Appendices (bound separately)

Appendix 1: Maps of town centres within London Borough of Havering
Appendix 2: Town centre healthcheck reviews (including Annexes 1-10)
Appendix 3: Romford visitor survey
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Appendix 5: Retail need tabulations (Spreadsheet Tables 1-18)
1 INTRODUCTION

1.1 In December 2005, the London Borough of Havering (LBH) commissioned Roger Tym and Partners (RTP) to carry out a borough-wide Retail and Leisure Capacity Study. The primary purpose of the study is to inform the preparation of the borough’s local development documents. It is also intended to complement the London-wide macro studies undertaken for the Greater London Authority (GLA).

Study aims

1.2 According to the Specification Brief (dated November 2005), the purpose of undertaking this study is to:

i) identify and assess the existing supply and future need (in qualitative and quantitative terms) for new retail floorspace for comparison and convenience goods and commercial leisure facilities in the borough;

ii) identify the capacity of the borough’s town centres to accommodate need;

iii) review the borough’s hierarchy of town centres;

iv) ensure that the borough has a diverse distribution of services and main town centres uses that provide for the needs of all of the community; and to

v) make recommendations to ensure effective planning, growth, development and enhancement of the borough’s town centres.

Structure of the report

1.3 This remainder of this report is structured as follows:

- Section 2 sets out the relevant national policy requirements, as set out in PPS6;
- Section 3 addresses both London-wide, sub-regional and borough-wide policy context in so far as it relates to town centres and the location of new retail and leisure investment;
- Section 4 sets out an appraisal of the hierarchy of centres in the borough, paying particular attention to Romford as the metropolitan centre;
- Section 5 provides a description of current patterns of retail expenditure and leisure pursuits, utilising the findings of a survey of 1,500 households resident in the study area (which extends beyond the boundary of LBH to the west);
- Section 6 provides a brief overview of key national trends in the retail and leisure sectors of the economy;
- Section 7 provides an assessment of quantitative needs in the retail and leisure sectors in the study area in the period up to 2018; and
- Section 8 provides a recommended strategy for meeting the quantitative and qualitative needs we have identified together with a review of policy options for the borough.
2 PPS6 AND THE REQUIREMENTS OF NATIONAL POLICIES

2.1 The relevant national policy context, insofar as it relates to town centres and the location of new retail and leisure developments, is set, in the main, by the recently published PPS6 which replaces PPG6 and the subsequent Parliamentary answers of 5 December 1997 (Raynsford), 11 February 1999 (Caborn) and 10 April 2003 (McNulty). PPS6 also replaces the Government’s Responses to the Select Committees of July 1997 and May 2000.

2.2 The new PPS6 is structured under four sections which deal with:
- the Government’s objectives;
- the plan-led approach to positive planning for town centres;
- the assessment of proposed developments; and
- measuring and monitoring the vitality and viability of town centres.

Government’s objectives

2.3 The very first paragraph of PPS6 makes it clear that ‘sustainable development is the core principle underpinning planning’ and that ‘the planning system has a key role in facilitating and promoting sustainable and inclusive patterns of development, including the creation of vital and viable town centres’. The Government’s key objective for town centres, therefore, is to promote their vitality and viability (paragraph 1.3).

2.4 The Government’s second tier objectives are set out in paragraph 1.4; these can be summarised as:
- enhancing consumer choice;
- supporting efficient, competitive and innovative retail and leisure sectors and improving their productivity; and
- improving accessibility to existing and new development by a choice of means of transport.

2.5 Paragraph 1.5 then sets out the Government’s wider objectives; these can be summarised as:
- the promotion of social inclusion by ensuring access to a range of town centre uses and rectifying deficiencies;
- the regeneration of deprived areas;
- the promotion of economic growth;
- the delivery of more sustainable patterns of development; and
- the promotion of high quality and inclusive design, enhanced public realm and an accessible and safe environment.

2.6 Regional planning bodies (RPBs) and local planning authorities (LPAs) are required to implement these Government objectives by planning positively for the growth and development of town centres, whilst not restricting competition or innovation (paragraphs 1.6 and 1.7). The main town centre uses to which PPS6 applies are retail,}

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1 See footnote 1 on page 1 of PPS6.
2 See footnote 3 on page 5 of PPS6 which states that references to ‘town centres’ and ‘centres’ throughout the policy statement apply to all types of centres described in Table 1 of Annex A, i.e. city, town, district and local centres, but not small parades of purely neighbourhood significance.

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leisure, offices and arts, cultural and tourism facilities (paragraph 1.8), with housing said to be ‘...an important element in most mixed-use, multi-storey developments’ (paragraph 1.9).

Positive planning for town centres: a plan-led approach

2.7 The introduction to Section 2 of PPS6 calls upon RPBs and LPAs to:
- actively promote growth and manage change in town centres;
- define a network and hierarchy of centres, each performing their appropriate role to meet the needs of their catchments; and
- adopt a proactive and plan-led approach to planning for town centres through regional and local planning.

Role of regional plans

2.8 Paragraphs 2.12 to 2.14 of PPS6 set out the requirements placed on RPBs in developing their Regional Spatial Strategies (RSSs). The over-riding requirement is for RPBs to set out a vision and strategy for the region’s growth, particularly for higher level centres, and provide a strategic framework for planning at the local level. In particular, RPBs must:
- develop a strategic framework for the development of a network of centres, taking into account the need to avoid an over concentration of growth in the higher level centres;
- make strategic choices about those centres of regional and sub-regional significance where major growth should be encouraged;
- identify the need for new centres to be developed in areas of planned major growth;
- assess the need for additional floorspace in the comparison retail, leisure and office sectors over the period of the RSS and for five yearly periods within it and, having regard to capacity and accessibility considerations, they must establish where the identified needs would best be met; and
- identify the need for major town centre development of regional or sub-regional significance.

2.9 However, PPS6 is clear that new or expanded regional or sub-regional shopping centres located in out-of-centre locations are unlikely to meet the requirements of national policy (paragraph 2.14).

Networks and hierarchies

2.10 Paragraphs 2.9 to 2.11 of PPS6 provide further advice in relation to the development of the network and hierarchy of centres, but - in this part of the policy statement - the advice is in relation to both the regional and local levels. Thus, authorities must plan carefully how to distribute any identified growth at both regional and local levels. In defining their spatial objectives, RPBs and LPAs:

‘...should consider whether there is a need to rebalance the network of centres to ensure that it is not overly dominated by the largest centres, that there is a more even distribution of town centre uses, and that people’s everyday needs are met at the local level’ (paragraph 2.9).

2.11 Thus, in developing the network and hierarchy, RPBs and LPAs are required to consider:
- whether there is a need to avoid over concentration of growth in the higher level centres;
2.12 Any change in the role and function of centres – upward or downward – must come through the development plan process, rather than through planning applications, with higher order centres dealt with in the RSS and with lower order centres dealt with through the development plan documents (paragraph 2.10).

Promoting growth and managing change

2.13 Paragraphs 2.3 to 2.8 of PPS6 turn to the role of LPAs in promoting growth and managing change in town centres. Paragraph 2.3 states that LPAs should – within the regional planning context – actively plan for growth and the management of change in town centres over the period of their development plan documents by:

i) selecting appropriate existing centres to accommodate growth, making the best use of existing land and buildings, but extending the centres where appropriate;

ii) managing the role of existing centres through the promotion of specialist activities, or specific types of uses; and

iii) planning for new centres of an appropriate scale in areas of significant growth, or where there are deficiencies in the existing network.

2.14 Paragraph 2.4 urges that growth should be accommodated, wherever possible, through ‘…more efficient use of land and buildings within existing centres’. However, LPAs ‘…should also seek to ensure that the number and size of sites identified for development or redevelopment are sufficient to meet the scale and type of need identified’.

2.15 Where growth cannot be accommodated within existing centres, paragraph 2.5 advises LPAs to plan for:

i) the extension of the primary shopping area, if there is a need for additional retail provision; and

ii) the extension of the town centre, to accommodate other main town centre uses.

2.16 Of crucial importance, however, is the Government’s recognition that:

‘Extension of the primary shopping area or town centre may also be appropriate where a need for large developments has been identified and this cannot be accommodated within the centre. Larger stores may deliver benefits for consumers and local planning authorities should seek to make provision for them in this context’ (paragraph 2.6).

