



**SEVENOAKS DISTRICT COUNCIL
RETAIL STUDY UPDATE**

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1. INTRODUCTION

1.1 GVA Grimley was appointed by Sevenoaks District Council in October 2004 to prepare a Retail Study of the District. The aim of the study was to inform and guide retail planning in the District and in particular, to inform the preparation of the District Council's Local Development Framework (LDF) and guide future decision making. A comprehensive update of this was undertaken in June 2007, and in February 2009 Sevenoaks District Council appointed GVA Grimley to prepare an update to the 2007 Study to reflect changing assumptions concerning expenditure growth.

1.2 This latest report therefore takes into account the following factors which have changed since the Retail Study was updated in 2007:

- The impact of the current recession;
- Changes to spend on the internet (Special form of Trading);
- The slight increase of 200 dwellings (3100 dwellings to 3300 dwellings) required by the South East Plan in the period up to 2026; and
- The Distribution of development now indicated in the Core Strategy Development Plan Document (DPD) Preferred Options (2009).

1.3 Based on the above, this latest Study will:

- Provide updated capacity projections based on the most up-to-date population and expenditure estimates.

1.4 This Study is supported by a series of appendices. These include the retail capacity modelling exercise for convenience goods and comparison goods and a list of relevant plans taken from the 2005 and 2007 studies.

Structure of the Report

1.5 This update report comprises five sections. The next section identifies the key trends in retailing and examines the impact that the current recession is having on expenditure growth. Sections 3 and 4 include our updated quantitative analysis and sets out our forecasts of the capacity for further floorspace within the District. Finally in Section 5, we summarise our assessment of the scope for new retail development in the District.

2. RETAIL AND LEISURE TRENDS

- 2.1 To put this latest assessment of need into context, it is relevant to consider the wider economic and social trends likely to influence retailing in Sevenoaks District in the future. A number of trends are likely to have a bearing on the future pattern of retail provision in the sub region, and the opportunities arising from development proposals.
- 2.2 This section examines key trends and drivers for change in the retail industry since the 2007 Study was undertaken. We outline the key national trends in retailing and service provision of particular relevance to Sevenoaks District drawing from a range of published data sources, including research by Verdict Analysis, Mintel and the New Economics Foundation.

Demographics

- 2.3 Over the last 15 years UK population has increased at a rate of approximately 0.4% pa, whilst the number of households has increased by 0.5% pa, as average household size has decreased to 2.34 in 2006, with smaller families, more divorces, people living longer etc. The population is also ageing. These trends are forecast to continue and will affect spending habits, how much we spend, on what and where.
- 2.4 Over the next 20 years the 65 and over age group is expected to grow by 4.5m or 47% and the under 65s age group by only 8%. Older shoppers have a younger mindset than in the past, are more fashion aware and financially better off as a result of general house price growth as well as income growth (but post retirement income from pensions could be a concern if they do not achieve anticipated values). They will have more time to shop, will spend more on DIY and gardening and will expect good customer service. Clearly, the economic slowdown will impact upon disposable income and pension pots with more cautious spending patterns in the immediate future.
- 2.5 Younger shoppers will have higher education fees to pay, will experience higher housing costs, will be more computer literate and spend more on-line, and will spend more on entertainment/leisure so they may have less to spend in retail shops.

Income & Expenditure

- 2.6 Incomes and expenditure have shown strong growth over the last 20 years, with retail expenditure growing faster than incomes. Overall, retail expenditure has increased by about 3.9% pa in real terms over the last 20 years, with most of this growth on comparison goods rather than convenience goods, where growth has been less than 1% pa. Comparison goods growth has been close to 5.3% pa over the last 30 years, over 6% pa over the last 20 years and even stronger over the last 10 years. These strong trends are not expected to continue in the foreseeable future due to current high levels of consumer debt, an already low savings ratio and a weaker housing market.
- 2.7 Non-store retail sales, excluding e-tailing, are expected to decline over the next ten years, but this will be more than offset by the growth of e-tailing, resulting in overall growth in non-store sales in absolute and percentage terms. Total non-store convenience retail sales (including e-tailing) are expected to increase from

- 2.5% of sales in 2004 to 7.8% in 2013, and then stabilise around 8%, whilst total comparison non-store retail sales are expected to increase from 7.1% in 2004 to around 13.9% in 2013, before stabilising. The previous period of strong growth is expected to slow its growth rate from 2009. However, due to the uncertainty about the growth of e-tailing, Experian Business Strategies suggest that a plausible "Low Case" forecast market share for Non-Store Retail Sales in 2016 would be 6% for convenience goods (rather than 7.8% as above) and 13% for comparison goods (rather than 13.9% as above).
- 2.8 The impact of growth in e-retailing on future demands for retail floorspace is an important consideration and factors such as the processing of online grocery orders by retailers such as Tesco in local stores, and the potential use of shops as showrooms and/or collection points may mean that the growth in Internet sales will not necessarily lead to an equivalent reduction in floorspace requirements.
- 2.9 The recent credit crunch has had massive impacts on the retail sector. It is estimated that 1.4 million homeowners will need to re-mortgage over the next year. A study by the insurance company AXA found that three in four families with an income of more than £30,000 were planning to curb spending this year as household budgets become increasingly stretched.
- 2.10 According to Verdict, as customers become more concerned about the economic outlook, they are becoming more selective in their purchasing habits. With rising living costs, disposable incomes are being squeezed, and as a result customers are shopping around more to find the best possible value. Increasingly retailers are finding it harder to please customers, and across all sectors, retailers are converting fewer customers into main users and shoppers are less loyal to their main stores. Such circumstances will have implications on retail capacity forecasting, particularly over the short term, and this is discussed in more detail in Section 6.
- 2.11 It is recognised that the UK economy is now firmly in the grips of a recession. The deterioration has been rapid with the fourth quarter of 2008 seeing a year-on-year decline of 1.5% - one of the sharpest contractions in economic growth since the early 1980's. Although 2009 will bring a sharp contraction in activity, we do not believe that the pain will ease quickly. Indeed, we are forecasting that the economy will continue to shrink into 2009 with Verdict forecasting that it will not be until the final quarter of 2010 that we will see positive year on year GDP growth.
- 2.12 Moving beyond 2010, economic growth is predicted to return to positive territory but will be sluggish for a number of years as consumers, the private and public sectors all continue to pay down debt. Since our previous update (2007), there have been significant changes to forecast levels of growth. Experian and MapInfo, the main economic retail forecasters have published significantly reduced growth rates in available expenditure which consequently reduces identified capacity for additional floorspace. Notably, Experian report as follows:

"The detailed consumer spending forecasts used in the October document [Experian Retail Planner Briefing Note 2008] were based on figures available before the eruption of the major financial crisis in September, the collapse of consumer and business confidence and the sharp decline in the global economy.

Since that forecast, there have been dramatic changes in the UK's performance. The new forecast incorporates the substantial decline in GDP in the second half of 2008; the sharp increase in unemployment in recent months; gloomy survey evidence that has emerged in

2009; fiscal measures adopted in an attempt to shore up the economy and the steep decline in Bank rate in the past few months.”

