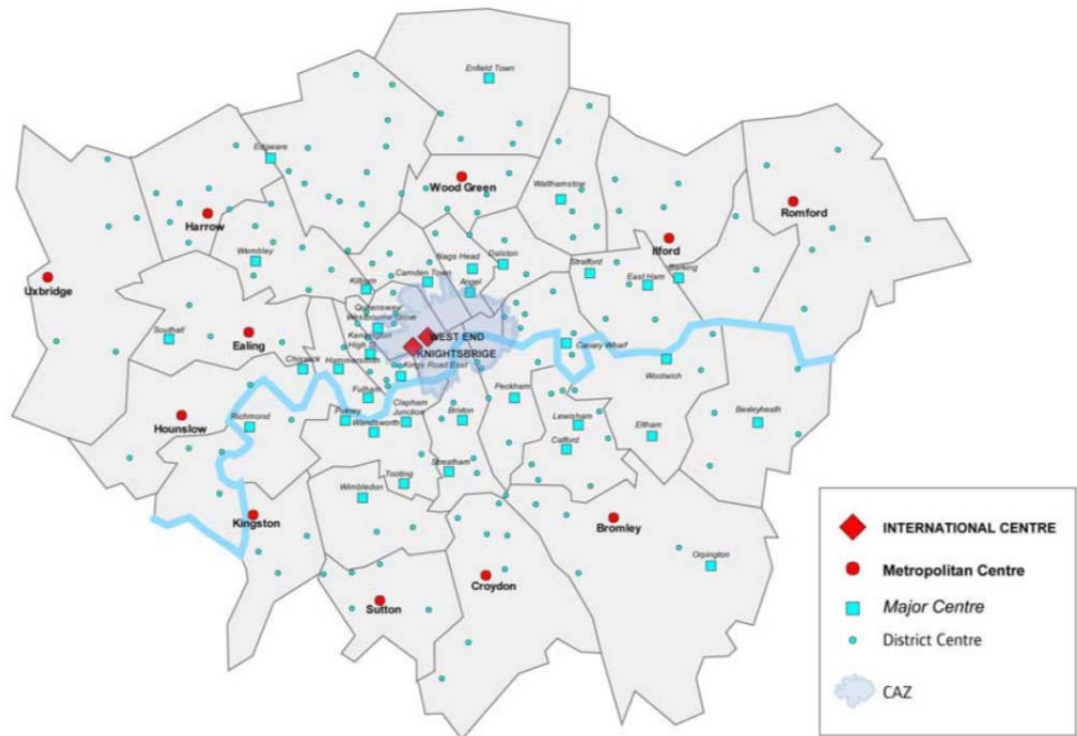
2.4 The major and district centres are supported by 32 of local centres and parades identified by the Council's land use surveys, these vary in size, range and quality but all perform a local shopping function with a mix of retail and service uses. The centres within LBRuT compete with major shopping destinations outside the Borough including:

- Kingston upon Thames;
- Central London;
- Westfield London;

- Putney;
- Hounslow; and
- Feltham.

2.5 The London Plan sets out the London wide shopping hierarchy, as shown below. International Centres are located in Central London. The outer London suburbs are served by a series of Metropolitan Centres. South West London, including LBRuT, is served by Kingston and Hounslow. Richmond town centre is a third tier Major Centre, whilst East Sheen, Teddington, Twickenham and Whitton are fourth tier District Centres.

London's Network of Town Centres



Source: GLA London Plan

2.6 Venuescore ranks the UK's top 2,000 retail destinations including town centres, malls, retail warehouse parks and factory outlet centres. The results for the Borough and other relevant centres are shown in Table 2.1.

2.7 Each destination is given a weighted score for the number of multiple retailers present; the score attached to each retailer is weighted depending on their overall impact on shopping patterns. The Venuescore usually closely correlates to the actual market size of the shopping destination in terms of consumer expenditure, however some larger shopping centres such as Westfield with fewer but larger stores and town centres with a high proportion of independent stores can generate spending levels in excess of their relative Venuescores.

2.8 Venuescore also assess the market position of the larger town centres based on the retailers present and the centre's relative position along a spectrum running from discount to luxury (i.e. lower, middle to upscale).

Table 2.1 Venuescore UK shopping Index 2013.

Centre	UK Rank	Venuescore	Market Position
London, West End	1	1,393	Upscale
Kingston upon Thames	17	367	Upper Middle
Westfield London	22	318	Upscale
Knightsbridge	40	262	Upscale
Kings Road	64	205	Upscale
Wimbledon	101	175	Upper Middle
Richmond	120	160	Upscale
Hammersmith	128	156	Middle
Ealing	132	154	Upper Middle
Putney	128	146	Upper Middle
Chiswick	176	130	Upscale
Hounslow	180	128	Lower Middle
Wandsworth	222	104	Middle
Walton on Thames	353	99	Upper Middle
Feltham	395	71	Lower
Twickenham	427	60	Upper Middle
New Malden	532	50	Middle
East Sheen	672	40	n/a
Sunbury	697	38	n/a
Acton	752	35	n/a
Teddington	833	32	n/a
Kew Retail Park	1001	27	n/a
Hanworth	1383	19	n/a
Whitton	1524	17	n/a
Barnes	1684	15	n/a
Brentford	1798	14	n/a

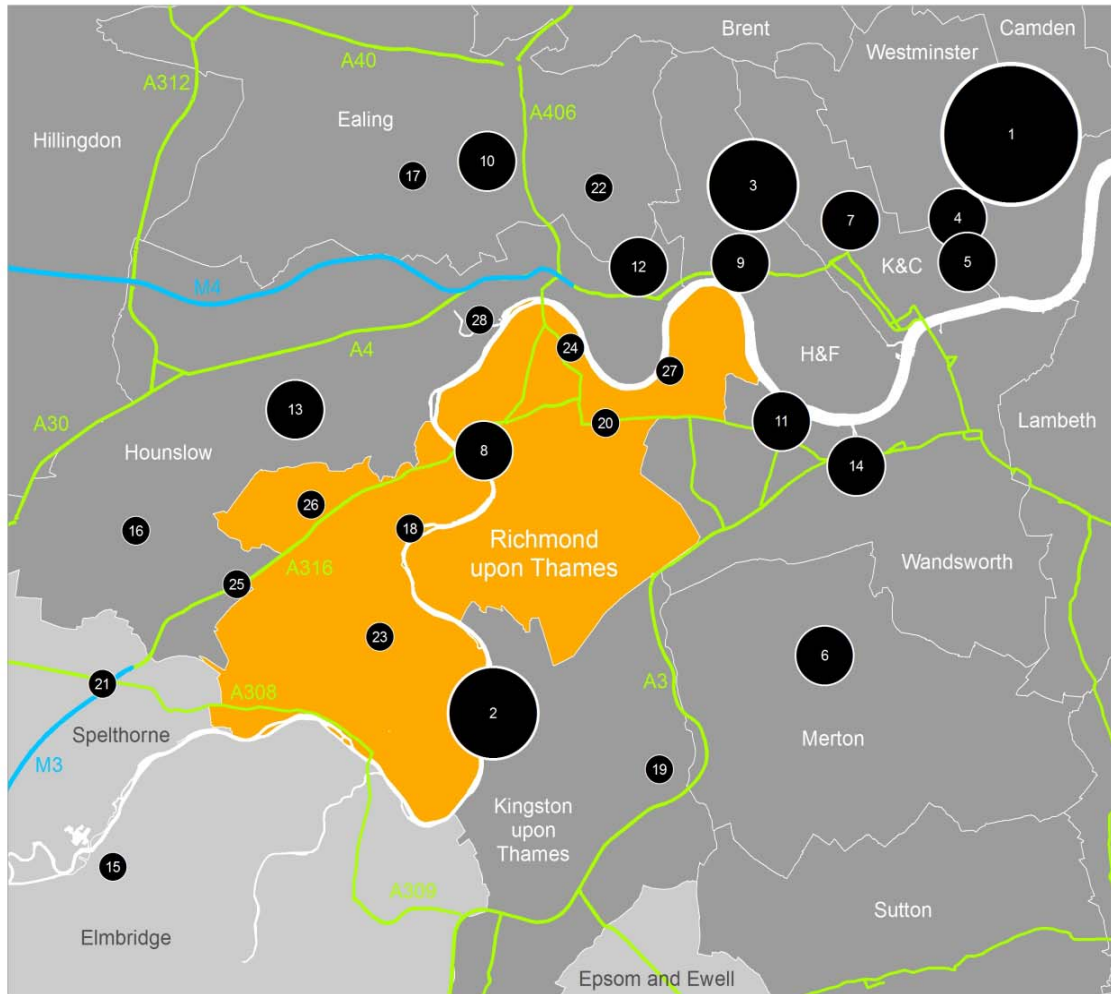
Source: Venuescore, Javelin Group 2013

BOLD indicates shopping destinations within LBRuT

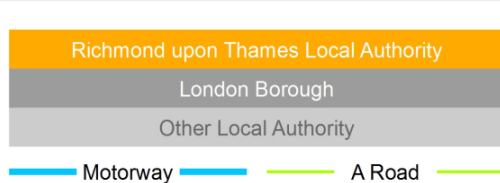
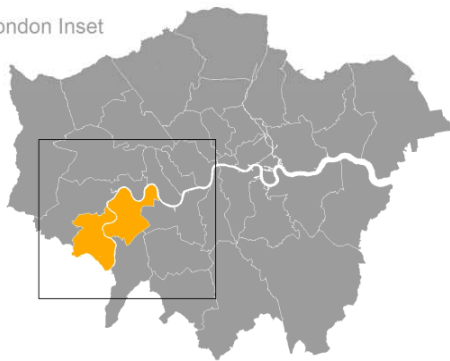
2.9

These Venuescore centres are shown on a map overleaf (Figure 2.1). Consistent with the London Plan, the Venuescore index ranks Richmond as the main centre within the Borough, ranked 120th out of all centres in the UK. Central London, Kingston, Westfield and Knightsbridge are ranked at the top of the hierarchy. Richmond town centre is a second tier centre within the London hierarchy, competing with centres such as Wimbledon, Putney and Chiswick. Richmond is defined as an “upscale” centre in terms of market position, ahead of most of its nearest rivals, including Kingston.

