

Basildon Borough Council
Castle Point Borough Council
Rochford District Council
Southend-on-Sea Borough Council
Thurrock Council

South Essex Retail Study
Volume 1: Main Report

Peter Brett Associates

November 2017

Project Ref 37898

	Name	Position	Signature	Date
Prepared by:	Ashleigh Cook	Graduate Planner	AC	
	Jonathan Ngige	Planner	JN	
	Francesca Rowson	Senior Planner	FR	
Prepared and reviewed by:	Cathy Hall	Senior Associate	CH	
Approved by:	Kieran Rushe	Equity Director	KR	
For and on behalf of Peter Brett Associates LLP				

Peter Brett Associates LLP disclaims any responsibility to the client and others in respect of any matters outside the scope of this report. This report has been prepared with reasonable skill, care and diligence within the terms of the contract with the client and taking account of the manpower, resources, investigations and testing devoted to it by agreement with the client. This report has been prepared for the client and Peter Brett Associates LLP accepts no responsibility of whatsoever nature to third parties to whom this report or any part thereof is made known. Any such party relies upon the report at their own risk.

© Peter Brett Associates LLP 2017

THIS REPORT IS FORMATTED FOR DOUBLE-SIDED PRINTING.

CONTENTS

1	INTRODUCTION.....	1
	Structure of report	2
2	EXISTING RETAIL AND LEISURE EVIDENCE BASE.....	3
	Key findings.....	6
3	PLANNING POLICY MATTERS	7
	Introduction	7
	National Planning Policy Framework	7
	National Planning Policy Guidance.....	8
	Strategic planning	9
4	MARKET AND ECONOMIC TRENDS	10
	Introduction	10
	Market trends	10
	Economic trends	14
	Implications for South Essex	17
	Key findings.....	19
5	NETWORK OF CENTRES.....	20
	Introduction	20
	Basildon	21
	Castle Point.....	22
	Rochford	23
	Southend-on-Sea	23
	Thurrock.....	23
	Competing centres	24
	Key findings.....	26
6	SPENDING PATTERNS	27
	Introduction	27
	Household survey and study area	27
	Spending patterns	28
	Population and expenditure growth	34
	Key findings.....	36
7	QUANTITATIVE RETAIL NEED	37
	Introduction	37
	Claims on expenditure growth	37

Quantitative need	38
Key findings.....	42
8 QUANTITATIVE LEISURE NEED.....	43
Introduction	43
Leisure spending growth	43
Food and beverage sector.....	45
Cinema sector	45
Key findings.....	47
9 RETAIL IMPACT ASSESSMENT	48
Introduction	48
Method	48
Impact assessment	49
Key findings.....	52
10 RECOMMENDATIONS	53
Introduction	53
Scale of growth	53
Hierarchy of centres	54
Distribution of growth.....	55
Principles for town centre uses in strategic housing allocations.....	57

TABLES

Table 4.1 Summary of long-term retail growth prospects.....	15
Table 4.2 Adjusted Special Forms of Trading Market Shares (%).....	16
Table 5.1 South Essex and competing centres Venuescore 2015/16	21
Table 6.1 Study area zones and geography	28
Table 6.2 South Essex comparison spending patterns summary.....	28
Table 6.3 Comparison spending patterns summary.....	30
Table 6.4 South Essex convenience spending patterns summary	31
Table 6.5 Convenience spending patterns summary	31
Table 6.6 South Essex leisure spending patterns summary	32
Table 6.7 Food and drink leisure spending patterns summary.....	33
Table 6.8 Cinema leisure spending patterns summary	33
Table 6.9 Study area population growth 2016-2037	34
Table 6.10 Comparison expenditure growth 2016-2037 (exc. SFT) (£M).....	35
Table 6.11 Convenience expenditure growth 2016-2037 (exc. SFT) (£M)	35
Table 7.1 Comparison commitments	37
Table 7.2 Step-by-step comparison need	38

Table 7.3 Baseline comparison needs summary (sqm net)	39
Table 7.4 Housing-led comparison needs summary (sqm net)	39
Table 7.5 Baseline convenience needs summary (sqm net)	41
Table 7.6 Housing-led convenience needs summary (sqm net)	41
Table 8.1 Leisure expenditure growth by sector and LPA 2016-2037 (£m)	43
Table 8.2 Food and beverage need by LPA 2016-2037 (£m)	45
Table 8.3 Cinema screen capacity by LPA 2016-2037 (£m)	45
Table 9.1 Retail impact assessment method	48
Table 9.2 Pre- and post-Lakeside and Bluewater market shares	49
Table 9.3 Adjusted market share comparison needs summary (sqm net) – baseline scenario	49
Table 9.4 Adjusted market share comparison needs summary (sqm net) – housing-led scenario	50
Table 9.5 Difference in comparison need across the five authorities – baseline scenario	50
Table 9.7 Diversion to Lakeside and Bluewater extensions from and impact on selected destinations in South Essex in 2026	51
Table 10.1 Scale of retail and leisure growth to 2037	53
Table 10.2 Hierarchy of town centres in South Essex	54
Table 10.3 Comparison and convenience retail needs by local authority in South Essex (2026)	55

FIGURES

Figure 2:1 South Essex sub-region retail evidence structure	3
Figure 4:1 UK Grocery operators' growth 2013-2018	12
Figure 5:1 South Essex network of centres	20
Figure 6:1 South Essex comparison local resident spending and inflow spending patterns	29
Figure 7:1 Comparison needs requirements (net) – baseline and housing-led scenarios	40
Figure 7:2 Convenience needs requirements – baseline and housing-led scenarios (net)	42

VOLUME 2: APPENDICES (SEPARATE DOCUMENT)

APPENDIX A STATEMENT OF COMPLIANCE
APPENDIX B STUDY AREA
APPENDIX C QUANTITATIVE RETAIL CAPACITY
APPENDIX D CATCHMENT AREA PLANS
APPENDIX E QUANTITATIVE METHOD
APPENDIX F LEISURE CAPACITY
APPENDIX G IMPACT ASSESSMENT
APPENDIX H FOSSETTS FARM CAPACITY SENSITIVITY

VOLUME 3: HOUSEHOLD SURVEY DATA (SEPARATE DOCUMENT)

1 INTRODUCTION

- 1.1 National planning places a duty on local planning authorities to cooperate on strategic cross-boundary planning issues including the provision of retail and leisure development. This Study has been commissioned to provide a common evidence base to assist cooperation between the South Essex authorities on cross-boundary retail and leisure planning matters.
- 1.2 Peter Brett Associates LLP (PBA) was instructed by the consortium of five authorities in April 2016 to provide a strategic retail evidence base for the South Essex sub-region (tier one evidence). The five authorities are; Basildon Borough Council (BBC), Castle Point Borough Council (CPBC), Rochford District Council (RDC), Southend-on-Sea Borough Council (SBC) and Thurrock Council (TC). This Study provides a common evidence base to assist cooperation between the South Essex authorities on cross-boundary retail and leisure planning matters.
- 1.3 The South Essex authorities are also producing joint evidence on housing and employment matters. The Strategic Housing Market Assessment (SHMA) (May 2016) and subsequent addendum (May 2017) were prepared by Turley in partnership with Edge Analytics and provides a consistent evidence base for the five South Essex authorities on objectively assessed need for housing, aligned with forecast job growth.
- 1.4 PBA has been commissioned to prepare updates to selected local authorities retail and leisure evidence base ('tier two evidence') for TC, CPBC and SBC in parallel with this Study. A new household survey was undertaken by NEMS market research in July 2016 to provide the basis for a common evidence base for the South Essex Strategic Retail Study (SESRS) and the tier-two retail studies. Updates to the existing retail evidence base for Basildon and Rochford are not required since the existing evidence is considered to be sufficiently up to date.
- 1.5 The objectives of this Study are as follows:
 - Review the context in which this Study is undertaken including; relevant planning policies, existing available retail evidence for each Authority and key market and economic trends in the retail and leisure sectors;
 - Undertake a strategic overview of the existing network of centres in the defined study area, including those centres within the five authorities and the main competing centres;
 - Analyse retail and leisure spending patterns for the South Essex sub-region informed by a new household survey of shopping patterns and assess the catchment areas of the main centres;
 - Assess the need for additional convenience and comparison retail floorspace and key high order leisure uses up to 2037 and consider a range of scenarios for the spatial distribution of the assessed retail and leisure needs between the five authorities;

- Consider the need for new retail and leisure facilities generated by large strategic housing developments; and,
- Recommend options for the spatial distribution of the assessed retail and leisure needs across the five authorities up to 2037.

Structure of report

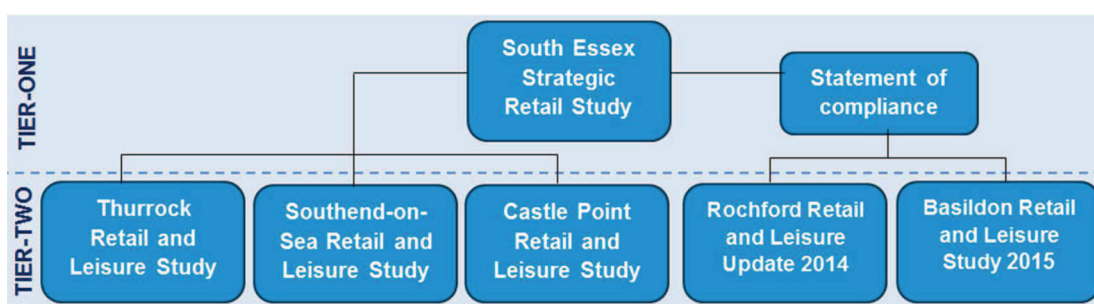
1.6 Responding to the Study objectives, the report is structured as follows:

- Section 2 summarises the current retail and leisure evidence base for the five South Essex authorities
- Section 3 reviews the relevant planning policy in relation to plan-making and retail and other town centre uses
- Section 4 reviews the key market and economic trends in the retail and leisure sectors
- Section 5 assess the existing network of centres in the study area
- Section 6 analyses retail spending patterns in the comparison (non-food) and convenience (food) sector and leisure spending patterns across the study area in 2016
- Section 7 summarises the quantitative assessment of retail need for the comparison and convenience sector undertaken at Appendix C
- Section 8 summarises the quantitative assessment of leisure need for the food and drink and cinema sector undertaken at Appendix F
- Section 9 summarises the retail impact assessment undertaken at Appendix G which assess the impact of additional retail floorspace at Lakeside regional centre upon the surrounding network of centres
- Section 10 presents key recommendations for the spatial distribution of the assessed retail and leisure needs across the five authorities up to 2037, as well as providing principles for planning for retail and leisure needs which take account of the health of the existing network of town centres as more detail about the distribution of housing growth across South Essex become clearer within emerging policy documents.

2 EXISTING RETAIL AND LEISURE EVIDENCE BASE

- 2.1 This section will briefly summarise the existing retail evidence base for each of the South Essex authorities. First it summarises the existing evidence on retail need in Castle Point, Southend and Thurrock which will be updated through the preparation of new retail studies in conjunction with this study (tier two evidence).
- 2.2 The existing local evidence on retail need in Rochford and Basildon is then summarised. Updates for these authorities will not be prepared due to the evidence being published recently. To provide consistency, a statement of compliance for Rochford and Basildon is provided within Volume 2 of this report (Appendix A).
- 2.3 The diagram below explains the structure of the retail evidence base for the South Essex sub-region.

Figure 2:1 South Essex sub-region retail evidence structure



Source: PBA (2016)

Castle Point Employment and Retail Needs Assessment

- 2.4 The current retail evidence base for CPBC is contained within the 2012 Castle Point Employment and Retail Needs Assessment (ERNA) prepared by consultants Nathaniel Lichfield and Partners.
- 2.5 Section 8 provides an assessment of future retail needs over the period from 2012 to 2031 and the headline quantitative needs outputs for Castle Point are summarised below:
- Comparison goods: 3,414 sqm net by 2021 and 8,353 sqm net by 2031
 - Convenience goods: 1,200 sqm net by 2021 and 2,267 sqm net by 2031
 - Other A2-A5 retail uses: 3,600 sqm gross by 2031
- 2.6 In terms of distribution, the ERNA states that new floorspace should be directed towards Canvey Island and Hadleigh town centres where masterplans are being prepared in order to support town centre vitality and viability.
- 2.7 Section 9 provides an assessment of commercial leisure needs which estimates a need for a further 3,600 sqm gross floorspace up to 2031 for Class A2-A5 retail uses and Class A1 retail services, based on a 25% uplift. The ERNA recognises that Castle Point has a limited selection of large commercial leisure facilities; however, the potential to provide additional facilities in Castle Point is limited because residents

have good access to a wide range of large leisure facilities in neighbouring authorities (BBC and SBC).

Southend Retail and Town Centre Study

- 2.8 The current retail evidence base for SBC is contained within Southend Retail and Town Centre Study (SRTCS) published in 2011 and advice note published in 2012, both prepared by consultants CB Richard Ellis (CBRE).
- 2.9 The 2012 advice note reviews the findings of the 2011 SRTCS and provides revised quantitative retail capacity forecasts for the period from 2015 to 2025 for the comparison and convenience goods sector. The headline quantitative needs outputs for SBC from the 2012 advice note¹ are summarised below:
- Comparison goods: 53,492 sqm net by 2020 and 86,873 sqm net by 2025
 - Convenience goods: 3,619 sqm net by 2025
- 2.10 In terms of distribution, the SRTCS directs all floorspace capacity towards the town centre to support the regeneration of the town centre and the Southend Central Area Action Plan (SCAAP).
- 2.11 Although there was no borough-wide need for additional convenience floorspace up to 2020, because out-of-centre convenience floorspace commitments exceed capacity, both the SRTCS and the 2012 advice note² identified need for 308 sqm net convenience floorspace in Southend town centre.

Thurrock Retail Study Update

- 2.12 The existing retail evidence base for TC is contained within the 2012 Thurrock Retail Study Update (RSU) prepared by RTP (now PBA).
- 2.13 Section 5 of the RSU provides an updated quantitative assessment of retail needs over the period from 2011-2026 for the comparison and convenience goods sector. The headline quantitative needs outputs for TC are summarised below:
- Comparison goods: 23,900 sqm net by 2021 and 35,000 sqm net by 2026
 - Convenience goods: 7,400 sqm net by 2021 and 8,600 sqm net by 2026
- 2.14 Section 7 of the RSU provides advice on retail growth at Lakeside, including the shopping centre and surrounding retail parks. In terms of the distribution of floorspace, 90% of total floorspace needs are directed to Lakeside Basin area to support the establishment of a new town centre. The remaining 10% is directed elsewhere.
- 2.15 The delivery of new comparison floorspace at Lakeside is restricted by planning policy to 50,000 sqm net by up to 2019. This floorspace should improve the diversity of the shopping offer by providing a variety of different unit formats and sizes to suit a range of different operators. In the convenience sector, the RSU identified an

¹ Table 4b

² Table 4a

opportunity to provide two supermarkets at Lakeside; a food supermarket of up to 1,500 sqm net as part of the Lakeside shopping centre expansion; and, a food superstore of up to 3,500 sqm net delivered centrally within the new town centre.

Rochford Retail and Leisure Study Update

- 2.16 The retail evidence base for RDC is contained within the Rochford Retail and Leisure Study Update (RLSU) prepared by NLP and published in 2014.
- 2.17 Section 3 provides an assessment of future retail needs up to 2031 and the headline quantitative needs outputs for Rochford under the baseline population scenario are summarised below:
- Comparison goods: 1,824 sqm net by 2024 and 4,937sqm net by 2034
 - Convenience goods: 1,697 sqm net by 2024 and 2,711 sqm net by 2034
- 2.18 These capacity figures set out above are based up on the population projections from the Thames Gateway/South Essex SHMA.
- 2.19 Section 4 considers the requirement for other town centre uses. It identifies a potential requirement for up to 3,000 sqm gross of Class A3-A5 floorspace for new food and beverage outlets. In terms of distribution, the priority should be for new A3 restaurant and café units within Rayleigh and Hockley.