Experian Business Strategies, February 2009

- 2.13 The growth projections used in forecasting capacity should therefore respond to advice in respect of the use of trend line (historic) growth rates and forecast growth rates based on consumer expectations. Due to the retail expenditure boom in the latter half of the 1990's and the first half of the 2000's and the major economic recession which is now underway, there are significant differences between these two approaches.
- 2.14 On this basis, we are advised to use economic forecasts prepared by MapInfo/Oxford Economic Forecasting and Experian Business Strategies which take into consideration current and future economic instability. Evidently, the growth rates being used for retail capacity forecasting have changed as a consequence, and have considerable implications on the levels of floorspace that can be accommodated in the short-medium term, i.e. up to 2016.

Sales Density Increases

- 2.15 Although hard quantitative evidence is limited, comparison businesses in particular have, over time, increased sales densities by achieving improvements in productivity in the use of floorspace. PPS6 (paragraph 2.34) requires that quantitative need/capacity assessments have regard to a realistic assessment of such improvement. Analysis of past data is difficult as over the last 20 years sales densities increases have been affected by changes in the use of retail floorspace, with higher value space-efficient electrical goods replacing lower value space intensive goods, the growth in out-of-centre retailing, a number of one-off events like Sunday Trading and longer opening hours, and the very strong growth of retail expenditure relative to the growth in floorspace.
- 2.16 In the future, growth rates in sales densities of 1.5-2.5% pa seem likely to be achieved for comparison goods, with much lower growth in sales densities for convenience goods. The future growth in sales densities will undoubtedly be affected by the way in which retail space evolves and is used in the future. At the current time, as a consequence of the credit crunch, sales efficiency growth is unlikely to reach more than 0.5% returning to 2.0% beyond 2016. This is reflected within our retail capacity forecasts set out in the next section.

Employment

- 2.17 Over the last 20 years retail expenditure has increased at about 4% pa, but retail employment has increased much more slowly. Total employees in retail employment have increased from 2.2 million to 3.0 million, an increase of 1.5% pa. However, this growth has been in part time employees. Full time equivalent (FTE) employment has hardly increased at all, from about 2.1 million to 2.2 million, a 0.4% pa increase. Over the next 15 years Experian Business Strategies expect a marginal increase in FTE employment in the retail sector with a slightly higher increase in part time employment. Evidently, this needs to be monitored in the forthcoming years based on the slow down in the economy and corresponding growing levels of unemployment with significant consequences for available retail expenditure and retail sector employment positions.

Location

- 2.18 Strong income and expenditure growth has affected retailing in another important way – the rise in car ownership and mobility. In 1961 only 30% of households had a car (one or more cars) and only 2% had more than one car. With public transport (and walking and cycling) the dominant mode of transport, shopping choices were limited and distances travelled were short. By 1970 car ownership had increased significantly so that nearly 50% of households had one or more cars and the number of households with two or more cars had quadrupled but was still under 10%.
- 2.19 Currently about 77% of households have one or more cars and a third of households have two or more cars, a huge increase in mobility over the last 30-40 years. Households are now much more mobile than they were and therefore their choices of where to shop and the distances they can travel are much greater. These trends will continue but the rate of change may well diminish, particularly in light of the economic slow-down. It would seem likely, however, that levels of mobility will be retained although frequency of travel may decline as the number of cars per household may fall in the economic downturn.
- 2.20 Increased mobility and affluence has favoured larger centres over smaller centres. As a result larger centres have increased in size and importance relative to smaller centres which has further reinforced the attraction of larger centres to more mobile shoppers. Smaller centres have, therefore, lost market share and have seen much less new development than the overall rate of expenditure growth would imply. This is recognised by PPS6, which urges local authorities to be pro-active in trying to encourage development in smaller centres.
- 2.21 Increased mobility and affluence has also stimulated out-of-centre development, which has grown much more rapidly than town centre development. Over the last 20 years the majority of retail development has been in edge or out-of-centre locations. This has led to increasingly restrictive planning policy in favour of town centres over the last 10 years, but only recently has the growth in out-of-centre development started to slow. This slow down is expected to continue, but Verdict still expect sales at out-of-centre locations to increase at a faster rate than at in-centre locations. They consider that out of town retailing, if provided effectively with improvements to the mix of retailers and facilities on offer, could emerge from the current downturn a more desirable shopping location.
- 2.22 A number of town centre retailers are attempting to grow by expanding their ranges which in some cases requires larger stores. The UK government has also encouraged expansion and renovation in town centres through PPS6 wherever possible and numerous schemes have come forward in 2008 including the 1.65 million sq ft Liverpool One development, Bristol's one million sq ft Cabot Circus scheme and the 1.5 million sq ft Westfield center in West London.
- 2.23 According to Verdict, despite this investment, the new space will not bring a corresponding increase in sales, with sales densities and like-for-like performances dropping. Clothing and footwear retailers, one of the main pillars of the high street, will struggle to maintain the growth they have enjoyed in the past, due to increasing competition from out-of-town retailers.
- 2.24 Nevertheless, PPS6 reinforces the Government's town centre first objectives. The sequential site test is still a cornerstone of retail planning policy, favouring town centre sites and necessitating consideration of the disaggregation of retail park proposals so that smaller sites are considered. However, it is also recognised

that individual retailers' business models are also relevant. Disaggregation of a retailer's proposed store does not now need to be considered if the operator can demonstrate it would adversely affect their business model.

2.25 In May 2006 the Office of Fair Trading (OFT) referred the supply of groceries by retailers in the UK to the Competition Commission (CC) for investigation under Section 131 of the Enterprise Act 2002. The CC's published its findings in April 2008 and reported that "in many respects, competition in the UK groceries industry is effective and delivers good outcomes for consumers, but not all is well". The two main areas of concern highlighted were:

- 1) *that a number of grocery retailers have strong positions in several local markets. Barriers faced by competing retailers that could otherwise enter these markets mean that consumers get a poorer retail offer than would otherwise be the case, while those grocery retailers with strong local market positions earn additional profits due to weak competition in those markets, and*
- 2) *the transfer of risk and unexpected costs by grocery retailers to their suppliers through various supply chain practices if unchecked will have an adverse effect on investment and innovation on the supply chain and therefore, on consumers.*

2.26 A number of steps to address the problems were posed including the recommendation of the introduction of a competition test as part of the planning process for new stores, to favour new retailers other than those which already have significant market shares in an area. Planning for consumer choice and the promotion of competition have been included within the Proposed Changes to PPS6 Planning for Town Centres, consultation document, with final recommendations expected in Spring 2009. Recommendations were also made by the Competition Commission to try and prevent retailers using the control of land sites in highly concentrated markets as a means of inhibiting entry by competing retailers. These steps would have implications on the potential new locations that some retailers could look to develop within.

2.27 Tesco Stores Ltd challenged the fairness of the proposed new test, and the Competition Appeals Tribunal has now upheld the supermarket's complaints in March 2009, saying the Commission failed to properly assess the implications of the proposed competition test. We understand that the Competition Commission has indicated that it may try to revive the test in a revised form.