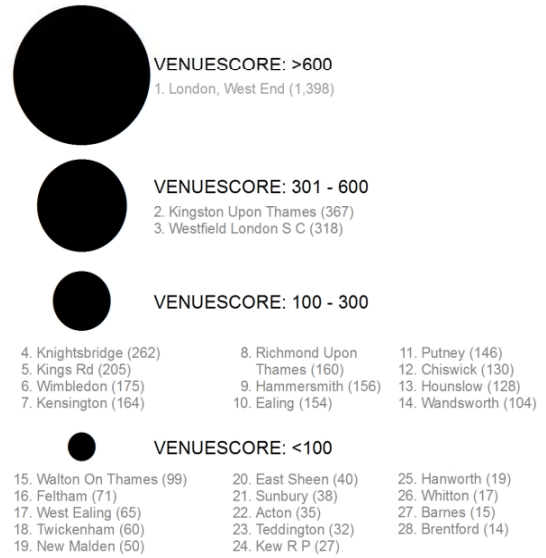
Figure 2.1 Venuescore Centres in Central/South West London



London Inset



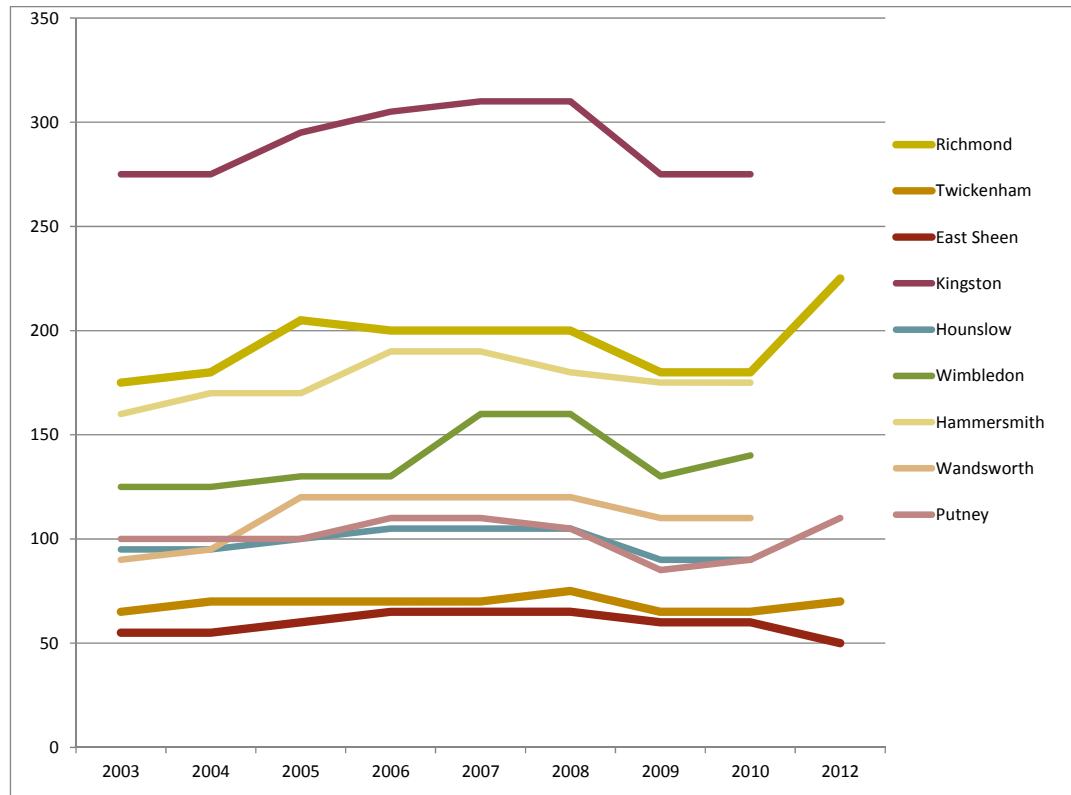
VENUESCORE, 2013-2014



Source: Javelin Venuescore 2013

- 2.10 Twickenham, East Sheen and Teddington are third tier centres with a more limited comparison retail offer than Richmond. These centres compete on a par with Feltham, New Maldon, Sunbury and Acton.
- 2.11 Whitton and Barnes feature in the Venuescore rankings, but achieve relatively low scores, suggesting they are fourth tier centres in the Venuescore hierarchy. They compete with other small centres, serving local and day to day needs, e.g. competing on a par with Brentford and Hanworth.
- 2.12 The analysis of the shopping hierarchy demonstrates that residents within Richmond Borough have good access to a large number of shopping destinations, with broad retail offer in terms of market position. Competition from outside the Borough is strong and the catchment areas of centres overlap to a significant degree. In shopping terms it is unlikely LBRuT will be self-contained and there will continue to be significant flow of expenditure from the Borough to other Borough's, in particular Kingston and Central London.
- 2.13 The relative performance of and influence of retail centres can be demonstrated by reviewing the commercial property values, for example zone A rental levels achieved for retail property. Figure 2.2 below shows the change in prime rental values in £ per square foot (£/sq.ft) for Richmond, Twickenham and East Sheen compared with other nearby competing centres for each year from 2003- 2012.

Figure 2.2 Comparison of Zone A Retail Rents (£/sq.ft)



Source: Colliers

- 2.14 Prime retail rents decreased in all the centres during the recession. Recent evidence suggests rental levels have improved since 2010. The larger centres at the top of the hierarchy command the highest Zone A rents, i.e. Kingston (£275 psf), but Richmond (£225 psf) is the best performing centre at the next level down.
- 2.15 Prime Zone A retail rents are much lower in the other smaller centres in the Borough i.e. Twickenham, (£65 psf), East Sheen (£60 psf), Teddington (£55 psf) and Whitton (£35 psf) (VOA, 2010).

Existing Retail Provision in LBRuT

- 2.16 An assessment of the existing retail provision in the main centres is provided in the centre audits included at Appendix 5. For the main centres of Richmond, East Sheen, Teddington, Twickenham and Whitton, the audit reviews the centre using the national average for all centres within the UK (all town centre Goad across the UK). A summary of existing retail provision is provided in Table 2.2 below.

Table 2.2: Existing Retail Provision in LBRuT

Centre	Town Centre Shop Units	Convenience Goods Floorspace (sq.m gross)	Comparison Goods Floorspace (sq.m gross)
Richmond	372	6,350	36,860
Twickenham	276	5,910	12,510
East Sheen	215	3,830	13,860
Teddington	182	4,290	9,910
Whitton	112	2,830	3,470
Main Centre Total	1,157	23,210	76,610
Kew Retail Park	7	n/a	14,700

Sources: Goad 2013, updated by NLP 2014 and VOA.

- 2.17 Richmond is the main centre in the Borough both in terms of number of shop units and the amount of floorspace. It is the primary destination for comparison shopping within the Borough. It is important that Richmond maintains and strengthens its role in the wider retail hierarchy. The other smaller centres in the Borough should continue to complement and support Richmond by performing a more local function.

3.0 **Recent Changes and Retail Trends**

Introduction

3.1 The retail capacity projections set out in the 2006 Retail Study and 2009 update need to be updated in line with the latest population data from the 2011 Census and the ONS's latest projections. Local expenditure data and growth projections also need to be updated, along with company average benchmark turnover figures. These changes need to be reviewed in the context of recent retail trends.

National Policy Context

3.2 National policy relating to retail and town centres was set out in PPS6 and PPS4 at the time the 2006 and 2009 studies were prepared. PPS4 was superseded by the National Planning Policy Framework (NPPF) in March 2012.

3.3 The main policy objective of ensuring the vitality of town centres has remained broadly unchanged during this period. The NPPF indicates planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. Town centres are expected to be the heart of the community and policies should support their vitality and viability.

3.4 In drawing up Local Plans, the NPPF continues to require local planning authorities to define a network and hierarchy of centres and define the extent of town centres and primary shopping areas.

3.5 The NPPF provides limited guidance on how to define the network of centres. The glossary in Annex 2 of the NPPF defines town centres as:

“Town centre: Area defined on the local authority’s proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.”

3.6 The NPPF requires local authorities to allocate a range of suitable sites to meet the scale and type of retail and other main town centre uses. The NPPF indicates that the need for development should be met in full. The allocation of sites should adopt the sequential approach to site selection, i.e. town centre first, followed by edge of centre sites and then out of centre that are well connected to the town centre.

3.7 Sections 4, 5 and 6 of this report re-assesses the need for new retail (Class A1, A3 to A5) development in the Borough.

- 3.8 The National Planning Policy Framework (NPPF) indicates (paragraph 14) that local planning authorities should positively seek opportunities to meet the development needs of their area, and Local Plans should meet objectively assessed needs.
- 3.9 The National Planning Policy Guidance (NPPG) indicates that development plans should develop (and keep under review) town centre strategies that plan for a 3-5 year period, whilst also giving a Local Plan lifetime view. Plans should identify the scale of need for main town centre uses.
- 3.10 The NPPG also introduces the requirement to consider a range of plausible scenarios, including a 'no development' scenario, which should not assume that all centres are likely to benefit from expenditure growth.

Retail Trends

- 3.11 This section considers the changes in the retail sector nationally and the implications for LBRuT.
- 3.12 The economic downturn had a significant impact on the retail sector. A large number of national operators failed (e.g. Blockbuster, Comet, HMV, JJB Sports, Jessops, Clinton Cards, Woolworths, MFI, Land of Leather, Borders, Game, Firetrap, Peacocks, La Senza, Past Times, Barratts and Habitat), leaving major voids within centres and retail parks.
- 3.13 Many town centre development schemes have been delayed and the demand for traditional bulky goods retail warehouse operators was affected. Even some of the main food store operators have seen a reduction in growth, with discount operators taking market share from the main operators. These trends have not had a significant impact on LBRuT. The overall vacancy remains relatively low and many affected businesses at a national level did not have stores within the Borough. For example, the former Blockbuster store in Twickenham is now occupied by Morrisons and the former Habitat store in Richmond is occupied by H&M.
- 3.14 Assessing future expenditure levels within this study needs to take into account the likely speed of the economic recovery, particularly in the short term. Careful consideration is needed to establish the appropriate level of expenditure growth to be adopted over the plan period. This study takes a long term view for the plan period recognising the cyclical nature of expenditure growth. Trends in population growth, home shopping/internet sales and growth in turnover efficiency also need to be carefully considered and a balanced approach taken.
- 3.15 An overview of national trends within the retail sector is set out below.

Expenditure Growth

- 3.16 Historic retail trends indicate that expenditure has consistently grown in real terms in the past, generally following a cyclical growth trend. The underlying trend shows consistent growth and this trend is expected to continue in the

future. Albeit at a lower rate of growth. The recovery from the economic downturn is expected to result in slower growth in the short term.

- 3.17 In the past, expenditure growth has fuelled growth in retail floorspace, including major out-of-centre development, particularly in the 1980s and 1990s. The economic downturn and current forecasts suggests that past rates of growth are unlikely to be achieved in the short term (next 5 years), but the underlying trend over the medium (5 to 10 years) and long terms (beyond 10 years) is expected to lead to a need for further retail floorspace. These national trends are likely to be mirrored across all parts of London, including LBRuT.
- 3.18 Within the LBRuT, expenditure per person on convenience goods has not changed significantly between 2009 and 2014 (source: Experian adjusting for inflation), and there has been limited real growth during this period. The 2009 study update projected an increase in convenience goods expenditure per person of 0.8% per annum between 2011 and 2016, and 0.5% per annum beyond 2016. Experian now anticipates limited growth up to 2015, but stronger growth thereafter (0.8% per annum). Most of the expenditure growth in this food and grocery sector in LBRuT will be fuelled by population growth.
- 3.19 The 2009 study update projected an increase in comparison goods expenditure per person of 2.5% per annum between 2011 and 2016, and 4.7% per annum beyond 2016. Experian now anticipates average growth of 2.9%. The 2009 study projected an increase in comparison goods expenditure per person of 59% between 2011 and 2024. Experian's latest forecast 40% growth between 2012 and 2024.
- 3.20 Low expenditure growth and deflationary pressures in the non-food sector had an impact on the high street between 2008 and 2012. As a result of these trends, the national shop vacancy rate (Class A uses, based on Goad Plan data) increased from around 11% in 2008 to nearly 14% in 2012. The vacancy rate in LBRuT has been consistently below the national average, as shown in Table 3.1 below. The figures suggest that during and since the recession LBRuT performed better in terms of shop vacancies than other parts of the country.