Basildon Retail and Commercial Leisure Capacity Study

- 2.20 The retail evidence base for BBC is contained within the Retail and Commercial Leisure Capacity Study (RCLCS) prepared by PBA and published in 2015.
- 2.21 Section 5 provides an assessment of future retail and leisure needs up to 2035 and the headline quantitative needs outputs for BBC are summarised below:
- Comparison goods: 14,592 sqm net by 2021 and 72,162 sqm net by 2035
 - Convenience goods: 4,349 sqm net by 2021 and 5,899 sqm net by 2035
- 2.22 Section 6 considers the requirement for commercial leisure floorspace and finds that there is considerable scope to improve the food and drink offer (Class A3-A5) in Basildon, Pitsea and Wickford centres. There is capacity for 5,500 sqm gross floorspace up to 2021 and 16,600 sqm gross floorspace up to 2035, the majority of which should be directed to Basildon town centre in order to compete with the Festival Leisure Park.

Key findings

This report has summarised the scale of need for new retail and commercial leisure floorspace as established in the existing retail evidence base for each South Essex authority.

- **Castle Point:** 3,414 sqm net comparison floorspace and 1,200 sqm net convenience floorspace by 2021.
- **Southend:** 53,492 sqm net comparison floorspace by 2020. Localised need for 308 sqm net convenience floorspace in Southend town centre by 2020 but no borough wide convenience capacity up to 2020.
- **Thurrock:** 23,900 sqm net comparison floorspace and 7,400 sqm net convenience floorspace by 2021.
- **Rochford:** 1,824 sqm net comparison floorspace and 1,697 sqm net convenience floorspace by 2024.
- **Basildon:** 14,592 sqm net comparison floorspace and 4,349 sqm net convenience floorspace by 2021.

3 PLANNING POLICY MATTERS

Introduction

- 3.1 This chapter of the report provides a summary of the national and local planning policy context. As a starting point, we review the National Planning Policy Framework (NPPF) and National Planning Policy Guidance (NPPG) as it applies to plan making. We then review the strategic planning framework for South Essex.

National Planning Policy Framework

- 3.2 The NPPF was published by the Government in 2012. Paragraph 14 includes a presumption in favour of sustainable development, which for plan-making means that:
- *‘Local planning authorities should positively seek opportunities to meet the development needs of their area;*
 - *Local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:*
 - *Any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
 - *Specific policies in this Framework indicate development should be restricted.’*
- 3.3 Chapter 2 ‘Ensuring the vitality of town centres’ deals with retail and other town centre uses. Paragraph 23 states that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres. There is a requirement for local authorities to recognise town centres as the heart of their communities and to define a network and hierarchy of centres that is resilient to anticipated future economic changes. Finally, there is an important requirement that:
- “needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability”*
- 3.4 The NPPF requires local plans to be based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. In terms of a retail evidence base, paragraph 161 states that they should assess:
- *‘the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;*
 - *the role and function of town centres and the relationship between them, including any trends in the performance of the centres;*
 - *the capacity of existing centres to accommodate new town centre development;*
 - *locations of deprivation which may benefit from planned remedial action.’*

- 3.5 The NPPF places a Duty on Public bodies to cooperate on strategic cross-boundary planning issues, including the provision of retail and leisure development. Paragraph 178 states that such joint working enables local planning authorities to meet development requirements which cannot wholly be met within their own areas. There is a requirement for authorities to provide evidence of effective cooperation on cross-boundary planning issues. Paragraph 180 states that this could be demonstrated by a memorandum of understanding or jointly prepared evidence base.
- 3.6 To be considered sound, Paragraph 182 requires Local Plans to be positively prepared (i.e. based on a strategy which seeks to meet objectively assessed development and infrastructure requirements), justified (i.e. the most appropriate strategy, when considered against the reasonable alternatives), effective (i.e. deliverable and based on joint working) and consistent with national policy (paragraph 182).

National Planning Policy Guidance

- 3.7 The NPPG online resource was launched in March 2014 to provide further guidance on and support to the policies contained within the NPPF.
- 3.8 Town centre matters are set out in the section 'Ensuring the vitality of town centres', paragraph 002 states that a positive vision or strategy for town centres, articulated through the Local Plan, is key to ensuring successful centres which enable sustainable economic growth and provide a wider range of social and environmental benefits.
- 3.9 Paragraph 003 states that strategies should be based on evidence on the current performance of the town centre. Strategies should also identify opportunities to meet development needs; support town centre viability and vitality; and, identify changes in the hierarchy of town centres, including where a town centre is in decline. In these cases, strategies should seek to manage decline positively to encourage economic activity and achieve an appropriate mix of uses commensurate with a realistic future for that town centre.
- 3.10 Paragraph 005 of the NPPG sets out 10 indicators of vitality and viability that should be considered when assessing the health of town centres.
- 3.11 Paragraph 009 states that authorities should allocate sufficient sites to meet the assessed need for town centre uses in accordance with the sequential approach. If needs cannot be met on town centre sites then sequentially preferable sites (i.e. edge of centre and then out of centre) should be considered. Sites should be assessed for their suitability, availability and viability with regard to the nature of the need that is to be addressed.
- 3.12 Paragraph 014 states that the impact test may be used in plan-making to determine whether proposals in certain locations would impact on '*existing, committed and planned public and private investment or on the role of centres*'.

Strategic planning

- 3.13 This Study has been prepared in a way which is consistent with the emerging evidence base. Section 7 of this report will present two sets of quantitative retail and leisure capacity forecasts based on alternative population forecasts, as follows;
- Baseline scenario: Experian MMG3
 - Housing -led scenario: SHMA and Experian MMG3
- 3.14 In the baseline scenario, population from figures from Experian MMG3, are applied to all zones in the study area. In the housing-led scenario, population growth rates derived from the 2017 SHMA are applied to those zones in the study area which relate to the five South Essex authorities and the Experian figures are applied to all other zones. The 2017 SHMA population figures used relate to the upper end of the 2017 OAN Addendum. As such, this Study provides a consistent set of evidence for the South Essex authorities to set policies on future retail and leisure development.
- 3.15 It should be noted that in the housing-led scenario, the population distribution used is the indicative split within the housing market area (HMA). The NPPF only requires housing needs to be met in full at the HMA level; it is therefore possible that housing needs may not be met in accordance with the indicative split identified in the SHMA. However, an alternative distribution has not been agreed so for the purpose of this study, we have adopted the indicative split. A recommendation of this study will include revisiting this distribution in the form of an addendum to deal with housing distribution if and when an alternative approach is agreed between the client group.

4 MARKET AND ECONOMIC TRENDS

Introduction

- 4.1 This section summarises published industry research on the future role and function of town centres with a review of key trends which are likely to influence the demand for new retail and commercial leisure floorspace in South Essex. The second part of this section will summarises the headline economic forecasts which feed into the quantitative assessment of retail and leisure needs in Section 6 and 7.

Market trends

- 4.2 The market context for town centres, and retail in particular, is continuously evolving. The role of the town centre is not as clearly defined as it has been in the past, and indications are that the town centres which have best weathered the recent economic downturn are those which have a diverse range of uses.
- 4.3 In this section, the key changes in the retail and leisure market that are considered likely to have the most significant implications on town centres are discussed. The key trends include:
- Polarisation trend
 - Restructuring of the convenience (food) sector
 - Growth of commercial leisure sector
 - Effects of digital technology

Polarisation

- 4.4 Since the last economic downturn, several factors have created a need for retailers to rapidly adapt their business strategies and store formats to economic changing circumstances. These factors include
- Reduced consumer expenditure growth
 - Changes in customer requirements
 - Growth of internet and multi-channel retailing
- 4.5 The culmination of these factors resulted in a 'polarisation trend' in the comparison sector whereby retailers have increasingly concentrated trading activities within larger retail centres and out-of-town retail parks. As a result, the strength of the comparison retail offer in larger centres continues to improve relative to small centres.
- 4.6 Retailers have altered their business models in this way in order to compete with internet based retailers which have significantly lower overhead costs. Operating a strategic network of large stores in larger centres with capacity to stock full product ranges provides greater efficiency compared to a network of smaller-format stores which offer a limited range of products. The growing popularity of multi-channel retailing means that many retailers now require fewer stores than before to reach their customer base. In 2011, Deloitte estimated that the polarisation trend could

result in portfolio reductions of between 30 to 40% in the short to medium term in certain retail categories³.

- 4.7 National retailers have become increasingly concentrated within the larger regional 'top 100' centres and the share of comparison retail sales conducted through town centre shops declined from 64% in 2002 to just over 40% by 2013⁴. The main beneficiaries of this trend have been out of town retail parks.
- 4.8 Retailers are increasingly looking to out of town retail parks to meet the demand for large format units. The retail warehousing market has seen increasing demand from traditional high street retailers since these units are considered best placed to serve the multi-channel customer. Key anchor retailers have continued to invest in new large format stores in out of centre locations such as John Lewis at Home and Next Home. These larger stores display their full range of products and provide click and collect facilities in accessible locations.
- 4.9 Increased demand for out of centre floorspace has reduced vacancy levels down to pre-recession levels. Due to a shortage in new space, landlords are focusing on improving the quality of existing retail parks through refurbishment and the introduction of a greater range of uses, including leisure. As a result, retail parks are becoming destinations in their own right offering customers an enhanced shopping experience⁵.
- 4.10 The retail development pipeline has slowed and 2012 saw the lowest quantum of new floorspace delivered in the UK since the 1990's. However, since 2012, a number of major retail schemes opened including Trinity Shopping Centre in Leeds owned by Land Securities in 2013; Old Market in Hereford owned by British Land in 2014; and, Grand Central in Birmingham owned by Birmingham City Council in late 2015⁶.
- 4.11 The scale and type of investment is different to that experienced during the 'golden age' of shopping centre development, between 1997 and 2007. In line with the polarisation trend, investment in new comparison retail floorspace is becoming increasingly concentrated in the larger city centres and regional shopping centres.

Restructuring of the convenience sector

- 4.12 During the economic downturn the convenience goods sector was a key driver of growth. This sector has traditionally been dominated by the 'Big Four' supermarket operators: Asda, Morrison's, Tesco and Sainsbury's and large foodstores (2,300 sqm net) were the primary driver of growth in the sector. However, structural changes have taken place in the sector, as follows:
- Discount food operators: operators such as Aldi and Lidl have increased their market share of the grocery market significantly and are continuing to expand

³ Deloitte LLP, The Changing Face of Retail (2011)

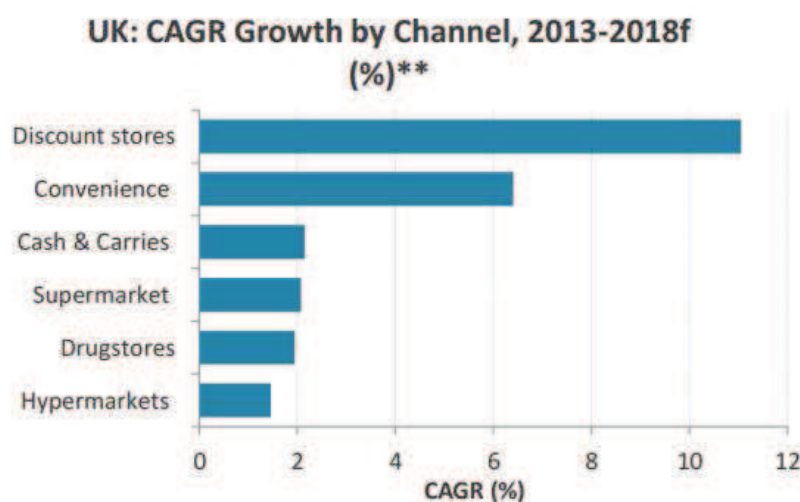
⁴ Peter Brett Associates, Investing in the High Street: Town Centre Investment Management (2013)

⁵ Colliers International, Heading out of town-the changing landscape of the retail warehousing market (2016)

⁶ BCSC (2013) Shopping Centre Development Pipeline Report

- 'C-format' stores: major grocery retailers have expanded their network of smaller convenience stores in order to increase their market share (Tesco Express, Sainsbury's Local and Little Waitrose)
- Online shopping: the 'race for space' over the last decade has resulted in major operators investing in online grocery shopping in order to increase market shares.

Figure 4:1 UK Grocery operators' growth 2013-2018



Source: Planet Retail, European Grocery Retailing (2016)

- 4.13 Discount retailers are now important forces in the convenience goods market and are expected to continue to take market share from the Big Four supermarket operators.
- 4.14 As shown in Figure 4:1, between 2013 and 2018 the compound annual growth rate (CAGR) of discount retailers (such as Aldi and Lidl) and convenience (C-format stores) is expected to reach 11% and almost 7% respectively whereas the growth rate among supermarkets is forecast at just 2%.
- 4.15 Verdict expects that the proportion of floorspace accounted for by 'smaller stores' will increase from 37.6% in 2007 to 41.6% by 2017. This shift has been driven by a shift in consumer behaviour; shoppers are undertaking an increased number of smaller 'top-up shopping' or 'basket shopping' trips instead of a weekly food shop to a large out of centre foodstore. This trend has been exacerbated by the growth of online grocery shopping, as customers undertake top-up shopping to supplement the main grocery delivery.
- 4.16 Convenience operators' business models have shifted towards the expansion of smaller 'C-format' stores. Both Sainsbury's and Tesco now have more 'C-stores' than large supermarkets. In January 2015, Tesco announced they would abandon the development of 49 'very large' foodstores and close 43 unprofitable stores. Both Sainsbury's and Morrison's have withdrawn from a number of large development schemes across the UK which has directly affected the study area.
- 4.17 In late 2015 Morrisons withdrew from a development scheme in Pitsea, where the company had agreed to take a 6,968 sqm unit. The unit was subsequently sub-let to value homeware retailer The Range. Similarly, a commitment in Thurrock (Lakeside)

for a Morrisons store has not materialised. Elsewhere in the study area, Tesco stepped away from their previous aspirations to deliver foodstore-led scheme adjacent to Southend Victoria station; Sainsbury's also withdrew proposals for a foodstore at Southend United football ground and instead housing is being progressed on that site.

Growth of the commercial leisure sector

- 4.18 Most commentators predict that commercial leisure, such as cafes, bars, restaurants and cinemas, will constitute a growing share of town centre floorspace. This is partly a replacement activity as a consequence of the reduced demand for traditional retail space, and partly driven by the increase in leisure expenditure as discretionary household expenditure rises. These key trends include⁷:
- Cinema sector: expected to expand via acquisition and diversification of the market despite falling attendance figures over the last two years. The big three cinema operators are focusing on larger markets where there is limited competition. The second tier and boutique operators are focusing on the qualitative difference in their offer to enable them to create specialist markets.
 - Restaurant sector: contributed significantly to the continued growth of the leisure sector throughout and since the recession. Demand for A3 space is being driven by the regional expansion of successful A3 operators established in London.
 - Health and fitness: the market is expected to experience continued growth in market value with annual memberships increasing from 12.6% to 13.2% and 177 new facilities opened in the year up to 2014 predominantly in the budget sector.
 - Class D2 leisure use (children's play): resurgence from the large format D2 leisure operators since the last economic downturn. Operators are offering increasingly diverse activities with companies from abroad seeking space in the UK (e.g. laser combat and trampolining) because of consumers spending more of their disposable income on leisure-based activities.
- 4.19 When considering leisure expenditure available to households, spending on food and drink typically accounts for more than 50% of total leisure spending, compared to around 15% on 'cultural services' (e.g. going to the cinema, theatre, art galleries or live music) and under 10% on hotels, games of chance and recreation/sporting services.
- 4.20 There is scope for town centres to capitalise on this trend, redefining their function as leisure 'destinations' in their own right. The development of a strong commercial leisure offer can help to increase footfall, particularly outside of retail hours, and visitors undertaking 'linked trips' between retail, leisure and other uses also spend increased dwell-time in centres.