Size of Units

2.28 The growth of multiple traders and increased competition between companies has meant that the retail structure is increasingly dominated by large companies requiring larger shop units. Shopping centres and out-of-centre development that has been able to accommodate this demand for larger sized units (typically 500-2,000 sq m or larger) have grown in importance, reinforcing the trend of higher order centres and out-of-centre retailing growing in relative importance (i.e. polarisation in the retail hierarchy).

2.29 The growth in the size of stores has caused a contraction in the number of shop units and consumer choice. This is particularly evident in the food sector, with a marked decline in the number of smaller and more specialist food retailers (greengrocers, butchers, fishmongers, bakers etc), and a large increase of superstores. This is indicated by Verdict Research which shows a 31% reduction in the total number of convenience stores over the last 10 years, as space is concentrated into a smaller number of larger stores.

- 2.30 Whilst the number of superstores (>25,000 sq ft) has increased by 37%, food specialists and off licences/tobacconists have declined by 35% and 57% respectively. These trends may well weaken in the future due to possible market saturation of large foodstores and concerns over lack of competition due to the market dominance of a few key multiples.

Foodstores

- 2.31 A by product of the restriction of new development of large foodstores is the growth in applications to extend existing stores and the changing composition of floorspace within existing foodstores. There is an increasing emphasis on the sale of comparison goods at the expense of convenience goods, as expenditure growth rates for comparison goods are much higher than for convenience goods and margins are greater, although sales densities are often lower. This trend poses an increasing threat to smaller centres, as larger foodstores will increasingly sell a wider product range of day-to-day convenience and comparison goods and services. According to Verdict, non-food floorspace in the larger format stores of the top 4 grocers now accounts for between 28% (Morrisons) and 50% (Asda) of sales floorspace.

Shopping & Leisure

- 2.32 Due to increased affluence and mobility, and the rise of the internet, shoppers no longer merely shop to satisfy 'needs', they increasingly shop to satisfy 'wants' as well. Retailing in the higher order centres and the more attractive smaller centres is changing and arguably becoming more of a quasi leisure experience. Leisure spending growth is continuing to outstrip that of retail, and despite the economic slowdown, at the moment consumers seem to be willing to continue spending on leisure.
- 2.33 Quality restaurants, coffee shops, cafes and bars, as well as health and fitness centres and multiplexes in larger centres, are therefore important to attract shoppers and encourage longer stays and higher spending. Better integration of retail and leisure facilities mutually benefits both sectors. Pedestrianised streets and covered retail areas are also important in attracting shoppers, as is the overall attractiveness of the town centre, along with good accessibility and car parking.
- 2.34 A number of factors have helped drive the growth of leisure provision in town centres. Planning policy is important as is the fact that urban living is fashionable. Town centres can offer consumers a much more vibrant atmosphere in which to eat and drink and they also offer a much wider choice of leisure venues, allowing more spontaneous decisions. For bars, restaurants and health & fitness clubs, the attraction of the town centre is 'daytime trade' and the ability to capitalise on proximity to businesses and shoppers.

Internet Shopping/E-Tailing

- 2.35 Online spending is growing at its fastest rate for six years, driven by convenience and low prices, and so far e-retailing is showing no signs of being affected by the recent economic downturn. According to Verdict (2008), the e-retail market grew by 35% between 2006 and 2007, which is considerably higher than the 3.6% growth in the total retail market, and e-retail is expected to continue outperforming the total retail sector over the next five years.

- 2.36 Worth £14.7bn in 2007, the online market is becoming an increasingly important contributor to retail, accounting for 5.2% of all retail sales, (up from 3.8% in 2006). Verdict's research found that almost 66% of UK households now have access to the Internet, with 55.5% having broadband access, which is making online shopping easier, faster and more reliable. As technology continues to improve, it will fuel further growth in the market. Overall the internet shopper population is forecast to grow by approximately 50% between 2007 and 2012.
- 2.37 The online market is dominated by the electrical and food & grocery sub-sectors, which between them account for around half of all sales. The food & grocery sub-sector, with rapid growth of 39.5% in 2007 is expected to overtake electricals in the top spot. Online clothing and footwear sales grew 38% during 2007, and with sales of £1.7bn, clothing & footwear is the UK's third largest online market.
- 2.38 Although only accounting for a very small share of online spending, the market which saw the most dramatic online growth in 2007 was furniture and floor coverings, growing by 41% from £0.4bn to £0.7bn, despite the slowdown in the sector overall, with Ikea's launch of a transactional website being sited as one of the drivers of growth. The music & video sector continues to have the overall highest online market penetration at 30.8% of total sector sales, and this is forecast to double by 2012, which could have implications for physical store requirements.
- 2.39 As a consequence of this growth, there are huge pressures on retailers as the Internet has provided an attractive alternative for many consumers. Shoppers are selecting their own retail mix online and shopping centres need to compete with this choice, which is not only driven by price and range, but also service and expertise. Town centres will increasingly have to provide a retail experience that the Internet and supermarkets are unable to match, and the market will respond in some way to the varying impacts on different retail sectors. In accordance with PPS6, the emphasis should be on the overall town centre experience, the mix of uses, and not just the retail offer.

Summary

- Incomes and expenditure have shown strong growth over the last 20 years, with retail expenditure growing faster than incomes. This has seen corresponding increases in sales densities within existing retail floorspace, which has also been driven by factors such as high value space efficiency and longer opening hours. Crucially, for Sevenoaks District Council the current economic slow down as in other areas will have huge impacts on the retail sector and growth forecasts will need to reflect recent publications from Experian Business Strategies. This is reflected in Sections 3 and 4.
- Heightened mobility through increased car ownership, alongside growth in affluence, has favoured larger centres over smaller centres. Shoppers are more willing to travel further a field to higher order centres which have increased in size and importance relative to smaller centres, leading to a consequent fall in their market share. As such, PPS6 now encourages local authorities to be pro-active in trying to encourage development in smaller centres; for example, Sevenoaks within the catchment of larger centres such as Tunbridge Wells and Bromley.
- The composition of town centres has changed through new development, with a growing number of companies requiring larger shop units to meet their shop format ratios. This has again favoured the

larger centres which generally have the space to meet such requirements and are able to accommodate this demand. This is particularly noticeable in the convenience sector, which has seen a 37% increase in food superstores, but a 31% fall in total number of convenience stores over the last 10 years. This has led to current concerns in respect of lack of competition and market dominance.

- Leisure spending growth is continuing to outstrip that of retail, and despite the economic slowdown, at the moment consumers seem to be willing to continue spending on leisure – although this may change in the coming months. Nevertheless, the mix of uses in a town centre is vital to offer choice to shoppers, and quality restaurants, coffee shops, cafes, bars and other leisure facilities are all important to encourage frequency of visit and longer stay times.