Table 3.1: Shop Vacancy Rates in the Main Centres.

Centre	2008	2010	2012	2014
Richmond	5.4%	6.8%	8.3%	5.9%
East Sheen	6.2%	9.7%	6.5%	8.8%
Teddington	4.2%	6.8%	5.2%	4.4%
Twickenham	7.7%	9.3%	8.7%	10.1%
Whitton	12.1%	11.9%	10.4%	8.0%
Goad UK Ave.	11.4%	12.5%	13.7%	12.1%

New Forms of Retailing

- 3.21 New forms of retailing (multi-channel shopping) have continued to grow, as an alternative to more traditional shopping. Home/electronic shopping, has increased with the growth in the use of personal computers, smart phones and the internet. Click and collect shopping has become more popular. The future growth of multi-channel retailing including home computing, internet connections and interactive TV will continue to have an effect on retailing in the high street and from traditional stores.
- 3.22 On-line shopping has experienced rapid growth since the late 1990s but in proportional terms the latest available data suggests it remains a relatively low percentage of total retail expenditure (about 12% of all retail expenditure). Recent national trends suggest continued strong growth in this sector. Experian's Retail Planning Note 11 (Sept 2013) states:
- “Non-store retailing continues to grow rapidly, outpacing traditional forms of spending. We retain our assumption that non-store retailing will increase at a faster pace than total retail sales well into the long term. There were 52.7 million internet users in the UK (representing 84.1% of the population) in mid-year 2012 according to Internet World Stats. So growth of the internet user base will be less of a driver than in the past decade. But growth momentum will be sustained as new technology such as browsing and purchasing through mobile phones and the development of interactive TV shopping boost internet retailing. We expect that the SFT market share will continue to increase over the forecast period, although the pace of e-commerce growth will moderate markedly after about 2020. Our forecast has the SFT share of total retail sales reaching 17.4% by 2020 rising to 20% by the end of the 2020s.”*
- 3.23 This retail update makes an allowance for future growth in e-tailing based on Experian's latest projections. The implications on the demand for retail space need to be carefully considered. For example, some retailers operate on-line sales from their traditional retail premises e.g. food store operators and click and collect operations, therefore growth in on-line sales may not always mean there is a reduction in the need for retail floorspace.
- 3.24 Given the likelihood that multi-channel shopping is likely to grow at a faster pace than total retail expenditure, this retail update assessment has adopted relatively cautious growth projections for retail expenditure, and allowance has been made for retailers to increase their turnover density, due to growth in home shopping and click and collect.
- 3.25 The household survey results suggest 8.7% of households in the Borough did their last main food and grocery shopping and 9% indicated they regularly buy groceries on the internet. In terms of comparison shopping, 4% of households do most of their non-food shopping via the internet, but the majority of household purchase from the internet. More details on internet shopping habits in the Borough are set out in the results of the household survey, summarised in Appendix 6. The internet shopping figures for LBRuT appear to be consistent with Experian's national average estimates of home shopping. Allowance is made for a growth in the proportion of non-store spending, as set out in the retail capacity methodology in Appendix 1.

- 3.26 In addition to new forms of retailing, retail operators have responded to changes in customers' requirements. Retailers have also changed their trading formats to include smaller store formats capable of being accommodated within town centres (such as the Tesco Express/Metro, Sainsbury Central/Local store and Marks and Spencer's Simply Foods formats). The number of Tesco Express and Sainsbury's Local stores has increased significantly during the last decade, due to the operator's national expansion in this sector, and perhaps also due to the absence of available sites for larger food stores. This trend has been particularly evident in LBRuT, with numerous local convenience stores operated by the main food store retailers e.g. Sainsbury's, Tesco and Morrison's.
- 3.27 The number of shops units within town centres has declined consistently since the early 1970's. The Centre for Retail Research's figures show a decline from over 300,000 units in 2001 to 282,000 in 2012. The Centre for Retail Research's Retail In 2018 report predicts nearly 62,000 high street stores across Great Britain (22% in total) will close between 2012 and 2018.
- 3.28 This decline in the number of shops hides structural trends towards fewer but larger retail stores, store extensions and significant out-of-centre development. Valuation Office data indicates the amount of retail floorspace in England and Wales grew by over 3% during the economic downturn (2008 to 2012), during a period of low expenditure growth and rapid growth in multi-channel shopping. These trends suggest that town centres must continue to evolve and change if their long term vitality and viability are to be maintained.
- 3.29 The expansion of European discount food operators Aldi and Lidl has also been rapid during the last decade. Lidl has a store in Whitton, but the discount sector has relatively limited representation in LBRuT.
- 3.30 Food store operators have also implemented a programme of store extensions, particularly Tesco, Sainsbury and Asda. These operators, faced with limited growth in food expenditure, have often increased the sale of non-food products within their food stores, including clothing and electrical goods. The physical scope to extend most of the existing food stores in LBRuT has restricted this trend in the Borough. The recent recession halted this trend for extensions nationally.
- 3.31 Comparison retailers have also responded to market conditions. The bulky goods warehouse sector has rationalised, including a number of mergers and failures, and scaled down store sizes. Other traditional high street retailers often seek large out-of-centre stores, for example Boots, Next, TK Maxx and Poundstretcher. Matalan has also opened numerous discount clothing stores across the UK. Sports clothing retail warehouses including Decathlon have also expanded out-of-centre.
- 3.32 The charity shop sector has grown steadily over the past 20 years and there is no sign this trend will halt. In many centres charity shops have occupied vacated shop premises during the recession. Goad data suggest that on average 8.4% of all comparison shops in town centres are charity shops. Twickenham (11%), Teddington (18%), Whitton (23%) and East Sheen (12%). Richmond town centre has a low proportion (less than 3%). Smaller centres

tend to have a higher proportion of charity shops than larger centres. Twickenham and East Sheen have the highest number of charity shops.

- 3.33 The discount comparison sector has also grown significantly in recent years e.g. pound shops. Based on our experience, this trend is not particularly evident in LBRuT.
- 3.34 Within town centres, many high street multiple comparison retailers have changed their format. High street national multiples have increasingly sought larger modern shop units (over 200 sq.m) with an increasing polarisation of activity into the larger regional and sub-regional centres. This trend has restricted multiple retailer demand for space within LBRuT.
- 3.35 Operator demand for space has decreased during the recession and, of those national multiples looking for space many prefer to locate in larger centres. Demand from multiples within smaller centres is likely to be weaker, which will affect the appropriate strategies for individual centres.
- 3.36 The continuation of these trends will influence future operator requirements in LBRuT with smaller vacant units becoming less attractive for new multiple occupiers, with retailers increasingly looking to relocate into larger units in higher order centres. However smaller vacant units could still be attractive to independent traders and non-retail services.

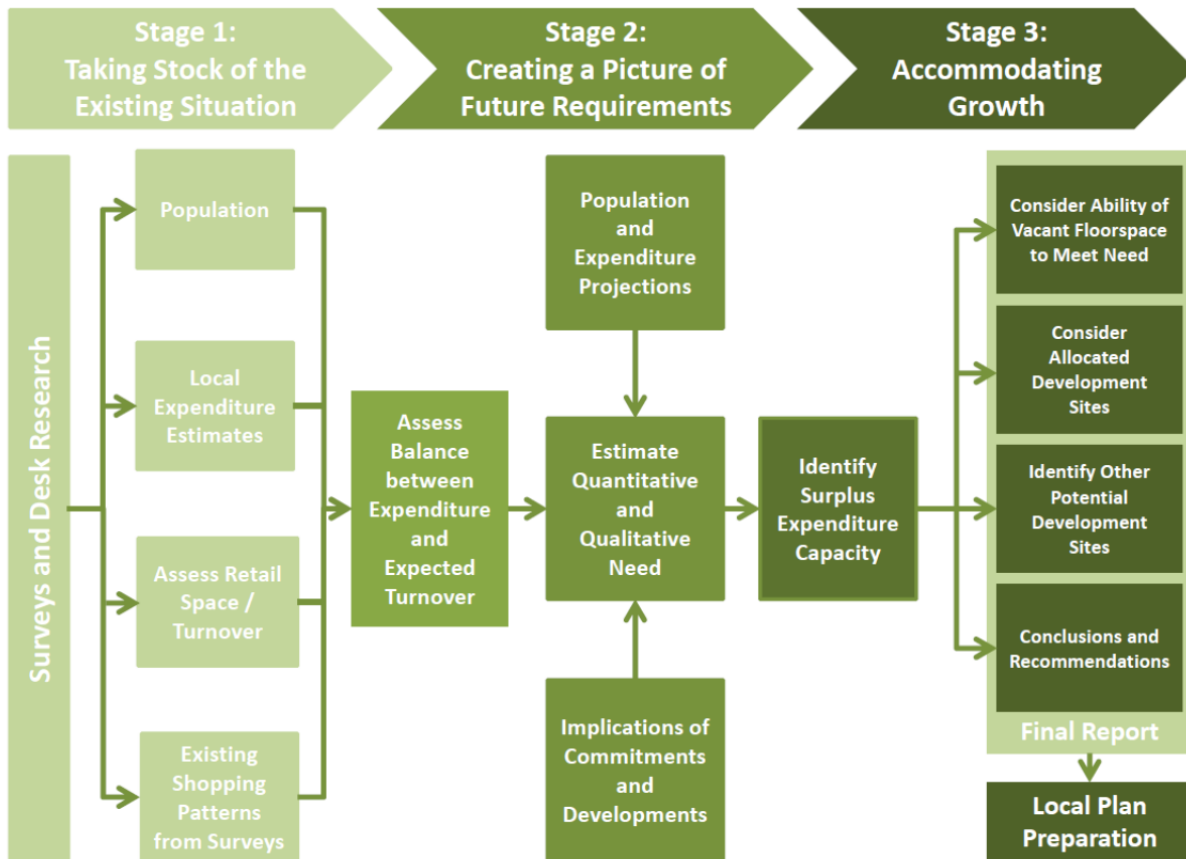
Retail Capacity Assessment

Introduction

4.1

This section objectively assesses the quantitative and qualitative scope for new retail floorspace in LBRuT in the period from 2014 to 2029. It sets out the methodology adopted for this analysis and provides a quantitative capacity analysis in terms of levels of spending for convenience and comparison shopping. A qualitative assessment of the range and scale of existing shopping facilities has been undertaken as part of the town centre audits in Appendix 4. The methodology is summarised in Figure 4.1 below and set out in more detail in Appendix 1.