2.17 However, whilst PPS6 gives recognition to the role of large stores, there is no replication of the provisions of paragraph 3.3 of the now replaced PPG6 which had stated that ‘some types of retailers, such as large stores selling bulky goods, may not be able to find suitable sites either in or on the edge of the town centre’.

2.18 Where existing centres are in decline, PPS6 advises LPAs to ‘..assess the scope for consolidating and strengthening these centres by seeking to focus a wider range of uses there, promote the diversification of uses and improve the environment’ (paragraph 2.8). However, where a reversal of decline is not possible, LPAs are advised to consider a reclassification of the centre, so as to reflect its revised status in the hierarchy, and the adoption of policies which allow retail units to change to other uses, whilst seeking to retain vital services such as post offices and pharmacies.

Role of plans at the local level

2.19 Paragraphs 2.15 to 2.18 of PPS6 deal, specifically, with the role of the forward planning system at the local level. Paragraph 2.15 requires LPAs to adopt a positive and proactive approach to planning for the future of all types of centres within their
areas. Thus, in line with the RSS and their community strategies, LP As should prepare a core strategy development plan document which sets out ‘..a spatial vision and strategy for the network and hierarchy of centres, including local centres, within their area, setting out how the role of different centres will contribute to the overall spatial vision for their area’.

2.20 Paragraph 2.16 urges LP As to work with stakeholders and the community so as to:
   i) assess the need for new floorspace for retail, leisure and other town centre uses, taking account of both quantitative and qualitative considerations;
   ii) identify deficiencies in existing provision, assess the capacity of existing centres to accommodate new development and identify centres in decline where change needs to be managed;
   iii) identify the centres where development will be focused, as well as the need for any new centres of local importance;
   iv) define the extent of the primary shopping area and the town centre on their Proposals Map;
   v) identify and allocate sites in accordance with the considerations set out in paragraphs 2.28 to 2.51;
   vi) review existing land use allocations;
   vii) promote investment in deprived areas by identifying opportunities for growth and improved access;
   viii) set out criteria based policies for assessing proposals on sites not allocated in development plan documents; and
   ix) distinguish between primary and secondary frontages.

2.21 Paragraphs 2.19 to 2.22 of PPS6 then proceed to highlight the need for high quality and inclusive design, the importance of accessibility and safety and the need for efficient use of land through the promotion of higher-density mixed-use development. Paragraphs 2.23 and 2.26 deal with the management of the evening economy and the need for a range of leisure, cultural and tourism activities and paragraph 2.27 seeks to promote the retention and enhancement of existing markets and, where appropriate, the creation of new ones.

Site selection and land assembly

2.22 Paragraphs 2.28 to 2.52 deal with site selection and land assembly in the forward planning process. Paragraph 2.28 sets out the five key considerations for local authorities when they are selecting sites for development; these are to:
   a) ‘assess the need for development (paragraphs 2.32-2.40);
   b) identify the appropriate scale of development (paragraphs 2.41-2.43);
   c) apply the sequential approach to site selection (paragraphs 2.44-2.47);
   d) assess the impact of development on existing centres (paragraph 2.48); and
   e) ensure that locations are accessible and well serviced by a choice of means of transport (paragraphs 2.49-2.50).’

2.23 These considerations match the development control tests set out in paragraph 3.4 of PPS6. In applying them in the development plan preparation process, LP As are required to work closely with retailers, leisure operators, developers, other stakeholders and the wider community and paragraph 2.31 makes it clear that LP As may need to make choices between competing development pressures in their town centres.
### Need for development

**2.24** Paragraph 2.32 states that need assessments should be carried out as part of the plan preparation and review process, that they should be updated regularly and that LPAs should take account of the regional spatial strategy. Indeed, the LPAs’ assessments of need ‘should inform and be informed by the regional needs assessments and form part of the evidence base for development plan documents’.

**2.25** Further guidance on the assessment of need is to be published separately. Paragraphs 2.33 and 2.34 of PPS6 make it clear, however, that LPAs should place greater weight on quantitative need for specific types of retail and leisure developments taking into account population change, forecast change in expenditure for specific classes of goods and forecast improvements in productivity in the use of existing floorspace.

**2.26** An important qualitative consideration will be the need to improve the range of services and facilities in deprived areas (paragraph 2.35). Another consideration which may be taken into account in the assessment of qualitative need is the degree to which existing shops may be over-trading (paragraph 2.36). However, regeneration and employment impacts – whilst capable of being material considerations – are not indicators of retail need (paragraph 2.37).

### Appropriate scale

**2.27** Paragraph 2.41 states that:

‘In selecting suitable sites for development, local planning authorities should ensure that the scale of opportunities identified are directly related to the role and function of the centre and its catchment’.

**2.28** As a consequence, paragraph 2.42 states that ‘local centres will generally be inappropriate locations for large scale new development...’ and that LPAs ‘...should therefore consider setting an indicative upper limit for the scale of developments likely to be permissible in different types of centres...’ If a need is identified for larger format developments, paragraph 2.43 indicates that sites should be identified within or on the edge of ‘city centres’ and ‘town centres’, as defined in Table 1 of Annex A to PPS6.

### Sequential approach to site selection

**2.29** Paragraph 2.44 of PPS6 sets the order of preference in applying the sequential approach, as follows:

- first, locations within existing centres, but subject to caveats relating to suitability, availability and scale in relation to the function of the centre;
- second, edge-of-centre locations, with a preference given to sites that are, or will be, well connected to the centre; and then
- out-of-centre sites, with preference given to sites which are, or will be, well served by a choice of means of transport and those with a high likelihood of forming links with the centre.

**2.30** It is important to note that the distance threshold for the purposes of the ‘edge-of-centre’ definition, varies from up to 300 metres from the primary shopping area for retail use, to within 300 metres of a town centre boundary for all other main town centre uses (as set out in Table 2 of Annex A of PPS6). It is also noteworthy that LPAs are required to give weight to those locations that best serve the needs of deprived areas when considering alternative sites at the same level in the sequential ranking (paragraph 2.44).

**2.31** In line with the earlier advice in the now replaced PPG6, there is a requirement for flexibility and realism on the part of both LPAs and developers/operators when discussing the identification of sites for inclusion in development plan documents. Sites must be available, or likely to become available for development during the
development plan document period, and capable of accommodating a range of business models, all parties having been flexible in relation to scale, format, car parking provision and the scope for disaggregation (paragraph 2.45).

2.32 A new requirement, however, is for development plan documents to include phasing policies so as to ensure that preferred locations are developed ahead of less central locations (paragraph 2.46).

2.33 Further guidance on the sequential approach is to be published separately (paragraph 2.47).

Assess impact

2.34 If LPAs are proposing to allocate sites in ‘edge-of-centre’ or ‘out-of-centre’ locations, they must assess the potential impact on centres within the catchment area of the potential development (paragraph 2.48). In our assessment, this provision would seem to confirm that the Government is not seeking to impose a moratorium against ‘out-of-centre’ development, albeit that such development is likely to be rare. LPAs must also assess the potential impact on other centres of those allocations within a centre which would substantially increase its attraction vis-à-vis other centres (paragraph 2.48).

Ensure locations are accessible

2.35 Paragraph 2.49 of PPS6 confirms PPG13’s aspiration to reduce the need to travel, to reduce reliance on the private car and to ensure that everyone has good access to a range of facilities. As a consequence, in selecting sites for allocation, LPAs are required to have regard to the accessibility of the site by a choice of means of transport and the potential impact of its development on car use, traffic and congestion.

Other relevant matters

2.36 After assessing the sites against the five considerations set out in paragraph 2.28 of PPS6, LPAs are able to consider other matters such as physical regeneration, the likely net employment impact, the potential impact on economic growth and the potential impact on social inclusion (paragraph 2.51).

Assembling sites

2.37 Paragraph 2.52 states that LPAs ‘...should allocate sufficient sites to meet the identified need for at least the first five years from the adoption of their development plan documents...’ (our emphasis). LPAs are also required to consider the scope for site assembly using their CPO powers in order to ensure that suitable sites are brought forward for development.

Designation of new centres

2.38 Paragraph 2.53 repeats the advice that ‘...new centres should be designated through the plan-making process where the need for them has been established, such as in areas of significant growth, or where there are deficiencies in the existing network of centres, with priority given to deprived areas...whether this is done at the regional or local level will depend on the size of the proposed centre and its proposed role in the hierarchy of existing centres...’ PPS6 is clear, however, that existing out-of-centre facilities must not be regarded as ‘centres’, unless they are identified as such in the RSS and/or in development plan documents (paragraph 2.54).