3. SEVENOAKS QUANTITATIVE ASSESSMENT

- 3.1 In this section, we examine the current performance of Sevenoaks, including both the town centre and out of centre provision and assess the quantitative expenditure capacity to support further floorspace. In the next section, we assess the smaller centres of Swanley, Edenbridge and Westerham. These two sections draw on the latest growth rate projections provided by Experian which take account of the current recession and the impact this is likely to have on retail expenditure. The capacity tables accompanying this assessment for convenience and comparison goods are attached in the respective appendices, 1 and 2.
- 3.2 In order to carry out our quantitative assessment we have used a conventional and widely accepted step-by-step methodology which was used within the 2005 and 2007 studies. This draws upon the results of a Household Telephone Interview Survey (November 2004) of existing shopping patterns which enables us to model the existing flows of available expenditure to each retail destination. It has been agreed that even though the results of the survey are over 4 years old they still provide a sound evidence base in which to work from given that shopping provision within the Study Area has not altered significantly.
- 3.3 Our methodology involves the following steps:
- Calculated the total amount of convenience and comparison goods expenditure which is available within the postcode areas comprising the Sevenoaks catchment area;
 - Allocated the available expenditure to the convenience and comparison goods shopping destinations, on the basis of the Household Telephone Survey of Shopping Patterns, so as to provide estimates of current sales and forecasts of future sales;
 - Compared the total expenditure attracted to each shopping destination with current retail floorspace, to assess sales densities in each shopping destination.
- 3.4 Once we have established this baseline position, we have explored the capacity for further retail floorspace, having regard to the performance of existing facilities and where appropriate, the potential to change the patterns of market shares to support new development.

Data Inputs

i) Survey Area and Household Survey

- 3.5 In order to provide detailed factual information on the shopping patterns in Sevenoaks District, we based our updated assessment on the previous household survey undertaken in November 2004 which covered 1,000 households. GVA Grimley designed the survey questionnaire in consultation with Sevenoaks District Council, and Research and Marketing Ltd, the market research company that undertook interviewing and data processing.
- 3.6 The survey sought to determine shopping habits of households for both convenience and comparison goods. Where necessary, the survey results have been re-based to remove inappropriate responses, such as 'don't shop for particular goods' or 'internet shopping'. For convenience goods, the Household Telephone Survey

included questions on main food and top up food shopping. The results of the two types of food expenditure were then merged through the application of a weight which reflects the estimated proportion of expenditure accounted for by each type. For food we use a 75% main food / 25% top up food weighting. This forms a composite pattern of convenience spending, expressed as a market share for each destination centre or foodstore, for each survey Zone.

3.7 The survey also includes five questions on specific comparison goods types which coincide with Experian Business Solutions definitions of comparison goods expenditure. The retail needs modelling exercise uses the weighted averages of the Household Survey responses for each goods type based on the proportion of per capita expenditure on that goods type. This process establishes the pattern of spending for residents of each Zone in terms of the following types of goods:

- Clothes and shoes;
- Furniture, floor coverings and household textiles;
- DIY and decorating goods;
- Domestic electrical appliances;
- Personal/luxury goods.

3.8 The survey area is illustrated on Plan 1.

ii) Estimates of Population in the Survey Area

3.9 Population estimates and forecasts for each of the survey Zones were prepared from the Experian E-Marketer in-house system. This provides estimates of population in 2009, 2011, 2016, 2021 and 2026. The Experian data is based upon trend line projections and the 2001 Census for small, localised areas; naturally these latter estimates should be taken with caution.

3.10 Overall, the population of the whole survey area is currently 372,413. It is forecast to rise to 377,318 by 2011, to 385,254 by 2016, to 394,951 in 2021 and again to 404,510 by 2026, an overall increase of 8.6%. (Table 1, Appendix 1).

iii) Available Expenditure in the Survey Area

3.11 The Experian E-Marketer system also provides an estimate of per capita expenditure for convenience and comparison goods expenditure in 2007 prices. We have made deductions for special forms of trading which represent expenditure not available to spend in the shops.

3.12 We have currently applied uniform per capita expenditure figures across the survey area. While this may mask localised variations in available spend, it enables a comparison on the same basis across the whole area.

3.13 In terms of expenditure growth in the District, we have drawn on convenience and comparison goods growth rates provided by Experian Business Solutions. These indicate that more growth will take place on comparison goods as opposed to convenience goods over the time period to 2026; the scope to purchase more food is more limited than the scope to purchase more non-food goods. Recent turbulence in the market

has caused disruption to expenditure growth rates whereby negative growth is expected for the immediate future, but a return to growth is expected in the medium to long-term. Experian Business Solutions estimate that convenience goods expenditure will dip by 0.1% per annum between 2008 and 2011, to rise by 0.8% per annum between 2011 and 2016; they expect growth to return to a steady rate of 0.9% per annum from 2016 onwards. Comparison goods expenditure on the other hand is expected to fall by -0.9% per annum between 2008 and 2011, to increase to 2.5% per annum between 2011 and 2016; and to reach a steady growth rate of 2.8% per annum from 2016 onwards.

- 3.14 In terms of convenience goods, the per capita expenditure per Zone has been applied to the population forecasts, which indicates that total available convenience expenditure within the survey area is currently £658.3m. This is forecast to grow to £702.3m by 2016 and again to £806.2m by 2026. This equates to an overall growth of £147.9m between 2009 and 2026 (Table 3, Appendix 1).
- 3.15 In terms of comparison goods, the total available comparison goods expenditure within the survey area is currently £1,110.8m, and is forecast to grow to £1,267m by 2016 and to £1,752.2m by 2026 (Table 3, Appendix 2). This equates to an overall growth of £641.4m between 2009 and 2026.

iv) Floorspace Data

- 3.16 The comparison and convenience goods floorspace data used in our modelling has been drawn from the Institute of Grocery Distribution (IGD) report, Sevenoaks District Council and Experian Goad. Our floorspace assumptions for the foodstores have been updated since the 2007 Study (Update) and include, where appropriate, an adjustment to identify the proportion of purely convenience goods floorspace. Most superstores include a proportion of non-food floorspace; we have adjusted the net floorspace to identify the proportion of sales space allocated for convenience goods. This accords with the expenditure data and the expenditure assumptions used.

v) Commitments

- 3.17 We understand from discussions with Sevenoaks District Council that the extension to the Tesco store at Riverhead of 1,118 sq m net is the only commitment for both comparison and convenience floorspace within the study area. This involves an extension to add approximately 227 sq m of net convenience goods floorspace and 891 sq m of comparison floorspace to the existing store. Based on company average sales densities we estimate that the convenience element of the extension will be equivalent to a turnover of approximately £2.9m, whilst the comparison floorspace is likely to have a turnover of £4.45m.

Sevenoaks Convenience Goods Assessment

i) Trade Draw and Performance of Sevenoaks Town Centre

- 3.18 We have estimated the draw of Sevenoaks town centre for convenience goods (Table 4, Appendix 1). This includes an examination of the trade drawn to Waitrose, Tesco and other smaller and independent convenience stores in the town centre including Marks and Spencer.