⁷ Savills (2015) UK Commercial Market in Minutes, Savills World Research

Effects of digital technology

- 4.21 The rapid uptake of digital technology in the retail sector has facilitated the growth of online sales which has had a noticeable impact on the built environment in terms of the ways in which retailers utilise physical floorspace.
- 4.22 The increased threat posed by internet retailing has prompted many National retailers to adopt new business strategies. In the non-food sector, the most competitive retailers have rationalised their property portfolios and focused new investment in online retailing (web development, mobile retailing and click and collect) in order to boost the efficiency of their operations.
- 4.23 Property portfolio rationalisation has resulted in many retailers closing smaller less profitable stores, typically in small to medium sized towns and concentrating investment in building a smaller network of large stores in larger shopping destinations and highly accessible out of town retail parks.
- 4.24 Experience has shown that retailers who have invested in multi-channel retailing have proved most successful in recent years. Multi-channel retailing includes a digital online retail presence complimented by physical stores located in a range of accessible and attractive locations. Some retailers are increasingly utilising digital technology in order to drive footfall and in-store purchases. Examples of such practices include:
- in-store handheld internet devices: to provide customers with detailed product information and enable online ordering;
 - geo-referencing: sending information to customers' mobiles about offers and promotions when they pass close to a store; and,
 - mobile loyalty card programmes: allow offers to be tailored to individuals shopping habits.

Economic trends

- 4.25 This section provides an overview of key retail and leisure forecasts taken from the Experian Retail Planner Briefing Note (ERPBN14) including expenditure growth, multi-channel retailing and floorspace efficiency growth, which inform the estimates of expenditure capacity set out in Section 6.

Expenditure growth

- 4.26 According to Experian, the outcome of the June 2016 vote in favour of Brexit from the EU has created major economic uncertainty in the short term. Experian expect this to have negative implications for investment and hiring plans, while the recent decline in value sterling is forecast to result in higher inflation. This combination of slower employment growth and higher inflation is expected to reduce retail sales growth to just 1% in the short-term (2017-2018).
- 4.27 Table 4.1 shows the forecast growth for convenience, comparison and leisure spending per capita for five distinct periods; pre-recession (1997-2007); the recession and its aftermath (2008-2011); the recovery (2012-2015); medium-term forecast

(2016-2025) and long-term forecast (2026-2035). This allows for an easy comparison of historic and long-term trends.

Table 4.1 Summary of long-term retail growth prospects

Growth per capita	Annual average growth (%)				
Period	1997-2007	2008-2011	2012-2015	2016-2025	2026-2035
Total retail	5.1	-0.5	2.1	1.8	2.4
Convenience	-0.3	-3.2	-1.0	-0.1	0.1
Comparison	8.0	0.6	4.1	2.7	3.2
Leisure	-0.9	-3.3	1.7	1.2	1.5

Source: Figure 1 and figure 2, ERPBN14 (November 2016)

- 4.28 In the short term, according to Experian, retail spending growth will slow sharply because of economic uncertainty related to the Brexit vote. Convenience retail spending is forecast to slow from 0.0% in 2016 down -0.9% in 2019 and comparison retail spending growth is expected to slow from 3.3% in 2016 down to 1.0% in 2018. Leisure spending is also expected to slow quickly from 1.9% in 2016 down to 0.2% in 2018.
- 4.29 Retail sales volumes are expected to recover in the medium-term as Brexit-related uncertainty subsides which is reflected in the higher retail spending growth rates forecast from 2016-2025 as shown in Table 4.1. It should be noted that this scenario assumes an orderly transition process with continued access to the EU single market.
- 4.30 In the long term, forecast growth in retail sales per capita will recover to reach 2.4% although this is well below the historic pre-recession rate of 5.1% for the reasons set out above. The failure of the convenience sector to post a sustained recovery in recent years despite the strengthening of household finances has resulted in Experian's long-term growth forecasts remaining subdued over the long term (0.1%). Experian's long term comparison growth forecast will remain significantly lower than the pre-recession period (8.0%) due to the economic constraints posed by Brexit and the ongoing need for fiscal restraint.
- 4.31 Leisure spending is forecast to perform well in the long-term compared to historic trends as shown in Table 4.1. Experian expect that spending will reach 1.5% in the long-term (2026-2035) which is a reversal of the historic trend of declining per capita leisure expenditure.

Multi-channel retailing

- 4.32 Special Forms of Trading (SFT), driven by the increasing popularity of internet shopping, has significantly outpaced traditional retail sales in recent years and Experian forecast that it will continue to do so for several years to come. SFT data is collected by the ONS and includes all non-store retail sales (internet, catalogue, outdoor markets, telephone sales and door to door).

- 4.33 SFT now accounts for 15% of all retail sales and the growth of SFT over the last decade has been driven by the increasing popularity of online shopping. Internet sales have been rising much more rapidly than general retail sales in recent years. The share of internet sales as a share of total retail sales increased significantly from 4.7% in June 2008 to 11.7% in mid-2016.
- 4.34 Experian expect that the growth of SFT retailing will outperform traditional forms of spending. The SFT share of retail spending is forecast to reach 18.6% by 2022 and 20.4% by the mid-2030s. The continued growth of internet retailing over this period will be sustained by the uptake of new technology, such as mobile shopping and interactive TV shopping. Table 4.2 sets out Experian's adjusted SFT market share growth forecasts up to 2035.

Table 4.2 Adjusted Special Forms of Trading Market Shares (%)

	2016	2018	2026	2031	2035
Total SFT	9.6	10.6	12.7	13.3	13.8
Comparison	13.2	14.4	16.1	16.3	16.5
Convenience	3.0	3.4	4.6	5.0	5.3

Source: Figure 5, ERPBN13 (October 2015)

- 4.35 The rise of internet retailing has changed how retailers utilise traditional retail outlets and internet retailing is now seen as both a threat and an opportunity to businesses.
- 4.36 The growth in online sales has generally had the most negative impact on those sectors which are more exposed to the digitisation of products and services, such as electrical goods, books and music. As a result, the number of retailers selling these products from 'bricks and mortar' stores have reduced over recent years.
- 4.37 The failure of retailers to adapt to new technologies and shopping habits has led to the high-profile closure of national retailers including Woolworths, Blockbuster and BHS. However, retailers with a successful multi-channel shopping experience are expected to see increasing demand for 'bricks and mortar' stores driven by online sales growth. Multi-channel retailing refers to an integrated shopping offer whereby retailers utilise traditional stores as a showroom for products, a service location and a collection/drop off point for online orders. Receiving specialised product information and the opportunity to view, compare and test products before purchase is becoming increasingly important to customers and this trend will continue to support demand for retail floorspace.

Sales density growth

- 4.38 Sales density growth, also referred to as floorspace efficiency growth, refers to the ability of retailers to achieve increases in their turnover year on year that exceed inflation. It is important for retail assessments to take this into account since it allows for a certain amount of expenditure growth to be 'ring-fenced' to be spent within existing businesses. This is also important for retailers to remain viable over time.

- 4.39 Conventionally, retail capacity assessments make an allowance for the year-on-year growth in average sales densities of existing floorspace as a claim on expenditure growth. Since there is limited evidence on annual turnover growth achieved by retailers it has been necessary to make informed assumptions about sales density growth in the convenience and comparison sector based on data provided by industry bodies, Experian and Pitney Bowes.
- 4.40 The quality and configuration of floorspace will determine its ability to achieve sales density growth. Modern large format retail units have greater potential to grow its sales density year on year compared with small traditional shop units. In the comparison sector, a range of expenditure growth rates are applied from 2016 onwards depending on the nature of the property offer, as follows:
- High (2.5%): locations with a significant proportion of modern retail property or a high-quality retail offer (i.e. premium retailers);
 - Medium (1.9%): locations with a mix of modern and older retail properties and a mixed retail offer; and,
 - Low (1.5%): locations with a significant proportion of older retail properties or a low-quality retail offer (i.e. discount stores)
- 4.41 This is a PBA estimate which is considered to be consistent with the long-term year-on-year expenditure growth forecast at around 2.0% by Experian.
- 4.42 The ability for the convenience sector to improve its turnover year on year is restricted due to the high trading levels that already exist relative to the comparison sector. Experian forecast negative growth rates in the convenience sector up to 2024 when growth will resume at just 0.1% from 2024-2035. For these reasons, PBA have not allowed for the existing floorspace to improve its turnover year-on-year.

Implications for South Essex

- 4.43 The long-term effects of the polarisation trend have meant that South Essex's retail geography is increasingly dominated by several very large centres including within the study area (Lakeside) but also outside at Bluewater, the improvement of facilities in Chelmsford and with the development of Westfield Stratford City. At the same time, as national comparison retailers have rationalised their portfolios in secondary centres, so too have there been pressures on other centres in South Essex, notably Basildon and Southend.
- 4.44 There have been several very immediate impacts on the shift in convenience retail formats on South Essex. This includes enhancement of local provision by the main foodstore operators. However, it also includes several larger foodstore schemes stalling as operators (Morrisons, Sainsbury's and Tesco) have pulled back from proposals or commitments in Southend, Basildon and Thurrock. We provide further analysis of this in the following section.
- 4.45 While there has been growth the commercial leisure sector in South Essex, larger-scale development has been focused outside town centres (new out-of-centre multiplex cinema and A3 uses in Basildon) or has not yet been realised (e.g. the long-

standing leisure-led commitment at Lakeside has yet to commence on site or development at Fossetts Farm in Southend). That is not to say that change has not happened in town centres, with all centres playing a role in meeting leisure needs: we explore in forthcoming sections the leisure role of study area's centres.

- 4.46 All centres in South Essex will have experienced the effects of digital technology, most immediately in terms of a reducing share of particularly comparison spending being transacted through physical floorspace. However, as set out above, because the line between physical and online spending is increasingly blurred, the rise of facilities like Collect+ in even the smallest centres has had the effect of driving footfall and spending in these locations. Managed shopping centres typically better able to incorporate digital technologies to enhance the shopping experience which means that centres like Southend, Basildon and Lakeside have responded better to these shifts.

Key findings

This report has identified a number of market trends which are likely to influence the demand for new retail and commercial leisure floorspace across the plan period:

- **Polarisation to higher-order centres:** National comparison retailers are increasingly rationalising their property portfolios with fewer large stores concentrated in high-order centres shopping malls and regional centres.
- **Restructuring of the convenience goods sector:** Since the economic downturn major retailers have increased their network of small in-centre stores and invested in online shopping while discount food operators such as Aldi and Lidl have increased their market shares.
- **Growth of commercial leisure sector:** Commercial leisure uses will constitute a growing share of town centre floorspace driven in part by the increase in household leisure expenditure and reduced demand for retail space in secondary centres.
- **Effects of digital technology:** Digital technologies facilitating online sales have altered the ways in which retailers utilise physical floorspace and it is likely that new technologies will impact on the retail sector in unpredictable ways.

This report has also identified a number of quantitative forecasts which will inform the assessment of need set out in Section 7:

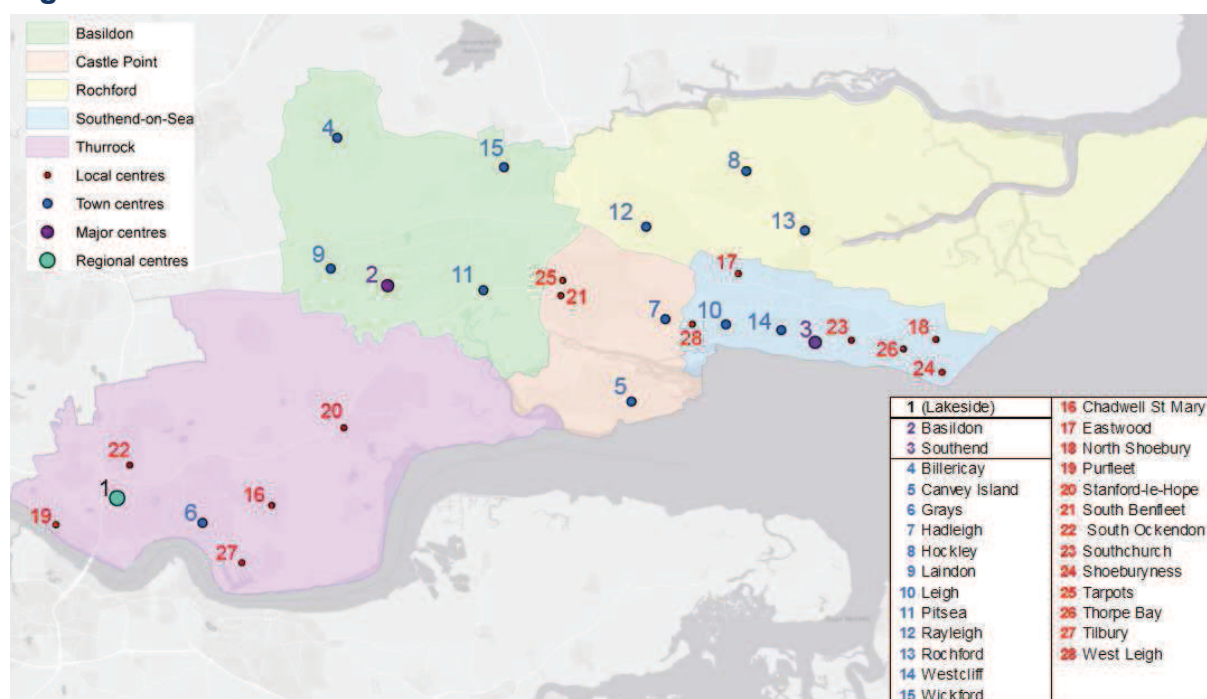
- **Retail expenditure growth:** Experian estimates a growth rate of 3.1% per annum between 2016 and 2035 for comparison goods. Convenience expenditure is expected to grow extremely modestly over the same period (0.1% per annum).
- **Leisure expenditure growth:** Experian forecasts growth rate at 1.4% per annum between 2016 and 2035 for leisure.
- **Sales density growth:** PBA assume a range of efficiency growth rates for existing comparison floorspace from 1.5% to 2.5% per annum but no growth for existing convenience floorspace.
- **Growth in e-commerce/m-commerce:** Experian forecast that growth in non-store retailing will outperform traditional retailing although only moderately after mid-2020. Rapid growth forecast in the short term (2015-2019) will be sustained by new technology, such as purchasing through mobile devices.

5 NETWORK OF CENTRES

Introduction

- 5.1 This section provides an overview of the existing network of centres located within the South Essex authorities, illustrated in Figure 5:1 and the map at 0 and considers the role of competing centres located outside. The second part of this section will consider the role of competing centres located outside the South Essex authorities and identify where new investment is planned in these centres.