Providing for local shopping and other services

2.39 Paragraphs 2.55 to 2.59 are concerned with the provision for local shopping and other services. There is emphasis on the need for a network of local centres, so as to meet people’s day-to-day needs and provide a focus for local services. LPAs are encouraged to seek to rectify any deficiencies in local provision, especially in deprived areas, through liaison with the local community, retail operators and other
stakeholders. Further guidance on the preparation of strategies for smaller centres is to be published separately.

**Development control**

2.40 Section 3 of PPS6 sets out the considerations to be taken into account by LPAs in determining planning applications for all proposals relating to main town centre uses - whether in the form of new development, redevelopment, extensions, changes of use, renewals of extant planning permissions or applications to vary or remove existing conditions (paragraph 3.1).

2.41 First, it is important to note the provisions of paragraph 3.3, which states that:

>'The key considerations for identifying sites for allocation in development plan documents, as set out in Chapter 2, apply equally to the assessment of planning applications,' so that Chapter 3 'sets out only the additional detail relevant to the consideration of planning applications, and should be read in conjunction with Chapter 2'.

2.42 Thus, paragraph 3.4 sets out the same five tests for applicants that apply to LPAs in allocating sites in the development plan preparation process (as set out earlier in paragraph 2.28). We discuss each test in turn, but before doing so we emphasise the provisions of paragraph 3.5, which states that ‘as a general rule the development should satisfy all these considerations’ (our emphasis).

**Assessing the need for development**

2.43 The first point to note is that applicants are not required to demonstrate the need for retail proposals located within the primary shopping area, or for other main town centre uses located within the town centre (paragraph 3.8). However, paragraph 3.9 states that ‘need must be demonstrated for any application for a main town centre use which would be in an edge-of-centre or out-of-centre location and which is not in accordance with an up to date development plan document strategy’ (our emphasis). There is no minimum floorspace size threshold below which the test of need does not apply.

2.44 Additional guidance on the assessment of quantitative need in relation to retail and leisure proposals is set out in paragraph 3.10, which states that the need assessment should be:

i) based on the assessment carried out for the development plan document, updated as required;

ii) related to the class of goods to be sold, but with some uncertainty as to whether this relates to a simple sub-division between convenience goods and comparison goods; or whether this relates to specific classes of comparison goods such as, say, DIY goods.

iii) assessed, normally, no more than five years ahead; and

iv) based on a catchment area that is well related to the size and function of the proposed development and which takes account of competing centres.

**Scale**

2.45 There is no further advice in relation to the issue of scale and paragraph 3.12 merely refers to advice already set out previously in Section 2.

**Sequential test**

2.46 Paragraph 3.13 states that the sequential test applies to ‘all development proposals for sites that are not in an existing centre nor allocated in an up-to-date development..."
plan document', suggesting that there is no minimum floorspace size threshold below which the sequential test does not apply in relation to new proposals; however, paragraph 3.29 of PPS6 subsequently introduces a threshold, for extensions, of 200sqm gross, below which the sequential test does not apply.

2.47 Paragraph 3.13 goes on to state that the relevant centres in which to search for sites will depend on:

- the overall strategy set out in the development plan;
- the nature and scale of the development; and
- the catchment that the development seeks to serve.

2.48 In applying the sequential approach, developers and operators are required to demonstrate flexibility in relation to scale, format, car parking provision and the scope for disaggregation. The key purpose of the exercise ‘...is to explore the possibility of enabling the development to fit onto more central sites by reducing the footprint of the proposal’ (paragraph 3.16); this may involve a reduction in floorspace, more innovative site layouts, multi-storey development and reduced car parking.

2.49 Nevertheless, PPS6 retains the onus on LPAs to ‘...be realistic in considering whether sites are suitable, viable and available’ (paragraph 3.16). LPAs are also required to ‘...take into account any genuine difficulties, which the applicant can demonstrate are likely to occur in operating the applicant's business model from the sequentially preferable site, in terms of scale, format, car parking provision and the scope for disaggregation, such as where a retailer would be required to provide a significantly reduced range of products’.

2.50 At paragraph 3.17, PPS6 retains the requirement to apply the test of disaggregation so as to assess whether the constituent parts of a development proposal that comprises several components can be accommodated on sites in sequentially preferable locations. Whilst paragraph 3.18 would seem to reverse the provisions in draft PPS6 - that would have enabled the promoter of a single retail or leisure unit to escape the test of disaggregation - we consider the new advice to be confusing and contradictory; the first sentence of paragraph 3.18 seems to say, in effect, that a single retailer or single leisure operator should not be expected to disaggregate, provided the scope for disaggregation has been demonstrated. In our opinion, this is a flawed approach and an early clarification by Government of the provisions of paragraph 3.18 is essential.

2.51 Paragraph 3.19 retains the PPG6 tests of ‘availability within a reasonable period of time’, ‘suitability’ and ‘viability’ in applying the sequential test. However, the phrase ‘within a reasonable period of time’ is to be determined on the merits of each particular case.

**Assessing impact**

2.52 Paragraph 3.20 requires impact assessments to be undertaken for any application for a main town centre use which would be in an edge-of-centre or out-of-centre location and which is not in accordance with an up-to-date development plan strategy. Paragraph 3.20 also provides that:

‘Where a significant development in a centre, not in accordance with the development plan strategy, would substantially increase the attraction of the centre and could have an impact on other centres, the impact on other centres will also need to be assessed’.

2.53 Paragraph 3.21 retains the PPG6 requirement to assess impact on a cumulative basis, taking into account recent permissions, developments under construction and completed developments. There is also an assertion at the end of paragraph 3.21 that ‘...the identification of need does not necessarily indicate that there will be no negative impact’.
In assessing potential impacts LPAs are required to consider the likelihood of:

- risk to the spatial planning strategy for the area;
- effects on future public or private investment;
- negative and positive (through clawback) impacts on the turnover of existing centres;
- changes to the range of services provided by centres;
- impact on the number of vacant properties in the primary shopping area;
- changes to the physical condition of the centre and to its role in the economic and social life of the community; and
- implications for the evening and night-time economy.

The level of detail and type of evidence required is to be proportionate to the scale of the proposal, but impact assessments will be required for all retail and leisure proposals of over 2,500sqm gross and occasionally for smaller developments (paragraph 3.23).

**Accessibility**

In determining whether proposed developments are genuinely accessible, LPAs should assess distance from existing/proposed public transport facilities, frequency and capacity of public transport services and whether access for pedestrians, cyclists and disabled people is easy, safe and convenient.

LPAs must also assess whether the proposal is likely to have impacts on the overall distance traveled by car, local traffic levels and congestion, having taken account of any public transport and traffic management measures secured as a result of the development.

**Local issues and material considerations**

Paragraph 3.28 confirms the advice in Chapter 2 in stating that material considerations may include physical regeneration, employment considerations, economic growth and social inclusion.

**Extensions to existing development**

Paragraph 3.29 confirms that all of the development control tests apply equally to proposals for extensions to facilities which are located in edge-of-centre and out-of-centre locations, but there is a floorspace threshold for extensions of 200sqm below which the sequential approach does not apply.

**Conclusions and changes in emphasis**

In our assessment, the provisions of PPS6 reflect the Government's wider emphasis on the need to plan, monitor and manage at both the regional and local planning levels; indeed the key changes in national policy emphasis arising as a result of PPS6 are:

i) a requirement for a much more proactive plan-led approach to planning for town centres through regional and local planning;

ii) much more emphasis on the need to develop a network and hierarchy of centres at both the regional and local levels; and

iii) a much greater involvement on the part of the public sector in the management and implementation of changes in town centres and in the monitoring of their vitality and viability.

Thus, RPBs are required to:
i) set a vision and strategy for the region’s growth and a strategic framework for planning at the local level;
ii) develop a strategic framework for the development of a network of centres;
iii) make strategic choices about those centres of regional and sub-regional significance where major growth is to be encouraged;
iv) identify the need for new higher order centres;
v) assess the need for additional floorspace in the comparison retail, leisure and office sectors over the period of the RSS and for five yearly periods within it;
vi) identify where needs would best be met having regard to capacity and accessibility considerations; and
vii) identify the need for major town centre development of regional or sub-regional significance.