- 3.19 It is evident that the Sevenoaks town centre catchment for convenience goods is relatively focused. The highest trade draw is Zones 1 (32%) and 4 (35%). These Zones largely cover the urban area of Sevenoaks and form the core catchment of the town centre for convenience goods shopping. The town centre also draws some trade from the survey Zones immediately to the west, including 17% from survey Zone 3 and 12% from survey Zone 2 and some trade from the survey Zones immediately to the east including 8% from survey Zone 5 and 7% from survey Zone 6. Beyond these survey Zones Sevenoaks only draws limited trade as there is other foodstore provision in surrounding centres including Orpington, Biggin Hill, Oxted, Edenbridge, East Grinstead, Tonbridge, Tunbridge Wells, West Malling, Dartford, Swanley and the out of centre foodstore provision in the District.
- 3.20 Waitrose on the High Street in Sevenoaks has the most significant draw of the convenience stores in the town centre. In comparison, the trade drawn by Tesco on the High Street is much more limited and more similar to the trade drawn by the range of smaller and independent foodstores in the town centre. Whilst the trade drawn to the Marks and Spencer Food Hall is limited, this store had not been open very long when the telephone survey was undertaken in November 2004 and was unlikely to have achieved a mature pattern of trading. In addition the household survey is unlikely to pick up much of the lunchtime trade from which Marks and Spencer will benefit.
- 3.21 Based on these shopping patterns, we estimate that the total convenience goods turnover of Sevenoaks Town Centre is approximately £32.2 million in 2009. With this level of turnover and a net sales floorspace of approximately 3,188 sq m, Sevenoaks currently has a convenience goods sales density of £10,106 per sq m net. This level of trading is broadly in line with our estimate of the average sales densities for the foodstores in the town centre.
- 3.22 In terms of the performance of individual stores in Sevenoaks town centre, it is evident that the Waitrose in the town centre is trading well at approximately a third above company average levels. We estimate that the store currently has a convenience goods turnover of approximately £17.2 million, whereas if it was trading at company average levels we would expect the turnover to be closer to £12.9 million. Conversely, the Tesco store in Sevenoaks does not appear to be trading as well as we would expect based upon estimated company average levels. We estimate that the store currently has a convenience goods turnover of approximately £9.3 million, whereas if it was trading at company average levels we would expect the turnover to be closer to £21 million. This level of under trading is likely to reflect the lack of investment in the Tesco store, particularly in relation to their extensive out-of-centre offer at their Riverhead store.
- 3.23 We estimate that 'other' town centre convenience stores (including the Marks and Spencer store) have a turnover of approximately £5.7 million. We consider that this is an adequate level of trading for these stores, although as the Marks and Spencer store will now have reached a mature level of trading we would expect the store's turnover to have increased. It is therefore evident that the below average level of trading of Sevenoaks town centre is as a result of the poor performance of the town centre Tesco. The effect of this on quantitative capacity is examined below.

ii) Trade Draw and Performance of Sevenoaks Out of Centre Foodstores

- 3.24 We have also examined the trade draw and catchment areas of the two large out of centre food stores in Sevenoaks, the Sainsbury's store at Riverside Retail Park, Otford Road and the Tesco store, London Road, Riverhead.

- 3.25 It is evident from the household shopping survey that the Sainsbury's store at Riverside Retail Park draws slightly less trade from the catchment area than the Tesco store at Riverhead. Both stores are located within survey Zone 1 and both are to the north of Sevenoaks town centre (Plan 3). The Sainsbury's store has a market share of approximately 25% in survey Zones 1, 2, 4 and 5. It draws less trade from survey Zone 3, this is however closer to the Tesco store. It also draws some more limited trade (less than 10% in any survey Zone) from six of the other eleven survey Zones.
- 3.26 We estimate that the Sainsbury's store currently has a turnover of approximately £34.9 million (Table 7 Appendix 1). Based upon this turnover with a net convenience goods sales area of approximately 3,414 sq m, we estimate that the store has a sales density of approximately £10,211 per sq m net. This sales density is slightly above the level expected from Sainsbury's company average sales density (£9,744 per sq m net). It is likely that the recent planned extension at the Tesco store in Riverhead will increase the competition with the Sainsbury's store.
- 3.27 The telephone survey carried out in November 2004 highlights that the existing floorspace of the Tesco store at Riverhead draws over 40% of trade in survey Zone 1 and over 30% in survey Zones 2 and 3. It also draws approximately 20% of trade in survey Zones 5 and 6 and over 10% of trade in survey Zones 7 and 8. It also has some limited trade draw from four of the other eight survey Zones. We estimate that the Tesco store has a turnover of approximately £52.4 million (Table 7, Appendix 1). Based upon a net floorspace figure of 2,678 sq m this equates to a sales density of £19,581 per sq m net. This level of trading is above the estimated company average sales densities for Tesco (£12,894 per sq m net) and indicates that the store is trading very well.
- 3.28 Overall, the above-average performance of the Tesco store at Riverhead creates surplus expenditure capacity. This is however offset by the poorer performance of the Tesco store in Sevenoaks town centre.

iii) Capacity Forecasts

- 3.29 Overall, we consider that there will be a proportion of surplus expenditure to support further convenience goods floorspace in Sevenoaks between 2009 and 2026.
- 3.30 Based on the latest published research, we have assumed there will be no sales efficiency growth for convenience floorspace up to 2011. However, beyond this period we forecast a growth of 0.2% from 2011 to 2016, and 0.5% from 2016 onwards.
- 3.31 The capacity for additional convenience goods floorspace is highlighted in Table 15, Appendix 1. Taking into account the commitment for further convenience floorspace at Tesco Riverhead (as identified in para 3.17) it is evident that by 2011 there will be £7.3 million of residual expenditure to support new convenience goods floorspace, this is forecast to grow to approximately £21.5 million by 2026. We have converted it into a floorspace figure using a sales density based upon a large store format. We estimate that by 2011 there would be capacity for approximately 608 sq m net of additional convenience goods floorspace, increasing to 894 sq m net by 2016, 1,250 sq m net by 2021 and finally to 1,684 sq m net by 2026.

Comparison Goods Assessment

i) Trade Draw and Performance of Sevenoaks Town Centre

- 3.32 Table 4, Appendix 2 indicates the trade draw of Sevenoaks town centre for comparison goods. In the core catchment Zones 1 and 4 all comparison goods facilities attract approximately half of comparison goods expenditure whereas convenience goods facilities attract almost all of the comparison goods expenditure.
- 3.33 In examining the comparison goods trade drawn to the Sevenoaks town centre it is evident that survey Zones 1 and 4 form the core catchment. In these Zones Sevenoaks attracts 33% and 27% of comparison goods trade. Survey Zones 2, 3 and 5 form a secondary catchment attracting between 21% and 15% of comparison goods trade. Sevenoaks attracts approximately 7% of comparison goods trade from survey Zones 6 and 7. Beyond these Zones the trade drawn to Sevenoaks town centre is negligible.
- 3.34 Tables 3.1 and 3.2 indicate the draw of the main shopping destinations competing with the core catchment of Sevenoaks town centre for comparison goods trade. It is evident that the most competition arises in the clothing, furniture, DIY and electrical goods sectors. In the clothing sector the main locations competing with the core catchment of Sevenoaks are Bluewater shopping centre, Tunbridge Wells town centre, Bromley town centre and London's West End. The competitors are similar in the furniture sector, although the retail warehouses in Tunbridge Wells also have a draw. In the more bulky DIY and electrical goods sector the main destination competing with Sevenoaks town centre is Otford Road Retail Park. The survey results show the strength of Sevenoaks in the personal and luxury goods sector, despite the competition from Bluewater.

