Tandridge Retail and Leisure Study
Final Report

Tandridge District Council
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Introduction

1.1 Nathaniel Lichfield & Partners (NLP) has been commissioned by Tandridge District Council to prepare a Retail and Leisure Study.

Study Objectives

1.2 The key objective of the study is to provide a robust and credible evidence base to inform the Council’s development plan, taking into account changes since the previous study. The study provides:

1 a qualitative analysis of the existing retail and leisure facilities within Tandridge District’s town and local centres, identification of the role of each centre, catchment areas and the relationship between the centres; and

2 a quantitative and qualitative assessment of the need for new retail facilities within Tandridge District, and the need for leisure and other main town centre uses. This assessment will examine the need for both food and non-food retailing including a qualitative analysis for different forms of facilities such as retail warehousing, local shops, large food stores and traditional high street comparison shopping.

1.3 The key objective of the Tandridge Retail and Leisure Study will be to provide a robust and credible evidence base to inform the Council’s work on emerging policy documents. The study includes an assessment of:

1 changes in circumstances and shopping patterns since the previous studies were undertaken, not least the effects of the recession and the availability of 2011 Census data;

2 the future need and (residual) capacity for retail, food and beverage and leisure floorspace distributed by the main centres for the period up to 2033;

3 the potential implications of emerging developments both within and outside the District, in terms of impact on town centres and potential changes to shopping patterns;

4 the existing retail hierarchy and network of centres and advises whether any changes are required;

5 development plan policies, allocations and recommendations on how each centre can develop its role.

Report Structure

1.4 Section 2 of this report describes the shopping hierarchy. Section 3 outlines retail trends and provides a retail capacity and need assessment. Section 4 assesses the scope for food and beverage and commercial leisure uses. Section 5 explores opportunities for accommodating growth and an overview of town centre frontage policies. Section 6 provides the recommendations and conclusions.
The Shopping Hierarchy

Introduction

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

2.2 The Planning Practice Guidance (PPG) places emphasis on developing strategies for town centres that are appropriate and realistic to the role of centres in the hierarchy. Town centre strategies should be based on the current state of a centre and opportunities to meet development needs (in full). These town centre strategies should seek to support the town centre vitality and viability, and should assess if changes to the role and hierarchy of centres are appropriate.

2.3 This section provides an overview of the shopping hierarchy in Tandridge District and the surrounding sub-region.

Centres in Tandridge and the Surrounding Area

2.4 Tandridge District is bounded by Bromley, Crawley, Croydon, Reigate and Banstead, Mid-Sussex, Wealden and Sevenoaks. The District contains two main town centres and a number of large and smaller villages. Caterham Valley and Oxted are the principal town centres. Caterham Hill, Lingfield, Warlingham and Whyteleafe are smaller centres catering for local needs. In addition to these centres designated in the development plan there are small village centres at Godstone and Smallfield and other local shopping facilities.

2.5 The adopted Core Strategy sets out policies on retail and town centres, which seeks to protect and enhance the town main town centre’s Caterham Valley and Oxted to maintain their role as local service centres providing services for the local population, particularly day to day needs. The core strategy recognises these two centres fall within the regional catchment area of Croydon and Crawley. Redhill and East Grinstead are also identified as key centres outside the District.

2.6 Venuescore ranks the UK’s top 2,500 plus retail destinations including town centres, malls, retail warehouse parks and factory outlet centres. Only Caterham Valley and Oxted within the District are listed within Venuescore’s data. The other smaller centres in the District have few multiple retailers and are not included within Venuescore’s analysis.

2.7 The results for these two destinations and other relevant centres outside of the District are shown in Table 2.1.
Table 2.1 Venuescore UK Shopping Index

<table>
<thead>
<tr>
<th>Centre</th>
<th>UK Rank</th>
<th>Venuescore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingston Upon Thames</td>
<td>17</td>
<td>367</td>
</tr>
<tr>
<td>Croydon</td>
<td>24</td>
<td>306</td>
</tr>
<tr>
<td>Bromley</td>
<td>36</td>
<td>274</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>51</td>
<td>233</td>
</tr>
<tr>
<td>Crawley</td>
<td>70</td>
<td>200</td>
</tr>
<tr>
<td>Sutton</td>
<td>79</td>
<td>189</td>
</tr>
<tr>
<td>Epsom</td>
<td>176</td>
<td>130</td>
</tr>
<tr>
<td>Purley Way RP</td>
<td>222</td>
<td>104</td>
</tr>
<tr>
<td>Redhill</td>
<td>241</td>
<td>97</td>
</tr>
<tr>
<td>East Grinstead</td>
<td>265</td>
<td>89</td>
</tr>
<tr>
<td>Orpington</td>
<td>292</td>
<td>84</td>
</tr>
<tr>
<td>Tonbridge</td>
<td>320</td>
<td>77</td>
</tr>
<tr>
<td>Dorking</td>
<td>374</td>
<td>68</td>
</tr>
<tr>
<td>Sevenoaks</td>
<td>374</td>
<td>68</td>
</tr>
<tr>
<td>Reigate</td>
<td>390</td>
<td>66</td>
</tr>
<tr>
<td>Gatwick Airport North</td>
<td>522</td>
<td>51</td>
</tr>
<tr>
<td><strong>Caterham Valley</strong></td>
<td><strong>548</strong></td>
<td><strong>49</strong></td>
</tr>
<tr>
<td>Gatwick Airport South</td>
<td>557</td>
<td>48</td>
</tr>
<tr>
<td>West Wickham</td>
<td>623</td>
<td>43</td>
</tr>
<tr>
<td>Leatherhead</td>
<td>714</td>
<td>37</td>
</tr>
<tr>
<td>Wallington</td>
<td>735</td>
<td>36</td>
</tr>
<tr>
<td>Horley</td>
<td>901</td>
<td>30</td>
</tr>
<tr>
<td>Banstead</td>
<td>930</td>
<td>29</td>
</tr>
<tr>
<td>Purley</td>
<td>1,322</td>
<td>20</td>
</tr>
<tr>
<td><strong>Oxted</strong></td>
<td><strong>1,322</strong></td>
<td><strong>20</strong></td>
</tr>
<tr>
<td>Coulsdon</td>
<td>1,524</td>
<td>17</td>
</tr>
<tr>
<td>Selsdon</td>
<td>1,684</td>
<td>15</td>
</tr>
<tr>
<td>New Addington</td>
<td>1,798</td>
<td>14</td>
</tr>
<tr>
<td>Biggin Hill</td>
<td>1,907</td>
<td>13</td>
</tr>
<tr>
<td>Sanderstead</td>
<td>2,428</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Venuescore, Javelin Group 2013/14

2.8 Each destination is given a weighted score for the number of multiple retailers present, and the score attached to each retailer is weighted depending on their overall impact on shopping patterns. This information suggests that Caterham Valley and Oxted are third tier centres that falls within the sub-regional shopping catchment area of Croydon. The location of these Venuescore centres is shown in Figure 2.1 overleaf.

2.9 Figure 2.1 indicates that residents in Tandridge District have good access to regional centres as well as having a choice of smaller centres for day to day shopping needs. The outflow of retail expenditure from the District, particularly comparison goods, is significant and this is likely to remain high in the future.
Existing Retail Provision in Tandridge

An assessment of the existing retail and service provision in the main centres is provided in the centre audits included at Appendix 5. A summary of existing retail provision is provided in Table 2.2 below.
### Table 2.2 Existing Retail Shop Provision

<table>
<thead>
<tr>
<th>Centre</th>
<th>Centre Class A Shop Units</th>
<th>Convenience Goods Floorspace (sq.m net)</th>
<th>Comparison Goods Floorspace (sq.m net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caterham Valley</td>
<td>135</td>
<td>4,499</td>
<td>4,310</td>
</tr>
<tr>
<td>Oxted</td>
<td>128</td>
<td>3,952</td>
<td>3,782</td>
</tr>
<tr>
<td>Caterham Hill</td>
<td>62</td>
<td>521</td>
<td>1,395</td>
</tr>
<tr>
<td>Lingfield</td>
<td>49</td>
<td>375</td>
<td>347</td>
</tr>
<tr>
<td>Warlingham</td>
<td>34</td>
<td>541</td>
<td>273</td>
</tr>
<tr>
<td>Whyteleafe</td>
<td>25</td>
<td>180</td>
<td>99</td>
</tr>
<tr>
<td>Godstone</td>
<td>22</td>
<td>48</td>
<td>505</td>
</tr>
<tr>
<td>Smallfield</td>
<td>9</td>
<td>229</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>464</strong></td>
<td><strong>10,345</strong></td>
<td><strong>10,911</strong></td>
</tr>
</tbody>
</table>

*Source: VOA, StorePoint and NLP site surveys 2015*

2.11 The audit of centres in Appendix 5 confirms that Caterham Valley and Oxted are the main shopping destinations within the District, and these two centres area are similar in size in terms of number of shop units and the amount of retail sales floorspace.

2.12 Both Caterham Valley and Oxted provide a reasonable range of shops and facilities that serve their settlements and nearby villages. They have a critical mass of convenience and comparison shopping floorspace and a good range of non-retail services.

2.13 Caterham Hill, Lingfield, Warlingham and Whyteleafe are much smaller centres that serve their respective settlements and smaller catchment areas, providing a limited range of shops and non-retail services.

2.14 Local centres generally include a small range of shops of a local nature, serving a small catchment. They can include a small supermarket, newsagent, post office, takeaways and pharmacy. Facilities at Godstone, Smallfield and other villages are more limited and serve local catchment areas.

2.15 Based on the number, scale and type of shops and services available in Caterham Valley and Oxted, these two centres should continue to be designated as town centres. Other centres at Caterham Hill, Lingfield, Warlingham and Whyteleafe could be designated as local centres. Godstone and Smallfield are similar in size to Whyteleafe and could also be designated as village local centres.

2.16 National and local policy indicates that it is important for the District’s town centres to maintain and strengthen their role in the retail hierarchy. The smaller centres should continue to perform a more local function meeting day to day shopping and service needs.
Assessment of Retail Need

Introduction

3.1 The National Planning Policy Framework (NPPF) indicates (paragraph 14) that local planning authorities should positively seek opportunities to meet the development needs of their area, and Local Plans should meet objectively assessed needs.

3.2 The Planning Policy Guidance (PPG) indicates that development plans should develop (and keep under review) town centre strategies that plan for a 3-5 year period, whilst also giving a Local Plan lifetime view. Plans should identify the scale of need for main town centre uses.

3.3 The PPG also introduces the requirement to consider a range of plausible scenarios, including a 'no development' scenario, which should not assume that all centres are likely to benefit from expenditure growth.

3.4 This section objectively assesses the quantitative and qualitative scope for new retail floorspace in Tandridge District in the period from 2015 to 2033. It sets out the methodology adopted for this analysis and provides a quantitative capacity analysis in terms of levels of spending for convenience and comparison shopping. A qualitative assessment of the range and scale of existing shopping facilities has been undertaken as part of the town centre audits in Appendix 5.

Study Area

3.5 The quantitative analysis is based on a defined study area that covers the catchment areas of the main shopping destinations in the District. For the purposes of this study the Tandridge District authority boundary has been adopted as the study area. Given the relatively low position of Tandridge’s centres within the shopping hierarchy and the strength of competing centres within neighbouring authorities, the primary catchment areas of centres within the District are unlikely to extend into neighbouring authorities. An analysis of household shopper survey results for these neighbouring authorities confirms that Tandridge’s market share of expenditure is very low in these areas.

3.6 The District has been sub-divided into four zones as shown in Appendix 1. The survey zones are based on ward areas and take into consideration the extent of the primary catchment areas of the three main settlements Caterham, Oxted and Lingfield.

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

3.8 The methodology is summarised in Figure 3.1 overleaf and set out in more detail in Appendix 1.
Figure 3.1: Methodology for Estimating Future Requirements for Retail Floorspace

Stage 1: Taking Stock of the Existing Situation
- Population
- Local Expenditure Estimates
- Assess Retail Space / Turnover
- Existing Shopping Patterns from Surveys

Stage 2: Creating a Picture of Future Requirements
- Population and Expenditure Projections
- Assess Balance between Expenditure and Expected Turnover
- Estimate Quantitative and Qualitative Need
- Implications of Commitments and Developments

Stage 3: Accommodating Growth
- Consider Ability of Vacant Floorspace to Meet Need
- Consider Allocated Development Sites
- Identify Other Potential Development Sites
- Conclusions and Recommendations
- Final Report
- Local Plan Preparation
Retail Trends

3.9 This section considers the changes in the retail sector nationally and the potential implications for Tandridge District.