Figure 4.1: Methodology for Estimating Future Requirements for Retail Floorspace



Study Area

4.2

The quantitative analysis is based on the Borough area. Previous household survey results indicate that the Borough area covers the primary catchment areas of the main shopping destinations in the Borough. The study area is subdivided into seven zones based on wards as shown in Appendix 1. The survey

zones are based on administrative wards and take into consideration the extent of the primary catchment areas of the five main centres within LBRuT.

- 4.3 The primary catchment areas are the area where each centre will attract the vast majority of its retail trade. There will be retail expenditure leakage from the study area to centres outside, but conversely expenditure inflow from surrounding areas.

Population and Expenditure

- 4.4 The study area population for 2011 to 2029 is set out in Table 1 in Appendix 2. Ward level population data provided by Experian, based on the 2011 Census have been adopted. The 2011 base year population for each zone has been projected to 2029 based on the GLA's 2013 Round Trend Based Population Projections - Central (ward) projections.
- 4.5 Population within the Borough is projected to increase by 9.4% from 193,314 in 2014 to 211,431 in 2029 based on the GLA central scenario projections. The 2009 LBRuT retail study update adopted a slightly higher increase in population e.g. 11.7% growth during the 15 year period 2011 to 2026.
- 4.6 Table 2 in Appendix 2 sets out the forecast growth in spending per head for convenience goods within each zone in the study area up to 2029. Forecasts of comparison goods spending per capita are shown in Table 2 in Appendix 3.
- 4.7 Based on the GLA population projections, as a consequence of growth in population and per capita spending, convenience goods spending within the Borough study area is forecast to increase by 18.9% from £423.95 million in 2014 to £503.97 million in 2029, as shown in Table 3 (Appendix 2).
- 4.8 Comparison goods spending is forecast to increase by 59.5% between 2014 and 2024, increasing from £731.62 million in 2014 to £1,167.04 million in 2029, as shown in Table 3 (Appendix 3).
- 4.9 It should be noted that comparison goods spending is forecast to increase more than convenience spending as the amount spent on food and drink does not increase proportionately with disposable income, whereas spending on non-food goods is more closely linked to income.
- 4.10 These figures relate to real growth and exclude inflation.

Existing Retail Floorspace 2014

- 4.11 Existing convenience goods retail sales floorspace within the Borough is over 35,000 sq.m net, as set out in Table 9 in Appendix 2. This floorspace figure excludes comparison sales floorspace within food stores. This floorspace is relatively evenly spread throughout the Borough, with around half located within the five main town centres. The 2009 retail study update only identified convenience sales floorspace within the five main centres and large stores outside the main centres (23,881 sq.m net in total). GVA's figures excluded small local shops and a number of convenience stores appear to have opened since 2009.

- 4.12 Comparison goods retail floorspace within LBRuT is estimated to be about 85,000 sq.m net, as shown in Table 9 in Appendix 3. Over 30% of non-food/durable goods sales floorspace in the Borough is located in comparison shops in Richmond town centre, with 33% in the other four main town centres. Retail parks including Kew Retail Park account for around 19% of the comparison sales floorspace.

Existing Spending Patterns 2014

- 4.13 The results of the household shopper questionnaire survey undertaken by NEMS in March 2014 have been used to estimate existing shopping patterns within the study area zones. A summary of the methodology and results is shown in Appendix 5.

Convenience Shopping

- 4.14 The results of the household shopper survey relating to main and top-up food and grocery shopping have been used to estimate existing convenience goods shopping patterns. The estimates of market share or penetration within each study area zone are shown in Table 4, Appendix 2.
- 4.15 Table 4 (Appendix 2) indicates the proportion of convenience goods expenditure retained within the Borough is relatively high. Expenditure within each zone that is spent within LBRuT ranges from 70% (Whitton) to 85% (North Richmond). The overall retention rate across the borough is 79%, which based on NLP's experience from other recent studies across London is a relatively high figure. Convenience goods expenditure leakage from the Borough is estimated to be £89 million in 2014. The retention of convenience goods expenditure within the Borough is particularly high, bearing in mind the location of large food stores just beyond the Borough boundary i.e. in Hounslow and Kingston. There appears to be limited scope to increase the Borough's retention of convenience goods expenditure.
- 4.16 The level of convenience goods expenditure attracted to shops/stores in LBRuT in 2014 is estimated to be £388 million as shown in Table 5, Appendix 2. This includes estimates of expenditure inflow (£53 million) from beyond the Borough, applying the market shares set out in Table 4.
- 4.17 The total benchmark turnover of identified existing convenience sales floorspace within the Borough based on company average sales densities is about £352 million (Table 9, Appendix 2), compared with the actual turnover of £388 million (Table 5, Appendix 2). These figures suggest that convenience retail sales floorspace in the Borough is collectively trading about 10% above the national average. Existing convenience goods floorspace in the Borough is trading healthily.
- 4.18 Based on NLP's recent experience, food stores within London tend to trade above national average sales densities, particularly in relatively affluent areas such as LBRuT. Affluent areas have much higher than average expenditure per capita, because households are likely to buy higher value/ luxury products rather than just purchasing a higher volume of products. This is likely to be the

case for many households in LBRuT and therefore the sales density of food stores is likely to be higher because of the increased quantity of higher value goods. Furthermore food stores in London tend to be smaller with less circulation space and therefore the sales density per unit of floorspace is likely to be higher.

Comparison Shopping

- 4.19 The estimated comparison goods expenditure currently attracted by shopping facilities within LBRuT is £457 million in 2014, as shown in Table 5, Appendix 3. The retention of comparison goods expenditure within the Borough is lower than for convenience goods shopping because residents will generally shop around more for comparison goods and travel further to visit large shopping destinations e.g. Kingston and Central London. The retention rate also varies more from zone to zone, ranging from just 21% in the Hampton zone to 62% in the Kew/North Richmond zone. Retention rates within the Hampton and Teddington zones are relatively low (21% and 30%) due to the proximity of Kingston town centre. Overall the comparison expenditure retention rate across the Borough is 42%, which based on NLP's recent experience across London is reasonable, and reflects the influence of higher order centres outside the Borough, in particular Kingston, the West End and Hounslow.
- 4.20 Based on the estimate of comparison goods expenditure attracted to facilities within the Borough, the average sales density for existing comparison sales floorspace (84,897 sq.m net) is £5,382 per sq.m net. The analysis of existing comparison shopping patterns in 2014 suggests the following average sales density figures for the main centres in the Borough as shown in Table 4.1.
- 4.21 Table 4.1 indicates that comparison trading levels in the Borough vary significantly, with Richmond and Twickenham trading at a higher density than other destinations. However, the household survey results will tend to over-estimate the importance of the main centres and conversely under-estimate the importance of local centres. Nevertheless, the figures still suggest comparison sales floorspace within Richmond, Twickenham and Whitton is trading very healthily.

Table 4.1: Comparison Average Sales Densities in 2014

Location	Average Sales Density (£ per sq.m net)	Market Share in Borough %
Richmond (incl. retail warehouses Manor Rd)	£7,824	17.3%
Twickenham	£7,335	6.4%
East Sheen	£4,698	5.1%
Teddington	£4,459	3.0%
Whitton	£5,678	1.8%
Kew Retail Park	£4,643	4.9%
Other in Borough	£2,527	4.0%
Borough Average	£5,382	42.4%

- 4.22 Trading levels in East Sheen and Teddington appear to be satisfactory. The turnover density of local shops (£2,527 per sq.m net) is probably underestimated by the household survey results for the reason outlined above. Overall comparison retail floorspace within the Borough is trading relatively healthily.
- 4.23 The market shares in Table 4.1 indicate that Richmond is at the top of the hierarchy in the Borough in terms of comparison shopping market share, followed by Twickenham and East Sheen, and then Teddington and Whitton at the next tier down, followed by local centres. Kew Retail Park is also an important comparison shopping destination within the Borough.
- 4.24 Overall the Borough's market share within the core zones is 42.4%. Other recent NLP studies suggest the following Boroughs retain: Wandsworth 38%, Lambeth 27%, Haringey 38%, Harrow 45%, Merton 45% and Waltham Forest 40%. These figures suggest the outflow of comparison expenditure from LBRuT (over 57%) is not unusually high, bearing in mind the proximity of shopping facilities in Kingston and access to the West End.

Quantitative Capacity for Convenience Floorspace

- 4.25 The level of available convenience goods expenditure in 2014, 2017, 2019, 2024 and 2029 is shown at Tables 5 to 9 in Appendix 2. These projections are based on constant market shares, established from the 2014 household survey results (see shares in Table 4).
- 4.26 The total level of convenience goods expenditure available for shops in the Borough between 2014 and 2029 is summarised in Table 11 in Appendix 2. Allowing for population and expenditure per capita growth, convenience goods expenditure available to shopping facilities in the Borough is expected to increase from £388 million in 2014 to £437 million in 2024, an additional £49 million. About £20 million of this growth is attributed to growth in expenditure per capita generated by the Borough's existing population and £29 million is attributed to population growth. Available expenditure will increase by a further £25 million by 2029, to about £462 million.
- 4.27 Table 11 assesses surplus convenience goods expenditure within the Borough. By 2019 there will be an additional £8.08 million, which will increase to £33.09 million in 2024 and £57.466 million in 2029. These figures take into account planned commitments i.e. Sainsbury's now under construction in Whitton and large units in Barnes and Teddington. The expenditure projections are converted into potential new floorspace estimates in Table 12 in Appendix 2. Expenditure growth is converted into floorspace estimates based on an assumed average sales density figure for the main food supermarket operators. An average sales density of £13,000 per sq.m net has been adopted. This is the optimum average achieved by the main food store operators. The 2009 GVA retail study adopted a figure £10,000 per sq.m net, but this was quoted at 2003 prices rather than 2012 prices. No increase in sales density has been assumed for convenience goods in line with Experian forecasts.

- 4.28 Available surplus expenditure up to 2019 indicates that in the short term expenditure growth could support 621 sq.m net of sales floorspace (888 sq.m gross) in the Borough as a whole (NB - net floorspace is the total sales area including checkouts and gross floorspace is the total floorspace of store including storage and back stage areas). The breakdown is shown in Table 4.2. A 70:30 net to gross ratio has been applied.

Table 4.2: Convenience Goods Floorspace Projections

Centre	By 2019	By 2024	By 2029
	Sq.m net	Sq.m net	Sq.m net
Richmond	493	1,041	1,474
Twickenham	234	469	788
Teddington	-297	-131	52
Whitton	-174	-75	36
East Sheen	220	469	673
Other in Borough	146	771	1,397
Borough Total	621	2,545	4,420

Source: Table 12, Appendix 2

- 4.29 The 2009 retail study update suggested a convenience goods floorspace projection of about 11,300 sq.m net at 2019 (pro-rata) and 13,300 sq.m net at 2024. As indicated above, GVA's retail capacity analysis excluded a significant amount of local shopping floorspace, and may have over-estimated surplus convenience goods expenditure and floorspace capacity. Furthermore, Experian now recommend a higher reduction for special forms of trading i.e. 4.9% at 2024 compared with 4% adopted by GVA in 2009.