2.62 In turn RPBs and LPAs are required to consider:
i) whether there is a need to avoid an over-concentration of growth in the higher level centres;
ii) the need for investment in those centres requiring to be regenerated; and
iii) the need to address deficiencies in the network.

2.63 In preparing their development plan documents within the context set by the RSS, LPAs, in turn, must:
i) select appropriate existing centres to accommodate growth, making the best use of existing land and buildings, but extending the centres where appropriate using tools such as the Action Plans, CPOs and strategies to improve transport, land assembly, crime prevention and design;
ii) manage the role of existing centres through the promotion of specialist activities, or specific types of uses; and
iii) plan for new centres of an appropriate scale in areas of growth, or where there are deficiencies in the existing network.

2.64 Where growth cannot be accommodated within existing centres, LPAs are to plan for the extension of the primary shopping area, if there is a need for retail provision, and for the extension of the town centre as a whole to accommodate other main town centre uses.

2.65 The key considerations to apply in selecting sites for development remain similar to those identified in PPG6 and subsequent ministerial statements. However, there is more emphasis given to the issue of scale, so that LPAs are to consider setting indicative upper limits for the scale of development likely to be permissible in different types of centres.

2.66 Strong emphasis continues to be given to the sequential approach, but it does not appear that the Government is seeking to impose a moratorium against out-of-centre development, albeit that such development will be rare. If there is a need for larger stores, and they cannot be accommodated within the existing primary shopping area, they are to be directed to edge-of-centre locations. The guidance is unclear as to whether an individual retailer or leisure operator faces the test of disaggregation (paragraph 3.18), but all parties must demonstrate flexibility in relation to scale, format, design and the amount of car parking in seeking to promote development within existing centres.

2.67 In undertaking this study, we have taken into account the key requirements of national planning guidance in respect of retail and leisure issues, as explained in our assessment of PPS6 above.
3 DEVELOPMENT PLAN POLICY CONTEXT

London Plan

3.1 The London Plan (adopted February 2004) was published in the context of the 1996 version of PPG 6 and the subsequent parliamentary statements of February 1999 and April 2003. Nevertheless, in broad terms, the London Plan reflects current national guidance on retail and leisure development by seeking to support the role of town centres.

3.2 We are aware that the first review of the London Plan has commenced, with a ‘Statement of Intent from the Mayor’ published in December 2005, which sets out the review process and the main policies areas which will be examined. However, the review of the London Plan is still at a very early stage. The key policies are included within the adopted plan, and it is the contents of this plan which we focus on when considering the provisions of the London Plan.

3.3 Policy 3D.1 seeks to enhance the access to goods and services and strengthen the wider role of town centres. The aim of this policy is to provide strong and vibrant centres that can effectively provide the role that the community needs for them. This role is not limited to retailing but also reflects the important leisure, cultural, business, residential and social (health, education, public facilities) role that centres play for their communities.

3.4 The London Plan is also clear that different centres provide for different communities (or catchment areas) and that each has a different and complex overlapping role with other centres. The actual role of each centre for its catchment needs to be clear if policy is to be effective.

3.5 London as a whole is divided into five sub-regions for the purposes of strategic planning and for identification of priorities. In East London, these priorities are:

- Thames Gateway;
- the London – Stanstead – Cambridge corridor;
- the Olympic bid and the Lower Lee Valley;
- Stratford, which is identified as one of the major growth areas in the East London sub-region, with the town centre expected to grow from its current position in the hierarchy as a ‘major centre’ to a ‘metropolitan centre’.
- the CTRL, Crossrail 1 and 2, East London Line extension, DLR extensions, East London Transit schemes and Greenwich Waterfront; and
- promotion of population increase through new housing development

3.6 All of these priorities have the potential to impact on the borough - either directly by diverting trade, improving transport connections and so on – or indirectly by giving other centres and boroughs a boost in investment or population

3.7 London’s strategic town centre network is identified in Annex 1 of the London Plan; it comprises:

- 2 ‘international’ centres - Knightsbridge and the West End;
- 10 ‘metropolitan’ centres, including Romford;
- 35 ‘major’ centres;
- 156 ‘district’ centres, including Hornchurch, Upminster, Collier Row, Elm Park, Harold Hill and Rainham in LBH; and
- over 1,200 ‘local’ and ‘neighbourhood’ centres.
In addition to these town centres, London also contains a Regional Shopping Centre – Brent Cross – which is the subject of a separate policy approach, which seeks its evolution into an integrated town centre, as set out in Section 5 of the London Plan.

The London Plan also identifies areas within London that have the ability to support economic growth and/or accommodate housing demand. A substantial proportion of these Opportunity Areas (13 out of 28) are in East London, including London Riverside together with Ilford, Barking, Lower Lee Valley and Stratford.

Clearly what happens in LBH will need to be part of the East London story – where the sum of the interventions collectively achieves the outcomes sought by the London Plan and the East London Sub-Regional Development Framework (SRDF).

**East London Sub-regional Development Framework (SRDF)**

The London Plan provides for the capital to be considered as five sub-regions. In May 2005 the GLA published a draft SRDF for East London. The borough falls entirely within the East London sub-region, which covers areas to the north and south of the river and stretches from the edge of the City of London (at Whitechapel/Aldgate) to the eastern boundaries of the conurbation. The SRDF is still currently in draft format and we understand that a final version will be published in early May 2006, with amendments which reflect the outcomes of the consultations exercise undertaken between May and September 2005.

The strategy for East London identifies the need and capacity in the period to 2016 for at least: 142,300 new homes; 250,000 new jobs; between 120,000 and 204,000sqm of additional comparison goods shopping; and a range of new facilities to support leisure, education and health functions. It is envisaged that much of this growth (52,400 homes and 210,700 jobs) will be within the 13 opportunity areas of which London Riverside is one.

The draft SRDF envisages that the key to accommodating sustainable growth is the ability (and effectiveness) of the sub-regional town centres to improve their image and vitality through a suitable retail offer complemented with office, leisure, cultural, residential and other facilities. The SRDF therefore, envisages substantial growth in the sub-region's two metropolitan centres – Romford and Ilford - and in its nine major centres. More specifically, the metropolitan centres will be the focus of cultural and leisure uses to serve their sub-regional catchments. This means they will not be competing with the city's major cultural and leisure destinations such as the West End.

The draft SRDF notes that Romford remains the strongest of the town centres in the sub-region despite competition from retail destinations outside London including Lakeside and Bluewater. Following on from this, the draft SRDF expects Romford's metropolitan role to be sustained through both quantitative and qualitative improvements to the retail and leisure offer including integrated approaches to the management of the evening economy and significant new housing provision as part of broader, mixed use development.

In terms of retail development, the draft SRDF (Table 1C.1, Annex 4) identifies a need for up to 37,000sqm gross of comparison goods retail floorspace for the borough in the period up to 2016, of which 20,000sqm gross is identified specifically for Romford town centre. We must emphasise that this draft SRDF comparison goods capacity estimate has allowed for the effects of large commitments throughout London, such as Stratford City development. We note the list of major retail proposals is included at Table 1C.3 and does not include any additional comparison floorspace within the borough.

In terms of convenience retailing, the draft SRDF requires the boroughs to undertake finer grained assessments of need for new retail space and especially convenience goods taking into account qualitative need and the impact of under and over trading. For the borough, the maximum need identified in the draft SRDF (Table 1C.2, Annex 4)
is for 6,000sqm gross by 2016. This floorspace requirement does not take into account any commitments to new floorspace, as indicated by the footnote of Table 1C.2, Annex 4.

**London Borough of Havering Unitary Development Plan (UDP)**

3.17 The LBH UDP was adopted in 1993 and is now out-of-date in respect of key retail elements within national planning policy guidance. Nevertheless, it remains one of the building blocks for the preparation of revised retail planning policy within the context of the emerging local development framework for the borough. We thus provide below a brief overview of the key policies relevant to this study.

**Part 1: Strategy for future development in Havering**

3.18 The key strategic objectives within the Havering UDP are derived from the now superceded “Strategic Planning Advice for London”, which was prepared by the London Planning Advisory Committee (LPAC).

3.19 In respect of shopping and town centres the UDP seeks (paragraph 16d) to develop the existing structure of Strategic and other important Town Centres and sustain their vitality and viability; to encourage their contribution to the regeneration of Inner and East London; to focus investment in commercial, shopping and community facilities on town centres; and to address their access and environmental deficiencies.