Figure 5:1 South Essex network of centres



Source: PBA (2016)

- 5.2 Table 5.1 sets out the VENUESCORE and VENUESCORE rank for the main South Essex centres and competing centres that are considered to exert the greatest influence over shopping patterns in the study area.
- 5.3 VENUESCORE is published by the Javelin Group and it is calculated using a scoring system that takes account of the presence of multiple retailers, anchor stores and fashion operators which is weighted to reflect the relevant centre's overall influence on shopping patterns.
- 5.4 It is important to note that the geographical area used to define the town or city centre is unlikely to coincide with the adopted primary shopping areas and in some cases will include the edge-of-centre retail offer. But it is still a useful tool to compare centres within the study area.

Table 5.1 South Essex and competing centres Venuescore 2015/16

Centre	Market position	VENUESCORE location grade	VENUESCORE rank	VENUESCORE
Lakeside Shopping Centre	Upper Middle	Major Regional	50	252
Southend-on-Sea	Middle	Regional	88	201
Basildon	Lower Middle	Regional	97	191
Grays	Lower Middle	Major District	547	56
Rayleigh	Middle	District	716	43
Canvey Island	Lower Middle	District	943	34
Bluewater Shopping Centre	Upper Middle	Major Regional	25	335
Westfield Stratford City	Upper Middle	Major Regional	30	315
Romford	Middle	Major Regional	44	272
Chelmsford	Middle	Regional	67	222
Stratford	Lower Middle	Sub-Regional	83	336

Source: VENUESCORE (2016) Javelin

- 5.5 VENUESCORE also classify centres according to their market position and location grade index. The market position index provides a guide for distinguishing between destinations based on the quality of the retail offer and each centre is ranked on a scale from 'discount' to 'luxury'.
- 5.6 The location grade index classifies centres into one of eight categories from 'major city' to 'local shopping' locations depending on their VENUESCORE. However, it is important to note that the VENUESCORE location grade does necessarily correspond to the centres designation within the local authority's retail hierarchy.
- 5.7 Javelin also publish MALLSCORE which is the VENUESCORE equivalent for purpose-built shopping centres. Isolating the scores enables shopping centres to be compared on a consistent basis.

Basildon

- 5.8 Basildon is located to the west of the study area and north of Thurrock. The borough-wide hierarchy of centres includes five town centres and 39 local centres.
- **Basildon** town centre is identified as a regional town centre. It has a strong comparison and convenience offer focusing on the middle to lower end of the market. Basildon has a VENUESCORE rank of 97.
 - **Billericay** is relatively affluent town with a mix of convenience stores and some specialised independent comparison retailers. The centre has a VENUESCORE rank of 629 due to the relatively low proportion of national multiple operators.

- **Laindon** is a small town centre comprised of a purpose built shopping parade (Laindon Centre) serving the local area. Proposals for the mixed-use redevelopment of the Laindon Centre were approved in summer 2017 including 224 dwellings, an additional 1,146 sqm convenience floorspace but a slight reduction in total Class A1 retail floorspace (-62 sqm)⁸. Laindon is not currently allocated a VENUESCORE by Javelin.
 - **Pitsea** town centre has a strong convenience offer dominated by a large Tesco foodstore serving a wide catchment area. It has a VENUESCORE rank of 918.
 - **Wickford**: The retail offer at Wickford town centre includes a mix of convenience and comparison floorspace. The centre has a VENUESCORE rank of 943.
- 5.9 The 39 local centres include local shopping parades and provide day-to-day convenience goods within neighbourhoods.
- 5.10 Basildon has an established network of out-of-centre retail parks. Most of the out-of-centre retail parks are located around Basildon town and include Mayflower, Pippas Hill, Heron and Vange retail parks. Pitsea Retail Park is the exception in the borough and is located within Pitsea's town centre. In addition, a large proportion of the borough's leisure provision is located at Festival Leisure Park: a large out-of-centre leisure destination which includes a cinema, bowling alley, nightclubs, bars and family restaurants.

Castle Point

- 5.11 Castle Point is located in the middle of the study area. The borough is bound by Basildon to the west, Rochford to the north and Southend-on-Sea to the east. The retail provision in Castle Point is focused in four main settlements of Canvey Island, Hadleigh, South Benfleet and Tarpots alongside a network of smaller centres and out-of-centre retail parks.
- **Canvey Island** is the largest town in Castle Point and contains the largest amount of retail floorspace. The centre has a VENUESCORE rank of 943.
 - **Hadleigh** has a high proportion of convenience floorspace due to the presence of three large foodstores. The centre has a VENUESCORE rank of 1,372
 - **South Benfleet** contains a relatively large proportion of comparison floorspace and relatively strong food and drink offer. The centre does not have a VENUESCORE rank due to the low proportion of national multiple retailers.
 - **Tarpots** is the smallest of the centres in Castle Point and contains a large proportion of convenience floorspace. Like South Benfleet, the centre does not have a VENUESCORE rank due to the low proportion of national multiple retailers.
- 5.12 There are two out-of-centre retail parks in Castle Point providing a mix of convenience and bulky comparison goods: Northwick Road and Stadium Way. There is an extant permission to build out Northwick Road.

⁸ Ref: 16/01594/FULL

Rochford

- 5.13 Rochford is located to the south east of the study area and is bound by Castle Point, Basildon, Chelmsford and Southend-on-Sea. The district's main retail provision is contained in the main centres of Rayleigh, Rochford and Hockley.
- **Rayleigh** is a market town and the main shopping destination in Rochford. The town has a wide comparison and convenience offer and serves the town and the surrounding villages. Rayleigh has a VENUESCORE rank of 716.
 - **Rochford** is a small town with relatively high proportion of convenience floorspace reflecting its position in the retail hierarchy. The town has a localised catchment that includes the surrounding rural villages. Rochford has a VENUESCORE rank of 2,577.
 - **Hockley**, like Rochford, serves a largely localised catchment area. The town does not have a VENUESCORE rank due to its relatively small size.
- 5.14 The main out-of-centre retail provision is at Airport Retail Park, which abuts the district boundary with Southend and accessed from Southend, comprises a range of comparison retailers with homeware, furniture, pet supplies, sportswear categories all represented of comparison goods retailers. It has a VENUESCORE rank of 1,709.

Southend-on-Sea

- 5.15 Southend is located to the east of the study area and is bound by Rochford and Castle Point. The borough's main retail provision is as follows:
- **Southend-on-Sea** is designated as a regional centre and contains the borough's main comparison retail provision. The centre is anchored by The Victoria and Royals Shopping Centre. Southend has a VENUESCORE rank of 88.
 - **Westcliff-on-Sea** is district centre with a mid-market retail offer. It offers a good mix of comparison and convenience floorspace aimed at the middle of the market. Westcliff on Sea has a VENUESCORE rank of 1,193.
 - **Leigh-on-Sea** is designated as a local centre with a strong comparison goods provision. Leigh on Sea has a VENUESCORE rank of 1,618.
- 5.16 Alongside the network of town centres, Southend includes four local centres namely Thorpe Bay, Southchurch, Eastwood and Shoeburyness. These centres serve a local catchment and are characterised by a reasonably high proportion of service and convenience retail floorspace.
- 5.17 The borough also contains a network of out-of-centre retail parks. The provision is split between large format, standalone foodstores and four retail parks at Southend Airport, Greyhound, London Road and Fossetts Way. We also note that while Airport Retail Park is within Rochford, it lies very close to the boundary with SBC.

Thurrock

- 5.18 Thurrock is located to the south west of the study area and is bound by Brentwood, Basildon and the London Borough of Havering. Grays is the borough's administrative

centre with significant retail floorspace provided at Lakeside Shopping Centre and the surrounding network of retail parks.

- **Grays** is the administrative and cultural centre of the borough and comprises of a more traditional town centre. The retail offer in Grays includes a mix of day-to-day convenience provision and some comparison floorspace. Grays has a VENUESCORE rank of 547.
- **Lakeside Shopping Centre** is a covered shopping centre and is part of the Lakeside Basin. Lakeside Basin is designated as a regional centre and contains the bulk of the Borough's comparison and leisure floorspace. Lakeside has a VENUESCORE rank of 50 and a MALLSCORE rank of six behind Bluewater Shopping Centre (2) and Westfield Stratford City (3).
- **Lakeside Retail Parks** are part of the Lakeside Regional Centre and comprises Junction Retail Park, Lakeside Retail Park, Lake Rise and units off Cygnet way. Floorspace in the retail parks is dedicated to retailing of bulky comparison goods alongside trade counters and industrial uses. The Lakeside retail parks have a combined VENUESCORE rank of 453 and a MALLSCORE rank of 173.

- 5.19 In addition to the network of regional and town centres, Thurrock includes the four local centres of Stanford-Le-Hope, South Ockendon, Tilbury, Chadwell St Mary. A new town centre is also planned at Purfleet to serve the proposed media village. As local centres, they contain a high proportion of convenience floorspace with local service uses

Competing centres

- 5.20 This section of the Study considers the role and function of competing centres located beyond the boundaries of the South Essex authorities. For each competing centre we have identified planned, committed, ongoing and recent investment as well as the VENUESCORE or MALLSCORE.

North

- **Chelmsford** regional centre is a strong retail, leisure and cultural destination with a wide catchment. The centre's VENUESCORE rank is 67. The recent completion of the Bond Street retail and leisure development at the edge of the town centre will further boost the town's retail offer and secure its status as a regional centre. The new development is anchored by a John Lewis department store and includes a multi-screen cinema and food and drink units. Elsewhere in the town centre, part of the existing High Chelmer shopping centre has been redeveloped to create a new restaurant quarter along Exchange Way⁹.
- **Maldon** is the main retail destination in Maldon District. Maldon offers a good provision of both convenience and specialist comparison floorspace. The centre has a VENUESCORE rank of 779.

⁹ Ref: 14/00377/FUL

- **Brentwood** is identified as a town centre and provides the main retail destination in Brentwood borough. Brentwood's retail offer is focused towards convenience goods and the centre's role is limited by the outflow of comparison spending into the surrounding network of regional centres. The centre has a VENUESCORE rank of 215.

East

- **Romford** is a designated Metropolitan Centre with a strong convenience and comparison floorspace provision. Romford has a VENUESCORE rank of 42. In addition to traditional high street, the centre is anchored by three shopping centres - the Liberty, the Mercury and the Brewery.
- **Stratford** is designated as a Metropolitan Centre in the London Plan (2015). The retail provision is dominated by Westfield Stratford City. Westfield is a major retail and leisure facility serving East London and Essex. VENUESCORE disaggregates the retail provision at Stratford town centre and Westfield Stratford City providing two ranks for the centre. Stratford has a VENUESCORE rank of 336 while Westfield Stratford City has a rank of 30. In addition, VENUESCORE publish MALLSCORE a separate ranking for purpose built shopping centres and retail parks. Westfield Stratford City has a MALLSCORE rank of 3, behind Bluewater Shopping Centre in Kent. The retail provision at Stratford is largely aimed at the middle of the market. The most recent version of the London Plan (2015) has indicated that Stratford has the potential to be reclassified as an International centre over the London Plan's plan period. The centre is easily accessible to much of South Essex catchment particularly following the addition of regular weekend c2c trains from Essex to Stratford in December 2015¹⁰. This may lead to greater expenditure leakage to Stratford.

South

- **Bluewater** Shopping Centre is a large, out-of-centre comparison shopping destination in Stone, Kent. Bluewater has a VENUESCORE rank of 25 and a MALLSCORE of 2, ahead of Westfield London. The retail provision is primarily aimed at the middle and higher market segments and is complemented by a significant food and leisure offer. A resolution to grant planning permission for an outline application¹¹ was made by Dartford Borough Council in April 2017 for 30,000 sqm of additional retail (A1-A5) floorspace at the West Village extension of Bluewater Shopping Centre. This replaces a previous permission for 30,500 sqm of retail floorspace granted in August 2013.
- **Dartford** town centre is the administrative centre of Dartford borough. The town centre's retail offer largely meets local needs; this is primarily a function of the complementing the significant comparison retail offer at Bluewater. The centre has a VENUESCORE rank of 290.

¹⁰ <http://maps.dft.gov.uk/essex-thameside/#stratford>

¹¹ Application reference 16/01207/OUT

- **Gravesend** town centre is the main shopping destination in the Borough of Gravesham. The centre has a 2015 VENUESCORE rank of 273. Like Dartford, the retail provision in Gravesend largely serves a localised catchment area because of the dominant role played by Bluewater in meeting higher-order comparison needs.
- **Ebbfleet**: there is an outline permission in place for 16,900 sqm of A1 comparison retail and 24,000 sqm of D2 leisure floorspace.
- **London Paramount** is a proposed theme park, resort and leisure destination in Swanscombe, Kent. The proposed development is set out on a 353 ha site on the Swanscombe Peninsula straddling Dartford and Gravesham boroughs. In May 2014, the Secretary of State gave notice for London Paramount to be treated as a Nationally Significant Infrastructure Project. In June 2017, it was announced that part of the JV partnership had withdrawn but a Development Consent Order application is still expected to be submitted in 2018.

Key findings

- Retail provision in South Essex comprises the larger regional centres of Basildon, Lakeside and Southend, and a number of relatively small town centres, such as Billericay and Hadleigh, serving a localised catchment area. In addition, a number of the client authorities have lower tier of parades which, although playing a role in meeting very localised needs, are not town centres as defined by the NPPF.
- Lakeside shopping centre is the largest comparison shopping destination within South Essex area and exerts a significant influence over trading patterns across the wider study area.
- Across the client authorities, there is significant out-of-centre retail and leisure provision which competes with the established network of centres for expenditure. This is particularly the case for locations like Basildon and Castle Point.
- Beyond South Essex, some of the UK's largest retail developments exert influence over the study area. These centres, which include Westfield Stratford City and Bluewater Shopping Centre, dominate the regional retail hierarchy and are set to see some expansion over the coming years further entrenching their market dominance and potentially increasing their draw from South Essex.
- Elsewhere, significant investment in the retail and leisure offer in Chelmsford will present an increased level of competition for some South Essex centres, particularly those located in the north and east of the study area in Basildon, Rochford and Southend.

6 SPENDING PATTERNS

Introduction

- 6.1 This section sets out the study area which has been used as the basis of our assessment and then identifies the level of expenditure growth in the retail and leisure sectors which can be expected to come forward over the course of the study period. An assessment of spending patterns is then undertaken to identify where residents across the study area are currently undertaking their convenience (food), comparison (non-food) and leisure spending. This exercise is important to establish how much money is spent in centres within South Essex and how much 'leaks' to destinations further afield.

Household survey and study area

- 6.2 The spending patterns assessment is based on a household survey undertaken by NEMS Market Research in July 2016. The map enclosed at 0 shows the household survey study area and includes details the postcode sectors contained within each zone. The survey includes a number of detailed questions on residents' convenience, comparison and commercial leisure spending habits, and the NEMS survey data is provided in full at Volume 2 to this Study.
- 6.3 To establish where residents are currently undertaking their spending it is necessary to first define a study area. As can be seen on the map at 0, an extensive study area has been adopted which covers the client group and parts of the wider Essex region to the north, Greater London to the west and Kent to the south. To provide a sufficiently fine-grain analysis of spending patterns this study area has been divided into 23 study zones. The study zones have been defined with reference to the administrative boundaries of the five South Essex authorities and for consistency with the existing retail evidence base, the zones are broadly aligned with the study areas from the Rochford RLSU and Basildon RCLCS.
- 6.4 The larger zones on the periphery of the study area (Zones 19-23) have been incorporated in the survey to understand the influence of those larger destinations in South Essex (Lakeside, Basildon and Southend) on shopping patterns across the region. However, the size of these outer zones will distort the spending patterns analysis results to a degree since the analysis is based on total spending derived from each zone. When considering 'expenditure inflow' these larger zones will generate a greater amount of expenditure since they have a greater population. When considering 'expenditure outflow' these zones will have greater potential to attract expenditure relative to smaller zones since they contain a greater number of destinations.
- 6.5 The study zones are summarised in the table below as they relate to the geography of the study area.