Table 3.1 Trade Draw in Survey Zone 1 for Comparison Goods

	Clothing	Furniture	DIY	Electrical	Personal & Luxury
Sevenoaks	28.6%	28.4%	22.8%	22.4%	50.0%
Bluewater	17.3%	13.5%		5.9%	9.5%
Bromley Town Centre	8.2%	2.7%			3.6%
Tunbridge Wells Town Centre	19.4%	6.8%		2.4%	8.3%
London West End	8.2%				10.7%
Tunbridge Wells Retail Wareh.		9.5%			
Otford Road Retail Park		2.7%	53.2%	43.5%	

Source: Sevenoaks Household Interview Survey, November 2004

Table 3.2 Trade Draw in Survey Zone 4 for Comparison Goods

	Clothing	Furniture	DIY	Electrical	Personal & Luxury
Sevenoaks	20.6%	20.0%	23.0%	15.6%	47.7%
Bluewater	19.1%	16.4%		7.8%	13.8%
Bromley Town Centre	5.9%	1.8%		1.6%	3.1%
Tunbridge Wells Town Centre	20.6%	10.9%		1.6%	7.7%
London West End	13.2%	3.6%		1.6%	10.8%
Tunbridge Wells Retail Wareh.		9.1%	3.3%	6.2%	
Otford Road Retail Park		7.3%	36.1%	42.2%	3.1%

Source: Sevenoaks Household Interview Survey, November 2004

- 3.35 On the basis of current market shares, we estimate that Sevenoaks town centre currently has a comparison goods turnover of approximately £58.7 million (Table 5, Appendix 2). With an existing shop floorspace of approximately 8,974 sq m net, we estimate that Sevenoaks town centre has a sales density of £6,547 per sq m net. Drawing on our experience elsewhere, we consider that at this level of trading Sevenoaks is performing well, this is despite the extensive competition from neighbouring shopping destinations.

ii) Trade Draw and Performance of Sevenoaks Retail Warehousing

- 3.36 Sevenoaks has two relatively modest retail warehouse parks located in close proximity to each other to the north of the town centre in survey Zone 1. In order to ensure the most accurate representation of the pattern of retail warehousing shopping we have considered the combined draw of these two retail destinations. The retail parks draw most trade from survey Zones 1, 3, 4 and 5. In each of these Zones they draw between 13% and 19% of comparison goods trade. The trade draw from survey Zone 2 is less because of the competing influence of the Orpington retail warehouses. Outside of these Zones the retail warehouse parks draw some limited trade from all of the remaining survey Zones, with the exception of Zone 11 (Tonbridge).
- 3.37 We estimate that the Sevenoaks out of centre provision currently has a combined comparison goods turnover of £42.7 million (Table 2, Appendix 2). Based upon an existing retail floorspace of approximately 6,827 sq m, we estimate that the retail parks have a sales density of approximately £6,258 per sq m net. When compared with company average sales densities for the stores located on the retail parks (£2,437 per sq m net) our assessment highlights that they are trading well.

iii) Capacity Forecasts

- 3.38 In assessing capacity for future comparison goods floorspace, we have assumed that the efficiency with which existing floorspace is being used will increase over time. Following the application of recent material, we have assumed a sales efficiency growth of 0.5% per annum until 2012, 1.0% from 2012 to 2016, and 2% from 2016 onwards. Drawing on our experience elsewhere, in similar sized and performing centres, we have also assumed that new floorspace should achieve sales of approximately £5,500 per sq m net.

- 3.39 Our assessment indicates that there will be no capacity in the short to medium term (up to 2016) but this will later translate to real capacity from 2021 by virtue of the projected population increase and the forecast improvements in available expenditure growth rates. We estimate that in the short term there will be no capacity to support further comparison floorspace in Sevenoaks up to 2016. Theoretically the situation should improve over the period 2016 to 2021, producing enough capacity to support an additional 1,038 sq m net of comparison goods floorspace and this is expected to increase to 2,285 sq m net by 2026 (Table 14, Appendix 2). The negative capacity in the short term represents a significant departure from the 2007 study; this is because of the negative expenditure growth rates that have resulted from the credit crunch and the significantly lower expenditure forecasts.
- 3.40 What this capacity assessment does not examine is the ability of Sevenoaks to claw back a proportion of spend that is currently leaking to other competing centres. For example, it is apparent that Sevenoaks only captures 50% of total available comparison expenditure from its core catchment area (Zones 1 and 4). Therefore, the case for a further comparison floorspace in Sevenoaks will largely depend on the ability of this to claw-back trade that is currently being lost to other destinations as set out in tables 3.1 and 3.2 above. Therefore, there may be scope for further comparison floorspace, beyond that set out above, to be accommodated within Sevenoaks. It should be noted, however, that neither the South East Plan nor the Core Strategy Preferred Options aim to upgrade Sevenoaks' position in the retail hierarchy. Therefore any further comparison floorspace would need to be consistent with the centre's current role and function.
- 3.41 Given the level of competition in the surrounding area we consider that the priority for the Council should be to focus any future capacity in the town centre, maximising the opportunities for replacement or infill development as they arise. Any further comparison floorspace proposed within Sevenoaks would therefore need to be located in accordance with the sequential approach to site selection
- 3.42 Given the restricted nature of site opportunities within the centre we would recommend that the most suitable sites for retail development in the centre are protected within a Site Allocations DPD. This will help to ensure that the prime sites within the centre are not lost to non-retail development in the short term as the continued long term success of the town centre may be prejudiced.

Summary

- With the exception of the Tesco store, the town centre convenience goods stores in Sevenoaks are trading adequately. Of the out of centre stores, the Tesco at Riverhead is trading significantly better and at above estimated company average levels, whereas the Sainsbury's store at Otford Road is not performing as well compared to estimated company averages.
- We have identified some capacity for additional convenience goods floorspace in Sevenoaks over the LDF period. We estimate that by 2011 there would be capacity for approximately 608 sq m net of additional convenience goods floorspace, increasing to 894 sq m net by 2016 sq m, to 1,250 by 2021 and to 1,684 sq m net by 2026. There is therefore some capacity to plan for any new convenience floorspace in Sevenoaks over the LDF period.
- There are currently no identified commitments for new convenience goods floorspace in the town centre. The only commitment relating to convenience goods within the Sevenoaks urban area is the extension to the Tesco's store at Riverhead which obtained planning permission in December 2008, this involves an

increase to the non food floorspace in the store but will also provide 227 sqm of net retail convenience floorspace.