Quantitative Capacity for Comparison Floorspace

- 4.30 The household survey suggests that the Borough's retention of comparison goods expenditure (42.4%) is lower than for convenience goods. The lower level of comparison expenditure retention is due to the strength of competing comparison goods facilities in neighbouring authorities and central London.
- 4.31 An appropriate strategy for LBRuT should be to seek to maintain existing market shares as a minimum, bearing in mind retail development proposals elsewhere in London is likely to slightly reduce expenditure retention in LBRuT e.g. major retail developments at Wandsworth (RAM Brewery/Southside), Battersea Power Station, Croydon and Westfield London. Developments within LBRuT should counter-balance the effects of developments outside the Borough. The retail capacity projections in Appendix 3 are based on this approach.
- 4.32 Available comparison goods expenditure has been projected forward to 2024 based on constant 2014 penetration rates (i.e. assuming that comparison retail facilities will maintain their current market share) in Tables 5 to 9.
- 4.33 Future available expenditure is compared with the projected turnover of existing comparison retail is shown in Table 11 in Appendix 3. Table 11

assumes that the turnover of existing comparison floorspace will increase in the future. An average growth rate of 2% per annum is adopted, in line with figures provided by Experian.

4.34 Trends indicate that comparison retailers historically will achieve some growth in trading efficiency. This is a function of spending growing at faster rates than new floorspace provision and retailers' ability to absorb real increases in their costs by increasing their turnover to floorspace ratio.

4.35 Within the Borough, allowing for the growth in turnover efficiency the comparison goods expenditure surplus at 2019 is £22.40 million. By 2024 the surplus increases to £63.13 million, and to £114.46 million in 2029.

4.36 Surplus comparison expenditure has been converted into net comparison sales floorspace projections in Table 12 in Appendix 3, using an average sales density of £6,000 per sq.m in 2014, which is expected to grow by 2% per annum, based on national average sale densities and NLP's experience across London. The surplus expenditure at 2019 could support 3,381 sq.m net of sales floorspace (4,508 sq.m gross), increasing to 8,631 sq.m net (11,508 sq.m gross) by 2024, and 14,175 sq.m net in 2029 (18,899 sq.m gross). The floorspace projections are broken down in Figure 4.4 below.

4.37 The 2009 retail study update suggested a comparison goods floorspace projection of about 6,400 sq.m net at 2019 (pro-rata) and 13,400 sq.m net at 2024. GVA's 2009 floorspace projections are much higher primarily because of the higher growth rate in expenditure per capita adopted after 2016, i.e. 4.7% per annum rather than Experian's latest recommended forecast of 2.9% per annum. Furthermore, Experian now recommend a higher reduction for special forms of trading i.e. 15.9% at 2024 compared with 12.5% adopted by GVA in 2009.

Table 4.4: Comparison Goods Floorspace Projections

Centre	2019	2024	2029
	Sq.m net	Sq.m net	Sq.m net
Richmond	1,607	4,148	6,519
Twickenham	480	1,191	2,167
Teddington	331	885	1,451
Whitton	262	593	981
East Sheen	81	208	366
Other in Borough	620	1,605	2,691
Borough Total	3,381	8,631	14,175

Source: Table 11, Appendix 3

60:40 gross to net sales densities

5.0 Qualitative Need for Retail Floorspace

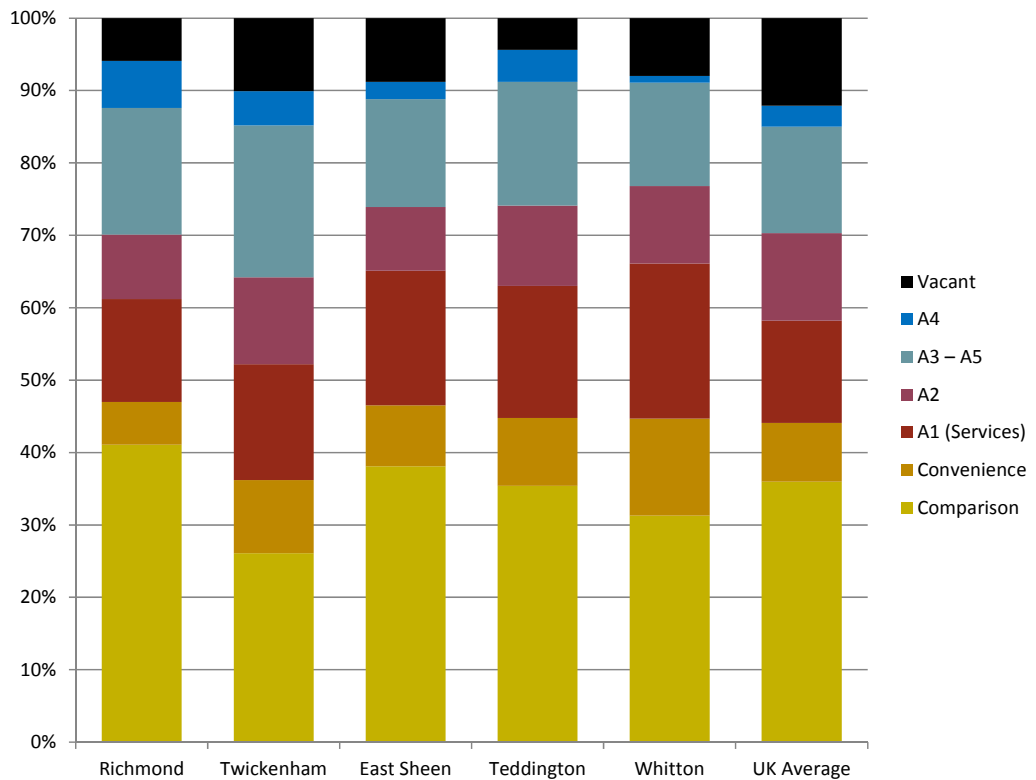
Introduction

5.1 Section 4 quantifies the theoretical capacity to support new retail floorspace within LBRuT, based on population and expenditure projections. The qualitative need for retail facilities also needs to be considered.

Diversity of Town Centre Uses

5.2 Figure 5.1 below shows the composition on each retail centre in terms of the mix and proportion of different uses i.e. the proportion of shop units within each use class. This is compared with the Goad Plan average mix for all centres across the country.

Figure 5.1: Mix of Uses by Unit



Source: Goad

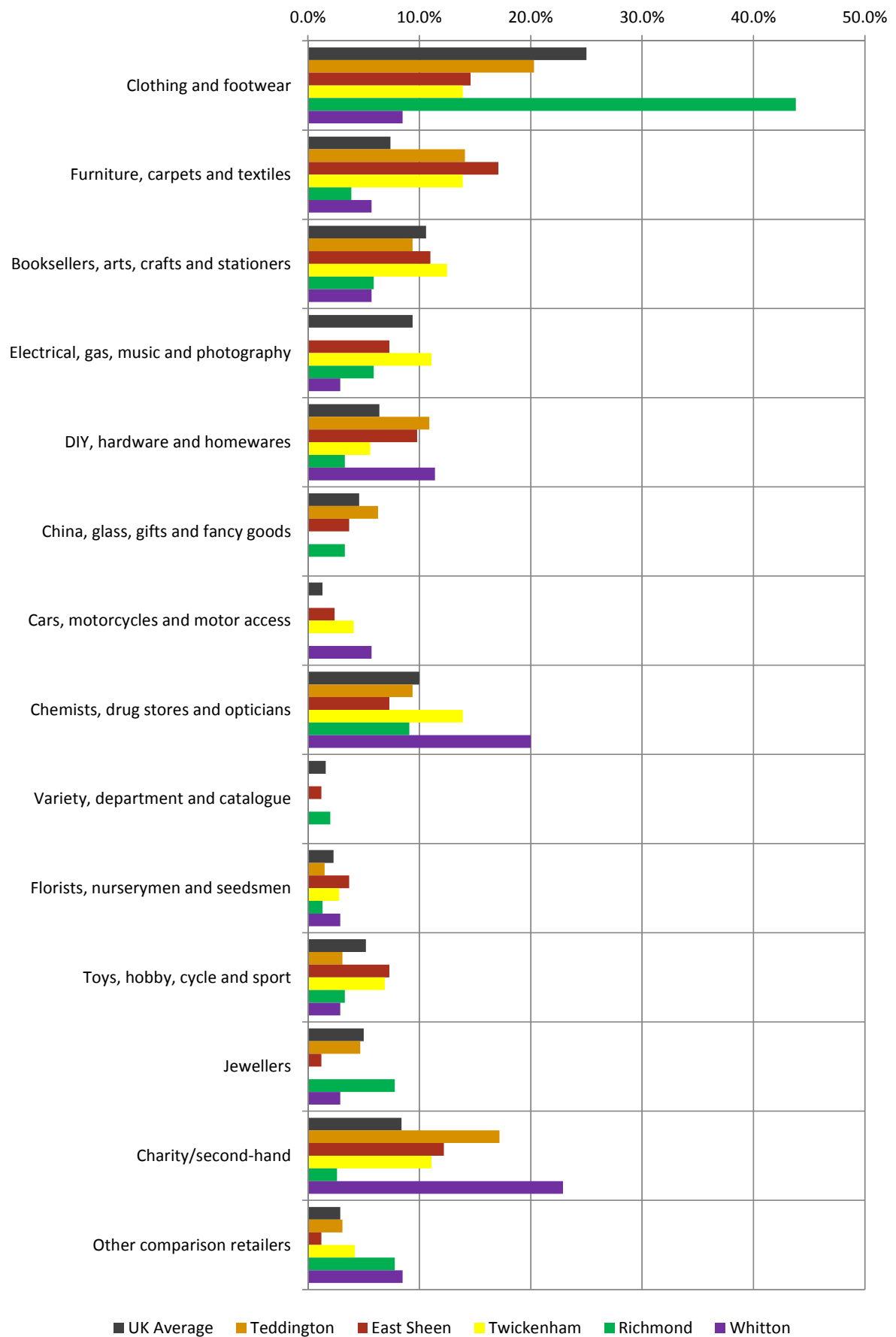
5.3 Richmond, East Sheen and Teddington have a reasonable proportion of comparison shops when compared with the national average. Twickenham has a slightly lower than average proportion of comparison shops, due primarily to the high proportion of food and drink establishments (Class A3 to A5). This sector is influenced by the proximity of the RFU stadium.

5.4 Generally larger centres have a higher proportion of comparison shop units than smaller centres. Smaller centres tend to have a higher proportion of convenience goods units and service uses, serving the local/day to day needs of their catchment area. This pattern is reflected in LBRuT, for example,

Richmond has the highest proportion of comparison shops when compared with the four smaller centres in the Borough and the national average. Larger centres tend to have a stronger focus on fashion shopping and therefore have a higher proportion of comparison shops.