Table 6.1 Study area zones and geography

Geography	Study zones
Basildon	1, 2, 3, 4
Castle Point	5, 6
Rochford	7, 8, 9, 10
Southend-on-Sea	11, 12, 13
Thurrock	14, 15, 16
Outside South Essex	17, 18, 19, 20, 21, 22, 23

Source: PBA (2016)

6.6 Outside the client group:

- Zones 17, 21 and 22 cover the wider Essex area including Brentwood, Epping Forest, Waltham Abbey as well as the London Borough of Newham and Barking and Dagenham.
- Zones 18, 19 and 20 cover Chelmsford and Maldon
- Zone 23 covers parts of Kent including Dartford, Gravesham, Medway and Sevenoaks.

Spending patterns

- 6.7 The results of the household survey which includes a number of detailed questions on convenience, comparison and commercial leisure spending habits are assessed in this section.

Comparison goods

- 6.8 The table below summarises for South Essex as a whole the proportion of comparison spending which is derived from South Essex (retained expenditure) and from other zones in study area (inflow expenditure) as well as how much expenditure leaks outside of South Essex (expenditure leakage). As can be seen from this table, a relatively small amount of expenditure generated within South Essex overall is lost to competing destinations.

Table 6.2 South Essex comparison spending patterns summary

Comparison spending patterns	%
Turnover derived from South Essex zones	61%
Turnover derived from elsewhere in study area	39%
Leakage from South Essex zones	10%

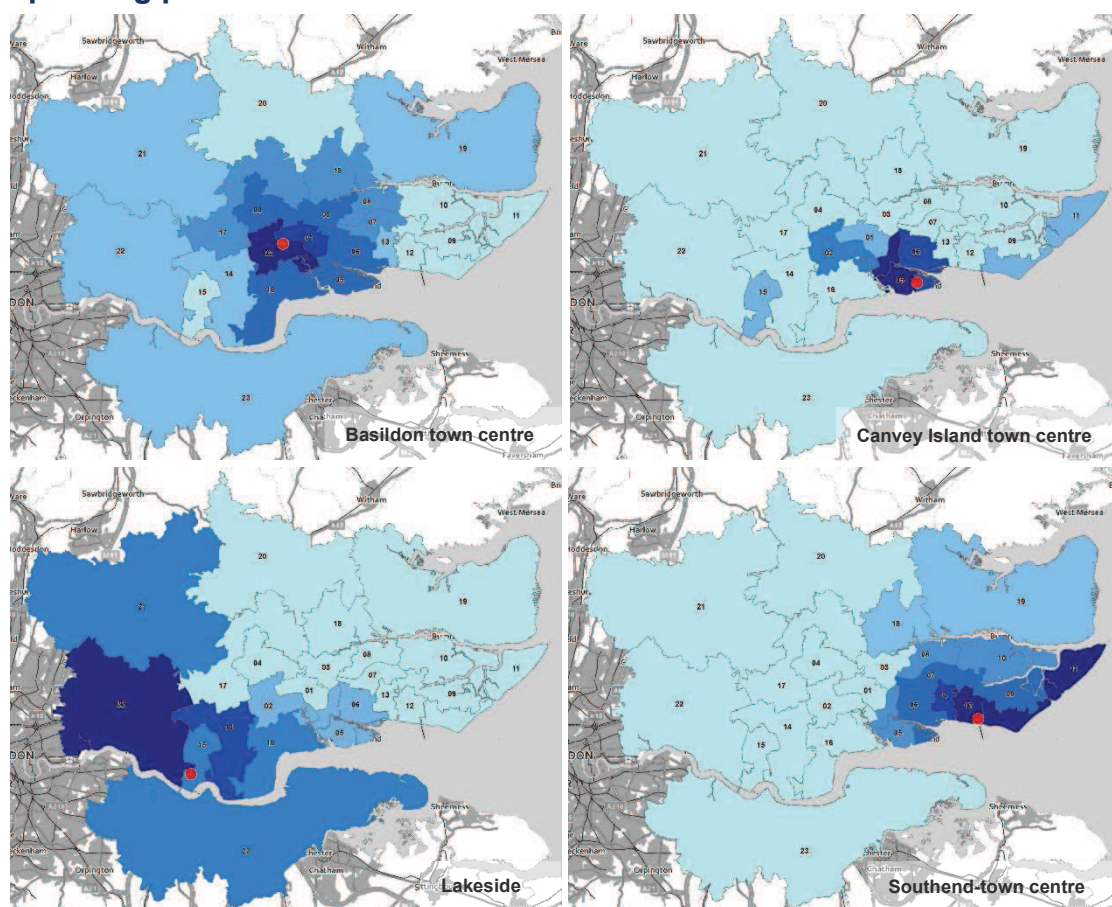
Source: Appendix C

- 6.9 Figure 6:1 shows, for selected South Essex centres, the proportion of comparison turnover selected which is drawn from each zone in the study area. Comparing the

maps highlights the ability of the different centres to attract spending from elsewhere in the study area

- 6.10 From the maps below it is clear that the comparison offer in Canvey Island town centre predominantly caters for the local population since the majority of its turnover comes from the Castle Point zones (93%). Southend town centre also mainly serves a local population, with 66% of the centre's comparison turnover generated from the Southend zones. However, it does exert a greater influence on shopping patterns than Canvey Island, attracting shoppers from neighbouring zones in Castle Point, Rochford and Maldon.

Figure 6:1 South Essex comparison local resident spending and inflow spending patterns



Source: PBA (2016)

- 6.11 The majority of comparison spending in Basildon town centre comes from the Basildon zones (59%). However, due to its central location it does attract a significant quantum of spending (30%) from a wide area including zones 5, 6, 7, 8, 14, and 16, which are immediately surrounding Basildon.
- 6.12 Lakeside performs a markedly different retail function to all the other town centres, as it is a regional destination which attracts spending from much further afield. Only 18% of expenditure in Lakeside comes from the Thurrock zones, with 51% coming from Zone 22. Lakeside attracts spending from all the study zones, albeit a small proportion from some.

- 6.13 The table below summarises comparison spending patterns for each South Essex authority. The first two columns of data show, of the available expenditure from LPA residents, what proportion is spent in their home LPA (retained) and what proportion is spent outside (leakage). The third and fourth columns show, of expenditure made in each LPA, the proportion of which is made up of resident spending (residents) and the proportion which is from people living outside the LPA (inflow).

Table 6.3 Comparison spending patterns summary

Local authority	Available LPA resident expenditure		Proportion of expenditure made within the LPA	
	Retained	Leakage	Residents	Inflow
Basildon	76%	24%	59%	41%
Castle Point	14%	86%	92%	8%
Rochford	32%	68%	55%	45%
Southend-on-Sea	79%	21%	65%	35%
Thurrock	73%	27%	20%	76%

Source: Appendix C

- 6.14 In terms of retained expenditure versus expenditure leakage, reflecting their stronger comparison offers, Thurrock, Basildon and Southend experience the least expenditure leakage to the surrounding zones outside of the authority area. Southend and Basildon both have a well-established in- and out-of-centre retail offer which helps to stem the outflow of expenditure. In contrast, Rochford and Castle Point have a much more limited comparison shopping offer and experience the greatest levels of expenditure leakage.
- 6.15 In terms of inflow as a proportion of overall spending made in each borough/district, Thurrock attracts the greatest proportion of expenditure from zones located outside of the authority itself. This is to be expected since it contains Lakeside Shopping Centre and the surrounding retail parks which are a major regional comparison shopping destination. Rochford and Basildon receive a significant amount of expenditure from the surrounding zones. Basildon town centre provides a significant retail offer and the overall attraction of Basildon as a comparison destination is enhanced by the out-of-centre retail and leisure parks. In Rochford's case, the higher level of inflow is likely to be a product of geography, with Airport Retail Park as one of the main comparison destinations in the district being located adjacent to the district boundary with Southend.
- 6.16 Turning to Southend, it has moderate levels of inflow which reflect its comparable retail offer to Basildon but the overall level is likely to be tempered by geography. The coastal location serves to limit the amount of available spending, and therefore inflow, but also has the effect of increasing retention because people have fewer

close alternative destinations, reflected in Southend recording the highest level of domestically generated retention in South Essex.

- 6.17 Finally, in the case of Castle Point, the low level of inflow reflects the fact that centres predominantly serve a localised catchment area and so attract a limited amount of spending from outside the authority area.

Convenience goods

- 6.18 Table 6.4 summarises for South Essex as a whole the proportion of convenience spending which is derived from South Essex (retained expenditure) and from other zones in study area (inflow expenditure) as well as how much expenditure leaks to competing destinations outside of South Essex (expenditure leakage).
- 6.19 As can be seen from this table, a relatively small amount of expenditure generated within South Essex is leaked to competing destinations although this is greater than the proportion of comparison expenditure leakage. It is usually the case that authorities retain a greater proportion of convenience spending since this type of shopping is undertaken locally whereas shoppers are prepared to travel longer distances for higher order comparison goods.

Table 6.4 South Essex convenience spending patterns summary

Convenience	%
Turnover derived from South Essex zones	76%
Turnover derived from elsewhere in study area	24%
Leakage from South Essex zones	12%

Source: Appendix C

- 6.20 Table 6.5 table below summarises convenience spending patterns for each South Essex authority. The first two columns of data show, of the available expenditure from LPA residents, what proportion is spent in their home LPA (retained) and what proportion is spent outside (leakage). The third and fourth columns show, of expenditure made in each LPA, the proportion of which is made up of resident spending (residents) and the proportion which is from people living outside the LPA (inflow).

Table 6.5 Convenience spending patterns summary

Local authority	Available LPA resident expenditure		Proportion of expenditure made within the LPA	
	Retained	Leakage	Residents	Inflow
Basildon	89%	11%	72%	28%
Castle Point	74%	26%	75%	25%
Rochford	43%	57%	79%	21%
Southend-on-Sea	78%	22%	67%	33%

Local authority	Available LPA resident expenditure		Proportion of expenditure made within the LPA	
	Retained	Leakage	Residents	Inflow
Thurrock	73%	27%	47%	53%
South Essex	88%	12%	76%	24%

Source: Appendix C

- 6.21 In terms of expenditure leakage, Rochford experiences the highest level of expenditure leakage by far (57%) with a significant amount of expenditure directed to out of centre foodstores in Southend and Castle Point. Thurrock experiences a significant level of expenditure leakage (27%) with a significant amount of expenditure directed to foodstores in Zone 14 which contains Upminster

Leisure sector

- 6.22 Table 6.6 summarises for South Essex as a whole the proportion of leisure spending for the main leisure categories which is derived from South Essex (retained expenditure) and from other zones in study area (inflow expenditure) as well as how much expenditure 'leaks' outside South Essex (expenditure leakage).

Table 6.6 South Essex leisure spending patterns summary

Leisure category	Expenditure retained	Expenditure inflow	Expenditure leakage
Food and drink (A3-5)	75%	25%	21%
Cinema	65%	35%	14%
Recreation	80%	20%	17%
Games of chance	79%	21%	11%

Source: Appendix C

- 6.23 As can be seen from this table, a relatively large proportion of food and drink and cinema expenditure is leaked to competing destinations outside of South Essex which indicates that there is scope to claw back significant expenditure through the provision of additional high-quality food and drink and cinema facilities. That said, there is significant variation between the South Essex authorities in terms of the amount of expenditure leaked to competing leisure destinations which reflects the different level of food and drink and cinema facilities present in each authority.
- 6.24 Table 6.7 summarises food and drink spending patterns for each South Essex authority. Castle Point has a very limited food and drink leisure offer and as a result experiences the highest level of expenditure leakage. Thurrock and Rochford also experience a significant level of food and drink expenditure leakage indicating that there is scope to improve provision in order to meet local needs. Southend has the highest level of expenditure retention which supports the findings of the Southend health check assessments that the borough's main centres (Southend town centre and Westcliff and Leigh district centres) provide a good food and drink offer in terms

of diversity and quality of the local offer. The Southend health check assessments are contained in Section 2 of the Southend Retail and Leisure Study.

Table 6.7 Food and drink leisure spending patterns summary

Food and drink	Expenditure retained	Expenditure inflow	Expenditure leakage
Basildon	71%	29%	29%
Castle Point	94%	6%	60%
Rochford	72%	28%	33%
Southend-on-Sea	62%	38%	13%
Thurrock	29%	71%	55%
South Essex	75%	25%	21%

Source: Appendix C

- 6.25 Table 6.8 summarises cinema spending patterns for each South Essex authority, the spending patterns results clearly relate to the level of cinema provision in each authority. Rochford contains no cinema facilities which is clearly reflected in the survey results; the district experiences 100% expenditure leakage in this category. Castle Point contains just one small cinema with four screens and as a result also experiences a very high level of expenditure leakage. However, this is not necessarily surprising given the scale of the centres in both districts.
- 6.26 Southend and Basildon are both well served by local cinema facilities and as such experience the lowest level of expenditure leakage in this category. Southend contains an eight-screen Odeon cinema located in the town centre and Basildon contains an 18-screen Cineworld multiplex cinema located at Festival Leisure Park. Thurrock experiences a relatively high level of expenditure leakage considering that Lakeside shopping centre contains a nine-screen multiplex Vue cinema.

Table 6.8 Cinema leisure spending patterns summary

Cinema	Expenditure retained	Expenditure inflow	Expenditure leakage
Basildon	42%	58%	12%
Castle Point	66%	34%	67%
Rochford	0%	0%	100%
Southend-on-Sea	62%	38%	19%
Thurrock	26%	74%	36%
South Essex	65%	35%	14%

Source: Appendix C

- 6.27 Based on the above it is considered that there is an opportunity to claw back food and drink and cinema expenditure across South Essex as a whole by providing additional facilities in order to improve the diversity and quality of the local offer. In terms of the

individual authorities, the level of leakage would appear to suggest that greatest potential for additional facilities exists in Thurrock, Castle Point and Rochford; however, this ignores the market reality that some leisure uses, particularly cinemas, require more substantial catchment areas to support them and therefore it is only in the largest centres that such uses can be supported. As such, while there is potential for improving the food and drink offer across the client group, there is likely to be a policy decision about whether to plan to accommodate growth, particularly for cinemas, in the higher order centres which serve these larger catchments.

Population and expenditure growth

- 6.28 This section should be read alongside Tables A, B, 1 and 2 (Appendix C).
- 6.29 This study presents two sets of quantitative capacity forecasts in Section 4 and Section 5 for both retail and leisure needs. The first set of capacity figures are based on Experian population forecasts (the 'baseline scenario'). For the housing-led scenario, the second set of figures are derived from population forecasts taken from the 2017 SHMA for the South Essex authorities zones and for the remaining zones Experian population figures¹².
- 6.30 The total population growth between 2016-2037 for South Essex broken down by client authority and for the study zones located outside South Essex is summarised for both scenarios in Table 6.9. The study area will experience population growth in the order of just under half a million, depending on the scenario adopted, of which between 99,000 and 126,000 will come forward in the South Essex zones.

Table 6.9 Study area population growth 2016-2037

Scenario	Baseline	Housing-led
Basildon	23,196	32,196
Castle Point	10,824	6,829
Rochford	9,500	11,848
Southend-on-Sea	25,763	31,706
Thurrock	30,106	43,607
South Essex	99,389	126,187
Outside South Essex	370,275	370,275
Study area total	469,664	496,462

Source: Appendix C

- 6.31 The total expenditure growth in the comparison sector expected over the study period between 2016 and 2037 is summarised for both scenarios in Table 6.10 below. This includes a deduction (adjusted for sales in stores) made for special forms of trading

¹² Note: this assumes that each of the client authorities meets their housing needs in line with the indicative distribution set out in the SHMA. The NPPF only requires objectively assessed needs to be met at the HMA level; housing growth may be distributed differently around the HMA through the duty to co-operate.