3.10 The economic downturn had a significant impact on the retail sector. A large number of national operators failed (e.g. Blockbuster, Comet, HMV, JJB Sports, Jessops, Clinton Cards, Woolworths, MFI, Land of Leather, Borders, Game, Firetrap, Peacocks, La Senza, Past Times, Barratts and Habitat), leaving major voids within centres and retail parks. Many town centre development schemes have been delayed and the demand for traditional bulky goods retail warehouse operators was affected. Even some of the main food store operators have seen a reduction in growth, with discount operators taking market share from the main operators.

3.11 Assessing future expenditure levels within this study needs to take into account the likely speed of the economic recovery, particularly in the short term (2015 to 2018). Careful consideration is needed to establish the appropriate level of expenditure growth to be adopted over the plan period. This study takes a long term view for the plan period recognising the cyclical nature of expenditure growth. Trends in population growth, home shopping/internet sales and growth in turnover efficiency also need to be carefully considered and a balanced approach taken. An overview of national trends within the retail sector is set out below.

Expenditure Growth

3.12 Historic retail trends indicate that expenditure has consistently grown in real terms in the past, generally following a cyclical growth trend. The underlying trend shows consistent growth and this trend is expected to continue in the future. However the recovery from the economic downturn is expected to result in slower growth in the short term.

3.13 In the past, expenditure growth has fuelled growth in retail floorspace, including major out-of-centre development, particularly in the 1980s and 1990s. The speed of recovery from the economic downturn suggests that high past rates of growth are unlikely to be achieved in the short term, but the underlying trend over the medium and long terms is expected to lead to a need for further modern retail floorspace, even allowing for continued growth in home shopping. These national trends are anticipated to be mirrored in Tandridge District.

New Forms of Retailing

3.14 New forms of retailing have emerged as an alternative to more traditional shopping facilities. Home/electronic shopping has grown with the increasing ownership of personal computers, smart phones and the internet. Trends within this sector will have implications for retailing within Tandridge District. The continued growth in home computing, internet connections and interactive
TV may lead to a growth in home shopping and may have effects on retailing in the high street and in Tandridge District.

3.15 On-line shopping has experienced rapid growth since the late 1990s but in proportional terms the latest available data suggests it remains an insignificant percentage of total retail expenditure.

3.16 The household survey results suggest 5.3% of households in the Tandridge study area did their last main food and grocery shopping via the internet/delivery, and 8.8% of households do most of their non-food shopping at home via the internet, TV or catalogue. These figures represent a lower proportion than the internet's national share of retail expenditure (about 12% in 2013 - Experian, October 2014).

3.17 The internet shopping figures for Tandridge indicate lower levels of home shopping than the national average, however internet sales in Tandridge should increase in the future and this assumption is reflected in the allowance made for a growth in the proportion of non-store spending, as set out in the retail capacity methodology in Appendix 1.

3.18 Recent trends suggest continued strong growth in this sector. Experian's Retail Planning Note 12.1 states:

"The strong increase in online shopping in the past decade has lifted the share of special forms of trading (SFT) to a level where it now accounts for around a tenth of total retail sales...

The rising share of internet sales in total retail transactions dominates the picture of SFT. Internet sales' share of total retail sales stood at near 10.6% in mid-2014 against 4.7% in June 2008.

Non-store retailing continues to grow rapidly, outpacing traditional forms of spending. We retain our assumption that non-store retailing will increase at a faster pace than total retail sales well into the long term. There were 52.7 million internet users in the UK (representing 84.1% of the population) in mid-year 2012 according to Internet World Stats. So growth of the internet user base will be less of a driver than in the past decade. But growth momentum will be sustained as new technology such as browsing and purchasing through mobile phones and the development of interactive TV shopping boost internet retailing. We expect that the SFT market share will continue to increase over the forecast period, although the pace of e-commerce growth will moderate markedly after about 2020. Our forecast has the SFT share of total retail sales reaching 18.5% by 2020 rising to 20.3% by the mid-2030s."

3.19 This Study makes an allowance for future growth in e-tailing based on Experian’s recommended projections. It will be necessary to monitor the amount of sales attributed to home shopping in the future in order to review future policies and development allocations.

3.20 The implications of these trends on the demand for retail space are unclear. For example, some retailers operate on-line sales from their traditional retail premises e.g. food store operators, therefore growth in on-line sales may not
always mean there is a reduction in the need for retail floorspace. Given the likelihood that non-store activity will continue to increase in proportional terms, this assessment has adopted relatively cautious growth projections for retail expenditure (as set out in the retail capacity methodology, Appendix 1).

In addition to new forms of retailing, historically retail operators responded to changes in customers’ requirements e.g. extended opening hours and Sunday trading in the 1990s. Retailers also responded to stricter planning controls by changing their trading formats to include smaller store formats capable of being accommodated within town centres (such as the Tesco Metro, Sainsbury Central/Local store and Marks & Spencer’s Simply Food formats). This trend has been evident in Tandridge District e.g. Little Waitrose and Sainsbury’s Local in Oxted.

The main food store operators have also increasingly sought representation in small towns in predominantly rural areas. The expansion of European discount food operators Aldi and Lidl has also been rapid during the last decade, but there are currently no discount food operators located within Tandridge District.

Food store operators had a programme of store extensions five to ten years ago, particularly Tesco, Sainsbury and Asda, in order to increase the sale of non-food products such as clothing and electrical goods. The recession halted this trend and some proposed new stores have been shelved.

Comparison retailers have also responded to market conditions. The bulky goods warehouse sector rationalised, including a number of mergers and failures, and scaled down store sizes. Other traditional high street retailers often seek large out-of-centre stores, for example Boots, TK Maxx and Poundstretcher. Matalan opened numerous discount clothing stores across Great Britain. Sports clothing retail warehouses including Decathlon have also expanded out-of-centre.

The demand for premises within the bulky goods sector, i.e. furniture, carpets, electrical and DIY goods, was particularly weak during and after the recession. This has led to voids on retail warehouse parks and proposals to extend the range of goods sold to non-bulky goods.

Within town centres, many high street multiple comparison retailers have changed their format. High street national multiples have increasingly sought larger modern shop units (over 200 sq.m) with an increasing polarisation of activity into the larger regional and sub-regional centres, e.g. Croydon.

The economic downturn had a significant impact on the high street. A key effect the economic downturn on high streets was the increase in vacant shop units. The average unit vacancy rate increased from below 9% before the recession began in 2008 to the current figure of just under 14% (source: Experian Goad Plans).

Tandridge District appears to have withstood the effects of the recession reasonably well in terms of shop vacancies. The current vacancy rate (8.6%) is significantly below the national average in the District as a whole. The vacancy
rate is particularly low in Oxted (3.1%) and Warlingham (no vacant units at the time of NLP’s survey).

3.29 The continuation of national trends will influence future operator requirements across Tandridge District, with smaller vacant units becoming less attractive for new occupiers and existing retailers looking to relocate into larger units in higher order centres.

3.30 The charity shop sector has grown steadily over the past 20 years and there is no sign this trend will halt. In many centres, charity shops have occupied vacated shop premises during the recession. In many cases charity shops can afford higher rents than small independent occupiers because of business rate discounts, therefore it does not follow that these charity shops will be replaced by traditional shops when the market recovers, particularly in secondary frontages. The discount comparison sector has also grown significantly in recent years e.g. pound shops.

**High Street Retail Trends**

3.31 The number of shop units within town centres has declined consistently since the early 1970s. The Centre for Retail Research’s “Retail In 2018” (CRR) figures show a decline from over 300,000 units in 2001 to 282,000 in 2012. The CRR “Retail In 2018” report predicts nearly 62,000 high street stores across Great Britain (22% in total) will close between 2012 and 2018.

3.32 Online/multi-channel shopping and increasing retail operating costs are cited as the main culprits. Similar predictions of the High Street’s decline were made during previous recessions in the early 1980s and 1990s, which subsequently proved to be exaggerated. On this basis, it is important to examine these predictions within the context of longer term structural trends.

3.33 These trends hide underlying structural changes in the retail sector. These changes are not new and have been affecting the High Street for many years. In response to these trends, town centres have changed and diversified. The food and beverage, leisure and non-retail service sectors have been successful in occupying space no longer suitable for shopping. There have been cyclical trends in vacancy rates reflecting the macro economic trends, but in most cases town centres recovered during periods of stronger growth. The High Street is more resilient than many commentators give it credit.

3.34 There is an underlying trend towards fewer but larger retail stores. Valuation Office data indicates the amount of retail floorspace in England and Wales has grown by over 3% during the economic downturn (2008 to 2012), despite a period of poor expenditure growth and an increase in on-line shopping.

3.35 Shopping behaviour will continue to change and the High Street will need to continue to respond. All town centres will need to focus on the advantages they have over other forms of multi-channel shopping, for example using the internet as an extended shop window, click and collect facilities and providing a
combined retail and leisure experience. There will always be demand for a day out.

3.36 Experian data indicates that retail expenditure reduced by 3.9% during 2009 to 2011, with the food/grocery and bulky comparison goods sectors hardest hit. These expenditure trends explain why the High Street performed better than out-of-centre retail parks during the recession. During this period the proportion of expenditure attributed to non-store trading (including home shopping) increased from 8.2% to 10.8%.

3.37 Experian’s most recent forecasts suggest comparison goods expenditure per person will increase on average by 3.3% per annum, in real terms over and above inflation. Taking into account ONS population projections, comparison goods expenditure in England will double over the next 20 years.

3.38 Not all projected expenditure growth will be available to support new retail floorspace. Non-store expenditure (special forms of trading) is expected to grow at a faster rate than expenditure and in proportional terms will absorb more growth. Continuing trends towards more modern and higher density stores, and the replacement of inefficient space will result in growth in turnover efficiency – Experian suggests a growth rate of 2.5% per annum for comparison floorspace. Figure 3.1 below shows how much expenditure growth may be available for new development over the next 20 years.

3.39 Allowing for growth in multi-channel shopping and increased turnover efficiency, there could still be approximately £33 billion of growth available for new retail development in England over the next 10 years and £72 billion over the next 20 years.

Figure 3.1: Growth in Comparison Goods Expenditure in England 2014 to 2034 (£ billion)

3.40 The challenge for town centres generally, and centres within Tandridge specifically, will be to capitalise on this growth by securing much needed investment. There will be continued scope for centres to diversify, for example
the evening economy, leisure and entertainment and more focus on convenience and service, but comparison retail will still be the driver of growth in many centres.

3.41 The delivery of town centre redevelopment opportunities will be the priority. There will be a requirement to build more retail floorspace if Tandridge is to maintain its market share of expenditure, not only to boost its retail offer and compete effectively with other centres, but also to secure investment in the centre.

**Population and Expenditure**

3.42 The District's projected population for 2011 to 2033 is set out in Table 1 in Appendix 2. Population data has been obtained from Experian for each zone based on the 2011 Census. The 2011 base year population for each zone has been projected to 2033 based on the Office of National Statistics sub-national projections. This is referred to as the OAN growth scenario as set out in the emerging Tandridge Strategic Housing Market Assessment (SHMA). This growth scenario equates to 470 additional homes per annum in the District.

3.43 Table 2 in Appendix 2 sets out the forecast growth in spending per head for convenience goods within each zone in the study area up to 2033. Forecasts of comparison goods spending per capita are shown in Table 2 in Appendix 3.

3.44 As a consequence of growth in population and per capita spending, convenience goods spending within the study area is forecast to increase by 25% from £193.88 million in 2015 to £242.03 million in 2033, as shown in Table 3 (Appendix 2).

3.45 Comparison goods spending is forecast to double between 2015 and 2033, increasing from £331.42 million in 2015 to £664.86 million in 2033, as shown in Table 3 (Appendix 3).