- 5.5 Class A Vacancy rates are relatively low across the LBRuT's centres when compared with the national Goad Class A town centre average. In addition to Twickenham, Richmond and Teddington and have strong evening economies with a relatively high proportion of Class A3 restaurants and Class A4 bars/public houses.
- 5.6 Within the comparison retailer category, Figure 5.2 overleaf provides a summary of the representation of different types of retailers in the five main centres, compared with the national average. As the largest centre in LBRuT, Richmond most closely reflects the national average break down of uses in a number of categories.
- 5.7 Figure 5.2 shows the proportion of comparison shops within each Goad goods category. In terms of the number of shops in each category, Richmond has a better choice of comparison shops than the four other centres (see centre audits in Appendix 5 for more details).
- 5.8 As indicated in the Venuescore analysis above, Richmond has a high proportion of comparison shopping facilities, and the focus of the shops is toward the luxury/up-market sector of the market.
- 5.9 Richmond has a high proportion of clothing and footwear shops when compared with the national average, whilst the other centres have lower proportions than the national average.
- 5.10 East Sheen, Twickenham, Teddington and Whitton generally have higher portions of lower order comparison shops (i.e. selling items bought on a regular basis) and charity shops.
- 5.11 Collectively the choice of comparison shops within the Borough is excellent, with over 400 comparison shops within the five main centres. Richmond has the main concentration of multiple retailers (77 outlets identified in the 2012 health check). The majority of shops within the other centres are independent traders.

Figure 5.2 Comparison Goods Proportion of Units



- 5.12 Household and in-street surveys undertaken during the study provide information about customers views on the main centres in the Borough. The results of this survey are analysed in Appendix 6 and 7.
- 5.13 In-street visitors were asked to rate (“very poor” to “very good”) the five main centres based on a range of factors. In terms of the range of shops and services all five centres achieved a positive score, with more respondents rating the centres as “good” or “very good” rather than “poor” or “very poor”. Richmond and Teddington achieved the highest scores. East Sheen and Whitton achieved the lowest (albeit still positive) scores.
- 5.14 In terms of the quality of shops and services, again all five centres achieved a positive score. Richmond, Twickenham and Teddington achieved the very highest scores. East Sheen and Whitton achieved the lowest (albeit still positive) scores.
- 5.15 The scores relating to the size/quality of food stores were positive in all five centres, but the overall level of satisfaction was slower than the scores relating to range and quality of shops.
- 5.16 Overall the levels of customer/visitor satisfaction with shopping provision within the five main centres are relatively high.

Convenience Goods Shopping

- 5.17 The household survey results indicate that most residents in the study area undertake both a main shopping trip and top-up shopping trips. Main shopping trips are generally made once a week or less often, and the household survey identified that 62% of respondents travel to do their main food shopping by car (both driver and passenger), compared with 45% for non-food shopping. The availability of a wide range of products and car parking are important requirements for main/bulk food shopping trips. Large supermarkets or superstores (Over 1,000 sq.m net) are the usual destination for these types of shopping trip.
- 5.18 There are three food superstores (over 2,500 sq.m net) within the Borough, i.e. Sainsbury’s stores at Lower Richmond Road and Hampton and Waitrose in East Sheen. There are a number of food superstores in neighbouring authorities that are accessible to residents within LBRuT e.g. Tesco Extra at Mogden Lane, Isleworth and Asda at Roehampton.
- 5.19 The food superstores are supported by a good range of large and small supermarkets and convenience stores. There are three large supermarkets (over 1,200 sq.m net) in the Borough i.e. Tesco Metro and Waitrose stores in Richmond and Waitrose in Twickenham. There are five smaller supermarkets (between 400 to 1,000 sq.m net) i.e. Tesco Metro in Teddington, Sainsbury’s Tangle Park Road, Waitrose Hampton Village and Iceland stores in Whitton and Twickenham.
- 5.20 These food superstores and supermarkets are supported by four Marks & Spencer food halls/simple food stores, ten Tesco Express stores, four Sainsbury’s Local stores and a number of other small convenience stores. The

discount food sector is under-represented, with only a small Lidl store in Whitton.

- 5.21 The audit of main centres in Appendix 5 indicates all five centres have a good choice of convenience goods facilities shops, ranging from 15 outlets in Whitton to 28 outlets in Twickenham.
- 5.22 All residents in the Borough have good access to food stores both within and outside the Borough. There are no obvious areas of deficiency in food store provision.

High Street Comparison Shopping

- 5.23 An assessment of the shopping hierarchy is shown in Section 2 and an audit of shopping facilities within the main centres is shown in Appendix 5. Richmond is the main comparison goods shopping destination in terms of number of outlets, sales floorspace and representation of multiple retailers. Teddington, Twickenham and East Sheen are similar in terms of the number of comparison shops and amount of retail sales floorspace. Whitton is smaller in terms of size.
- 5.24 Kingston and Hounslow town centres are metropolitan centres within the Greater London hierarchy and both are accessible to residents within LBRuT.
- 5.25 These centres/shopping destinations provide a good spread and choice of comparison shopping facilities for residents within LBRuT.
- 5.26 The five main centres in the Borough provide a good range of comparison shops, including many national multiples and independent specialists. Richmond is defined by Javelin as an “upscale” centre in terms of market position, ahead of most of its nearest rivals, including Kingston.
- 5.27 However centres within the Borough do not provide the same range and choice of comparison shopping facilities when compared with higher order shopping centres e.g. the West End, Kingston, Westfield and Croydon. Many residents with the Borough are likely to continue to shop outside the Borough.

Retail Warehouses

- 5.28 Kew Retail Park is also a major comparison goods shopping destination in the Borough, including Marks & Spencer, Next, Boots and TK Maxx. Unlike most retail parks, Kew Retail Park sells predominantly non-bulky goods.
- 5.29 Ivy Bridge Retail Park and Apex Retail Park are close to the Borough boundary and are accessible.
- 5.30 The bulky goods retail warehouse sector has suffered during the recession and growth has been limited in recent years. Many London Boroughs continue to have a limited number of retail warehouses, due to high land values and the poor availability of large sites.

Local Centres

- 5.31 In addition to the five main centres LBRuT has a large number (32) of local centres and parades distributed throughout the Borough. These range from large local centres with 30 to 100 shop units to small parades with a small selection of shops. These centres have an important supporting role to the five main centres.
- 5.32 Most residents within the Borough have local shopping facilities within walking distance.

6.0 Food and Drink Outlets

Introduction

6.1 Service uses perform an important role in the overall offer of a centre, and encourage customers to shop locally. The service uses are categorised as follows:

- **Class A1 services** cover a range of uses, including hairdressers, dry cleaners, travel agents, some sandwich shops (those not categorised as Class A3), funeral parlours and post offices.
- **Class A2 services** include banks, building societies, financial services, betting offices, pawnbrokers, estate agents and employment agencies.
- **Class A3/A5** includes restaurants, cafés (A3) and takeaways (A5).
- **Class A4** pubs/bars (Class A4).

6.2 Food and drink establishments (Class A3, A4 and A5) including restaurants, bars and pubs have supported other major leisure uses on leisure and retail parks and are important services within town and local centres. National information available from Experian Goad indicates that the proportion of non-retail uses within town centres across the country has increased over the last decade. The current UK average for Goad town centres indicates that 14.7% of units are in Class A3/A5 (restaurants, café and takeaway) and 2.9% of units are Class A4 (public houses/bars). A balance between Class A1 and Class A3 to A5 uses needs to be maintained. The mix of uses in the main centres in the Borough is shown in Table 6.1.

Table 6.1 LB Richmond upon Thames Centres Use Class Mix

Type of Unit	Proportion of Total Number of Units (%)				
	Richmond	Twick'm	E.Sheen	Tedding'n	Whitton
Class A1 (Retail)	47.0	36.2	46.5	45.0	44.7
Class A1 (Services)	14.2	14.1	18.6	19.4	21.4
Class A2	8.9	12.1	8.8	11.1	10.7
Class A3/A5	17.5	14.7	14.9	16.1	14.3
Class A4 (Pubs/Bars)	6.5	4.7	2.4	3.9	0.9
Vacant/ under const.	5.9	12.1	8.8	4.4	8.0
Total	100.0	100.0	100.0	100.0	100.0

Source: Experian Goad

6.3 The proportions of Class A3/A5 within Richmond and Teddington are higher than the national average, and the other three centres are similar to the national average. In proportional terms, Richmond town centre and Teddington have an excellent provision of Class A3 restaurants and public houses/bars.

Existing Trading Patterns 2014

Food and Drink Expenditure

- 6.4 The Experian's latest 2012 local expenditure figures have been adopted. Food and drink expenditure per capita projections are shown in Table 1 in Appendix 4. Food and drink expenditure per capita is expected to increase in real terms (excluding inflation) by 23.2% between 2014 and 2029.
- 6.5 Total food and drink expenditure is shown in Table 2 in Appendix 4, based on population figures in Table 1 in Appendix 1 and average expenditure in Table 1 in Appendix 4. Food and drink expenditure within the study area is expected to increase from £246 million in 2014 to over £332 million in 2029, an increase of about 35%.

Food and Drink Expenditure Patterns

- 6.6 Existing food and drink expenditure patterns have been modelled based on the household survey results within the study area zones. Base year (2014) penetration rates are shown in Table 3 in Appendix 4 and expenditure patterns are shown in Table 4. The estimated expenditure currently attracted by facilities within LBRuT is £282 million in 2014, as shown in Table 4 in Appendix 4. The retention rate is high across all zones, ranging from 75% to 88%. There appears to be limited potential to increase market share in the future.
- 6.7 Based on the estimate of food and drink expenditure attracted to facilities within the Borough, the average annual turnover for the Borough's 458 restaurants, café, bars and takeaways is around £0.6 million, with an average turnover density of about £5,000 per sq.m. This figure is consistent with NLP's recent experience in London.

Future Capacity

- 6.8 The household survey suggests that the Borough's retention of food and drink expenditure is very high (over 80%) and the amount of expenditure inflow from beyond the Borough is also high (over £80 million). An appropriate strategy for LBRuT should be to seek to maintain existing market shares. The capacity projections in Appendix 4 are based on this approach.
- 6.9 Available food and drink expenditure has been projected forward to 2029 based on constant 2014 penetration rates (i.e. assuming facilities will maintain their current market share) in Tables 4 to 8. Future available expenditure is compared with the projected turnover of existing facilities is shown in Table 10 in Appendix 4. Existing facilities are expected to increase their turnover by 1% per annum.
- 6.10 Surplus expenditure has been converted into floorspace projections in Table 11 in Appendix 4, using an average sales density of £5,000 per sq.m, inflated by 1% per annum. The floorspace projections are broken down in Table 6.2 below.