(SFT) which is derived from the November 2016 Experian Retail Planner Briefing Note 14 (ERPBN) and held constant after 2035. The total expenditure is shown for South Essex broken down by the client authorities and for the study zones located outside South Essex. Across the study period, the housing-led scenario has an additional £150m of comparison expenditure growth over the baseline scenario; however, in the context of the overall growth forecast in the client authorities, this only represents a further 6%.

Table 6.10 Comparison expenditure growth 2016-2037 (exc. SFT) (£M)

Scenario	Baseline	Housing-led
Basildon	£546.87	£595.94
Castle Point	£315.07	£291.99
Rochford	£284.98	£299.05
Southend-on-Sea	£558.97	£590.39
Thurrock	£514.61	£585.88
South Essex	£2,220.51	£2,363.26
Outside South Essex	£6,182.10	£6,182.10
Study area total	£8,402.61	£8,545.36

Source: Appendix C

- 6.32 In the comparison sector, the proportion of SFT is forecast to continue steadily increase from 13.2% in 2016 to 16.5% in 2035.
- 6.33 Similarly, for the convenience sector Table 6.11 summarises the expenditure growth expected between 2016 and 2037 which again, includes a deduction for SFT. This is shown for South Essex broken down by authority and for the study zones located outside South Essex.

Table 6.11 Convenience expenditure growth 2016-2037 (exc. SFT) (£M)

Scenario	Baseline	Housing-led
Basildon	£39.81	£58.54
Castle Point	£18.13	£9.86
Rochford	£16.19	£21.17
Southend-on-Sea	£44.37	£56.55
Thurrock	£51.72	£78.32
South Essex	£170.22	£224.44
Outside South Essex	£659.04	£659.04
Study area total	£829.26	£883.48

Source: Appendix C

- 6.34 In the convenience sector, the proportion of SFT is forecast to continue to steadily increase in the long term from 3.0% in 2016 up to 5.3% in 2035 according to

Experian. This growth in SFT means that per capita convenience expenditure will modestly decline over the study period. So because it is additional population that is the key driver for convenience expenditure growth, the housing-led scenario has £54m of additional expenditure than the baseline i.e. 32% more growth within the client authorities.

- 6.35 Across both scenarios there will be far greater growth in comparison spending due to the fact that no convenience expenditure growth is forecast by Experian in the medium term (2019-2023) and very low annual average growth is forecast for the long term (0.1% from 2024-2035). Whereas in the comparison sector, Experian forecast a medium term annual average growth rate of 3.0% and a long-term growth rate of 3.2%.

Key findings

- The South Essex authorities' influence over retail and leisure patterns varies significantly;
- South Essex has a strong comparison retention rate, 10% of comparison expenditure is leaked outside of the South Essex authorities' boundaries;
- Southend has the lowest rate of comparison expenditure leakage (21%) and Caste Point has the highest rate of comparison expenditure leakage (68%);
- South Essex also has a strong convenience retention rate, 12% of convenience expenditure is leaked outside of the South Essex authorities' boundaries;
- Basildon has the lowest rate of convenience expenditure leakage (11%) and Rochford has the highest rate of convenience expenditure leakage (57%);
- Retention of leisure spending in South Essex is somewhat weaker; 21% of food and drink expenditure; 17% of recreation expenditure; and 14% of cinema expenditure is leaked outside of the South Essex authorities' boundaries;
- In the food and drink sector Southend experiences the lowest expenditure leakage rate (13%) and Castle Point experiences the greatest expenditure leakage rate (60%);
- In the recreation sector Southend experiences the lowest expenditure leakage rate (17%) and Castle Point experiences the greatest expenditure leakage rate (64%); and
- In the cinema sector Basildon experiences the lowest expenditure leakage rate (12%) and Rochford experiences the greatest expenditure leakage rate (100%).

7 QUANTITATIVE RETAIL NEED

Introduction

- 7.1 This section should be read in conjunction with the tables contained at Appendix C which set all the information referred to below, together with full details of relevant data sources. An overview of the method is set out in Appendix E
- 7.2 Capacity forecasts should, in line with the NPPG, be subject to regular review throughout the plan period in order to ensure an up-to-date evidence base which is based on accurate economic and market trends. PBA also advise that longer-term quantitative forecasts set out in this assessment (post-2021) should be treated as indicative.

Claims on expenditure growth

- 7.3 As set out in the previous section, SFT such as online shopping has been removed from the baseline expenditure forecasts, in line with current forecasts of growth in this sector set out in ERPBN. The total expenditure figures summarised in Table 6.10 and Table 6.11 make allowance for this.
- 7.4 In addition to SFT, account needs to be taken of commitments for new retail floorspace (schemes implemented but not yet trading at the time of the household survey, or extant planning permissions which would result in additional retail floorspace) and sales density growth (which is the growth in turnover for existing retailers within the study area).

Commitments

- 7.5 A schedule of commitments is provided at Table E (Appendix C). None have been identified in Basildon or Rochford. Based on supporting evidence provided with those commitments, the table below converts these into draws on expenditure.

Table 7.1 Comparison commitments

Local authority	2016	2021	2026	2031	2034	2037
Castle Point	£18.87	£20.73	£22.77	£25.02	£26.48	£28.01
Southend	£2.45	£2.63	£2.84	£3.06	£3.20	£3.34
Thurrock	£240.49	£264.46	£290.84	£319.88	£338.69	£358.61
Total in South Essex	£268.75	£294.90	£323.64	£355.21	£375.63	£397.25

Source: Appendix C

- 7.6 It is a single scheme for a major extension to Lakeside Shopping Centre which accounts for approximately three quarters of the commitments on expenditure.
- 7.7 A separate comparison capacity sensitivity, which takes account of the current application at Fossetts Farm in Southend, is provided at Appendix H. It is not included in the main schedule of commitments because it has yet to be determined.

Floorspace efficiency growth

- 7.8 Sales density growth (floorspace productivity or efficiency growth) is the amount of expenditure which is 'ring fenced' for existing floorspace to improve its turnover each year. Allowances for sales density growth are linked to expenditure growth; expenditure growth rates of 1.9% per annum has been used for the period from 2016 onwards. Because of the low level of expenditure growth forecast up to 2016, no allowance for improvement in densities is made in the first year of the Study.
- 7.9 Although different types of floorspace will have different abilities to absorb expenditure growth, with more modern floorspace being able to accommodate growth than more historic floorspace. However, given there is a mix of floorspace types within the study area, this average approach is considered to be robust.

Under/overtrading floorspace

- 7.10 The benchmark turnover is the turnover the store would be expected to achieve if trading at company average turnover per sqm rates. Overtrading refers to the performance of centres and stores within a catchment in relation to the expected benchmark turnovers. Overtrading can also be assessed through qualitative indicators such as overcrowding and congestion in stores. As such, overtrading is both a quantitative and qualitative indicator of need. Although benchmarking is reliant on the use of operator average data in terms of the split between convenience and comparison goods floorspace within the stores (except in some stores where we have adjusted this based on our site visits to stores), and is based on national average sales densities, it nevertheless provides a robust, and industry-accepted, method of assessing current trading performance.
- 7.11 Quantitatively, for comparison goods floorspace, it is not considered appropriate to make any allowance for any over or undertrading. This is primarily because comparison floorspace is generally less susceptible to the physical manifestations of overtrading such as congestion on the shop floor, out-of-stock items and queuing and is able to absorb growth. This is also evident in the higher level of sales efficiency growth set out earlier in this section.

Quantitative need

Comparison sector

- 7.12 For the two population scenarios, Tables 6A and 6B draw together the comparison needs identified across the study period, expressed with reference to the adopted interval years of 2016, 2021, 2026, 2031, 2034 and 2037. They are structured as follows for firstly the client group as a whole and then by individual authority:

Table 7.2 Step-by-step comparison need

Row	Explanation/description
A	Total comparison goods expenditure available in the study area (£M)

Row	Explanation/description
B&C	Proportion of comparison goods expenditure which is retained (£M & %). Market shares are held constant across the study period.
D	Inflow expenditure derived from the study area zones outwith the boundaries of the client authorities.
E	Total available comparison expenditure i.e. retained + inflow (C+D)
F	Baseline comparison turnover of existing stores in the client authorities (retained expenditure + inflow), making allowance for sales efficiencies over the study period.
G	Claims on comparison goods expenditure as explained in Section 7.
H	Residual comparison goods expenditure when deductions are made for claims (E-F-G).
I-K	Residual expenditure converted into floorspace need by applying a generic comparison sales density of £6,000 (grown across the study period to allow for sales efficiencies) and expressed in terms of net and gross floor areas

Source: Appendix C

Constant market share by authority

- 7.13 Table 7.3 shows capacity across the client group in the baseline scenario. This assumes constant market share across the period. In this scenario, in the early years there is no capacity for additional floorspace because of the scale of committed development, namely that at Lakeside. Other than for Castle Point, capacity emerges across the client group by 2026 and continues to grow to 2037. Castle Point has no requirement across the study period.

Table 7.3 Baseline comparison needs summary (sqm net)

Local authority	2021	2026	2031	2034	2037
Basildon	2,697	14,709	27,350	36,236	44,655
Castle Point	-3,003	-2,190	-1,334	-752	-161
Rochford	586	3,520	6,607	8,740	10,792
Southend	2,309	13,743	25,759	34,183	42,104
Thurrock	-30,031	2,538	36,641	60,714	82,445
South Essex authorities	-29,426	28,455	89,287	132,055	171,858

Source: Appendix C

- 7.14 The table below shows the capacity position for the housing-led scenario, using constant market share.

Table 7.4 Housing-led comparison needs summary (sqm net)

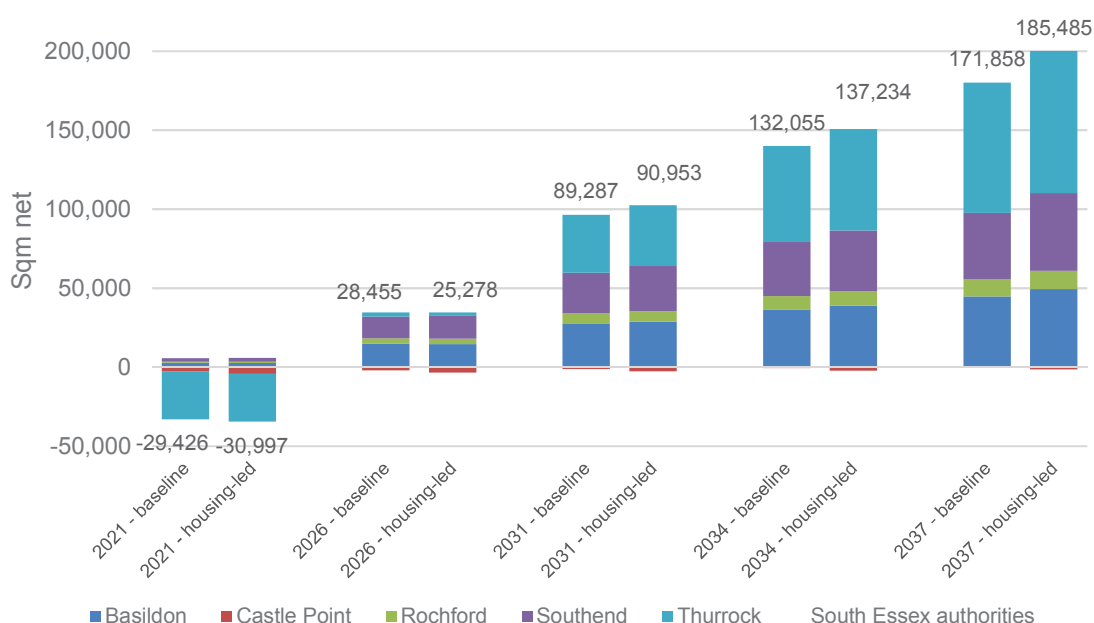
Local authority	2021	2026	2031	2034	2037
Basildon	2,507	14,501	28,727	38,785	49,373
Castle Point	-4,263	-3,609	-2,772	-2,214	-1,573
Rochford	809	3,438	6,735	9,045	11,457

Local authority	2021	2026	2031	2034	2037
Southend	2,408	14,753	28,563	38,508	49,297
Thurrock	-30,200	1,935	38,448	64,238	89,965
South Essex authorities	-30,997	25,278	90,953	137,234	185,485

Source: Appendix C

- 7.15 The figure below shows the two scenarios next to each other. It is clear that overall there is more capacity in the housing-led scenario. This is a product of the higher population within this scenario. It also reflects the differing distribution of that population: under this scenario, Castle Point remains negative but more so than in the baseline scenario because the forecast population growth is lower (Table 6.9). The other four authorities all have higher forecast needs.

Figure 7:1 Comparison needs requirements (net) – baseline and housing-led scenarios



Source: PBA (2016)

Convenience sector

- 7.16 Tables 7A and 7B draw together the convenience needs identified across the study period for the two population scenarios expressed with reference to the adopted interval years of 2016, 2021, 2026, 2031, 2034 and 2037. Tables 7A and 7B are structured in the same format as Tables 6A and 6B as set out in Table 7.2 first for South Essex as a whole and then by individual authority.
- 7.17 Table 7.5 shows convenience capacity across South Essex in the baseline scenario. This assumes constant market share across the period. In this scenario, in the early years there is no capacity for additional floorspace because of the scale of committed development and the limited amount of expenditure growth up to 2026. Capacity emerges across South Essex by 2026 in all authorities except for Thurrock and

continues to grow to 2037. Thurrock has no convenience floorspace requirement across the study period due to committed development absorbing capacity

Table 7.5 Baseline convenience needs summary (sqm net)

Local authority	2021	2026	2031	2034	2037
Basildon	766	1,808	3,158	4,068	4,759
Castle Point	231	635	1,191	1,551	1,849
Rochford	110	307	574	739	880
Southend	221	1,325	2,699	3,617	4,280
Thurrock	-7,170	-5,598	-3,734	-2,468	-1,632
South Essex authorities	-7,407	-3,164	2,177	5,736	8,346