3.46 It should be noted that comparison goods spending is forecast to increase more than convenience spending as the amount spent on food and drink does not increase proportionately with disposable income, whereas spending on non-food goods is more closely linked to income.

3.47 These figures relate to real growth and exclude inflation.

**Existing Retail Floorspace 2015**

3.48 Existing convenience goods retail sales floorspace within Tandridge District is just under 14,000 sq.m net, as set out in Table 10 in Appendix 2. This floorspace figure excludes comparison sales floorspace within food stores. Comparison goods retail floorspace (including comparison sales in large food stores) within Tandridge District is estimated to be around 13,000 sq.m net, as shown in Table 11 in Appendix 3.
Table 3.1 Main Food and Grocery Last Trip (main destinations mentioned by respondents)

<table>
<thead>
<tr>
<th>Destination</th>
<th>% Market Share in each Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 - Oxted</td>
</tr>
<tr>
<td>Morrison’s, Oxted</td>
<td>51.2</td>
</tr>
<tr>
<td>Sainsbury’s, Warlingham</td>
<td>14.6</td>
</tr>
<tr>
<td>Morrison’s, Caterham Valley</td>
<td>0</td>
</tr>
<tr>
<td>Tesco, Caterham</td>
<td>0</td>
</tr>
<tr>
<td>Waitrose, Caterham Valley</td>
<td>0</td>
</tr>
<tr>
<td>Little Waitrose, Oxted</td>
<td>10.5</td>
</tr>
<tr>
<td>Co-op, Lingfield</td>
<td>0</td>
</tr>
<tr>
<td>Sainsbury’s, East Grinstead</td>
<td>0</td>
</tr>
<tr>
<td>Aldi, East Grinstead</td>
<td>0</td>
</tr>
<tr>
<td>Waitrose, East Grinstead</td>
<td>0</td>
</tr>
<tr>
<td>Sainsbury’s, Redhill</td>
<td>0</td>
</tr>
<tr>
<td>Tesco Extra, Croydon</td>
<td>0</td>
</tr>
<tr>
<td>Tesco Extra, Horley</td>
<td>0</td>
</tr>
<tr>
<td>Waitrose, Horley</td>
<td>0</td>
</tr>
<tr>
<td>Tesco, Sevenoaks</td>
<td>4.1</td>
</tr>
<tr>
<td>Sainsbury’s, Sevenoaks</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Source: NEMS Household Survey June 2015

The survey results indicate there is a good retention of main food and grocery shopping trips within the Oxted (over 76%) and the Caterham (78%) zones, bearing in-mind expenditure outflow is expected due to out-commuting from the District.

Lingfield has a low retention rate, and residents in this zone primarily visit large food stores within East Grinstead just beyond the District boundary.
Residents within the south west of the District have access to food stores in Reigate and Banstead, Oxted and East Grinstead. Most main food and grocery trips leak from the District in this area.

Table 4 (Appendix 2) indicates the proportion of convenience goods expenditure within each zone retained within Tandridge District ranges from just 19.9% in Zone 3 (Lingfield) up to 82.3% in Zone 2 (Caterham). The influence of stores outside the District is clearly evident, particularly stores in East Grinstead, Redhill and Horley. A new Sainsbury’s store is now under-construction in Redhill which could increase expenditure drawn from Zone 4.

Caterham, Warlingham and Whyteleafe’s market share of expenditure in their zone (Zone 2) is high at 78.8%. Oxted's market share of expenditure in its zone (Zone 1) is reasonable at 65%, while the retention of convenience goods expenditure is low within other parts of the District.

The level of convenience goods expenditure attracted to shops/stores in Tandridge District in 2015 is estimated to be £147.69 million as shown in Table 5, Appendix 2. This includes estimates of inflow from beyond the study area, applying the market shares set out in Table 4.

The total benchmark turnover of identified existing convenience sales floorspace within Tandridge District is £158.23 million (Table 10, Appendix 2).

These figures suggest that convenience goods retail sales floorspace in the District is collectively trading marginally (-6.7%) below average. Facilities appear to be trading below average in the Oxted and Caterham zones, whilst facilities in other parts of the District are trading significantly above average.

On balance the estimate of global expenditure deficit (-£10.55 million) within Tandridge District as a whole, i.e. the difference between the actual spending at retail facilities in the District and the benchmark turnover of the facilities, is relatively small.

**Comparison Shopping**

A summary of comparison goods shopping patterns is shown in Table 3.2.

Table 4 (Appendix 3) indicates the proportion of comparison goods expenditure within each zone that is spent within Tandridge District ranges from only 4.9% in Zone 3 (Lingfield) up to 28.1% in Zone 1 (Oxted). The retention of comparison goods expenditure is generally lower than for convenience goods. This reflects the propensity of customers to do food and grocery shopping locally, whilst for comparison shopping, customers are more likely to shop around and/or travel longer distances to visit larger centres that have more choice. The ability to increase comparison goods market share will be constrained by larger centres in the sub-region. Expenditure outflow will also be affected by out-commuting from the District.
Table 3.2  Non-Food Shopping (main destination used by respondents)

<table>
<thead>
<tr>
<th>Destination</th>
<th>% Market Share in each Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Caterham</td>
<td>0</td>
</tr>
<tr>
<td>Oxted</td>
<td>17.4</td>
</tr>
<tr>
<td>Lingfield</td>
<td>0</td>
</tr>
<tr>
<td>Warlingham</td>
<td>0.4</td>
</tr>
<tr>
<td>Crawley</td>
<td>10.1</td>
</tr>
<tr>
<td>Croydon</td>
<td>6.1</td>
</tr>
<tr>
<td>Redhill</td>
<td>6.4</td>
</tr>
<tr>
<td>Bluewater Shopping Centre</td>
<td>11.1</td>
</tr>
<tr>
<td>Bromley</td>
<td>16.1</td>
</tr>
<tr>
<td>East Grinstead</td>
<td>0</td>
</tr>
<tr>
<td>Central London</td>
<td>1.7</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Source: NEMS Household Survey June 2015

3.62 The estimated comparison goods expenditure currently attracted by shopping facilities within Tandridge District is £75.03 million in 2015, as shown in Table 5, Appendix 3. This includes estimates of inflow from beyond the District area.

3.63 Based on this expenditure estimate, the average sales density for existing comparison goods sales floorspace in the District (12,883 sq.m net) is £5,824 per sq.m net. The analysis of existing comparison shopping patterns in 2015 suggests the following average sales density figures for the centres in Tandridge District shown in Table 3.3.

Table 3.3: Comparison Goods Average Sales Densities

<table>
<thead>
<tr>
<th>Centre</th>
<th>Average Sales Density 2015 (£ per sq.m net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxted</td>
<td>£6,309</td>
</tr>
<tr>
<td>Caterham Valley/Caterham Hill</td>
<td>£4,912</td>
</tr>
<tr>
<td>Warlingham/Whyteleafe</td>
<td>£7,914</td>
</tr>
<tr>
<td>Lingfield</td>
<td>£5,470</td>
</tr>
<tr>
<td>Tandridge Other</td>
<td>£4,213</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>£5,824</strong></td>
</tr>
</tbody>
</table>

3.64 Trading levels are reasonable across the District. One would normally expect the main centres (Caterham Valley and Oxted) to have the highest comparison
goods average sales density, because this reflects the stronger presence of
national multiples. The relatively high sales density for Warlingham/Whyteleafe
reflects the inclusion of non-food sales within the Sainsbury’s superstore.
Smaller centres generally have a lower trading density, which reflects the
predominance of independent traders.

3.65 There is no evidence to suggest existing comparison sales floorspace is under
or over-trading anywhere in the District, or that there is surplus comparison
expenditure available to support new development at present. Existing
floorspace appears to be trading satisfactorily in difficult market conditions.

**Capacity for Convenience Goods Floorspace**

3.66 As a minimum it is appropriate and realistic to plan to maintain the District's
market share of convenience goods expenditure in the future. Planning for a
decline in market share would not be sustainable and would not address the
needs of local residents. It should be noted that as the forecast increase in
internet spending is taken into account in projecting available expenditure in
the future, this will have the effect of reducing the actual requirement for
additional floorspace.

3.67 Based on constant market shares and baseline population projections, the
future level of available convenience goods expenditure at 2018, 2023, 2028
and 2033 is shown at Tables 6, 7, 8 and 9 in Appendix 2.

3.68 The total level of convenience goods expenditure available for shops in the
District between 2015 and 2033 is summarised in Table 11 (Appendix 2).
Convenience expenditure available to shopping facilities in the District is
expected to increase from £147.69 million in 2014 to £184.36 million in 2033.

3.69 Table 11 subtracts the benchmark turnover of existing floorspace from
available expenditure to calculate the amount of surplus expenditure that may
be available for further development. Within the District, there is a small
expenditure deficit of -£10.55 million convenience goods expenditure in 2015.
This deficit will reduce to -£5.58 million in 2018. Continued future growth
produces a surplus of £4.52 million in 2023, increasing to £15.48 million in
2029 and £26.13 million in 2033.

3.70 The surplus expenditure projections have been converted into potential new
floorspace estimates in Table 12. Surplus expenditure is converted into
floorspace estimates based on an assumed average sales density figure of
£12,500 per sq.m. This figure is based on the average turnover of the main
food supermarket operators (Asda, Morrison’s, Sainsbury’s, Tesco and
Waitrose) because new floorspace is likely to be provide by these operators
rather than small independent convenience shops.

3.71 The short to medium term capacity figures up to 2023 suggest surplus of
available convenience goods expenditure could support a small amount of
additional floorspace, 362 sq.m net (517 sq.m gross). This represents about 2
small (below the Sunday trading threshold) convenience stores.
3.72 In the long term, surplus expenditure at 2033 could support 2,090 sq.m net of sales floorspace (2,986 sq.m gross) in the District as a whole, as shown in Table 12, Appendix 2.

**Capacity for Comparison Goods Floorspace**

3.73 The household survey suggests that the District's retention of comparison goods expenditure is generally lower than for convenience goods. The lower level of comparison expenditure retention is due to the strength of competing comparison goods facilities in nearby authorities, in particular Redhill, Crawley, East Grinstead and Croydon.

3.74 Future improvements to comparison retail provision within the District could help to claw back some additional expenditure leakage from the District. However, major developments in neighbouring authorities will limit the ability of shopping facilities in the District to increase their market share of expenditure. In particular major development in Croydon (Westfield/Hammerson) will draw additional trade from Tandridge.

3.75 Some retail development will be necessary in Tandridge District in order to prevent market shares falling significantly in the future. An appropriate strategy for Tandridge District should be to seek to prevent market shares falling significantly, in the face of increasing future competition in nearby centres, whilst maintaining the vitality and viability of centres. A modest reduction in Caterham and Oxted’s market share of comparison goods expenditure is envisaged post 2018.

3.76 The Council should plan to protect the existing role of centres, recognising these centres fall within the catchment area of higher order regional and sub-regional centres. The centres in Tandridge District will maintain a complementary role supporting these larger centres.

3.77 Based on the baseline population projections, available comparison goods expenditure has been projected forward to 2018, 2023, 2028 and 2033 in Tables 6, 8, 9 and 10 in Appendix 3, and summarised in Table 11. Available comparison expenditure to facilities within the District is expected to increase from £75.03 million in 2015 to £82.54 million in 2018. Allowing for some fall in market share after 2018, available expenditure is expected to increase to £92.77 million in 2023, and to £139.54 million in 2033.

3.78 For the purposes of this assessment, the existing comparison goods floorspace is estimated to be trading at equilibrium in 2015 (i.e. satisfactory levels), as shown in Table 12 (Appendix 3). Table 12 assumes that the turnover of comparison floorspace will increase in real terms in the future. A growth rate of 2.5% per annum is adopted, and this growth is required to maintain the health and viability of town centres, as recommended by Experian. Trends indicate that comparison retailers historically will achieve some growth in trading efficiency. This is a function of spending growing at faster rates than new floorspace provision and retailers' ability to absorb real increases in their costs by increasing their turnover to floorspace ratio.
Within Tandridge District as a whole, by 2018 there will be a small expenditure surplus of £1.65 million. This surplus will reduce slightly to £1.35 million in 2023 due to major development in neighbouring authorities. By 2028, future expenditure growth generates an expenditure surplus of £10.61 million, which will grow to £22.52 million by 2033.