Table 6.2: Food and Drink Floorspace Projections

Centre	2019 Sq.m gross	2024 Sq.m gross	2029 Sq.m gross
Richmond	1,536	2,884	3,824
Twickenham	509	923	1,459
Teddington	590	1,013	1,435
Whitton	97	170	245
East Sheen	266	509	720
Other in Borough	540	1,012	1,435
Borough Total	3,538	6,512	9,118

Source: Table 11, Appendix 4

Accommodating Growth

Introduction

- 7.1 The National Planning Policy Framework (NPPF) indicates (paragraph 23) that local plans should allocate a range of suitable sites to meet the scale and type of retail, leisure and other development needed in town centres. The need for development should be met in full and should not be compromised by limited site supply. In order to accommodate growth local planning authorities should assess the need to expand town centres to ensure a sufficient supply of suitable sites. NPPF (paragraphs 23 and 24) indicates local planning authorities should apply a sequential approach for development.
- 7.2 The National Planning Policy Guidance indicates that development plans should develop (and keep under review) town centre strategies that plan for a 3-5 year period, whilst also giving a development plan lifetime view. Plans should identify the scale of need for main town centre uses and assess whether the need can be met on town centre sites or through expanding centres, with the sequential test to be followed.
- 7.3 The NPPG acknowledges that not all successful town centre regeneration projects are retail-led, or will involve significant new developments. Public realm, transport and accessibility improvements can play important roles. Town centre car parking strategies, in a move away from resisting parking in town centres, are to encourage improvements to both the quality and quantity of car parking provision, where required to enhance the performance of town centres.

Floorspace Projections

- 7.4 The floorspace projections set out in Section 4 assume that new shopping facilities within LBRuT can maintain their current market share of expenditure within the Borough. There are a number of issues that may influence the scope for new floorspace and the appropriate location for this development, as follows:
- major retail developments in competing centres;
 - the re-occupation of vacant retail floorspace;
 - the availability of land to accommodate new development;
 - the reliability of long term expenditure projections;
 - the effect of Internet/home shopping on the demand for retail property;
 - the level of operator demand for floorspace in LBRuT;
 - the likelihood that LBRuT's existing market share of expenditure will change in the future in the face of increasing competition;
 - the potential impact new development may have on existing centres.
- 7.5 The NPPG suggests town centre strategies should plan for a 3-5 year period, but the longer term plan period should be considered. Projections up to 2019

are realistic and are based on up to date forecasts, which take into account the effects of the recession. The longer term floorspace projections (up to 2024) provide a useful guide for development plan allocations and development management decisions. Projected surplus expenditure for comparison goods is primarily attributable to projected growth in spending per capita. If the growth in expenditure is lower than that forecast then the scope for additional space will reduce. Longer term projections particularly between 2024 and 2029 should be monitored and kept under-review. The emerging development should seek to accommodate growth up to 2024 and keep under review longer term projections up to 2029.

- 7.6 The expenditure projections in this study take into account home shopping made through non-retail businesses, because special forms of trading have been excluded. The study assumes that special forms of trading will increase in the future, including the growth of internet shopping. The impact of Internet growth on the demand for retail floorspace is unclear. Some retailers' home delivery and internet services utilise existing stores rather than warehouses, for example Tesco Direct. Growth in internet sales will not always reduce the demand for shop floorspace. In addition, some of the growth in Internet sales may divert trade away from mail order companies rather than retail operators. Overall the long term impact of home shopping on expenditure projections is uncertain.
- 7.7 The quantitative and qualitative assessment of the potential for new retail floorspace within the previous sections suggests there is scope for new retail development within LBRuT during the Plan period. This section examines the opportunities for accommodating this projected growth and assesses potential to accommodate this floorspace.
- 7.8 The projections up to 2024 suggest there is scope for about 4,000 sq.m gross of convenience goods floorspace, 11,500 sq.m gross of comparison goods floorspace and 6,500 sq.m gross of Class A3/A4/A5 floorspace. Table 7.1 below summarises the floorspace projections by centre in 2024.

Table 7.1: Summary of Floorspace Projections 2024 (sq.m gross)

Centre	Convenience	Comparison	Class A3/A4/A5	Total
Richmond TC	1,488	5,531	2,884	9,903
East Sheen	670	278	509	1,457
Teddington	-131	1,180	1,013	2,062
Twickenham	670	1,588	923	3,181
Whitton	-107	791	170	854
Other LBRuT	1,102	2,141	1,012	4,255
Total	3,692	11,508	6,512	21,712

Source: Appendix 2, 3 and 4

Accommodating Future Growth

- 7.9 The sequential approach suggests that designated town centres should be the first choice for retail development. In accommodating future growth, the following issues should be taken into consideration:
- What is the locational area of need the development seeks to serve and what existing centre could potentially fulfil the identified area of need?
 - Is the nature and scale of development likely to serve a wide catchment area?
 - Is a site available in one of the designated centres, including vacant premises and will this site meet the identified need?
 - If the development has a more localised catchment area, is a site available in a local centre and will this site meet the identified need?
- 7.10 All development should be appropriate in terms of scale and nature to the centre in which it is located.
- 7.11 The existing stock of premises will have a role to play in accommodating projected growth, during the economic recovery. The retail capacity analysis in this report assumes that existing retail floorspace can, on average, increase its turnover to sales floorspace densities. For comparison goods, a growth rate of 2% per annum is assumed. In addition to the growth in sales densities, vacant shops could help to accommodate future growth.
- 7.12 There are 86 vacant shop units within the five main centres (Richmond, East Sheen, Teddington, Twickenham and Whitton), which equates to an overall vacancy rate of 7.4%, which is lower than the Goad national average (12.1%). The total amount of vacant floorspace in these centres is 11,400 sq.m gross.
- 7.13 Within local centres and parades, the Council's latest land use survey indicates there were 81 vacant shop units, a vacancy rate of 8%, about 4,000 sq.m gross (assuming an average of 50 sq.m gross per unit).
- 7.14 As a target, the current vacancy level across the Borough could fall to 5%. If this reduction in vacancy rate is achieved then the number of reoccupied units would be 59 units in the Borough as a whole. The reoccupation of 59 vacant units could accommodate about 5,200 sq.m gross of Class A1 to A5 floorspace. Based on existing vacancy levels, this potential re-occupied space could be distributed as follows:
- **Richmond town centre** 400 sq.m gross
 - **East Sheen:** 1,200 sq.m gross
 - **Teddington** 0 sq.m gross
 - **Twickenham:** 1,800 sq.m gross
 - **Whitton:** 300 sq.m gross
 - **Local centres/parades:** 1,500 sq.m gross
 - **Total** **5,200 sq.m gross**

- 7.15 If this reduction in vacant units can be achieved, then the overall Class A1 to A5 floorspace projection up to 2024 would reduce from 21,700 sq.m gross (Table 7.1 above) to 16,500 sq.m gross. It is unlikely that vacant shop units can accommodate much more than 24% of the projected additional floorspace capacity up to 2024.

Development Opportunities

- 7.16 The Twickenham Area Action Plan was recently adopted and contains proposals for opportunity areas and sites. Consultation on the Local Plan Site Allocations DPD pre-publication version was undertaken between October and November 2013. A number of possible sites for retail/ mixed use development were considered as part of the 2006 Retail Study. Sites considered as viable or still available were included within the Site Allocations DPD.
- 7.17 The ability of these emerging sites and opportunities to accommodate the retail floorspace is considered below.

Richmond Town Centre

- 7.18 Based on existing trading patterns the capacity projection suggest around 9,900 sq.m gross of Class A1 to A5 could be required in Richmond town centre. Only a small proportion (perhaps less than 5%) of this projection is likely to be accommodated in vacant premises.
- 7.19 Site RI 2 Richmond Station is identified in the Site Allocations DPD with the potential for the largest amount of Class A1-A5 retail floorspace (approximately 10,000 sq.m). The retention of station and comprehensive development over the tracks is envisaged to provide an intensive mix of town centre uses. The uses are expected to include larger retail units, leisure or entertainment, offices and residential. The proposal is expected to bring additional benefits to the town centre and enhance the vitality and viability of the town by complementing.
- 7.20 Site RI 3 Richmond Police Station, Red Lion Street is a smaller site that is expected to provide commercial uses at ground floor level with residential above.
- 7.21 These development opportunities are capable of accommodating the Richmond floorspace projection up to and beyond 2024. There is no need to allocate further sites for retail development in Richmond town centre.

East Sheen

- 7.22 The capacity projections suggest around 1,500 sq.m gross of Class A1 to A5 could be provided in East Sheen up to 2024. The majority (perhaps 80%) of this projection could be accommodated in vacant shop premises.
- 7.23 The remaining potential (300 sq.m gross) could be accommodated nearby at Mortlake Brewery. Site Allocations DPD site EM 1 - Stag Brewery, Lower Richmond Road in Mortlake is expected to be redeveloped to provide a broad mix of uses including residential, open space, primary school, community and

health, business, sports and leisure uses and river-related uses. The uses should include restaurants, cafés and small retail spaces. A significant element (approximately one third, about 500 sq.m) of the East Sheen floorspace projection relates to Class A3 to A5 uses. The river related development at the Mortlake Brewery site should be well placed to accommodate this projection.

Teddington

- 7.24 The retail floorspace projections take into account two food store commitments in Teddington i.e. a proposed store on Kingston Road and a Sainsbury's Local on Teddington High Street.
- 7.25 The capacity projections (over and above commitments) suggest around 2,000 sq.m gross of Class A1 to A5 could be provided in Teddington. There is limited potential to accommodate this projection within vacant premises.
- 7.26 Site Allocations DPD site TD 1 – Telephone Exchange on the High Street is expected to provide retail/commercial at ground floor, with residential above. If developed this site could in theory accommodate up to two thirds of the Teddington floorspace projection.
- 7.27 Site TD7 – Teddington Delivery Office is expected to provide a mixed use scheme with active frontage up to the High Street. This site could accommodate around 400 sq.m gross at ground floor level.
- 7.28 If these two sites can be delivered they should be capable of accommodating most of the floorspace projection up to 2024, and there is no need to identify further allocations in Teddington town centre.

Twickenham

- 7.29 The capacity projections suggest around 3,200 sq.m gross of Class A1 to A5 could be provided in Twickenham. A reasonable proportion (perhaps 50% to 55%) of this projection could be accommodated in vacant premises.
- 7.30 The Twickenham Action Area Plan identifies a number of opportunity areas where further facilities could be accommodated. The Twickenham Riverside area (TW7) is expected to include enhancement of the new public park and the Embankment in order to create a unique waterfront. Suggested improvements include the strengthening of the retail offer on the corner of King Street/Water Lane. This area may be well places to accommodate restaurant uses that would benefit from the Riverside improvements.
- 7.31 The Area Action Plan also suggests the Northern Approach should be enhanced to create an attractive entrance into the town centre with a new station, enhanced public realm and comprehensive mixed use development of key opportunity sites and enhancing the River Crane corridor.
- 7.32 Other specific sites identified within the Twickenham Area Action Plan for a mix of uses including possible retail include proposal Site TW5 - Telephone Exchange Garfield Road Uses, if released, is expected to provide an active frontage onto Garfield Road, which could include an indoor market/niche retail/cinema with residential above.

- 7.33 Proposal Site TW6 – Police Station, London Road is expected to provide a mix of town centre uses to include retail or other active frontage on London Road.
- 7.34 These sites and vacant units should be capable of accommodating the floorspace projection within Twickenham up to 2024, and there is no need to identify further allocations in Twickenham.