3.20 In respect of Romford, the UDP (paragraph 27g) allows for its continued development as a leading shopping centre, an office location and a focus for arts, cultural, entertainment, leisure, social and community uses. It also states that further investment in development, transport and the environment will be encouraged.

3.21 On retailing, the UDP (paragraph 27h) states that the existing hierarchy of shopping centres, complemented by the planned provision of superstores and retail warehouses, is the basis for meeting shopping needs in the borough. The Plan also encourages the development and improvement of existing centres, and will resist proposals that will reduce their attractiveness or threaten their viability and vitality.

**Part 2: Policies and proposals**

3.22 In Chapter 1 of the UDP, the justification for the Council’s strategy is set out. Paragraphs 39 to 47 provide the material on Romford town centre, and in general terms it aims to maintain its attractiveness relative to other major centres, offering comparable facilities and a high quality environment. Paragraphs 48 to 53 provide the material on the district centres and explains that it is important for the vitality and viability of these centres to be maintained. Paragraph 48 specifically identifies Hornchurch and Upminster as major district centres and Collier Row, Elm Park, Harold Hill and Rainham as minor district centres.

3.23 Chapter 5 of the UDP provides us with the shopping policies, which can be read in conjunction with Chapter 11 that provides the policies for Romford town centre. Rather than review the entire contents of these chapters, we have highlighted the key policies under consideration by this study.

3.24 We note that Policy ROM1 states that there will be a general presumption in favour of the creation of additional retail floorspace in the town centre. Likewise, Policy SHP1 states that the Council will encourage proposals that will increase retail floorspace or otherwise improve the quality, convenience and accessibility of facilities within the district centres and local centres provided such proposals will not seriously affect the vitality and viability of other nearby shopping centres.

3.25 Policies ROM3, SHP2 and SHP3 seek to protect the vitality and viability of Romford and the major and minor district centres through the application of development control policies which restrict the type and mix of uses in the centres.
3.26 Policy SHP7 concerns the designated Bryant Avenue Commercial Area and views favourably proposals for retail warehousing, subject to the suitability of the types of goods sold and environmental considerations.

3.27 Our retail strategy at Section 8 provides a specific consideration of the broad policy approach in the borough and provides recommendations as to how these policies can be updated and amended in light of current Government guidance.

**Conclusions on development plan context**

3.28 The development plan comprises the London Plan and the Havering UDP. The East London SRDF is also an important document, albeit this is currently only in draft and therefore does not form part of the development plan yet. The London Plan is the key document, and provides important policies on retail and leisure issues from a strategic London-wide level.

3.29 The East London SRDF, although draft, is also a valuable tool in that it sets out how East London is intended to develop over the next 10 years, and drills down to a much more local level than the London Plan does.

3.30 Finally, the UDP also provides an important policy document, albeit slightly out-of-date in respect of policy on leisure and retail issues. We have considered the contents of all these documents in our study.
4 REVIEW OF CENTRES IN THE HIERARCHY

4.1 In this section we draw together the key findings for each of the London Borough of Havering (LBH) centres examined in the town centre healthcheck assessments. Maps showing the extent of each town centre are attached at Appendix 1, and the full healthcheck reports are attached at Appendix 2. We also make reference to the results of the Romford town centre visitor survey (results attached at Appendix 3) and the results from the telephone survey of households (results attached at Appendix 4).

4.2 First, we identify the characteristics of each centre, then describe the outlook for the centre and finally identify if there are prospects for each centre to accommodate any future growth that might be identified in future sections.

4.3 The centres that we have assessed are:

- **Metropolitan centre**: Romford, identified as one of ten metropolitan centres within the London Plan. Recent success as a major shopping location has been due to investment and extensive redevelopment in the Liberty and Brewery centres, as well as along South Street. Further development underway at the former Dolphin site and at the Market Place site should maintain and further enhance Romford’s role within the East London shopping hierarchy.

- **Major district centres**: Hornchurch and Upminster. Size alone indicates that these centres hold a far more dominant role in the borough’s retail hierarchy than the minor district centres. Unlike Romford, these centres do not typically attract visitors from beyond the borough, but they nevertheless provide a range of town centre uses for the borough’s residents.

- **Minor district centres**: Rainham, Elm Park, Collier Row and Harold Hill. These typically provide retail facilities which meet the day to day needs of more localised catchment areas.

4.4 Below, we summarise the key findings of our surveys and analysis for each centre in the order listed above. These findings assist in informing our retail strategy in Section 8.

**Metropolitan centre**

**Romford**

Centre characteristics

4.5 Romford town centre is located towards the west of the borough and includes most of the land and buildings within the Romford ring-road and some land outside the ring-road to the north and east. As such the centre is roughly ovular in nature and is bisected east to west by the railway line running from Liverpool Street into the east of England. The centre supports over 152,000sqm gross of A-class floorspace, more than all the borough’s district centres combined. Over two-thirds of this floorspace is in comparison goods use.

4.6 In terms of market indicators Romford is performing very well, benefiting from increasing retail rents (higher than those recorded in Ilford) and decreasing commercial yields, indicating greater investor confidence in the area. Furthermore, a high number of national retailers are currently seeking representation in Romford, some even looking to operate more than one unit in the town centre. This highlights the importance of Romford as a town centre in East London.

4.7 The last few years have seen redevelopment schemes on the western side of the centre at the Brewery site and at the Liberty shopping centre. Wholesale redevelopment at the Brewery site has brought new retail and leisure operators to the town centre, while refurbishment of the Liberty centre will have increased investor
confidence in Romford. As well as providing a plethora of mainstream comparison retailers, Romford includes a sizable outdoor market trading both convenience and comparison goods. The market provides an opportunity for traders without sufficient capital for taking up occupancy of a retail outlet, to set up their own retail business.

4.8 Romford is not only a significant A1 retail location, but also provides a number of pubs, bars and nightclubs. Although we understand there has been a desire to move away from these uses in recent years, Romford currently provides a range of commercial entertainment uses which facilitate a vibrant night-time economy in the town centre.

4.9 The views and perceptions of visitors are restricted to the analysis of the Romford town centre visitor survey (details attached at Appendix 3). The survey shows that the vast majority of visitors to Romford travel to the centre by car (47%) or bus (35%) and stay between one and three hours. Over half of visitors feel the market is at least ‘important’ in their decision to visit Romford, although, the majority felt they would still visit the town centre even if the market was not there.

4.10 Most visitors feel the convenience of getting to the town centre and the range of shops present are the best things about Romford, while overcrowding is the most common complaint. Considering leisure facilities, visitors felt that there are too many pubs and nightclubs, but would like to see a swimming pool in the town centre. No doubt the response regarding a swimming pool has been made more common by the recent closure of the swimming pool at the Dolphin site.

Outlook

4.11 One of Romford’s main attractions is as a mainstream comparison goods shopping location, which is of regional renown. There is strong demand for all A-use class retail space in the area, although, demand for office and leisure space is recognised to fluctuate year on year. The redevelopment currently taking place along Market Place will primarily provide additional A1, A3 and C1 space in Romford, as well as new residential flats and car parking. Further development taking place at the former Dolphin site, towards the east of the centre, will primarily provide a sizable A1 convenience unit together with residential units.

4.12 These redevelopment sites will ensure the centre expands, both in total floorspace and in its role, as a regional shopping location with a fuller diversity of uses. Furthermore, additional opportunities exist for even greater expansion and redevelopment in Romford town centre.

4.13 The shopping environment at the Liberty centre, Brewery centre and along much of South Street is very good in comparison with other centres in the borough. Nevertheless, regeneration and environmental improvements would benefit other fringe areas in the town centre, areas typically with higher vacancy rates.

Opportunities for growth

4.14 Romford contains a number of opportunities for expansion within its existing boundary, particularly in fringe locations to the north, west and south. These sites are typically vacant with often out-dated retail footprints not suitable for modern retailing. Therefore it seems likely that a comprehensive redevelopment of many of these buildings would benefit the town centre and the specific sites themselves. Their fringe nature suggests that redevelopment solely reliant on retail space may not be the most suitable option. Instead, genuine mixed use schemes with a range of town centres uses, including retail, leisure, residential and business space may be more appropriate.