Surplus comparison expenditure has been converted into net comparison sales floorspace projections at Table 13 in Appendix 3, adopting an average sales density of £6,000 per sq.m in 2015, which is projected to grow by 2.5% in the future due to improved turnover efficiency. The surplus expenditure at 2033 could support 2,406 sq.m net of sales floorspace (3,438 sq.m gross).

Qualitative Need for Retail Floorspace

Qualitative need can be assessed through consideration of the following factors:
- deficiencies or ‘gaps’ in existing provision;
- consumer choice and competition;
- overtrading, congestion and overcrowding of existing stores;
- location specific needs such as underserved markets; and
- the quality of existing provision.

Convenience Goods Shopping

The household survey results indicate that most residents in the study area undertake both a main shopping trip and top-up shopping trips. Main shopping trips are generally made once a week or less often, and the household survey identified that 86% of respondents travel to do their main food shopping by car (both driver and passenger). The availability of a wide range of products and free car parking are important requirements for bulk food shopping trips. Large supermarkets or superstores are the usual destination for these types of shopping trip.

There are only two large food store of over 2,000 sq.m net within the District, i.e. Sainsbury's, Warlingham (3,559 sq.m net) and Morrison's in Oxted (2,516 sq.m net). However Waitrose (1,357 sq.m net) and Tesco (1,540 sq.m net) in Caterham offer a good range and choice of products for bulk food shopping.

Larger stores located in East Grinstead and Horley help to serve the rural areas in the southern part of the District. The northern part of the District also has access to larger stores Reigate and Banstead and Croydon. Provision will also improve in Redhill with the proposed Sainsbury’s store.

The larger food stores are supported by a range of smaller supermarkets and convenience stores within Tandridge District. The discount food sector is not represented in the District, with the closest Aldi and Lidl stores located in Croydon, East Grinstead and Horley.
There is a reasonable choice of smaller food stores in Oxted, with Co-op, Little Waitrose and Sainsbury’s Local. Caterham (Valley and Hill) has two Co-op stores in addition to the larger Sainsbury’s and Waitrose stores.

Lingfield does not provide food stores suitable for bulk food shopping, and Co-op (129 sq.m net) is the main food store. The capacity projections in Table 11 in Appendix 2 suggest there is surplus convenience goods expenditure in Lingfield at 2015 (£2.41 million). This surplus will increase to £3.67 million in 2033. This surplus is only sufficient to support a small convenience store. Even allowing for the claw back of expenditure leakage to East Grinstead, it is unlikely Lingfield’s catchment area is of sufficient size to support a large food store above the Sunday trading threshold.

In qualitative terms the provision of food stores is particularly strong in the north of the District, particularly in the Caterham area. Residents have access to large food stores in neighbouring authorities.

The qualitative and quantitative assessment suggests the priority for improved convenience goods provision be Lingfield, but only small convenience stores are likely to be viable.

High Street Comparison Shopping

Oxted and Caterham Valley are the main high street comparison shopping destinations within the District. All centres in Tandridge District are much smaller than larger centres surrounding the District, in particular Redhill, East Grinstead, Crawley, Sevenoaks and Croydon, which are accessible to residents within the District and have a more extensive range of multiple retailers.

The centre audits in Appendix 5 indicate that Caterham Valley, Oxted and Caterham Hill have a reasonable proportion of comparison retail units compared with the national average. Caterham Valley and Oxted have a limited number of national multiples, complemented by a range of independent traders. Comparison retailers in other centres are predominantly small independent traders. Caterham Valley is ranked higher than Oxted in Venuescore’s national rank as shown in Table 2.1, because it has more national multiples and more larger shop units. The two town centres are similar in size in terms of comparison sales floorspace (around 4,000 sq.m net) but are relatively small town centres in the sub-region.

Oxted (62 comparison shops) and Caterham Valley (45 comparison shops) have representation in most comparison goods categories, but there is generally a limited choice of outlets within some specialist categories.

The clothing and footwear sector is well represented in Oxted with 14 shops. Both Oxted and Caterham Valley have a reasonable mix of lower and higher order comparison goods. Lower order comparison goods are items bought on a regular basis, where customers are less likely to shop around or travel long distances to shop. Higher order goods tend to be higher value items bought
occasionally, where customers window shop and compare prices and goods. Healthy town centres usually have a good mix of higher and lower order comparison goods shops. Both town centres have a relatively high proportion of charity shops.

There is a much more limited range and choice of comparison shops in the District’s local centres, with very limited choice within each goods category. Caterham Hill has the largest selection of comparison shops (25) but has only three clothing and footwear shops, and the comparison retail offer is dominated by independent shops selling lower order comparison goods.

The other local centres have a small number (less than 10) of comparison shops, and most are small independent traders and shops selling lower order comparison goods, such as pharmaceutical goods, hardware and other day to day items.

**Population Growth Scenarios – Sensitivity Analysis**

The retail capacity figures are based on population projections from the OAN growth scenario as set out in the emerging Tandridge Strategic Housing Market Assessment (SHMA), which equates to 470 additional homes per annum in the District. Other growth scenarios based on 260, 350 and 490 homes per annum have been considered. The implications of these alternative growth scenarios on the retail capacity projections are shown in Tables 3.4 and 3.5.

**Table 3.4: Changes in Convenience Retail Floorspace Capacity Projections (SQ.M Gross)**

<table>
<thead>
<tr>
<th>Growth Scenario</th>
<th>At 2018</th>
<th>At 2023</th>
<th>At 2028</th>
<th>At 2033</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Projection</td>
<td>0</td>
<td>517</td>
<td>1,769</td>
<td>2,986</td>
</tr>
<tr>
<td>(470 homes per annum)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>260 homes per annum</td>
<td>0</td>
<td>-290</td>
<td>-446</td>
<td>-546</td>
</tr>
<tr>
<td>350 homes per annum</td>
<td>0</td>
<td>-135</td>
<td>-226</td>
<td>-273</td>
</tr>
<tr>
<td>490 homes per annum</td>
<td>0</td>
<td>+80</td>
<td>+55</td>
<td>+45</td>
</tr>
</tbody>
</table>

The highest growth scenario (490 homes per annum) makes a small difference at 2033 when compared with the baseline projection. The differences are relatively small because growth in expenditure per person rather than growth in population is the main driver of expenditure growth.

The lowest growth scenario (260 homes per annum) assumes home completions 45% lower than the baseline scenario (470 homes per annum), however the decrease in the retail floorspace projection to 2033 is only 17% i.e. -1,085 sq.m gross (combined comparison and convenience goods).
Table 3.5: Changes in Comparison Retail Floorspace Capacity Projections (SQ.M Gross)

<table>
<thead>
<tr>
<th>Growth Scenario</th>
<th>At 2018</th>
<th>At 2023</th>
<th>At 2028</th>
<th>At 2033</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline Projection</strong> (470 homes per annum)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>260 homes per annum</td>
<td>-74</td>
<td>- 269</td>
<td>- 430</td>
<td>- 539</td>
</tr>
<tr>
<td>350 homes per annum</td>
<td>-23</td>
<td>- 154</td>
<td>- 248</td>
<td>- 299</td>
</tr>
<tr>
<td>490 homes per annum</td>
<td>+126</td>
<td>+ 78</td>
<td>+ 55</td>
<td>+ 45</td>
</tr>
</tbody>
</table>
Requirement for Other Town Centre Uses

Introduction

This section assesses the potential for commercial leisure and other town centre uses in Tandridge District, including cinemas, tenpin bowling, bingo, theatres, nightclubs, private health/fitness suites and catering, pubs and bars.

Commercial Leisure Uses

Residents in Tandridge District have relatively good access to a range of commercial leisure and entertainment facilities in neighbouring authorities, where most of the key sectors are represented.

Based on NLP’s experience and household surveys from across the country, commercial leisure facilities usually draw the main part of their trade from residents up to a 20 minutes travel time. Major leisure facilities such as multiplex cinemas, ten-pin bowling centres and family entertainment centres require a large catchment population, and often benefit from locating together or on large out of centre leisure parks.

Tandridge District’s population has good access to major leisure parks in Croydon and Crawley, and also good public transport access to Central London. The proximity of major leisure facilities in these surrounding local authorities and the relatively small catchment population of towns in Tandridge District may limit the potential for major commercial leisure facilities.

Cinemas

The only permanent cinema within Tandridge District is the Everyman Cinema in Oxted. This small independent cinema has one screen and a capacity of 373 seats.

In total 65.5% of respondents to the household survey results visit the cinema, but of these only 35.3% visited the Everyman cinema in Oxted on their last cinema trip. Cineworld in Crawley (24%), Vue in Croydon (19.5%) and The Atrium in East Grinstead (7.4%) were the other main cinema destinations.

Tandridge District’s population in 2015 (85,600 people) will generate 240,000 cinema trips per annum, based on the national average visitation rate (2.8 trips per annum). The market shares estimated from the household survey suggests about 85,000 of these cinema trips are attracted to the Everyman cinema in Oxted. The survey results suggest the Everyman cinema attracted about 228 trips per seat in 2015, just below the national average of 232 trips per seat.

Based on the national average trips per cinema seat (232 trips per seat), 240,000 trips in the District as a whole in 2015 generates demand for 1,034 cinema seats. Tandridge District’s population at 2033 (99,000) could generate
demand for 1,194 cinema seats, assuming all trips are retained within the District.

4.9 If Tandridge District can increase its market share of cinema trips then there could be scope for another small independent cinema within the Caterham Valley or Caterham Hill.

**Theatres**

4.10 In total 53.1% of respondents to the household survey indicated that they visit the theatre. When asked where they had last visited the theatre, Central London/West End (70.4%) was the most popular location, followed by The Millar Centre in Caterham (6.7%) and The Barn Theatre in Oxted (6.6%). Other theatres were mentioned in Bromley, East Grinstead, Croydon, Redhill and Crawley.

4.11 Data from the British Theatre Consortium, UK Theatre and the Society of London Theatre (2013) estimates annual theatre attendance in the South East Region was 36.4 per 100 people. Based on this average, Tandridge District’s population in 2015 (85,600 people) will generate 31,000 theatre trips per annum. The household survey results suggest most of these trips will be attracted to Central London, with only 4,100 trips retained in the District. Tandridge District’s population at 2033 (99,200) could generate 36,000, an increase of 5,000 trips, but based on current market shares a small proportion of these additional trips are likely to be retained in the District.

4.12 There is no clear need for additional theatre provision in Tandridge District.

**Private Health and Fitness Clubs**

4.13 The household survey indicates that 34.1% of respondents or their families visit health/fitness clubs. Of the participating households, around two thirds visit health and fitness facilities within Tandridge District.

4.14 The Sport England/Active Places data indicates there are 12 health and fitness suites in the District, of which 5 are for school’s private use only. These private uses facilities are relatively small, with 85 fitness stations in total. The seven suites open to the general public (including registered members) have 238 fitness stations as shown below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>No. Stations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chartham Park Golf &amp; Country Club</td>
<td>Members</td>
<td>44</td>
</tr>
<tr>
<td>De Stafford Sports Centre (Caterham)</td>
<td>Pay and play</td>
<td>51</td>
</tr>
<tr>
<td>Le Club Effingham Park (Felbridge)</td>
<td>Pay and play</td>
<td>32</td>
</tr>
<tr>
<td>Lifeline Fitness (Oxted)</td>
<td>Pay and play</td>
<td>22</td>
</tr>
<tr>
<td>Marriott Leisure Club (Lingfield Park)</td>
<td>Members</td>
<td>9</td>
</tr>
<tr>
<td>Tandridge Leisure Centre (Oxted)</td>
<td>Pay and play</td>
<td>50</td>
</tr>
<tr>
<td>The Village Health Club (Caterham)</td>
<td>Members</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>238</strong></td>
</tr>
</tbody>
</table>

4.15 Tandridge’s population is 85,600 in 2015, and the Office of National Statistics (ONS) sub-national population projections (SNPP) suggest population will grow
to 99,200 in 2033. Tandridge District currently has 3.77 fitness stations per 1,000 people (323 stations in total).