Whitton

- 7.35 The retail floorspace projections take into account the Sainsbury's food store commitment on Whitton High Street.
- 7.36 The floorspace capacity projections over and above commitments suggest under 900 sq.m gross of Class A1 to A5 could be provided in Whitton. Over a third of this projection could be accommodated in vacant premises.
- 7.37 A Sainsbury's store is currently under construction which will provide 280 sq.m net floorspace, this is taken into account within the projections.
- 7.38 Site Allocations DPD site WT2- Iceland Store High Street, Whitton is expected to provide mixed town centre uses to include residential units, retail or services and new library. However the loss of the Iceland store would increase the convenience goods floorspace projection in Whitton.
- 7.39 The small amount of unmet capacity within Whitton could be transferred capacity to other nearby locations e.g. Twickenham.

Rest of Richmond upon Thames Borough

- 7.40 The retail floorspace projections take into account the Marks & Spencer Simply food proposed in Barnes High Street.
- 7.41 The capacity projections over and above commitments suggest around 4,250 sq.m gross of Class A1 to A5 could be provided in other local centres/parades in the Borough. Over a third of this projection (1,500 sq.m gross) could be accommodated in vacant premises.
- 7.42 Site Allocations DPD site HA 1 Hampton Square, Hampton is expected to be partially redeveloped to provide community, retail and service and residential uses. This development could accommodate facilities catering for local needs.
- 7.43 As indicated above in relation to East Sheen, Site Allocations DPD site EM 1 - Stag Brewery, Lower Richmond Road in Mortlake is expected to be redeveloped to provide a broad mix of uses including restaurants, cafés and small retail spaces. A significant element (over 20% - 1,000 sq.m) of the rest of LBRuT floorspace projection relates to Class A3 to A5 uses. The river related development at the Mortlake Brewery site should be well placed to accommodate this some of this projection.
- 7.44 Ryde House on Richmond Road in East Twickenham local centre has recently been the subject of mixed use development proposals. If developed this site could provide up to 1,000 sq.m gross of retail space at ground floor level.

7.45

Vacant shop units and these three development opportunities should be capable of accommodating most of the floorspace projection up to 2024. The no need to identify further major allocations.

8.0 **Conclusions**

- 8.1 This report provides an update of the Borough wide needs assessment for retail development in LBRuT. The principal conclusions of the analysis contained within this study are summarised below.

Meeting Shopping Needs in LBRuT

- 8.2 The NPPF states that local planning authorities should assess the quantitative and qualitative needs for land or floorspace for retail development over the plan period up to 2024.
- 8.3 When planning for growth in their town centres, local planning authorities should allocate a range of suitable sites to meet the scale and type of retail development needed. It is important that the needs for retail and other main town centre uses are met in full and not compromised by limited site availability.

Retail Floorspace Projections

- 8.4 The quantitative assessment of the potential capacity for new retail floorspace suggests that there is scope for new retail development within LBRuT. The adopted Core Strategy 2009 sets out the approach for the main centres. Policy CP8 Town and Local Centres identifies the amount of retail space that could be accommodated, i.e. 8,000 sq.m net in Richmond, 400 sq.m net in Twickenham, 300 sq.m net in Teddington, 1,500 sq.m net in East Sheen and 600 sq.m net in Whitton. These projections are for the period 2009 to 2017. These projections need to be updated and rolled forward to 2024.
- 8.5 On the basis that LBRuT maintains its existing market share of expenditure, the floorspace capacity projections for food and grocery shopping provision would be 2,700 sq.m net (3,850 sq.m gross) by 2024. In qualitative terms, all residents in the Borough have good access to food stores both within and outside the Borough. There are no obvious areas of deficiency in food store provision. Based on current shopping patterns, new floorspace could be distributed as follows:

Table 8.1: Convenience Goods Retail Floorspace Projections Net Sales (Gross)

Location	Additional Retail Floorspace Sq.M Net (Gross)		
	2014 - 2019	2019 - 2024	Total 2014 - 2024
Richmond	500 (700)	500 (750)	1,000 (1,450)
Twickenham	200 (300)	300 (400)	500 (700)
Teddington	0	0	0
East Sheen	200 (300)	300 (400)	500 (700)
Whitton	0	0	0
Other LBRuT	100 (150)	600 (850)	700 (1,000)
Total	1,000 (1,450)	1,700 (2,400)	2,700 (3,850)

8.6 The comparison goods projections, based on constant markets shares, suggest new floorspace could be distributed as follows:

Table 8.2: Comparison Goods Retail Floorspace Projections Net Sales (Gross)

Location	Additional Retail Floorspace Sq.M Net (Gross)		
	2014 - 2019	2019 - 2024	Total 2014 - 2024
Richmond	1,600 (2,100)	2,500 (3,400)	4,100 (5,500)
Twickenham	500 (700)	700 (900)	1,200 (1,600)
Teddington	300 (400)	600 (800)	900 (1,200)
East Sheen	100 (150)	100 (150)	200 (300)
Whitton	300 (400)	300 (400)	600 (800)
Other LBRuT	600 (800)	1,000 (1,300)	1,600 (2,100)
Total	3,400 (4,550)	5,200 (6,950)	8,600 (11,500)

8.7 The Class A3 to 5 food and drink projections, based on constant markets shares, suggest new floorspace could be distributed as follows:

Table 8.3: Food and Drink Class A3 to A5 Floorspace Projections (Gross)

Location	Additional Floorspace sq.m Gross		
	2014 - 2019	2019 - 2024	Total 2014 - 2024
Richmond	1,500	1,400	2,900
Twickenham	500	400	900
Teddington	600	400	1,000
East Sheen	300	200	500
Whitton	100	100	200
Other LBRuT	500	500	1,000
Total	3,500	3,000	6,500

8.8 In total the projection for all Class A1, A3 to A5 total 21,700 sq.m gross by 2024.

Strategy Recommendations

Richmond Town Centre

- 8.9 The retail floorspace capacity projection is around 9,900 sq.m gross of additional Class A1 to A5 floorspace in Richmond town centre up to 2024.
- 8.10 Vacant shop units can only accommodate a small element of this floorspace projection (probably less than 5%). The priority should be to explore further the redevelopment of Richmond Station and Richmond Police Station in Red Lion Street, as identified in the Site Allocations DPD. Vacant units and these opportunities can accommodate the Richmond floorspace projection up to 2024, and further site allocations are not required.

East Sheen

- 8.11 The capacity projections suggest around 1,500 sq.m gross of Class A1 to A5 could be provided in East Sheen up to 2024. The majority (perhaps 80%) of this projection could be accommodated in vacant premises. The short term priority up to 2019 should be the reoccupation of vacant shop units. In the longer term (2019 to 2024) development at the nearby at Mortlake Brewery (Site Allocations DPD site EM 1) could accommodate future growth.

Teddington

- 8.12 The capacity projections suggest around 2,000 sq.m gross of Class A1 to A5 could be provided in Teddington. There is limited potential to accommodate this projection within vacant premises. The priority should be to explore further the redevelopment of the Telephone Exchange and/or the Teddington Delivery Office on the High Street. The opportunities if implemented could accommodate growth up to 2024 and no further site allocations would be required in Teddington town centre.

Twickenham

- 8.13 The capacity projections suggest around 3,200 sq.m gross of Class A1 to A5 could be provided in Twickenham. A reasonable proportion (perhaps 50%) of this projection could be accommodated in vacant premises. The short term priority up to 2019 should be the reoccupation of vacant shop units. In the longer term (2019 to 2024) the Twickenham Action Area Plan opportunity areas can accommodate additional growth. These sites and vacant units could accommodate the floorspace projection within Twickenham up to 2024, and there is no need to identify further site allocations.

Whitton

- 8.14 The floorspace capacity projections suggest around under 900 sq.m gross of Class A1 to A5 could be provided in Whitton. Some of this projection is likely to be accommodated in vacant premises. The small amount of residual capacity could be transferred to other centres e.g. Twickenham.

Rest of Richmond upon Thames Borough

- 8.15 The capacity projection suggests around 4,250 sq.m gross of Class A1 to A5 could be provided in other local centres/parades in the Borough. Over a third of this projection could be accommodated in vacant premises.
- 8.16 Mixed use allocations e.g. Hampton Square and Stag Brewery could meet most of the residual capacity. There is no need to identify further major development opportunities.

Scale of Retail Development

- 8.17 Development should be appropriate in terms of scale and nature to the centre in which it is located. The NPPF states that, when assessing applications for retail, leisure and office development outside of town centres which are not in accordance with an up to date local plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set threshold. If there is no locally set threshold, the default threshold is 2,500 sq.m gross.
- 8.18 The CLG Practice Guidance states that where authorities decide not to set out specific floorspace thresholds in local development plans, national policy requires impact assessments to be submitted for retail and leisure developments over 2,500 sq.m gross. The Guidance acknowledges that it may occasionally be relevant to consider the impact of proposals below this floorspace threshold, for example if they are large developments when compared with the size of a nearby centre, or likely to have a disproportionate effect or 'tip the balance' of a vulnerable centre.
- 8.19 If the NPPF threshold was adopted, then a single development proposal could exceed the entire short to medium term floorspace projections for centres within the Borough District without the need for a retail impact assessment. Proposals that significantly exceed the floorspace projections for each centre are likely to significantly reduce the turnover of existing floorspace and this impact should be carefully tested on a case by case basis.
- 8.20 The NPPF threshold of 2,500 sq.m gross is inappropriate as a blanket threshold within LBRuT, as this scale of development would represent a significant proportion of the overall retail projections in the authority area. Development smaller than 2,500 sq.m gross could have a significant adverse impact on the smaller town centres. The projections suggest that in some centres less than 500 sq.m gross of comparison or convenience goods retail floorspace is required. A reduced threshold of 500 sq.m gross should be considered in the Borough.

Future Strategy Implementation and Monitoring

- 8.21 There are a number of broad areas of possible action the Council could pursue in order to maintain and enhance the role of shopping centres within the District, as follows:

- application of guidance within the NPPF, particularly relating to the sequential approach and impact tests for local set thresholds in determining out-of-centre retail and other development proposals that generate significant numbers of trips;
- improving the range and choice of shops and services in all centres (where appropriate in terms of scale) by encouraging intensification, development and the re-occupation of vacant premises, and continuing to promote the centres;
- maintaining the generally high quality environment within each centre; and
- bring forward development opportunities in the main centres through the development plan process to improve the availability of modern premises suitable for new occupiers.

8.22

The recommendations and projections within this study are expected to assist the Council in reviewing development plan policies over the coming years and to assist development control decisions during this period. The study provides a broad overview of the potential need for further retail development up to 2024. Projections should be monitored and the floorspace projections rolled forward. The following key assumptions should be updated as necessary:

- population projections;
- local expenditure estimates (information from Experian or other recognised data providers);
- growth rate assumptions for expenditure per capita (information from Experian or other recognised data providers);
- the impact of potential increases in home and internet shopping (Experian regularly provides projections for internet shopping and these projections will need to be updated at the same time as expenditure and population figures);
- existing retail floorspace and average turnover to floorspace densities (floorspace surveys and turnover data); and
- implemented development within and around the study area.

8.23

These key inputs into the retail capacity assessment can be amended to provide revised capacity projections.



**Nathaniel Lichfield
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