Source: Appendix C

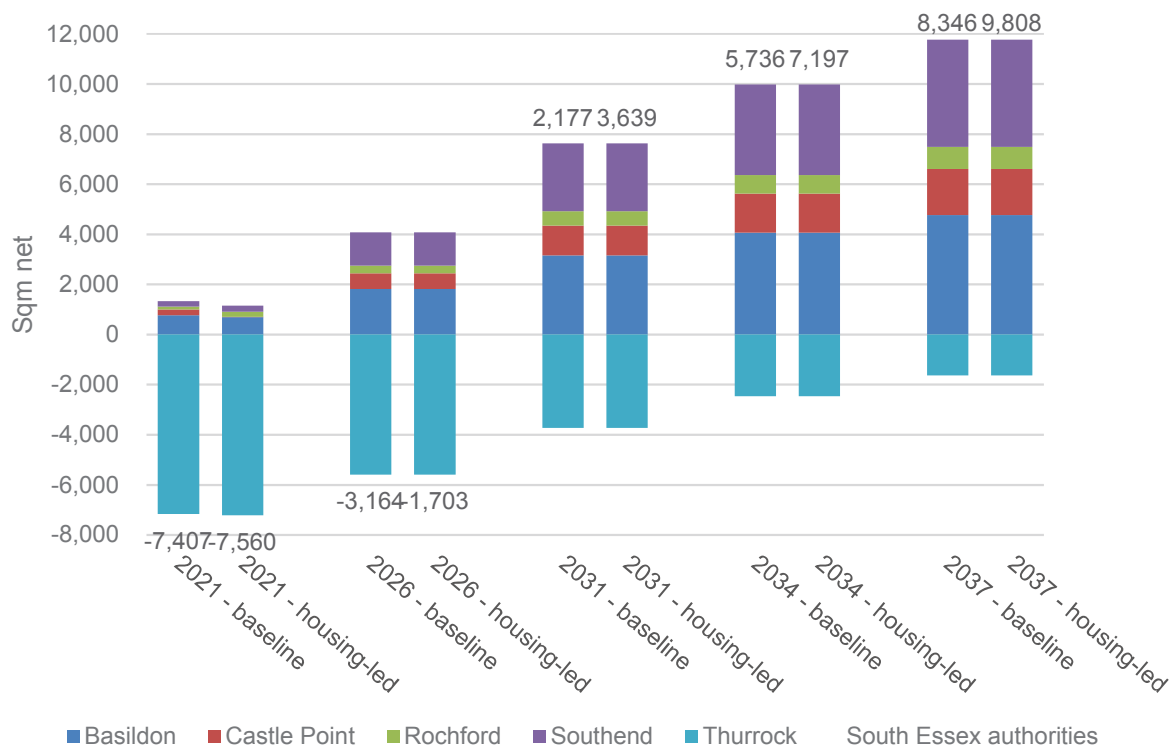
Table 7.6 Housing-led convenience needs summary (sqm net)

Local authority	2021	2026	2031	2034	2037
Basildon	685	1,742	3,631	4,900	6,223
Castle Point	12	133	667	1,000	1,391
Rochford	209	281	616	835	1,077
Southend	237	1,469	3,052	4,106	5,184
Thurrock	-7,215	-5,708	-3,235	-1,576	131
South Essex authorities	-7,560	-3,759	3,029	7,536	12,342

Source: Appendix C

- 7.18 Table 7.6 shows convenience capacity across South Essex in the housing-led scenario assuming a constant market share. Figure 7:2 compares the baseline and housing-led scenarios which demonstrates that there is significantly more capacity in the housing-led scenario overall. Again, this is a product of the higher population within this scenario.
- 7.19 Figure 7:2 also reflects the differing distribution of the population. The capacity for Thurrock remains negative over the whole study period in the baseline scenario however in the housing-led scenario convenience capacity emerges in 2037 because forecast population growth is higher (Table 6.9).
- 7.20 Convenience capacity is forecast for each of the other South Essex authorities across the study period under both the housing-led and baseline scenarios. Basildon has the greatest convenience capacity followed by Southend due to the fact that both authorities have a significant convenience market share and no commitments were identified in Basildon. Castle Point and Rochford both have a much more limited capacity since both of these authorities have a relatively small convenience market share.

Figure 7:2 Convenience needs requirements – baseline and housing-led scenarios (net)



Source: PBA (2016)

Key findings

- Across South Essex there is capacity to support additional comparison floorspace up to 2026 under both scenarios; 28,455 sqm net (baseline) and 25,278 sqm net (housing-led).
- In spite of the large commitment at Lakeside, under the constant market share approach, the majority of capacity emerges in Thurrock.
- Long-term comparison capacity forecasts (post-2026) are significant but should be treated as indicative.
- Across South Essex there is no capacity to support additional convenience floorspace up to until 2031. This is because of significant convenience commitments in Thurrock and because growth in convenience expenditure is limited.
- There is a degree of need identified within the other authorities, particularly in Southend and Basildon as those expected to experience greater population growth.
- Long-term convenience capacity forecasts (post-2031) are much lower than the comparison figures, with little or no capacity emerging in Thurrock, but should also be treated as indicative.

8 QUANTITATIVE LEISURE NEED

Introduction

- 8.1 In this section, the quantitative need for commercial leisure uses are set out. The uses assessed are those defined as leisure uses within the main town centre uses definition in Annex 2 of the NPPF, namely '*leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls)*'. Leisure uses are a key component of vital and viable town centres as they drive footfall and linked retail trips.
- 8.2 This section should be read in conjunction with the tables contained at Appendix F which set all the information referred to below, together with full details of relevant data sources.

Leisure spending growth

- 8.3 Table 8.1 sets out the forecast leisure spending growth in the study area between 2016 and 2037, based on the baseline and housing-led capacity forecasts. The overall South Essex growth within all sectors is lower in the baseline scenario than the housing-led.

Table 8.1 Leisure expenditure growth by sector and LPA 2016-2037 (£m)

LPA	A3-A5	Cinema & theatre	Recreation	Games of chance
Experian				
Basildon	£63.44	£3.82	£9.32	£14.07
Castle Point	£36.83	£2.28	£5.28	£7.90
Rochford	£33.93	£2.17	£5.28	£6.40
Southend-on-Sea	£66.85	£4.15	£9.65	£13.71
Thurrock	£63.31	£3.70	£9.35	£13.85
South Essex	£264.37	£16.11	£38.88	£55.93
Housing-led				
Basildon	£72.33	£4.36	£11.08	£15.94
Castle Point	£32.66	£2.02	£4.87	£6.99
Rochford	£36.58	£2.34	£5.92	£6.89
Southend-on-Sea	£72.71	£4.51	£10.92	£14.90
Thurrock	£76.05	£4.44	£11.72	£16.66
South Essex	£290.33	£17.68	£44.51	£61.39

Source: Appendix F

- 8.4 The table shows that the most significant leisure spending growth will be within the A3-A5 category, therefore demonstrating the importance of the food and beverage sector to the economy. In South Essex, the growth within A3-A5 spending represents approximately 70% of the total spending growth.

- 8.5 Although the need for cinema facilities will be discussed on its own later in this section, the above table shows that growth within the cinema and theatre sector is the lowest of all the categories within South Essex.
- 8.6 The expenditure growth within the recreation and games of chance sector shows that South Essex could support a range of new facilities. The growth of both sectors are particularly significant in Basildon and Thurrock.
- 8.7 The leisure spending patterns review in Section 6.22 identified that there is an opportunity to reduce expenditure leakage from South Essex in the cinema and food and drink sectors by improving the quality of the commercial leisure offer in South Essex centres.
- 8.8 While there are no major leisure development commitments in Castle Point or Rochford which would provide additional leisure floorspace to meet the need outlined in the table above, there are major commitments in the larger centres. Specifically:
- In Southend there are various commitments which may absorb the forecast expenditure. The most significant is the mixed-use Marine Plaza development, which proposes 1,081 sqm A3 floorspace¹³. In total, there is 4,212 sqm of committed A3-A5 floorspace in Southend. In addition, there is policy support to develop Seaway for A3-5 uses and a cinema, as articulated in the Southend Town Centre AAP.
 - In Basildon there is a commitment to redevelop the Eastgate Shopping Centre in the town centre to deliver an additional 576 sqm gross flexible retail floorspace (A1/A3) and a new 10-screen cinema¹⁴.
 - Due to the success of Lakeside Shopping Centre, Thurrock has the largest proportion of committed leisure floorspace within the South Essex authorities. On its own, the proposed leisure redevelopment of Lakeside Shopping Centre involves the creation of 6,645 sqm A3-A5 floorspace, and 13,348 of D2¹⁵. Alongside the proposed northern extension to Lakeside Shopping Centre, and various smaller applications, there is up to 11,819 sqm of A3-A5 and 15,541 sqm of D2 committed floorspace in Thurrock.
- 8.9 As outlined in Table 8.1, Thurrock is anticipated to experience one of the greatest levels of expenditure growth. The spending pattern analysis shows that Thurrock also receives the most significant quantum of inflow expenditure. This is because Lakeside Shopping Centre in Thurrock is considered a major retail and leisure destination which attracts spending from a wide catchment area spreading across the study area and beyond.
- 8.10 It should be noted that because the findings of this study are underpinned by a residential household survey, they do not fully capture the tourist function of Southend. SBC figures estimate that six million day visitors come to Southend annually and that its overnight stay market has increased in recent years. This will

¹³ LPA ref. 14/01462/FULM

¹⁴ LPA ref. 14/01433/FULL

¹⁵ LPA ref. 16/00722/NMA

mean that there is likely to be a greater quantum of leisure spending flowing to the centre which is not fully captured in this study.

Food and beverage sector

- 8.11 As food and beverage businesses differ greatly, from national chains through to smaller independent outlets, quantifying the scale of need can only be broad brush. Regardless, the table below sets out the cumulative expenditure that will be generated by the food and beverage sector in South Essex, by authority.

Table 8.2 Food and beverage need by LPA 2016-2037 (£m)

	2016	2021	2026	2031	2034	2037
Baseline						
Basildon	£127.71	£138.14	£152.93	£169.60	£181.01	£191.15
Castle Point	£78.78	£84.53	£93.18	£102.98	£109.58	£115.61
Rochford	£71.94	£77.29	£85.31	£94.37	£100.37	£105.88
Southend-on-Sea	£128.37	£139.51	£155.17	£172.73	£184.96	£195.22
Thurrock	£109.22	£120.25	£135.04	£151.55	£163.38	£172.54
South Essex	£516.02	£559.72	£621.64	£691.22	£739.29	£780.39
Housing-led						
Basildon	£127.15	£137.20	£153.12	£172.57	£185.92	£199.48
Castle Point	£78.74	£83.08	£89.84	£99.06	£105.09	£111.40
Rochford	£71.79	£78.32	£85.43	£95.18	£101.75	£108.37
Southend-on-Sea	£127.64	£138.89	£156.71	£175.11	£187.74	£200.35
Thurrock	£109.02	£119.80	£135.58	£156.06	£170.46	£185.07
South Essex	£514.34	£557.27	£620.68	£697.99	£750.97	£804.68

Source: Appendix F

- 8.12 The SHMA scenario shows the greatest potential for growth within the food and beverage sector. Thurrock, Southend and Basildon display the most significant levels of expenditure growth. Our spending pattern analysis also revealed that these authorities have the most significant share of food and beverage inflow expenditure. However, Castle Point and Rochford have limited food and beverage facilities, and as such they tend to only serve the local population and attract a limited amount of inflow expenditure. The level of expenditure growth in Castle Point and Rochford is significantly lower than the other South Essex authorities.

Cinema sector

- 8.13 The below table summarises the cinema screen capacity in South Essex by local authority. The results show that there is little difference in scope for cinema screen capacity between the Experian and SHMA scenarios.

Table 8.3 Cinema screen capacity by LPA 2016-2037 (£m)

	2016	2021	2026	2031	2034	2037
Baseline						
Basildon	-6	-16	-16	-16	-15	-15

	2016	2021	2026	2031	2034	2037
Castle Point	3	3	3	3	3	3
Rochford	6	6	6	6	6	6
Southend-on-Sea	3	3	4	4	5	5
Thurrock	1	1	2	2	3	3
South Essex	6	-3	-2	0	2	3
Housing-led						
Basildon	-6	-16	-16	-16	-15	-15
Castle Point	3	3	3	3	3	3
Rochford	6	6	6	6	6	6
Southend-on-Sea	3	3	4	4	5	5
Thurrock	1	1	2	2	3	4
South Essex	6	-3	-2	0	2	3

Source: Table 12a and Table 13A Appendix F

- 8.14 In Tables 12A and 13A (Appendix F) the cinema capacity calculation applies a standard cinema screen density of 6.7 screens per 100,000 to the population to estimate the cinema screen potential. The existing number of screens and any commitments to new cinema developments are then detracted to give the cinema screen capacity for each authority in each output year.
- 8.15 The only commitments taken into account is the proposed cinema development at Eastgate Shopping Centre, Basildon¹⁶ (10-screen). At the time of publishing this report, a planning application for a new cinema development at Fossetts Farm, Southend-on Sea¹⁷ (12-screen) was also under consideration by SBC. In addition, there is an allocation for a cinema within Southend town centre at Seaways as part of the AAP, but this is not factored in as a commitment.
- 8.16 By 2037 there is capacity for three additional cinema screens across South Essex as a whole taking account of the Eastgate Shopping Centre commitment. Although there is greater capacity at the local level because Basildon contains a surplus of cinema screens relative to its screen potential.
- 8.17 The most significant theoretical capacity is in Rochford which currently has no cinema screens followed by Southend which has only eight cinema screens at present. Castle Point and Thurrock both have capacity for three screens by 2037, albeit Thurrock's capacity increases over time, whereas Castle Point remains constant due to the distribution of population growth across the study area. Basildon currently has an 18-screen Empire cinema, and as a result it does not have capacity for any additional cinema screens.
- 8.18 However, it is important to factor in market demand and the larger critical mass required to support cinemas. The table above is based on population and does not

¹⁶ LPA ref: 14/01433/FULL

¹⁷ LPA ref: 17/00733/FULM

have regard to the hierarchy of centres within South Essex; as such, it is not appropriate to plan on the basis of an even provision of cinema coverage across the study area and instead larger centres are likely to be better placed to meet any emerging needs. We consider this point on the location of future cinema development within South Essex further in the recommendations.

Key findings

- A3-A5 uses account for approximately 70% of the total leisure spending growth in South Essex. Basildon, Southend and Thurrock experience the most significant levels of growth.
- Basildon, Southend and Thurrock all have committed leisure developments. It is possible that the A3-A5 and D2 leisure commitments in Thurrock will be sufficient to absorb the forecast expenditure. The majority of this development is proposed at Lakeside Shopping Centre.
- Castle Point and Rochford have limited food and beverage facilities, and as such they experience much lower levels of growth in this sector than all other South Essex authorities.
- Taking into account commitments in Basildon, there is still capacity for additional cinema screens in South Essex. While there are discrepancies in existing coverage, it is unlikely that any emerging capacity will be addressed in Castle Point or Rochford and instead growth should be focused on Thurrock and Southend.
- Leisure capacity is based on responses from the study area; it does not therefore fully capture the tourist function of Southend which may support development in addition to the need identified above.

9 RETAIL IMPACT ASSESSMENT

Introduction

- 9.1 In this section we set out the findings of our retail impact assessment, which tests the impacts of the development of the identified comparison goods floorspace commitments at Lakeside and Bluewater, as set out in previous sections.
- 9.2 Paragraph 26 of the NPPF requires consideration of the impact of proposed developments against following two criteria:
- i The impact of the proposal on existing, committed and planned public and private sector investment in a centre or centres in the catchment area of the proposal;
 - ii The impact of the proposal on the town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time when the application is made.
- 9.3 The findings of this section should be read alongside the impact assessment tables set out at Appendix G

Method

- 9.4 The retail impact assessment tables are contained at Appendix G and the method applied is summarised Table 9.1 below.

Table 9.1 Retail impact assessment method

Stage	Explanation/description
1	Assess the base and design year Confirm the base and design years for the impact assessment.
2	Examine the 'no development' scenario and identify commitments for cumulative impact The findings of the household survey (as discussed in Section 6) provide a 'no development' scenario, which assumes the current market shares attracted to each centre / store will remain unchanged over the course of the study period to 2037. We have set out in Section 7 extant commitments for retail floorspace in the client authorities; however, for the purposes of the impact assessment it is also necessary to include commitments from elsewhere in the study area which will exert influence on the shopping patterns. The additional commitments considered is the extension to Bluewater Shopping Centre (sales area 22,086 sq.m net)
3	Assess turnover and trade draw The next stage is to assess the likely turnover of the forecast additional floorspace at Lakeside, plus that of the other commitments within the study area. Patterns of trade diversion to each of the committed schemes are then assessed, informed by existing shopping patterns and judgements as to whether proposed developments will draw trade/turnover from.
4	Assess impact Drawing on the findings of stages 1 to 3, stage 4 entails cumulative impact assessment to establish the levels of retail impact the various commitments will have on existing centres in the client authorities.
5	Consider the consequences of impact Review the findings of the impact assessment against the impact test criteria set out at paragraph 26 of the NPPF.