4.16 The South East region has 1,179 Sport England registered health and fitness suites (257 private, 336 members only and 586 pay and play) with 50,411 fitness stations (average of 43 stations per suite). This existing provision equates to 5.65 fitness stations per 1,000 people.

4.17 If Tandridge District had the same provision per head of population as the South East average then the number of fitness stations would be 484, which implies an existing under-supply of 161 stations. However the household survey results indicate that a third of trips to health and fitness facilities go to neighbouring authorities including East Grinstead (11.6%) and Central London (3.8%). This outflow may be due in part to out-commuting from the District.

4.18 On the basis that Tandridge District retains two thirds of trips, the expected supply of fitness stations to meet demand would be 324 stations in 2015, which would increase to 376 stations by 2033 due to population.

4.19 The existing supply of fitness stations appears to be broadly in balance with demand, but population growth between 2015 and 2033 could support 53 additional fitness stations.

4.20 The adult (over 14) population of Tandridge District (70,300 in 2015) could generate demand for about 8,400 public and private gym membership places, based on the national average membership rate (12%).

4.21 Assuming two thirds of members are retained, around 5,600 members use facilities in Tandridge. This estimate suggests that the seven facilities in the District have an average number of users of around 800 per suite. The national average for private fitness clubs is 1,375 members per club. These figures also indicate that there is an adequate supply of gyms and health clubs within Tandridge.

4.22 Based on ONS population projections, there could be scope for 1 or 2 additional health and fitness suites over the plan period. Caterham and Oxted are the most likely locations for this new provision.

**Tenpin Bowling**

4.23 There are no tenpin bowling facilities in Tandridge District, although 21.7% of households interviewed in the household survey indicated they go bowling. The tenpin bowling facilities visited were Hollywood Bowl in Crawley (67.2%), Valley Park Leisure Complex in Croydon (17.8%) and Bowlplex in Tunbridge Wells (4.9%).

4.24 Tandridge District’s population (85,600 in 2015) as a whole could theoretically support 7 lanes, based on one lane per 12,000 people (national average). The population at 2033 (99,200) could support 8 lanes.
4.25 These figures, the dispersed nature of population within Tandridge District and the provision of bowling facilities in Croydon and Crawley suggest that tenpin bowling facilities would not be viable in the District.

Bingo

4.26 Gala and Mecca are the main bingo operators, controlling over half of the UK market. Marketing of the bingo sector has been more proactive in recent years and Gala and Mecca have invested in premises, moving out of dated premises (i.e. converted cinemas) into purpose built units. Bingo clubs have become increasingly sophisticated, and have actively sought to attract all age groups. The bingo sector usually prefers central locations that are accessible by public transport and by foot. Major bingo operators require buildings of between 2,000 - 3,000 sq.m, capable of seating up to 2,000 people, with a catchment population of 50,000 to 70,000 within freestanding towns (source: Business In Sport and Leisure BISL).

4.27 There are no mainstream bingo facilities in Tandridge District. The household survey results indicated that 2.7% of households in the District visit bingo facilities, and most of these visit Gala Bingo in Crawley or Mecca Bingo in Croydon. The national average bingo visitation rate is around 5%.

4.28 The adult (over 18) population of Tandridge District (less than 70,000) would generate about 120,000 admissions based on the national participation rate (1.75 trips per adult). Based on national average figures (113,000 admissions per club), the District population could in theory support one bingo facilities, assuming all trips were retained within the District, which is unlikely.

4.29 There is no clear need for a bingo facility in Tandridge District.

Nightclubs

4.30 The value of the nightclub market is around £2 billion in 2014 with around 7,000 businesses (source: IBIS World), about one per 8,500 people. Large nightclubs (capacity up to 2,000 people) are generally located in large towns with a population of over 100,000 people. Legislation that has extended licensing hours for other drinking establishments and banned smoking indoors in public buildings has removed the industry's main competitive advantage. Customers can now visit pubs or bars who hold late night events. Nightclubs also came under pressure during the economic downturn.

4.31 The household survey results indicated that 9.7% of households in Tandridge District visit nightclubs, but only 1% of these households attended a nightclub event in the District. The most popular destinations mentioned were Central London (38%), Croydon (22%) and Crawley (15%).

4.32 There is no clear need for additional nightclub facilities in Tandridge District.
Other Services, Restaurants, Bars and Takeaways

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

- **Class A1 services** cover a range of uses, including hairdressers, dry cleaners, travel agents, some sandwich shops (those not categorised as Class A3), funeral parlours and post offices.

- **Class A2 services** include banks, building societies, financial services, betting offices, pawnbrokers, estate agents and employment agencies.

- **Class A3/A5** includes restaurants, cafés (A3) and takeaways (A5).

- **Class A4** pubs/bars (Class A4).

Food and beverages is a fast moving and creative sector, with a steady flow of new concepts emerging. Within this sector there has been a significant increase in the number of national multiple chains. These national chains have sought to increase their geographical coverage. These types of food and drink operators (Class A3 and A4) i.e. restaurants, bars and pubs have supported other major leisure uses, in particular cinema developments. Within town centres, the demand has increased, including a significant expansion in the number of coffee shops, such as Starbucks, Costa Coffee and Café Nero. National branded pub/restaurant chains have invested heavily and not exclusively in larger centres. Themed restaurants have also expanded rapidly.

The key categories for food and beverage offers are:

1. **Impulse**: characterised by their produce range that is typically highly visual and hand-held so that it can be eaten “on the go”;

2. **Speed eating fast food**: food that can be purchased and consumed quickly, therefore price is low and ambience is less important. This sector is dominated by traditional high volume fast food offers such as burgers and fried chicken;

3. **Refuel and relax**: a drink and snacks and a short break in a pleasant environment rather than focusing on eating a main meal; and

4. **Casual dining/leisure dining**: incorporating a number of food styles, types and ethnic origins. The ambience and environment of casual dining is as important as the food, drink and service provided. The style is informal but is normally table service.

Food and beverage establishments (Class A3, A4 and A5) including restaurants, bars and pubs have supported other major leisure uses on leisure and retail parks and are important services within town and local centres. National information available from Experian Goad indicates that the proportion of non-retail uses within town centres across the country has increased significantly. A balance between Class A1 and Class A3 to A5 uses needs to be maintained.
Food and Beverage Expenditure

4.37 Experian’s latest 2013 local expenditure figures have been adopted. Food and beverage expenditure per capita projections are shown in Table 2, Appendix 4. These figures indicate that the average expenditure in the study area for food and beverages consumed away from the home plus takeaways eaten at home is £1,395 per capita in 2015. The total food and beverage expenditure in the study area is £119.38 million in 2015, using the ONS population projections (Table 3, Appendix 4).

4.38 Food and beverage expenditure per capita is expected to increase in real terms (excluding inflation) by 26% between 2015 and 2033. Taking into account population growth, total food and drink expenditure within the study area is expected to increase from £119.38 million in 2015 to £174.56 million in 2032, an increase of about 46% (Table 3, Appendix 4).

Food and Beverage Expenditure Patterns

4.39 Existing food and beverage expenditure patterns have been modelled based on the household survey results within the study area zones. Base year (2015) penetration rates are shown in Table 4, Appendix 4 and expenditure patterns are shown in Table 5. The estimated expenditure currently attracted to facilities within Tandridge District is £76.87 million in 2015.

4.40 The retention rate in Tandridge is reasonably high at around 59%. An appropriate strategy for Tandridge should be to maintain this existing market share. However a modest reduction in Oxted and Caterham’s market share is envisaged due to major development in nearby authorities post 2018, e.g. Croydon. The capacity projections in Appendix 4 are based on this approach.

4.41 Available food and beverage expenditure has been projected forward to 2033 in Tables 6 to 10. Existing facilities are expected to increase their turnover by 1% per annum. Future available expenditure is compared with the projected turnover of existing facilities in Tables 11 in Appendix 4. Surplus expenditure has been converted into floorspace projections in Table 12, Appendix 4, using an average sales density of £5,000 per sq.m, inflated by 1% per annum. The floorspace projections are broken down in Table 4.2.

Table 4.2 Food and Beverage Floorspace Projections

<table>
<thead>
<tr>
<th>Zone</th>
<th>Floorspace (sq.m gross)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>By 2018</td>
</tr>
<tr>
<td>Zone 1 - Oxted</td>
<td>151</td>
</tr>
<tr>
<td>Zone 2 - Caterham</td>
<td>211</td>
</tr>
<tr>
<td>Zone 3 - Lingfield</td>
<td>76</td>
</tr>
<tr>
<td>Zone 4 – SW TDC</td>
<td>93</td>
</tr>
<tr>
<td>Tandridge Total</td>
<td>531</td>
</tr>
</tbody>
</table>
Population Growth Scenarios – Sensitivity Analysis

The food and beverage retail capacity figures are based on population projections from the OAN growth scenario. The implications of alternative growth scenarios on the capacity projections are shown in Table 4.3.

Table 4.3: Changes in Food and Beverage Floorspace Capacity Projections (SQ.M Gross)

<table>
<thead>
<tr>
<th>Growth Scenario</th>
<th>at 2018</th>
<th>at 2023</th>
<th>at 2028</th>
<th>at 2033</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Projection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(470 homes per annum)</td>
<td>531</td>
<td>1,023</td>
<td>1,947</td>
<td>2,842</td>
</tr>
<tr>
<td>260 homes per annum</td>
<td>- 63</td>
<td>- 243</td>
<td>- 375</td>
<td>- 458</td>
</tr>
<tr>
<td>350 homes per annum</td>
<td>- 19</td>
<td>- 138</td>
<td>- 216</td>
<td>- 273</td>
</tr>
<tr>
<td>490 homes per annum</td>
<td>+110</td>
<td>+ 70</td>
<td>+ 48</td>
<td>+ 38</td>
</tr>
</tbody>
</table>

4.43 The highest growth scenario (490 homes per annum) makes a small different at 2033 (+38 sq.m. gross) when compared with the baseline projection.

4.44 The lowest growth scenario (260 homes per annum) assumes home completions 45% lower than the baseline scenario (470 homes per annum), however the decrease in the retail floorspace projection to 2033 is only 16% i.e. - 458 sq.m gross. This reduction is relatively low because the majority of the growth in expenditure is due to increased expenditure per person rather than population growth.

Conclusions

4.45 The commercial leisure assessment in this section suggests:

1 current cinema provision within Oxted is sufficient and there is limited scope for additional facilities. Caterham could potentially support a small cinema;

2 there could be scope for about one additional health and fitness club each in Caterham and Oxted over the study period to meet future demand; and

3 there is no need for additional theatre facilities, tenpin bowling, bingo or nightclubs in Tandridge over the plan as existing provision is sufficient to meet likely future needs.

4.46 There is a requirement for around an additional 2,800 sq.m gross of food and beverage floorspace in Tandridge District, using the ONS population projections.
5.0 Accommodating Growth and Policy Review

Introduction

5.1 The National Planning Policy Framework (NPPF) indicates (paragraph 23) that local plans should allocate a range of suitable sites to meet the scale and type of retail, leisure and other development needed in town centres. The need for development should be met in full and should not be compromised by limited site supply. In order to accommodate growth, local planning authorities should assess the need to expand town centres to ensure a sufficient supply of suitable sites. The NPPF (paragraphs 23 and 24) indicates local planning authorities should apply a sequential approach for development.

5.2 The National Planning Policy Guidance indicates that development plans should develop (and keep under review) town centre strategies that plan for a 3-5 year period, whilst also giving a Local Plan lifetime view. Plans should identify the scale of need for main town centre uses and assess whether the need can be met on town centre sites or through expanding centres, with the sequential test to be followed.

5.3 The PPG acknowledges that not all successful town centre regeneration projects are retail-led, or will involve significant new developments. Public realm, transport and accessibility improvements can play important roles. Town centre car parking strategies, in a move away from resisting parking in town centres, are to encourage improvements to both the quality and quantity of car parking provision, where required to enhance the performance of town centres.