4.15 Redevelopment of the former Decathlon unit, off North Street, would provide an opportunity to develop a stronger qualititative land-use compared to the current vacant retail ‘shed’. The former R M One bar and Secrets nightclub, 48 High Street, which is increasingly falling into a state of disrepair, could also be redeveloped to provide a greater qualitative contribution. We understand the Secrets site is currently subject to a planning application which proposes to redevelop the site for residential use.
Three other sites have been identified, which although are not entirely vacant, do provide opportunities to develop new town centre uses and improve environmental quality. These are the:

- Former £ Saver and Time/Envy nightclub, 108 - 116 South Street.
- Vacant and occupied units, 23 - 51 North Street.
- Vacant and occupied units, 25 - 59 High Street.

In addition the surface level car-parking at the Brewery centre could be redeveloped to form new town centre floorspace with parking above or below. In total these sites could accommodate approximately 10,000sqm to 15,000sqm of retail, leisure and business space at ground floor level alone.

**Major district centres**

**Hornchurch**

**Centre characteristics**

Hornchurch is the second largest of the borough’s town centres, with a total of 44,800sqm of total floorspace, 2,000sqm more than in Upminster. Despite this, Hornchurch contains 32,300sqm of gross floorspace in retail use, marginally less than Upminster. Hornchurch contains a reasonable mix of A-class retailers, albeit with a below GB average proportion of floorspace in A1 comparison use. The centre also contains significant leisure and community provision, with a theatre, library, arts centre, bingo hall, social clubs, police and fire station. Hornchurch far exceeds the borough’s other district centres in its provision of leisure and entertainment facilities.

The market indicators suggest that Hornchurch currently slightly out-performs Upminster in terms of retail rents. Unsurprisingly, given the relative size and function, retail rents in Hornchurch are far lower than in Romford - about four times less. Commercial yields in the town centre are relatively high and have remained fairly constant over the last ten years, indicating a certain level of stability and confidence but also no real prospect of change. There is a reasonable requirement for representation from national multiple retailers, similar to the requirement in Upminster. Although greater demand from A3 and A5 operators exists in Hornchurch, likely due to the centres provision of entertainment facilities.

In common with most of the borough’s centres, Hornchurch is located across a junction. This enables a number of town centre uses to be concentrated in a specific area, increasing the overall attraction of the centre. Hornchurch has a reasonable environmental quality although it suffers from some noise pollution from traffic. The north-western sector of the centre is identified for its arts and cultural facilities as well as parks and open spaces. These facilities enable Hornchurch to be identified as a unique, cultural town centre.

The views and perceptions of study area residents of Hornchurch were assessed through the household survey. Whilst a proportion of local residents undertake their convenience shopping in Hornchurch, much of their comparison shopping is carried out in Romford and Lakeside. According to the survey, local residents are largely dependent on their cars as a means of access to Hornchurch and other centres. The household survey also suggests that Hornchurch attracts a significant proportion of visitors from local catchment, looking to use the centres cultural facilities, pubs and restaurants.

**Outlook**

While there is some demand from A1 comparison multiples for floorspace in Hornchurch, a lack of available units and a lack of large units prohibits these retailers...
acquiring space in the town centre. By contrast, demand from A3 and A5 operators is much more likely to be accommodated in the existing available units.

4.23 The household survey results demonstrate that only modest proportions of households in Hornchurch’s natural catchment area use the centre for comparison goods purposes and without the provision of facilities to better compete with Romford and Lakeside this pattern will not change. The priority for Hornchurch should be to build on its relative strengths, the most important being its relatively affluent catchment population who should be encouraged to continue to use Hornchurch for convenience and day-to-day shopping purposes and to use the noted night-time economy facilities including the Queens Theatre.

4.24 Hornchurch could also seek to improve the quality of the shopping environment, particularly where heavy through traffic exists in order to encourage visitors to spend longer in the town centre, generating an even more vibrant atmosphere.

Opportunities for growth

4.25 There are no obvious opportunities to significantly expand the retail provision in the centre of Hornchurch. However, four sites have been identified which could provide some further retail and leisure provision:

- Parade of vacant units, 23 – 29 High Street.
- Council car park off Billet Lane/Keswick Avenue.
- Mecca Bingo, High Street.
- New “Urban Lane”, linking the Queens Theatre to the High Street.

4.26 These sites are not particularly large or located within the prime retail pitch. Nevertheless the sites provide opportunities for multi-level redevelopment, potentially including a mix of car parking, retail, business space and possibly flats. Considering the respective site areas, redevelopment of these sites would most likely serve to consolidate the role of Hornchurch within the retail hierarchy.

Upminster

Centre characteristics

4.27 Upminster is the third largest town centre in the borough with a total gross floorspace of 46,800sqm. Of this space, 33,900sqm (72%) gross is in retail use, of which over half is used for comparison goods retailing. Overall Upminster focuses more directly on retailing than Hornchurch. An indicator of this is that Hornchurch contains more total floorspace, yet Upminster contains more gross floorspace in retail use. As mentioned above Hornchurch includes a strong provision of cultural, entertainment and food & drink (A3, A4 & A5) uses, where as Upminster has a noticeably strong provision of comparison goods retailers. The centre has good public transport links relative to the other centres in the borough, with access by rail, London Underground and bus.

4.28 In terms of market indicators, Upminster performs similarly to Hornchurch. Although yield figures are not available for Upminster, retail rents are fairly consistent with those in Hornchurch. Figures suggest ‘Zone A’ rents in Hornchurch are slightly higher, but that ‘overall’ rents achievable in Upminster are marginally stronger. Demand for retail space is strong and where demand in Hornchurch sided towards food and drink uses (A3, A4 & A5), demand in Upminster is slightly more comparison orientated, reflecting the existing diversity of uses in these town centres.

4.29 On the whole, Upminster is a very attractive town centre with key features such as a public park and positive building frontages along Station Road. Arguably the architectural style of the buildings along Corbetts Tey Road, slightly detract from the overall attractiveness of the centre, with an out-dated style of design. Furthermore like most centres located at a busy road junction, noise pollution from motorised traffic can, at times, be a problem. Nevertheless, the centre has a number of designated
pedestrian crossings and generally Upminster performs well from an environmental quality perspective.

4.30 The household survey identifies that only one in three residents from the surrounding catchment undertakes their main food shop in Upminster. The remainder of main food shopping trips are 'leak' to a variety of other destinations, including Gallows Corner and Hornchurch. Although a sizable proportion of comparison goods shops are carried out in Lakeside, Upminster does still retain a decent proportion of comparison expenditure from the local catchment. Predictably, given the lack of facilities in the town centre, most local residents travel to Romford and Hornchurch for commercial leisure and entertainment facilities.

Outlook

4.31 The main retail frontage along Station Road trades successfully, with relatively high visitor numbers. Although footfall tails off towards the retail fringes of the centre, overall retail demand is strong and vacancy rates, as in Hornchurch, are very low. The largest vacant site at 119 St Mary's Lane is already scheduled to be re-occupied in June 2006 by Aldi Foodstores Ltd. As well as further reducing vacancy rates, this occupation will increase the quantity and range of convenience provision in the town centre. This will potentially enable Upminster to retain a greater proportion of convenience expenditure from the surrounding catchment area.

4.32 Like Hornchurch, Upminster should build on its large and relatively affluent catchment population. The household survey indicates that the centre's retention rates for comparison goods shopping are reasonable, particularly considering the distance and function of Lakeside shopping centre. Given the demand from comparison retailers for representation in Upminster, the centre has an opportunity to retain an even greater proportion of comparison expenditure from the local area.

4.33 The key issues that need further consideration in the centre are the demand for additional car parking and the lack of larger footprint retail units. Commercial property agents are of the opinion that the provision of these facilities would attract further notable comparison retailers and visitors to the centre.

Opportunities for growth

4.34 Demand for retail space in this centre is fairly strong, particularly with regard to comparison retailing. Upminster also has a reasonable demand from food and drink (A3, A4 & A5) operators who are currently slightly underprovided for. With the former Wicks at 119 St Mary's Lane already earmarked for re-occupation there are no obvious development opportunities.

4.35 Nevertheless, three sites have been selected which could accommodate a greater variety of uses and quantity of floorspace. Although these sites are in relatively fringe locations, footfall is reasonable for various reasons and therefore mixed-use redevelopment could include additional retail space. These sites are the council car park off Gaynes Road, units 209 - 213 at St Mary's Lane (opposite Somerfield) and Upminster Railway Station along Station Road.