- Future proposals for new convenience goods floorspace should be subject to the key quality tests outlined in PPS6, notably need, scale, the sequential approach, impact and accessibility.
- Comparison goods floorspace in Sevenoaks is trading well, however the centre is likely to come under increasing pressure from competing locations over the LDF period.
- We have identified no capacity for further comparison goods in the short to medium term based on current market shares (up to 2016). In the long term though there would theoretically be capacity to support an additional 1,038 sq m net of comparison goods floorspace by 2021, increasing to approximately 2,285 sq m net by 2026. However, there may be scope to claw back a proportion of expenditure that is currently leaking to other competing centres from Sevenoaks' catchment area which could enable further comparison floorspace to be accommodated in Sevenoaks. This would be subject to the proposal being in accordance with the key tests of PPS6 and any further retail development would have to be of a scale appropriate with Sevenoaks' current role and function.

4. SMALLER CENTRES QUANTITATIVE ASSESSMENT

4.1 In this Section, we apply the latest population and expenditure forecasts figures to assess the performance of the smaller centres in the District. Drawing on the household telephone interview survey (November 2004), we have assessed the performance of the main convenience goods stores in Swanley, Edenbridge and Westerham. We have also considered the current comparison goods performance of Swanley and the capacity for new floorspace. The assessment draws on the data inputs set out in Section 3 and the capacity tables set out in appendices 1 and 2.

i) Swanley Convenience Goods Assessment

4.2 We have estimated the trade drawn to Swanley for convenience goods (Table 8, Appendix 1). This largely reflects the trade drawn to the Asda superstore in Swanley, although there is some limited trade attracted to local convenience stores. The catchment area of Swanley focuses on survey Zone 14, where it attracts 61% of convenience goods trade. Swanley also attracts 25% of convenience goods trade from survey Zone 5, which despite its proximity to Sevenoaks is relatively accessible to Swanley. Swanley also draws some more limited trade from survey Zone 6 which is to the south east and survey Zones 15 to the north and 16 to the west. Table 4.1 summarises the key zones where Swanley attracts its highest market shares.

Table 4.1 Trade Draw for Convenience - Swanley

	Zone 14	Zone 5	Zone 15
Swanley	61.0%	25.0%	12.0%

Source: Sevenoaks Household Interview Survey, November 2004

4.3 In total we estimate that Swanley has a convenience goods turnover of approximately £60.1 million (Table 9, Appendix 1). This equates to a sales density of £11,184 per sq m net. Compared to our estimate of the average sales density for Swanley of £10,915 per sq m net this indicates that the town centre is performing well. The reason for this is largely a result of the performance of the Asda store as very few other convenience stores are identified in Swanley in the household survey. We therefore consider that the Asda is trading well.

4.4 Overall, given the performance of Asda in Swanley town centre we consider that there is some capacity to support new convenience goods floorspace. Table 17, Appendix 1 highlights the capacity for floorspace in Swanley. It is evident that on the basis of existing market shares by 2011 there will be £2.2m of residual expenditure to support new floorspace, this is forecast to grow to approximately £11.5m by 2026. We have converted this to a floorspace figure and estimate that by 2011 there would be capacity for an additional 186 sq m net of convenience goods floorspace and this could increase to approximately 903 sq m net by 2026.

- 4.5 This would not be sufficient to plan for a large new food superstore, however there could be scope for some smaller convenience goods provision to supplement the Asda and the other local convenience stores. The dominance of the Asda store could negate against another operator seeking representation in Swanley, conversely it could encourage some operators as Swanley is already attracting significant numbers of food shoppers.

ii) Swanley Comparison Goods Assessment

- 4.6 Swanley town centre currently draws a very limited amount of comparison goods trade. This is likely to reflect the limited comparison goods offer in the centre and the considerable range of goods on offer in nearby competing shopping destinations. Swanley draws 3% of comparison goods trade in survey Zone 14 and 2% in survey Zone 5.
- 4.7 Table 4.2 indicates the destinations used by shoppers in survey Zone 14 for their comparison goods shopping. It is evident that the majority of shoppers visit Bluewater for their clothing and personal/luxury goods shopping, other destinations used by shoppers include Bromley and Dartford. The household interview survey also indicates the popularity of Dartford for electrical and furniture shopping and the Dartford retail warehouses for DIY shopping.

Table 4.2 Trade Draw in Survey Zone 14 for Comparison Goods

	Clothing	Furniture	DIY	Electrical	Personal & Luxury
Bluewater	31.9%	11.1%		8.2%	42.9%
Bromley	18.1%	7.9%		3.3	14.3%
Dartford town centre	20.8%	28.6%	15.6%	27.9%	15.9%
Orpington retail warehouses		7.9%	7.8%	16.4%	
Orpington town centre		6.3%		6.6%	
Dartford retail warehouses		7.9%	40.7%	6%	1.6%
Sevenoaks town centre	1.4%		1.6%		
Swanley town centre	4.2%	7.9%		1.6%	3.2%

Source: Sevenoaks Household Interview Survey, November 2004

- 4.8 We estimate that of the £79.0 million of available expenditure within survey Zone 14, Swanley currently draws c.£3.0 million. When the limited trade drawn from other Zones is also included, overall we estimate that Swanley currently has a comparison goods turnover of approximately £5.2 million. This equates to a sales density of approximately £1,719 per sq m net. Drawing on our experience from other centres elsewhere in the Country, we consider this is a relatively low level of trading, reflecting the limited offer available.
- 4.9 Based upon existing market shares we do not consider that there will be any capacity to support new comparison goods floorspace in Swanley in the short to medium term. We do however estimate that by 2021 there will a small proportion of capacity (260 sq m net) to support further comparison floorspace which will rise to 412 sq m net by 2026.

- 4.10 Similar to Sevenoaks, Table 4.2 highlights that a significant proportion of comparison expenditure is leaking from Swanley's core catchment (Zone 14). Therefore there may be potential for Swanley to claw back a proportion of this expenditure to support comparison floorspace beyond that identified above. This is supported by the Core Strategy Preferred Options which seeks the regeneration of Swanley. However, where this spend will be clawed back from will require careful consideration in relation the impact this could have on other centres, although this will largely depend on the scale of the proposals.

iii) Edenbridge Convenience Goods Assessment

- 4.11 We have estimated the trade drawn to Edenbridge for convenience goods (Table 8, Appendix 1). We have considered the trade drawn to the Co-op store, the Somerfield Store and other local and independent convenience goods retailers. Edenbridge has a very limited comparison goods shopping function and we have therefore not estimated its comparison goods turnover or the capacity for new floorspace.
- 4.12 The catchment area of Edenbridge for convenience goods focuses on survey Zone 8, where it attracts 48% of convenience goods trade. Edenbridge also attracts convenience goods trade from all the adjacent survey Zones, including 6% from survey Zone 9, 2% from survey Zone 3 and 1% from survey Zones 10 and 11. It is evident from the results of the household interview survey that Edenbridge draws more trade for top up food shopping than for main food shopping. In particular, the Co-op store in Edenbridge is used by 55% of shoppers in survey Zone 8 for top up food shopping compared with 27% of shoppers in survey Zone 8 for main food shopping. Table 4.3 summarises the key zones where Edenbridge attracts its highest market shares.