5.4 This section assesses the scope to accommodate growth within Tandridge District’s main centres.

Floorspace Projections

5.5 The floorspace projections set out in the previous sections assume that other competing centres will improve in the future. There are a number of issues that may influence the scope for new floorspace and the appropriate location for this development, as follows:

- major retail developments in competing centres e.g. Croydon;
- the re-occupation of vacant retail floorspace;
- the availability of land to accommodate new development;
- the reliability of long term expenditure projections;
- the effect of internet/home shopping on the demand for retail property;
- the level of operator demand for floorspace in Tandridge District;
- the ability of Tandridge District’s to maintain its existing market share of expenditure in the future in the face of increasing competition;
- the potential impact new development may have on existing centres.
5.6 The PPG suggests town centre strategies should plan for a 3-5 year period, but the longer term plan period should be considered. Projections up to 2023 are realistic and are based on up to date forecasts, which take into account the effects of the recession. The long term floorspace projections (up to 2028 and beyond) should be treated with caution and should only be used as a broad guide, particularly when translated into the development plan allocations or when used to guide development management decisions. Long term forecasts may be subject to change due to unforeseen circumstances. Projected surplus expenditure is primarily attributable to projected growth in spending per capita. If the growth in expenditure is lower than that forecast then the scope for additional space will reduce. Long term projections should be monitored and kept under review.

5.7 The expenditure projections in this study take into account home shopping made through non-retail businesses, because special forms of trading have been excluded. The study assumes that special forms of trading will increase in the future, including the growth of internet shopping. The impact of internet growth on the demand for retail floorspace is unclear. Some retailers' home delivery and internet services utilise existing stores rather than warehouses, for example Tesco Direct. Growth in internet sales will not always reduce the demand for shop floorspace. In addition, some of the growth in internet sales may divert trade away from mail order companies rather than retail operators. Overall the long term impact of home shopping on expenditure projections is uncertain.

5.8 The quantitative and qualitative assessment of the potential for new Class A retail floorspace within the previous sections suggests there is scope for new development within Tandridge District during the Plan period (to 2033). This section examines the opportunities for accommodating this projected growth and assesses potential to accommodate this floorspace.

5.9 The projections up to 2033 suggest there is scope for 2,986 sq.m gross of convenience goods floorspace, 3,437 sq.m gross of comparison goods floorspace and 2,842 sq.m gross of Class A3 to A5 space. In total 9,265 sq.m gross could be provided by 2033.

5.10 Table 5.1 below summarises the floorspace projections by zone in 2033.
Table 5.1: Summary of Floorspace Projections 2033 (sq.m gross)

<table>
<thead>
<tr>
<th>Area</th>
<th>Convenience</th>
<th>Comparison</th>
<th>Food/Drink</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1 - Oxted</td>
<td>954</td>
<td>1,566</td>
<td>876</td>
<td>3,397</td>
</tr>
<tr>
<td>Zone 2 - Caterham</td>
<td>936</td>
<td>1,481</td>
<td>888</td>
<td>3,306</td>
</tr>
<tr>
<td>Zone 3 - Lingfield</td>
<td>419</td>
<td>129</td>
<td>487</td>
<td>1,035</td>
</tr>
<tr>
<td>Zone 4 – SW Tandridge</td>
<td>676</td>
<td>261</td>
<td>591</td>
<td>1,528</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,986</strong></td>
<td><strong>3,438</strong></td>
<td><strong>2,842</strong></td>
<td><strong>9,266</strong></td>
</tr>
</tbody>
</table>

Source: Table 11 in Appendix 2 and Appendix 3, Table 4.3, Section 4

5.11 The sequential approach suggests that designated centres should be the first choice for retail and leisure development. Development should be appropriate in terms of scale and nature to the centre in which it is located, as indicated by the Core Strategy. In accommodating future growth, the following issues should be taken into consideration:

- What is the locational area of need the development seeks to serve and what existing centre could potentially fulfil the identified area of need?
- Is the nature and scale of development likely to serve a wide catchment area?
- Is a site available in one of the designated centres, including vacant premises and will this site meet the identified need?
- If the development has a more localised catchment area, is a site available in a local centre and will this site meet the identified need?

5.12 The existing stock of premises will have a role to play in accommodating projected growth, during the economic recovery. The retail capacity analysis in this report assumes that existing retail floorspace can, on average, increase its turnover to sales floorspace densities. For comparison goods, a growth rate of 2.5% per annum is assumed and a growth rate of 1% per annum is assumed for food and beverage floorspace. In addition to the growth in sales densities, vacant shops could help to accommodate future growth.

5.13 There are currently 39 vacant shop units within District which equates to an overall vacancy rate of 8.6%, which is just below the Goad national average (11.8%). Given the existing low levels of vacant floorspace, it is unrealistic to plan to achieve a reduction in vacancy rate in Oxted, Warlingham and Godstone. However there is potential to reduce vacancy rates within the other centres. If vacancy rates were to fall to 4% within these other centres (as achieved by Oxted), recognising there will always be some level of vacancy space due to the churn of occupiers in centres. If this reduction is achieved then around 20 units (2,000 sq.m gross) could be reoccupied, broken down as follows.

1. Caterham Valley/Caterham Hill - 12 units (1,200 sq.m gross);
2. Whyeleafe - 3 units (300 sq.m gross);
3. Lingfield - 5 units (500 sq.m gross)
Policy Background

5.14 The Tandridge Local Plan Retail Study Evidence Paper (Revised June 2013) provides an analysis of shopping frontages and boundaries in the District. This analysis underpinned the adopted Tandridge Local Plan Part 2: Detailed Policies (TLP Part 2). This section reviews the approach in the light of the findings of this report.

5.15 Annex 2 of the NPPF provides definitions of these designations, as follows:

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

**Primary shopping area (PSA)**: Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage).

**Primary and secondary frontages**: Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.

5.16 The NPPF indicates four separate designations within town centres can be considered and each has a different policy objective, as follows:

- town centre boundaries - vitality and viability protection and application of the sequential approach;
- primary shopping area - application of the sequential approach;
- primary shopping frontages - maintaining the predominance of Class A1 retail use; and
- secondary shopping frontages - maintaining the mix of retail/non-retail uses.

5.17 The NPPF suggests that in drawing up development plans, local authorities should, in addition to defining the extent of town centres and primary shopping areas, define primary and secondary frontages within designated centres, and set policies that make clear which uses will be permitted in such locations. The NPPF provides limited guidance on the approach policies should adopt. The NPPF glossary indicates that primary frontages are likely to include a high proportion of retail uses which may include food and drink, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.

5.18 The NPPF (paragraph 23) also suggests competitive town centres should be promoted that provide customer choice and a diverse retail offer reflecting the
individuality of town centres. This implies the most appropriate approach is likely to vary from centre to centre.

5.19 The NPPF provides limited guidance on how these areas, particularly shopping frontages should be identified. Traditionally key factors that can be adopted to identify the extent of the primary shopping area, and primary and secondary frontages include:

- composition of uses: the proportion of retail uses within the frontage based upon the GOAD surveys of the town centres. Primary shopping frontages would comprise higher proportions of A1 retail uses than secondary shopping frontages;
- prime rental levels: analysis of Zone A rental levels of units within the centres sourced from Valuation Office (VOA) website, with primary shopping frontages expected to achieve higher rental levels than the secondary frontages;
- pedestrian flows: level of pedestrian flows within particular areas/ frontages of the centre identified from visits to the centre, with the highest pedestrian flows in the primary shopping frontage;
- key anchor stores: the presence of key anchor stores such as department stores or food stores can also identify the extent of the Primary Shopping Area and key frontages.

5.20 The TLP Part 2 defines (DP2) a Town Centre boundary and Shopping Areas in Caterham Valley and Oxted. The Shopping Areas includes Primary Frontages and adjoining Secondary Frontages, which is consistent with the NPPF’s Primary Shopping Area (PSA) definition. This is area where retail uses/ development should be focused in line with the sequential approach.

5.21 The Town Centre boundaries cover a slightly wider area than the Shopping Areas, and include other non-retail town centre uses, such as churches, car parks, leisure and employment uses. This is the area where other main town centre uses should be focused. The shopping centre boundaries and frontages are shown in Appendix 7.

5.22 For local centres (Caterham Hill, Lingfield, Warlingham and Whyteleafe) the TLP Part 2 defines (DP3) Local Centre boundaries only.

5.23 Policy TP2 states that subject to scale and other criteria development will be supported in Oxted and Caterham Valley town centres.

5.24 The PPG sets out that emerging development plan policies should continue to include boundaries. A clear definition of each boundaries and policies the designation relates to should be provided, in order to ensure policies are not open to misinterpretation.

5.25 When considering emerging town and local centre policies, the Council needs to consider the following issues:

Is it necessary to designate separate town centre boundaries and shopping areas, or will one boundary be sufficient?
Is it necessary to define separate primary and secondary shopping frontages or will one frontage be appropriate?

Should the designated shopping frontages relate to the same area as the shopping area or town centre boundary?

5.26 The NPPF requires planning policies to be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. This approach includes defining the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres and allocating suitable sites for retail and other main town centre uses.

Impact Thresholds

5.27 The NPPG states that if setting a locally appropriate threshold, it is important to consider:

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

5.28 If the NPPF threshold (2,500 sq.m gross) was adopted, then a single development proposal could exceed the entire development plan floorspace projection in some towns without the need for a retail impact assessment. Furthermore the existing shop vacancy rate is relatively high in Caterham and Lingfield and the vitality and viability of these centres is fragile.

5.29 Proposals that significantly exceed the floorspace projections are likely to significantly reduce the turnover of existing floorspace, and this impact should be carefully tested on a case by case basis.

5.30 The NPPF threshold of 2,500 sq.m gross is considered to be inappropriate as a blanket threshold for Tandridge District, as this scale of development would represent a significant proportion of the overall retail projections in the District. Development smaller than 2,500 sq.m gross could have a significant adverse impact on town and local centres.

5.31 The need for locally set impact thresholds is assessed for each centre.

The Sequential Approach

5.32 The level of guidance relating to the sequential approach to site selection has reduced within the NPPF. The NPPF gives preference to accessible edge and out-of-centre sites that are well-connected to the town centre; this applies to both plan-making and considering applications.
As indicated above, in order to apply the sequential approach, it is necessary to define town and local centre boundaries. The Shopping Areas or centre boundaries are important when applying the sequential approach and directing town centre uses to appropriate locations.

The primary catchment areas of Tandridge’s town and district centres do not extend across the entire District. The scale and area of search that will apply to retail and leisure development needs to be considered.

A large development that will attract trade from across much of the District should consider sites within Oxted and Caterham Valley town centre centres. A smaller scale development with a more localised catchment may only be required to search for sites within the nearest centre. Development plan policies should provide guidance on the area of search for sequential sites.

**Zone 1: Oxted**

The definition of Oxted as a town centre is consistent with the NPPF. Oxted falls below larger regional and sub-regional centres. The strategy for Oxted should seek to consolidate the town centre’s role within the wider shopping hierarchy. Oxted should be the main focus for large-scale retail and leisure development (for example over 500 sq.m gross) in the central and southern part of the District.

As one of the two main centres in the District, Oxted has the best prospects for attracting investment. The town centre should be the main focus for future town centre uses, particularly comparison retail floorspace and restaurant uses.

As set out in Table 5.1, the capacity assessment identifies that there is a projection for around 3,400 sq.m gross of A1-A5 floorspace in Oxted by 2033.

Within Oxted town centre, development options appear to be limited, particularly in the short term. The development potential of the town centre is constrained by its historic environment, street layout and neighbouring residential areas.

In the medium to long term, there may be scope to redevelop areas to the rear of properties on the south side of Station Road East. Any developments would need to ensure there are pedestrian links through to the Station Road East. The development potential of this land should be explored. This area includes rear service yards to properties fronting Station Road East and a small public surface (Johnsdale) car park and the Oxted Gas Holder site.

We understand the Gas Holder site has no immediate prospects of development, but if this area comes forward for development in the longer term, commercial use could be provided at ground floor level with residential above. Any commercial developments would need to ensure there are pedestrian links through to the Station Road East. If developed comprehensively this area could accommodate a significant proportion of the projected capacity for Class A uses in Oxted up to 2033. This site represents a potential long term development opportunity. Windfall opportunities may
become available, but are likely to be small scale (less than 500 sq.m gross). The future focus for the existing primary shopping area is likely to be small scale intensification and extensions, e.g. extension in to services areas to the rear.