Impact assessment

- 9.5 The large catchment areas of both Lakeside and Bluewater means that expected trade diversion and therefore impact is dispersed across and beyond the study area. Consequently, the change in market shares of each of the client authorities is relatively limited, with Thurrock experiencing an increase of one percentage point, while the other authorities' decline marginally. The table below summarises the changes.

Table 9.2 Pre- and post-Lakeside and Bluewater market shares

Local authority	Post-impact	
	Pre-Lakeside & Bluewater	Housing-led scenario
Basildon	76.1%	76.4%
Castle Point	13.7%	13.8%
Rochford	31.6%	31.6%
Southend	78.6%	78.6%
Thurrock	73.5%	74.5%
South Essex authorities	90.2%	90.5%

Source: Appendix G

- 9.6 So, while the table below sets out the revised comparison needs summary with these new market shares, the overall difference is limited as the client authorities' market share has remained broadly static. The second table then sets out the difference between the baseline need and the revised need. This shows that while the impact on Castle Point and Rochford is limited, the effect on capacity is more pronounced. Conversely, because the level of capacity is significant for the larger authorities, the resulting impact is more limited.

Table 9.3 Adjusted market share comparison needs summary (sqm net) – baseline scenario

Local authority	2026	2031	2034	2037
Basildon	85	12,275	20,843	28,969
Castle Point	-4,283	-3,497	-2,958	-2,410
Rochford	15	689	2,610	4,470
Southend	-350	11,357	19,563	27,291
Thurrock	-6,085	29,371	54,405	76,960
South Essex authorities	-10,668	51,712	95,566	136,334

Source: Appendix G

Table 9.4 Adjusted market share comparison needs summary (sqm net) – housing-led scenario

Local authority	2026	2031	2034	2037
Basildon	286	14,197	24,109	34,563
Castle Point	-3,119	-2,363	-1,852	-1,258
Rochford	-0	873	2,970	5,179
Southend	-408	11,991	20,772	30,133
Thurrock	-5,498	30,411	56,167	81,859
South Essex authorities	-8,613	57,758	104,515	153,226

Source: Appendix G

Table 9.5 Difference in comparison need across the five authorities – baseline scenario

Local authority	2026	2031	2034	2037	Percentage reduction in 2037
Basildon	-14,332	-14,811	-15,149	-15,460	-35%
Castle Point	-913	-984	-1,027	-1,070	-665%
Rochford	-3,505	-5,902	-6,115	-6,306	-58%
Southend	-14,093	-14,406	-14,627	-14,823	-35%
Thurrock	-7,727	-6,460	-5,562	-4,792	-6%
South Essex authorities	-36,367	-34,901	-33,874	-32,960	-19%

Source: Table IA3 Appendix G

Table 9.6 Difference in comparison need across the five authorities – housing-led scenario

Local authority	2026	2031	2034	2037	Percentage reduction in 2037
Basildon	-14,215	-14,530	-14,676	-14,809	-30%
Castle Point	490	409	361	315	20%
Rochford	-3,438	-5,862	-6,076	-6,278	-55%
Southend	-15,161	-16,573	-17,736	-19,165	-39%
Thurrock	-7,432	-8,037	-8,071	-8,105	-9%
South Essex authorities	-33,892	-33,195	-32,719	-32,259	-17%

Source: Table IB3 Appendix G

- 9.7 Focusing on the effect on the town centres within the five authorities, the greatest impacts are likely to be experienced by Grays and Basildon; albeit the former is in part because the pre-diversion turnover is low so even very modest diversion would have a relatively large percentage impact. However, even after impact, the turnover of those centres is still expected to grow from its current level.

- 9.8 The table below sets out the main centres affected by these two schemes. This shows that in 2026 under both scenarios, even after diversion to Lakeside and Bluewater is accounted for, we expect that the turnover of all the centres will increase from its 2016 levels. For example, while diversion of £8.35m is expected from Southend, we expect that its turnover will have increased by over £135m from its 2016 level.

Table 9.7 Diversion to Lakeside and Bluewater extensions from and impact on selected destinations in South Essex in 2026

Town centre/location	Baseline			Housing-led		
	Diversion (£M)	Impact	Growth in turnover from 2016 (£M)	Diversion (£M)	Impact	Growth in turnover from 2016 (£M)
Basildon	£16.43	3.12%	£119.21	£16.51	3.16%	£114.97
Canvey Island	£1.07	1.97%	£12.46	£1.08	2.05%	£10.47
Rayleigh	£1.31	1.12%	£27.77	£1.31	1.13%	£26.98
Rochford	£0.61	1.71%	£9.19	£0.61	1.71%	£9.16
Southend-on-Sea	£8.35	1.50%	£135.70	£8.35	1.51%	£135.34
Grays	£0.06	5.26%	£0.28	£0.06	5.37%	£0.26
South Ockenden	£0.53	5.47%	£2.31	£0.53	5.61%	£2.10
Out of centre destinations in South Essex	£40.93	-	-	£41.42	-	-

Source: Table I1A Appendix G

- 9.9 Again though, these figures must be treated with some caution because they are forecasting 10 years into the future. Over that period, taking into account increases in comparison spending, all the centres within the study area should be increasing their turnover well beyond the level in 2016.

Key findings

- While both Lakeside and Bluewater both represent significant commitments, their impact across the study area and more specifically the client group is relatively dispersed.
- The changes in market share are limited: despite the added competition from Bluewater, there is no real impact on the level of comparison retention in the client authorities i.e. Bluewater and Lakeside broadly cancel each other out at the global level.
- There will be some impact on the network of centres in South Essex; however, because both Lakeside and Bluewater have very established comparison shopping functions, this impact is limited. To that end, all the South Essex centres are expected to increase their turnover from 2016 levels, albeit that increase will be tempered with the expansion of Bluewater and Lakeside.
- Within the study area, Thurrock's market share increases while the shares of the others all fall. The key effect is to reduce need across the client authorities, particularly in Southend and Basildon.

10 RECOMMENDATIONS

Introduction

- 10.1 This section draws together the evidence in Sections 2 to 9 to provide analysis and recommendations for town centre uses both at a South Essex level and then for separately for Basildon, Castle Point, Rochford, Southend-on-Sea and Thurrock. We first set out the quantitative need for additional floorspace for South Essex as a whole. Then drawing on our review of the network of centres, we consider the existing hierarchy of centres and set out our recommendations for defining a hierarchy across the client authorities based on a consistent set of definitions.
- 10.2 The final part of our conclusions focus on how the identified needs should be distributed across South Essex, having regard to the hierarchy of centres and the current view on the distribution of housing growth. It is acknowledged that this distribution is likely to change in the future and it is recommended when the strategic plan for South Essex is further advanced, these conclusions are revisited in the form of an addendum.

Scale of growth

- 10.3 As set out in Section 6, we calculated retail and leisure capacity based on two different population scenarios: Experian-led and housing-led. For the purposes of plan-making, there is logic in seeking to ensure consistency across the evidence base; for this reason, we focus on the outcomes of the housing-led population scenario in our recommendations. The table below draws on Sections 7, 8 and 9 to summarise forecast need across South Essex over the period to 2037.

Table 10.1 Scale of retail and leisure growth to 2037

	Scenario	2021	2026	2031	2034	2037
Comparison	Main case (sqm net)	-30,997	25,278	90,953	137,234	185,485
	Impact sensitivity (sqm net)	-30,997	-8,613	57,758	104,515	153,226
Convenience	Main case (sqm net)	-7,560	-3,759	3,029	7,536	12,342
Cinema	Main case (screens)	-3	-2	0	2	3

Source: PBA

- 10.4 We recommend that the outputs to 2026 should be used as a guide and that capacity identified thereafter treated as indicative. In this period to 2026, capacity is limited: in the main case, only some comparison need identified; in the impact sensitivity, no capacity is identified. With regard to comparison goods, we recommend that the client group plan on the basis of needs arising in under the impact sensitivity as this anticipates the effects of that the two major schemes at Lakeside and Bluewater will have on shopping patterns and plans on the basis of revised market shares.
- 10.5 It is important to realise why needs are so limited in the short to medium term; this is due to the scale of permitted retail and leisure development. In circumstances where

some of these permitted schemes were not to come forward, this would release capacity; the client authorities will need to monitor this closely and make decisions in light of any changes.

Hierarchy of centres

- 10.6 As set out in Section 3, while each of the client authorities has some degree of town centre hierarchy defined in adopted development plan documents, there is no consistent definition of centres across South Essex.

Table 10.2 Hierarchy of town centres in South Essex

	Definition	Centres	
Regional centres	Containing in excess of 200,000 sqm (gross) floorspace, focused on higher-order comparison goods and specialist shopping provision. Their catchment will extend across the region and beyond. They are highly accessible across the region.	(Lakeside)	
Major centres	Containing in excess of 100,000 sqm (gross) floorspace. They have a significant proportion of comparison goods relative to convenience goods. These centres generally have very good accessibility and significant employment, civic, service and leisure functions. Their catchment areas extend beyond the local authority area.	Basildon Southend	
Town centres	Often the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. They may also have employment, leisure, service and civic functions. Their catchment will relate primarily to the local authority area.	Billericay Canvey Island Grays Hadleigh Hockley Laindon*	Leigh Pitsea Rayleigh Rochford Westcliff Wickford
Local centres	Comprising groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library. Typically found in suburban or rural locations, and meeting local day-to-day convenience and comparison needs.	Chadwell St Mary Eastwood North Shoebury Purfleet* Stanford-le-Hope South Benfleet South Ockendon	Southchurch Shoeburyness Tarpots Thorpe Bay Tilbury West Leigh

Source: PBA *centres of future growth

- 10.7 While Lakeside is identified as a regional centre, because of the conditions it will need to meet to attain town centre status, we have shown it in brackets. It will be subject to diversifying its offer beyond the current largely 'out-of-town' retail model to provide a leisure and cultural offer of the scale expected of a regional centre. Added to this, there are design considerations which will need to be addressed to in future development at Lakeside. We explore these further in the Stage 2 study.

- 10.8 Basildon and Southend town centre are currently performing a sub-regional role and, as major centres, should be focuses for future growth, particularly in relation to higher order comparison retail and leisure uses. There are no major centres in Castle Point or Rochford.
- 10.9 The main tier of town centres perform a complementary role to these major centres over a more local catchment. They play a role in meeting some higher order comparison needs but are largely meeting day-to-day comparison shopping, convenience provision, as well as service and civic functions.
- 10.10 Below this level, we have identified a number of local centres. While often there is a distinction between local and district centres, having regard to the offer of these centres, we have not seen merit in distinguishing this group of centres which are primarily intended to meet day-to-day service and convenience shopping needs.
- 10.11 While neither Purfleet and Laindon are performing their identified role now, it is expected that they will fulfil this role in the short to medium term. In the case of Laindon, this will be as a consequence of the redevelopment of the centre which is already underway. In the case of Purfleet, a new centre is planned as part of the substantial housing growth and while it may be that the centre does not come forward in the form it is currently permitted, the principle of a new local centre in this location is recommended.

Distribution of growth

- 10.12 The housing-led scenario assumes that each of the client authorities will meet its own housing needs within its own boundaries. However, while the total need met across South Essex will be the same, in reality the distribution of housing at a local authority level that is expected to be taken forward in policy is expected to vary. We do not at this point have any alternative figures and therefore provide some advice based on the SHMA's forecast distribution of need which has underpinned our housing-led scenario.

Retail

- 10.13 The table below summarises identified needs by 2026 in each of the client authorities under the housing-led scenario for comparison and convenience goods floorspace. We treat this as the starting point for allocating needs because it does not take account of qualitative considerations which are reviewed in the context of the second tier reports.

Table 10.3 Comparison and convenience retail needs by local authority in South Essex (2026)

Local authority	Comparison goods (sqm net)	Convenience goods (sqm net)	Total (sqm net)
Basildon	286	1,742	2,028
Castle Point	-3,119	133	-2,986

Local authority	Comparison goods (sqm net)	Convenience goods (sqm net)	Total (sqm net)
Rochford	0	281	281
Southend	-408	1,469	1,061
Thurrock	-5,498	-5,708	-11,206
South Essex authorities	-8,613	-3,759	-12,372

- 10.14 However, these quantitative needs must also be balanced against qualitative considerations. Very low levels of need are identified in Castle Point and Rochford because they achieve very low market share at present and on this basis would benefit from further provision in order to promote more sustainable shopping patterns. Conversely, in Thurrock, while growth is identified, this is absorbed by the large commitments at Lakeside and there is little evidence that further retail space is required in addition to this.
- 10.15 In relation to convenience goods, it is important to remember that it is only new population that is generating additional convenience goods expenditure. The distribution of new population is therefore critical in allocating convenience floorspace across the client group. But because there are significant commitments already in the pipeline, there is little or no quantitative need identified. It will therefore be important for the client group to monitor the location of housing growth relative to these planned new stores; in the event there is a mismatch between the location of floorspace and population, it may well be appropriate to plan for growth in addition to quantitative needs. We consider this below in relation to strategic housing development.
- 10.16 We also explored the potential implications that the current application at Fossetts Farm may have on identified comparison needs. These are set out Appendix G.

Leisure

- 10.17 Our health checks identified that many of the town centres were underrepresented in terms of their commercial leisure offer. A3-5 uses are identified as accounting for the main proportion of leisure expenditure. The study has highlighted that all of the major and district centres would benefit from improvement to the leisure offer; we do not identify specific floorspace requirement for such uses but recommend that the client authorities should therefore treat any applications received in town centres or as part of new planned neighbourhoods positively.
- 10.18 However, in planning to meet leisure needs, it important to take account of the town centre hierarchy. While lower order leisure uses may be located in most levels within the hierarchy, because uses such as cinemas and theatres require a larger catchment to be viable, they should be focused in the most accessible major centres of Basildon and Southend, as well as Lakeside.

Principles for town centre uses in strategic housing allocations

- 10.19 Strategic housing growth should be accompanied by appropriate retail and leisure provision to ensure that it functions in a sustainable manner. However, the scale of retail and leisure space required will depend on the scale and location of growth.
- 10.20 In both convenience terms, there is limited quantitative requirement for new floorspace over the period to 2037. However, it is recognised that because there is substantial housing growth planned, including the creation of new neighbourhoods and in those instances, planning for some small-scale provision may be warranted. However, the client authorities should seek to ensure that these uses are concentrated rather than scattered across developments. This will improve prospects for commercial space being let to operators. The risk of approving ancillary commercial space as part of larger developments is that the specifications can be unsuitable for operators, either in terms of configuration and/or location and can result in vacant units.
- 10.21 In considering any additional facilities to be provided as part the anticipated extensions, it is important to take account of:
- The effect any new provision would have on existing town centres;
 - The size of the existing town and the existing town centre i.e. in terms of whether any new need generated by the urban extensions would be most sustainably met through the enhancement of an existing centre;
 - The type of need that any facilities in the urban extension would be expected to meet;
 - The extent to which it is reasonable to expect new spending associated with the urban extensions to be met through any new facilities within those extensions; and,
 - Whether the needs of any the existing population near the urban extensions could be more sustainably served by new facilities as part of a planned local centre.
- 10.22 Having regard to the aspiration that the urban extensions should be sustainable, it is expected any new provision should be focused on meeting a proportion of the day-to-day needs of local residents. It is not intended that any development should act as an 'attractor' beyond the localised area.