Table 4.3 Trade Draw for Convenience - Edenbridge

	Zone 8	Zone 9	Zone 3
Edenbridge	48.0%	6.0%	2%

Source: Sevenoaks Household Interview Survey, November 2004

- 4.13 In total we estimate that Edenbridge has a convenience goods turnover of approximately £13.1m (Table 9, Appendix 1). This equates to a sales density of £7,439 per sq m net. Compared with estimated company average sales densities at Edenbridge of £5,238 per sq m net, this indicates that the centre is performing well.
- 4.14 We have considered the capacity to support new convenience goods floorspace in Edenbridge based upon current market share (Table 16, Appendix 1). It is evident that by 2011 there will be approximately £4.0m of residual expenditure to support new floorspace, this is forecast to grow to approximately £4.4m by 2016 and £5.7m by 2026. We have converted this to a floorspace figure, based upon average sales in a large store format. On this basis we estimate that by 2011 there would be capacity for approximately 330 sq m net of additional convenience goods floorspace and this could increase to approximately 443 sq m net by 2026.

iv) Westerham Convenience Goods Assessment

- 4.15 Table 8, Appendix 1 sets out the trade draw of Westerham for convenience goods shopping. There is very little convenience goods provision in Westerham and therefore the survey results focus on the trade drawn to

the small Co-op Store in the town centre and the other convenience stores. The catchment area of Westerham focuses on survey Zone 3 where the town draws approximately 14% of convenience goods trade. It also draws 2% of convenience goods trade from survey Zone 7. Overall the household interview survey indicates that Westerham falls within the wider convenience goods catchment area of Sevenoaks and residents are in particular using the Tesco store at Riverhead, Sevenoaks for their main food shopping. Table 4.4 summarises the key zones where Westerham attracts its highest market shares.

Table 4.4 Trade Draw for Convenience – Westerham

	Zone 3	Zone 7	Zone 2
Westerham	14.0%	2.0%	0.5%

Source: Sevenoaks Household Interview Survey, November 2004

4.16 In total we estimate that Westerham has a convenience goods turnover of approximately £2.5m (Table 9, Appendix 1). This equates to a sales density of approximately £3,970 per sq m net. Drawing on our experience of other similar sized centres elsewhere, this indicates that the centre is performing reasonably well. Given the limited size of Westerham and the proximity of food stores in Sevenoaks, we consider that any growth in residual expenditure over the LDF period should be focused on existing convenience stores within the centre. We have not therefore identified any capacity for further convenience goods floorspace in Westerham.

Summary

- We estimate that the Asda store in Swanley is trading well and there is some capacity for additional convenience goods floorspace in the centre over the LDF period. The centre currently attracts very little comparison goods trade and on the basis of existing market shares there is only a limited proportion of capacity to support further comparison goods floorspace.
- Whilst we consider that existing convenience goods retailers in Edenbridge are performing well, we have only identified limited capacity for new convenience goods floorspace on the basis of existing market shares
- We have not identified any capacity for new convenience goods floorspace in Westerham. Westerham has a limited convenience goods shopping function and falls within the wider convenience goods catchment area of Sevenoaks.

5. CONCLUSIONS

- 5.1 GVA Grimley was instructed in February 2009 to undertake an update report to the Sevenoaks Retail Study which was previously updated in 2007. The aim of the study is to examine the changing assumptions concerning expenditure growth which have taken place since 2007. Particular regard is had to the current economic slow down which is set to have huge impacts on the retail sector and growth forecasts.
- 5.2 Based on the latest published forecasts, this update report identifies some capacity for additional convenience goods floorspace in Sevenoaks over the LDF period. We estimate that by 2011 there would be capacity for approximately 608 sq m net of additional convenience goods floorspace, increasing to 894 sq m net by 2016 sq m, to 1,250 by 2021 and to 1,684 sq m net by 2026. There is therefore some capacity to plan for any new convenience floorspace in Sevenoaks over the LDF period.
- 5.3 We have identified no capacity for further comparison goods in Sevenoaks in the short to medium term based on current market shares (up to 2016). In the long term though there would theoretically be capacity to support an additional 1,038 sq m net of comparison goods floorspace by 2021, increasing to approximately 2,285 sq m net by 2026.
- 5.4 In order to provide a comparison of how the current economic climate has impacted on future spend growth we have provided a table (5.1) to demonstrate how capacity for further convenience and comparison floorspace in Sevenoaks has reduced since the 2007 Update was undertaken. This table should only be used as a broad indication of how capacity has reduced, as different assumptions were applied in assessing capacity back in 2007. We have not provided a comparison table of capacity in Swanley or Edenbridge as this was not specifically quantified in the 2007 Update.

Table 5.1 Future shop floorspace in Sevenoaks

	2011/12	2016/2017	2021/2022	2026
Comparison fl sp				
2007	930	3,648	7,263	10,927
2009	-1,062	-45	1,038	2,285
Convenience fl sp				
2007	1,151	1,677	2,233	2,696
2009	608	894	1,250	1,684

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- 5.5 There may be scope to claw back a proportion of expenditure that is currently leaking to other competing centres from Sevenoaks' catchment area which could enable further comparison floorspace to be accommodated in the centre. Any new retail development beyond that identified in our capacity assessment would need to be consistent with the centre's current role and function as neither the South East Plan nor the Core Strategy Preferred Options aim to upgrade Sevenoaks' position in the retail hierarchy.
- 5.6 Given the level of competition in the surrounding area we consider that the priority for the Council should be to focus any future capacity in the town centre, maximising the opportunities for replacement or infill development as they arise. Any further comparison floorspace proposed within Sevenoaks would therefore need to be located in accordance with the sequential approach to site selection.
- 5.7 Given the restricted nature of site opportunities within the centre we would recommend that the most suitable sites for retail development in the centre are protected within a Site Allocations DPD. This will help to ensure that the prime sites within the centre are not lost to non-retail development in the short term as the continued long term success of the town centre may be prejudiced.
- 5.8 With regards to Swanley, we estimate that the Asda store in the centre is trading well and there is some capacity for additional convenience goods floorspace in the centre over the LDF period. Our assessment has determined that the majority of available comparison spend within the Swanley catchment is spent in competing centres. Therefore there may be potential for Swanley to claw back a proportion of this expenditure to support comparison floorspace beyond that identified above. This is supported by the Core Strategy Preferred Options which seeks the regeneration of Swanley.
- 5.9 Whilst we consider that existing convenience goods retailers in Edenbridge are performing well, we have only identified limited capacity for new convenience goods floorspace on the basis of existing market shares.
- 5.10 We have not identified any capacity for new convenience goods floorspace in Westerham. Westerham has a limited convenience goods shopping function and falls within the wider convenience goods catchment area of Sevenoaks.
-