Minor district centres

Rainham

Centre characteristics

4.36 Rainham is the largest of the borough's minor district centres and provides 20,900sqm of total floorspace, with 12,500sqm of this gross floorspace (60%) in retail use, the lowest proportion for any of the borough's town centres. Interestingly one outlet, the Tesco Extra along Viking Way, accounts for 9,200sqm (76%) of the total gross floorspace in retail use. Without the Tesco store, Rainham would be by far the smallest town/district centre in the borough, in terms of floorspace in retail use.
Accordingly both comparison and convenience goods provision are very limited in Rainham beyond the Tesco store, particularly in the range and variety of goods on offer. Rainham does not function as a district centre in the same way that Elm Park, Collier Row and Harold Hill operate. There are a limited range of facilities and outlets, a poor range of retailers and lack of leisure and entertainment facilities. All of this means that the centre as a whole fails to attract and retain anything like the same visitor numbers as the other minor district centres. Critically, Rainham town centre appears to be a village/local centre with a large superstore ‘bolted-on-the-side’.

The main part of the retail frontage along Upminster Road South has a pleasant village character; environmental quality is high with easy pedestrian movement, a public park and war memorial, attractive buildings and traditionally-styled shopfronts. The main frontage is linked to the Tesco superstore by a narrow covered walkway. The household survey data suggests (results attached at Appendix 4) that linked trips expenditure between the Tesco superstore and the main retail frontage is very low, reinforcing the argument that these locations do not function as one retail destination.

Accessibility to the town centre is very good by car, bus and on foot. In addition Rainham railway station is located to the south of the centre. The household survey suggests private car is the main means of access for visitors to the centre.

Rainham's role has the potential to expand beyond serving the day-to-day needs of the local catchment population and some of the main-food shopping trips for the southern part of the borough. Considering proposals for a regional casino and entertainment complex in Rainham and the anticipated growth in housing/population in the area, Rainham could consolidate its role in the retail hierarchy or perhaps expand in the long-term into a more dominant centre.

We are aware of some demand from retail multiples (there are ten known requirements), which may provide an opportunity to widen the range of outlets in the centre.

Building densities in the town centre are typically low and so potential development sites have been identified where an intensification of land-use could provide an opportunity to increase total floorspace within the defined centre boundary. Primarily these sites could serve to accommodate additional retail, leisure, community and residential space needed to retain and/or expand the centres role in the retail hierarchy. We consider that the centre also needs to be remodeled so that the Tesco superstore and main retail frontage are better linked, providing greater linked trips and encourages more expenditure within the rest of the centre.

Three sites have been identified which provide opportunities for redevelopment and growth. These are discussed in the healthchecks, attached at Appendix 2.

Elm Park provides 15,000sqm of total floorspace of which 11,200sqm (74%) is in retail use. The centre largely serves the day-to-day convenience needs and the specialist comparison needs of the surrounding population. The centre has a very good proportion (17%) of convenience goods floorspace and a reasonable proportion (26%) of comparison goods floorspace. For a centre of this size the range of A1 and A2 shops and services provided is good, and the retail provision is largely dominated by independent traders.

Although vacancy rates are generally low, demand for representation from national retailers is weak. Given the distance of Elm Park from Romford and Hornchurch and
the differing size of units available in these centres, national retailers are unlikely to be
attracted to Elm Park in great numbers.

4.46 Arguably Elm Park lacks an anchor supermarket and key comparison retailers which
could help retain greater levels of expenditure from the surrounding area. However,
given the proximity to Romford it may be unrealistic to ever expect Elm Park to retain
the bulk of retail expenditure from the surrounding catchment. Nevertheless, food and
drink (A3, A4 & A5) uses are under-represented in Elm Park, with only one public
house and three restaurants all serving Indian food

4.47 Accessibility to Elm Park is very good, with the centre being easily accessible by bus,
London Underground, car and on foot. That said, sight lines from town centre north of
the railway looking south are poor. The Station and Tadworth shopping parades to the
south of the centre are not easily visible from main retail frontage and are somewhat
secluded from the main road.

Outlook

4.48 Given the limited demand for representation from national retailers, it may be
appropriate for Elm Park to generally consolidate its position in the retail hierarchy.
Realistically, the future role of Elm Park may continue to be to serve the day-to-day
needs of the surrounding catchment, accepting that main-food shopping trips and
mainstream comparison goods shopping will continue to be undertaken in larger
centres within and beyond the borough.

4.49 However, the redevelopment of a number of existing sites, which could make more of a
positive contribution to the centre, both in environmental quality and diversity of uses,
would be beneficial to the town centre.

Opportunities for growth

4.50 The centre’s role is to provide the day-to-day shopping needs of the local resident
population. There is some specialist retail, but very little mainstream comparison
goods shopping provision. Additional food and drink (A3, A4 & A5), leisure and
entertainment and residential uses would benefit the centre, creating greater vibrancy
and a more prevalent night-time economy. Furthermore, developing public open
space within the town centre would likely increase visitor numbers and improve
environmental quality.

4.51 Three sites have been identified which provide opportunities for redevelopment to
consolidate the town centres role. These are discussed in the healthchecks, attached at
Appendix 2 of this report

Collier Row

Centre characteristics

4.52 Collier Row is the second smallest of the borough’s seven town centres providing a
total of 13,300sqm gross floorspace, of which just over 9,900sqm (75%) is in retail use.
The centre has a very similar proportion of convenience and comparison floorspace to
the GB average of all town centres. Convenience provision provides for most of the
top-up shopping needs and some of the main-food shopping trips for the surrounding
catchment. Comparison provision is fairly limited in range and lacks national multiple
retailers. Unsurprisingly a number of local residents travel to Romford for their
comparison goods shopping. The centre has good representation of food and drink
(A3, A4 & A5) uses, especially in respect of hot-food takeaways.

4.53 The shopping environment in Collier Row is particularly attractive, particularly when
considering street furniture, architectural style and building frontages. However, the
centre lacks a designated public open space in which visitors can sit and relax. In
addition because of the weight of through traffic dissecting the centre, noise pollution
does seem to slightly lower the environmental quality in the centre.
4.54 Although vacancy rates in the centre are low, as they are across all the borough’s district centres, demand for representation from national multiples is weak. Only one national retailer is currently seeking space in Collier Row, indicating the rather static nature of retail change in the centre.

4.55 Unsurprisingly, the household survey suggests that the majority of local residents travel to Romford to use commercial leisure and entertainment facilities. All of the minor district centres in the borough provide few or no commercial leisure and entertainment facilities, which typically require large quantities of floorspace, very high footfall and/or large catchment area populations.

**Outlook**

4.56 Collier Row does not include any significant opportunities for redevelopment, which coupled with low demand for retail space suggests the centre should seek to consolidate its role within the retail hierarchy. It seems likely the centre will continue to serve the day-to-day needs of its catchment area, along with some of the main-food shopping trips. The centre functions well as a minor district centre, generally providing a pleasant shopping environment for visitors.

4.57 Perhaps measures could be introduced to reduce the dominance of road traffic in the centre and provide public open space, which would add to the environmental quality of the centre. However, a lack of available land in the centre will make the provision of public open space very difficult.

**Opportunities for growth**

4.58 Unlike most of the borough’s town centres there is no obvious opportunity to expand/redevelop the centre. As discussed we believe the centre should seek to consolidate its role within the retail hierarchy, by perhaps further improving the environmental quality and shopping experience for visitors.

4.59 One site has been identified as a possible development opportunity. Although still in use, redevelopment of this site could provide a greater mix of town centre uses within the centre itself. This is discussed further in the healthchecks, attached at Appendix 2 to this report.

**Harold Hill**

**Centre Characteristics**

4.60 Harold Hill, the smallest district centre in the borough, supports 11,800sqm gross floorspace of which 79% (9,300sqm) is currently in retail use. The number of key attractors and the size of the centre, indicate a lesser role in the LBH retail hierarchy compared to the town centres of Hornchurch and Upminster.

4.61 Harold Hill contains a strong proportion of convenience floorspace, including an Iceland, a Somerfield and a Co-op foodstore, which serve the top-up shopping and some of the main-food shopping trips of the surrounding catchment area. However, the household survey suggests that sizable proportion of the main-food shops of the local catchment area are carried out at the Gallows Corner Retail Park.