5.42 If Oxted cannot accommodate the floorspace projection within the town centre, then the Council could seek to allocate sites elsewhere within the District to meet accommodate the long term projections i.e. Zone 2: Caterham. The household survey results indicate that Oxted attracts a reasonable level from Caterham and the rest of zone 2. This trade could be clawed back to Caterham.

Town Centre Boundary and Primary Shopping Area

5.43 Future planning policies for Oxted town centre continue to define a separate Shopping Area and Town Centre boundary, because the centre has concentrations of other town centre uses adjoining the main shopping area, e.g. the Civic area, car parks and employment uses. A separate Shopping Area is necessary for applying the sequential approach for Class A1 retail uses.

5.44 The distinction between the Shopping Area and the Town Centre boundary provides guidance on the appropriate location for different town centre uses, i.e. retail uses should first be directed to the Shopping Area, while other town centre uses such as offices, hotels and leisure can be located within the wider town centre area i.e. the area between the Shopping Area and the town centre boundary.

5.45 The Town Centre boundary (as currently drawn – Appendix 7) includes all areas occupied by main town centre uses. This approach is consistent with the NPPF and no changes to the Town Centre boundary in Oxted are considered necessary. The extent of the Shopping Area and the shopping frontages needs to be considered.

Primary and Secondary Shopping Frontages

5.46 The development plan should continue to distinguish between primary and secondary frontages in Oxted. Policy DP2 of the TLP Part 2 requires that within the primary frontages not less than 70% should remain in Class A1 retail use and no more than two non-retail units should be adjacent to one another within the same primary frontage section.

5.47 NLP’s street survey suggests there have been a small number of changes of use (although a number of the operators have changed) within the primary shopping frontages since 2013, and the proportion of Class A1 uses within the defined primary frontages remains high at around 75% and there are no significant concentrations of non-Class A1 use.

5.48 Policy DP2 of the TLP Part 2 requires that within the secondary frontages not less than 45% should remain in Class A1 retail use.
NLP’s street survey also suggests there has been a small number of changes of use within the secondary shopping frontages since 2013, and the proportion of Class A1 uses within the defined secondary frontages remains high at around 52%, above the minimum threshold (45%).

The capacity projections within this study indicate there is a need to retain a mix of Class A1 to A5 uses within Oxted in order to meet the needs of the community. There is no need to change the current primary and secondary frontage designations, as shown in Appendix 7.

**Zone 2: Caterham Valley**

The definition of Caterham Valley as a town centre is consistent with the NPPF. Caterham Valley should be the main focus for large-scale retail and leisure development (for example over 500 sq.m gross) in the northern part of the District.

As one of the two main centres in the District, Caterham Valley has the best prospects for attracting investment. The town centre should be the main focus for future town centre uses, particularly comparison retail floorspace and restaurant uses.

As set out in Table 5.1 above, the capacity assessment indicates around 3,300 sq.m gross of Class A1-A5 floorspace could be provided in Zone 2: Caterham by 2033.

Over a third of this projection could be accommodated within vacant shop units in Caterham Valley and Caterham Hill.

The Rose and Young site in Caterham Valley has development potential. Emerging proposals for the site suggest that around 1,100 sq.m gross of Class A1/A3 floorspace could be accommodated at ground floor level. The redevelopment of this site should be a priority.

Vacant units and the Rose and Young site could accommodate 2,300 sq.m gross, or about 70% of the total floorspace projection up to 2033.

Small windfall opportunities may become available. The future focus for the primary shopping area is likely to be small scale intensification and extensions.

**Town Centre Boundary and Primary Shopping Area**

Future plan policies for Caterham Valley town centre continue to define a separate Shopping Area and Town Centre boundary, because the centre has concentrations of other town centre uses adjoining the main shopping area, e.g. churches, car parks and employment uses. A separate Shopping Area is necessary for applying the sequential approach for Class A1 retail uses.

The distinction between the Shopping Area and the Town Centre boundary provides guidance on the appropriate location for different town centre uses, i.e. retail uses should first be directed to the Shopping Area, while other town
centre uses such as offices, hotels and leisure can be located within the wider town centre area i.e. the area between the Shopping Area and the town centre boundary.

5.60 The Town Centre boundary (as currently drawn – Appendix 7) includes all areas occupied by main town centre uses. This approach is consistent with the NPPF and no changes to the Town Centre boundary in Caterham Valley are considered necessary. The extent of the Shopping Area and the shopping frontages needs to be considered.

5.61 The local centre boundaries at Caterham Hill and Whyteleafe in Zone 2 cover the main concentration of town centre uses, as shown in Appendix 7. The centre boundary at Warlingham could be extended to the east to include the petrol station, public house and additional retail units on Limpsfield Road and Farleigh Road, as shown below.

**Primary and Secondary Shopping Frontages**

5.62 The development plan should continue to distinguish between primary and secondary frontages in Caterham Valley. Policy DP2 of the TLP Part 2 requires that within the primary frontages not less than 70% should remain in Class A1 retail use and no more than two non-retail units should be adjacent to one another within the same primary frontage section.

5.63 NLP’s street survey suggests there have been a small number of changes of use within the primary shopping frontages, and the proportion of Class A1 uses within the defined primary frontages remains around 71% and there are no significant concentrations of non-Class A1 use.
Policy DP2 of the TLP Part 2 requires that within the secondary frontages not less than 45% should remain in Class A1 retail use.

NLP’s street survey suggests there have been some changes of use within the secondary shopping frontages, and the proportion of Class A1 uses within the defined secondary frontages is around 40%, below the minimum threshold (45%). This suggests the threshold may have been breached in recent years. However the capacity projections within this study indicate there is a need to retain a mix of Class A1 to A5 uses within Caterham in order to meet the needs of the community. There is no need to change the current primary and secondary frontage designations as shown in Appendix 7.

Policy DP3 of the TLP Part 2 requires that within the local centres not less than 50% should remain in Class A1 retail use. NLP’s street survey suggests this 50% threshold has not been breached in Caterham Hill (79%), Warlingham (50%) and Whyteleafe (56%).

**Zone 3: Lingfield**

The definition of Lingfield as a local centre is consistent with the NPPF. Lingfield should be the main focus for retail and leisure uses of a local scale (less than 500 sq.m gross) in the southern part of the District.

The local centre boundary at Lingfield in Zone 3 covers the main concentration of commercial uses.

The capacity assessment summarised in Table 5.1, shows a Class A1 to A5 projection of just over 1,000 sq.m gross in Zone 3: Lingfield by 2033. Vacant shop units in Lingfield could accommodate around half of this projection.

In the longer term small windfall opportunities may become available. The future focus for Lingfield is likely to be small scale intensification and extensions. This could include a small convenience store (under the Sunday trading limit).

Policy DP3 of the TLP Part 2 requires that within the local centres not less than 50% should remain in Class A1 retail use. NLP’s street survey suggests this 50% threshold has not been breached in Lingfield (61%).

**Zone 4: South West Tandridge**

The capacity assessment summarised in Table 5.1, shows a Class A1 to A5 projection of just over 1,500 sq.m gross in Zone 4. The expansion of local shopping provision within villages including small scale intensification and extensions could accommodate this projection. This could include small convenience stores (under the Sunday trading limit).

Within this zone Godstone provides a similar number of shops and services when compared with Whyteleafe. Godstone could be identified as a local centre on the proposals map and protected by Policy DP3. However the shops and services in Godstone are relatively fragmented, which makes it difficult to
define contiguous shopping frontages. A centre boundary could be to define to include commercial uses on the High Street between Salisbury Road to the north down to the Bell Inn. Commercial uses adjacent to The Green could also be included, as shown below.

Impact and Sequential Tests

Development that serves more than a local catchment area should be concentrated in Caterham Valley or Oxted town centres. Development of more than local significance (over 500 sq.m gross) should consider sequential sites within and on the edge of these two town centres.

Retail development over 500 sq.m gross and located outside the town and local centres should be required to prepare a retail impact assessment. A
reduced locally set threshold of 500 sq.m gross is appropriate based on the retail floorspace projections within this study.

Leisure and other main town centre uses over 1,000 sq.m gross and located outside town and local centre boundaries should be required to prepare an impact assessment.
6.0 Conclusions and Recommendations

6.1 This report provides an update of the District wide needs assessment for retail and leisure development in Tandridge District. The principal conclusions of the analysis contained within this study are summarised below.

Meeting Shopping Needs in Tandridge District

6.2 The NPPF states that local planning authorities should assess the quantitative and qualitative needs for land or floorspace for retail development over the plan period up to 2033.

6.3 When planning for growth in their town centres, local planning authorities should allocate a range of suitable sites to meet the scale and type of retail development needed. It is important that the needs for retail and other main town centre uses are met in full and not compromised by limited site availability.

6.4 Long term forecasts up to and beyond 2023 may be more susceptible to change, due to unforeseen circumstances and not least the impact of development within surrounding authorities. Long term projections should be monitored and kept under review. The implications of major retail development within and surrounding the District should be monitored along with the effect proposals may have on the demand for additional development in Tandridge District.

6.5 The quantitative assessment of the potential capacity for retail floorspace suggests that there is scope for new development within Tandridge District. The convenience goods projections suggest new floorspace could be distributed as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Additional Convenience Retail Floorspace (sq.m gross)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015 - 2023</td>
</tr>
<tr>
<td>Zone 1: Oxted</td>
<td>241</td>
</tr>
<tr>
<td>Zone 2: Caterham (1)</td>
<td>-</td>
</tr>
<tr>
<td>Zone 3: Lingfield</td>
<td>334</td>
</tr>
<tr>
<td>Zone 4: SW TDC</td>
<td>571</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,146</strong></td>
</tr>
</tbody>
</table>

Source: Table 12, Appendix 2 ¹ Negative floorspace requirement excluded

6.6 The comparison goods projections suggest new floorspace could be distributed as follows:
Table 7.2: Comparison Goods Retail Floorspace Projections (Gross)

<table>
<thead>
<tr>
<th>Location</th>
<th>Additional Comparison Retail Floorspace (sq.m gross)</th>
<th>2015 - 2023</th>
<th>2023 - 2028</th>
<th>2028 – 2033</th>
<th>Total 2015 - 2033</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1: Oxted</td>
<td></td>
<td>332</td>
<td>610</td>
<td>624</td>
<td>1,566</td>
</tr>
<tr>
<td>Zone 2: Caterham (1)</td>
<td></td>
<td>-</td>
<td>632</td>
<td>849</td>
<td>1,481</td>
</tr>
<tr>
<td>Zone 3: Lingfield</td>
<td></td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>129</td>
</tr>
<tr>
<td>Zone 4: SW TDC</td>
<td></td>
<td>86</td>
<td>87</td>
<td>88</td>
<td>261</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>461</strong></td>
<td><strong>1,372</strong></td>
<td><strong>1,604</strong></td>
<td><strong>3,437</strong></td>
</tr>
</tbody>
</table>

Source: Table 12, Appendix 3  
1 Negative floorspace requirement excluded

6.7

The Class A3/A4/A5 food/beverage projections, suggest new floorspace could be distributed as follows:

Table 7.3: Food and Beverage Floorspace Projections (Gross)

<table>
<thead>
<tr>
<th>Location</th>
<th>Additional Food/ Beverage Retail Floorspace (sq.m gross)</th>
<th>2015 - 2023</th>
<th>2023 - 2028</th>
<th>2028 – 2033</th>
<th>Total 2015 - 2033</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1: Oxted</td>
<td></td>
<td>353</td>
<td>266</td>
<td>257</td>
<td>876</td>
</tr>
<tr>
<td>Zone 2: Caterham</td>
<td></td>
<td>188</td>
<td>356</td>
<td>344</td>
<td>888</td>
</tr>
<tr>
<td>Zone 3: Lingfield</td>
<td></td>
<td>217</td>
<td>137</td>
<td>133</td>
<td>487</td>
</tr>
<tr>
<td>Zone 4: SW TDC</td>
<td></td>
<td>264</td>
<td>166</td>
<td>161</td>
<td>591</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,023</strong></td>
<td><strong>924</strong></td>
<td><strong>895</strong></td>
<td><strong>2,842</strong></td>
</tr>
</tbody>
</table>

Source: Table 12, Appendix 3

6.8

In total up to 9,265 sq. m gross of Class A1 to A5 floorspace could be required over the plan period. As set out above, around 2,000 sq.m gross of these floorspace projections could be accommodated within vacant shop units. The Rose and Young site could deliver 1,100 sq.m gross. Together the reoccupation of vacant units and the delivery of the Rose and Young site would leave a residual projection of around 6,165 sq.m gross.

6.9

An element of the projected capacity relates to population growth and the implementation of strategic housing allocations. The baseline projections assume 470 new homes per annum, or 8,460 new homes between 2015 and 2013. Strategic housing allocations will need to provide local centres to serve the day to day needs of the new residential areas. As a rule of thumb a strategic housing allocation of around 2,000 homes could support local shopping facilities of up to 1,500 sq.m gross, providing a balance of convenience, comparison and food/beverage floorspace.

6.10

The commercial leisure assessment suggests Caterham could in theory support a small cinema. There could be scope for about one additional health and fitness club each in Caterham and Oxted over the study period. There is
no need for additional theatres, tenpin bowling, bingo or nightclubs in Tandridge over the plan.

**Strategy Recommendations**

6.11 Development that serves more than a local catchment area should be concentrated in Caterham Valley or Oxted town centres. Development of more than local significance (over 500 sq.m gross) should consider sequential sites within and on the edge of these two town centres.

6.12 Retail development over 500 sq.m gross and located outside the town and local centres should be required to prepare a retail impact assessment. A reduced locally set threshold of 500 sq.m gross is appropriate based on the retail floorspace projections within this study.

6.13 Leisure and other main town centre uses over 1,000 sq.m gross and located outside town and local centre boundaries should be required to prepare an impact assessment.

6.14 Future plan policies should continue to define separate Shopping Area and Town Centre boundaries. A separate Shopping Area is necessary for applying the sequential approach for Class A1 retail uses.

6.15 The Town Centre and Local Centre boundaries as currently drawn are consistent with the NPPF and no changes are considered necessary. Although an extension to Warlingham could be considered. Godstone could be designated as a Local Centre.

6.16 The development plan should continue to distinguish between primary and secondary frontages in Oxted and Caterham Valley. The proportion of Class A1 uses within the defined primary frontages remains high and there are no significant concentrations of non-Class A1 use. There is no need to change the current primary and secondary frontage designations.

6.17 The floorspace capacity projection is around 3,400 sq.m gross of additional Class A1 to A5 floorspace in Zone 1: Oxted up to 2033. Vacant shop units are unlikely to accommodate a significant element of this floorspace projection. The redevelopment potential of land to the south of Station Road East should be explored. This area includes rear service yards, a small surface (Johnsdale) car park and the gas works. If this area comes forward for development commercial use could be provide at ground floor level with residential above.

6.18 The floorspace capacity projection is 3,300 sq.m gross of additional Class A1 to A5 floorspace in Zone 2: Caterham up to 2033. The short to medium priority should be the reoccupation of vacant shop units in Caterham Valley and Caterham Hill and the redevelopment of the Rose and Young site.

6.19 The floorspace capacity projection is around 1,000 sq.m gross of additional Class A1 to A5 floorspace in Zone 3: Lingfield up to 2033. Vacant shop units in Lingfield could accommodate around half of this projection. Small scale intensification and extensions could meet the residual projection.
6.20 A further 1,500 sq.m gross could be required in Zone 4 by 2033. The expansion of local shopping provision within villages including small scale intensification and extensions could accommodate this projection.

**Implementation and Monitoring**

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

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

6.22 The recommendations and projections within this study are expected to assist the Council in reviewing development plan policies over the coming years and to assist development control decisions during this period. The study provides a broad overview of the potential need for further retail development up to 2023, with longer term forecast up to 2028 and 2033. Projections are subject to uncertainty and forecasts may need to be amended to reflect emerging changes as and when new information becomes available, in particular longer-term projections up to 2033 should be treated with caution.

6.23 Projections should be monitored and the floorspace projections rolled forward. The following key assumptions should be updated as necessary:

- population projections;
- local expenditure estimates (information from Experian or other recognised data providers);
- growth rate assumptions for expenditure per capita (information from Experian or other recognised data providers);
- the impact of potential increases in home and internet shopping (Experian regularly provides projections for internet shopping and these projections will need to be updated at the same time as expenditure and population figures);
- existing retail floorspace and average turnover to floorspace densities; and
- implemented development within and around the study area.
6.24 These key inputs into the retail capacity assessment can be amended to provide revised capacity projections.
Appendix 1  Methodology
<table>
<thead>
<tr>
<th>Zone</th>
<th>Wards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1 - Oxted</td>
<td>Limpsfield</td>
</tr>
<tr>
<td></td>
<td>Oxted North and Tandridge</td>
</tr>
<tr>
<td></td>
<td>Oxted South</td>
</tr>
<tr>
<td></td>
<td>Tatsfield and Titsey</td>
</tr>
<tr>
<td>Zone 2 – Caterham</td>
<td>Chaldon</td>
</tr>
<tr>
<td></td>
<td>Harestone</td>
</tr>
<tr>
<td></td>
<td>Portley</td>
</tr>
<tr>
<td></td>
<td>Queens Park</td>
</tr>
<tr>
<td></td>
<td>Valley</td>
</tr>
<tr>
<td></td>
<td>Westway</td>
</tr>
<tr>
<td></td>
<td>Whyteleafe</td>
</tr>
<tr>
<td></td>
<td>Warlingham East and Chelsham and Farleigh</td>
</tr>
<tr>
<td></td>
<td>Warlingham West</td>
</tr>
<tr>
<td></td>
<td>Woldingham</td>
</tr>
<tr>
<td>Zone 3 - Lingfield</td>
<td>Dormansland and Felcourt</td>
</tr>
<tr>
<td></td>
<td>Felbridge</td>
</tr>
<tr>
<td></td>
<td>Lingfield and Crowhurst</td>
</tr>
<tr>
<td>Zone 4 – South West Tandridge</td>
<td>Bletchingley and Nutfield</td>
</tr>
<tr>
<td></td>
<td>Burstow Horne and Outwood</td>
</tr>
<tr>
<td></td>
<td>Godstone</td>
</tr>
</tbody>
</table>
Retail Capacity Assessment – Methodology and Data

Price Base

1 All monetary values expressed in this study are at 2013 prices, consistent with Experian’s base year expenditure figures for 2013 (Retail Planner Briefing Note 12.1, October 2014) which is the most up to date information available.

Retail Expenditure

2 The level of available expenditure to support retailers is based on first establishing per capita levels of spending for the study area population. Experian’s local consumer expenditure estimates for comparison and convenience goods for each of the study area zones for the year 2013 have been obtained.

3 Experian’s EBS national expenditure information (Experian Retail Planner Briefing Note 12.1) has been used to forecast expenditure within the study area. Experian’s forecasts are based on an econometric model of disaggregated consumer spending. This model takes a number of macro-economic forecasts (chiefly consumer spending, incomes and inflation) and uses them to produce forecasts of consumer spending volumes, prices and value, broken down into separate categories of goods. The model incorporates assumptions about income and price elasticities.

4 Experian’s EBS growth forecast rates for 2013 to 2016 reflect the current economic circumstances and provide an appropriate growth rate for the short term (for convenience goods: -0.5% for 2013 to 2014, +0.4% for 2014 to 2015 and +0.6% for 2016; for comparison goods: +5.6% for 2013-2014, +4.4% for 2014-2015 and +3.1% for 2016.

5 In the longer term it is more difficult to forecast year on year changes in expenditure. Experian’s longer term growth average forecasts have been adopted i.e. 0.6% per annum for convenience goods after 2016 and 3.3% per annum growth for comparison goods. These growth rates are relatively cautious when compared with past growth rates, but in our view represent realistic forecast for future growth. These growth figures relate to real growth and exclude inflation.

6 Special Forms of Trading (SFT) or non-store activity is included within Experian’s Goods Based Expenditure (GBE) estimates. SFT includes other forms of retail expenditure not spent in shops e.g. mail order sales, some internet sales, vending machines, party plan selling, market stalls and door to door selling. SFT needs to be excluded from retail assessments because it relates to expenditure not spent in shops and does not have a direct relationship with the demand for retail floorspace. The growth in home computing, internet connections and interactive TV may lead to a growth in home shopping and may have effects on retailing in the high street. Experian provides projections for special forms of
trading and e-tailing. This Experian information suggests that non-store retail sales in 2013 is:

- 7.6% of convenience goods expenditure; and
- 14.7% of comparison goods expenditure.

Experian predicts that these figures will increase in the future. However, Experian recognises that not all of this SFT expenditure should be excluded from a retail capacity analysis, because some of it relates to internet sales through traditional retail businesses, rather than internet companies. The turnover attributable to e-tail through retail businesses is included in the company average turnovers, and therefore expenditure figures should not exclude this expenditure. Experian has provided adjusted deductions for SFT and projections. These projections have been used to exclude only e-tail expenditure attributed to non-retail businesses, which will not directly impact on the demand for retail floorspace. The adjusted figures suggest that SFT sales in 2013 are:

- 2.3% of convenience goods expenditure; and
- 11.1% of comparison goods expenditure.

The projections provided by Experian suggest that these percentages could increase to 4.6% and 16.0% by 2022 respectively, and estimated at 5.7% and 15.5% by 2032. These figures have been adopted in this assessment.

Home/electronic shopping has also emerged with the increasing growth in the use of personal computers and the internet. This study makes an allowance for future growth in e-tailing based on Experian projections. It will be necessary to monitor the amount of sales attributed to home shopping in the future in order to review future policies and development allocations.

On-line shopping has experienced rapid growth since the late 1990s but in proportional terms the latest available data suggests it remains a relatively low percentage of total retail expenditure. Experian state that they expect that the SFT market share will continue to grow, however the pace of e-commerce growth will moderate markedly after about 2020. Experian’s forecasts suggest that the SFT share of total retail sales will reach 18.5% by 2020, rising to 20.3% by the mid-2030s.

The implications on the demand for retail space are unclear. For example, some retailers operate on-line sales from their traditional retail premises e.g. food store operators. Therefore, growth in on-line sales may not always mean there is a reduction in the need for retail floorspace. Given the uncertainties relating to internet shopping and the likelihood that it will increase in proportional terms, this assessment has adopted relatively cautious growth projections for retail expenditure.
Market Shares/Penetration Rates

12 To assess the capacity for new retail floorspace, penetration rates are estimated for shopping facilities within the study area. The assessment of penetration rates are based on a range of factors but primarily information gathered through the September 2014 household survey.

13 The total turnover of shops within Tandridge is estimated based on penetration rates. For convenience goods shopping turnover estimates are then compared to average company benchmark or average sales floorspace densities derived from Verdict (UK Food and Grocery Retailers) and Mintel Retail Rankings information, which provide an indication of how individual retail stores and centres are performing against expected turnover averages. This allows the identification of potential surplus or deficit capacity for retail sales floorspace.

Benchmark Turnover Levels

14 Company average turnover to sales floorspace densities are available for major food store operators and are compiled by Mintel. Company average sales densities (adjusted to exclude petrol and comparison sales and include VAT) have been applied to the sales area of the large food stores, and a benchmark turnover for each store has been calculated. This benchmark turnover is not necessarily the actual turnover of the food store, but it does provide a useful benchmark for assessing existing shopping patterns and the adequacy of current floorspace in quantitative terms.

15 The estimated convenience goods sales areas have been derived from a combination of the Institute of Oxford Retail Consultants (ORC) StorePoint database, GOAD plans, Valuation Office data and NLP estimates based on site visits. Estimates for comparison sales floorspace within large food stores has been deducted, for consistency with the use of goods based expenditure figures.

16 Average sales densities are not widely available for small convenience shops, particularly independent retailers. Based on the mix of shops present in each centre within Tandridge and our experience of trading levels of small independent shops informed by household shopper surveys elsewhere, we have adopted an average sales density of £5,000 per sq.m net for convenience shops/stores in the study area. The total benchmark turnover of identified convenience sales floorspace within Tandridge is £158.23 million (Tables 10 Appendix 2).

17 Mintel’s Retail Rankings provides company average sales density information for a selection of national comparison retailers. This data suggests a notional average sales density for national high street comparison retailers of around £5,000 per sq.m net.