4.62 The centre contains a similar proportion of comparison floorspace compared to the GB national average for all centres. Despite this there is still a limited range of comparison goods on sale and as with all the minor district centres, very few national comparison retailers. This partly explains why a number of residents travel to Romford for their comparison goods shopping.

4.63 Relative to the other minor district centres, Harold Hill contains a very limited range of food and drink (A3, A4 & A5) uses, with only one public house and two fast-food takeaways. The lack of any restaurants will reduce visitor numbers to the centre in the evenings.
4.64 Despite the architectural style in Harold Hill, which is arguably out-of-date, the lack of pollution and the provision of public open space make a positive contribution to environmental quality at the centre. Being separated from the main bulk of through traffic the retail frontage does not suffer from any notable noise or air pollution problems. The provision of a grassed/paved open area opposite the Iceland store, enables visitors to sit-down and relax, thus spending more time in the centre contributing to the overall levels of activity and vitality.

**Outlook**

4.65 There are six national retailers seeking space in Harold Hill, more in number than are seeking space in Elm Park and Collier Row. These six retailers require space cumulatively for four comparison outlets, one restaurant and a hotel. This demonstrates that some national multiple retailers consider Harold Hill to be a desirable district centre which is likely to attract sufficient numbers of customers to meet their requirements.

4.66 While vacancy rates across the centre as a whole are fairly low, the pedestrianised area off Farnham Road, at The Arcade has a particularly high proportion of vacant units. All the units at this parade are small in floor area and as such would be unsuitable for national multiple retailers. Vacancy rates at The Arcade (33%) are not representative of the centre as a whole (2%) and may indicate that redevelopment is required to regenerate this part of the town centre.

4.67 Overall we feel Harold Hill should seek to consolidate its role within the retail hierarchy and continue to serve the day-to-day needs of its fairly local catchment area. Realistically, considering the proximity to Romford town centre and the Gallows Corner retail park, Harold Hill is unlikely to need to expand drastically over the short to medium term.

**Opportunities for growth**

4.68 The main opportunity for growth comes from The Arcade site off Farnham Road. As discussed, demand for retail space in Harold Hill is moderate, so an appropriately scaled redevelopment of this site could provide new A-class retail space in the town centre. The provision of A3, A4 & A5 retail space would help provide a fuller range of all retail uses and therefore re-enforce the role of Harold Hill in the retail hierarchy.

**Key messages**

4.69 As is to be expected in a London context, the borough’s established town centres display a very diverse range of characteristics. There is wide divergence between the centres in terms of the key performance indicators, which means some are significantly more attractive for future investment than others. We use our findings to inform our strategy to accommodate future growth, which can be found at Section 8.

4.70 Given their profile, we have drawn out the key messages in respect of the larger centres in the borough, namely Romford, Hornchurch and Upminster.

**Romford**

4.71 The London Plan (2004) defines Romford as one of ten metropolitan centres in Greater London. The centre contains a vast quantity of retail space and a notable provision of comparison goods traders. Generally these operators are typical middle-market retailers and well known high street names. As well as including key comparison traders, Romford contains an outdoor market of approximately 140 stalls.

4.72 Major redevelopment has recently taken place at the Brewery site along with refurbishment of the Liberty centre. In addition, redevelopment is currently taking place at Market Place and The Dolphin site, which commercial agents anticipate will provide an additional prime retail pitch complementing that already located at the Liberty centre.
4.73 The size of Romford and the number of key attractors in the centre clearly indicate a dominant role in both the borough-wide and East London retail hierarchy. Unlike in Upminster and Hornchurch, there is potential for Romford to significantly increase the amount of retail and leisure floorspace to further boost its role as a metropolitan centre.

**Hornchurch**

4.74 The Adopted Havering UDP (1993) defines Hornchurch as one of two major district centres in the borough. The centre contains a moderate quantity of floorspace dedicated to the sale of convenience and comparison goods, with a number of small independent traders and a few national multiple retailers. Hornchurch contains a strong mix of commercial leisure and recreation facilities, reinforcing the town as the ‘cultural’ centre for the borough.

4.75 Demand for representation from national retailers is fairly strong and some development opportunities are available, although these are unlikely to significantly increase total floorspace in the town centre.

**Upminster**

4.76 The Adopted Havering UDP (1993) also defines Upminster as a major district centre. The centre contains a moderate quantity of floorspace dedicated to the sale of convenience goods and a strong quantity of floorspace dedicated to the sale of comparison goods. Similar to Hornchurch, Upminster contains a number of small independent traders and a few national multiple retailers, including a Roomes department store split over three units. Whilst Hornchurch tends to perform the role of a ‘cultural’ centre, Upminster acts as the borough’s second ‘retail’ centre, with only Romford containing more gross retail space.

4.77 Demand for representation from national retailers is fairly strong and although the centre does not hold the same potential as Romford for accommodating growth, there are some modest development opportunities available.
5 CURRENT SHOPPING AND LEISURE PATTERNS IN THE STUDY AREA

Introduction

5.1 Our assessment of current shopping and leisure patterns is based on a comprehensive telephone survey of households, which resulted in 1,500 valid responses in the study area. The telephone survey was undertaken in January 2006 by NEMS Market Research. The survey findings are based on a representative sample, with a minimum of 100 responding households from each of the eight survey zones, and with all results weighted to reflect the actual distribution of population within the study area. A map illustrating the extent of the study area, together with a copy of the survey, the tabulated results and an overview of the results are all included at Appendix 4.

5.2 The main purposes of the household survey were to establish:

- the shop or shopping centre in which the household had spent most on main trips for food and groceries in the preceding six months and the shop or shopping centre in which the household had spent most money on top-up purchases of food and groceries in the preceding six months;

- the town centre/retail park in which members of the household had spent most and second most on each of the following goods, in the preceding six months:
  - clothes and shoes;
  - furniture/carpets/soft household furnishings;
  - DIY and decorating goods;
  - domestic appliances, such as washing machines, fridges, cookers, TVs, DVD players and computers;
  - specialist non-food items, such as china, glass, books, jewellery, photographic goods, musical instruments and sports equipment;

- the main locations visited for various types of commercial leisure activities (visits to cinemas, restaurants, pubs/bars, family entertainment centres and theatres/concert halls).

5.3 The results of the two types of food and groceries expenditure (main and top-up) are then merged - through the application of a weight which reflects the estimated proportion of expenditure accounted for by each type - so as to form a composite pattern of convenience spending, expressed as market shares for each destination centre or foodstore, for each survey zone. The weights - which reflect the national market share of the large supermarket operators vis-à-vis the smaller operators and independents - are as follows:

- Main food and groceries = 71%
- Top-up food and groceries = 29%
- All convenience expenditure = 100%

5.4 Similarly, we have derived composite market shares in the comparison sector, but this is through the application of two sets of weights. The first weight reflects the estimated proportions of comparison expenditure accounted for by the top spending locations, vis-à-vis the secondary locations, as follows:

- Top spend location = 85% of expenditure
- Secondary spend locations = 15% of expenditure
- All comparison expenditure = 100%
5.5 The first procedure allows for market shares to be calculated for each of the five types of comparison goods purchases. We then calculate overall composite comparison market shares through the application of a second weight to reflect the proportion of expenditure spent by the residents of the study area on each type of comparison goods - as supplied by local expenditure estimates we have obtained from MapInfo. The weights are as follows:

Table 5.1 Weighting applied to comparison goods market share - 2006

<table>
<thead>
<tr>
<th>Comparison sub-sector</th>
<th>Weighting (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothes and shoes</td>
<td>23</td>
</tr>
<tr>
<td>Furniture, carpets, soft household furnishings</td>
<td>16</td>
</tr>
<tr>
<td>DIY and decorating goods</td>
<td>5</td>
</tr>
<tr>
<td>Domestic appliances such as fridges, cookers and other electrical goods</td>
<td>22</td>
</tr>
<tr>
<td>Specialist non-food items such as china, glass, books, jewellery, photographic goods, musical instruments and sports equipment</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

5.6 In effect, the above percentages show the amount of expenditure spent on each type of good by a typical household within the study area.

5.7 The comparison market shares for each zone can then applied to the pot of expenditure available to the residents of each zone – which is calculated using data on population and per capita spending from MapInfo – in order to express the patterns of shopping in absolute money terms, and so allow the turnover of each centre or store to be calculated. This process, and the relevant outputs, is explained as part of our consideration of quantitative need at Section 7.

**Comparison shopping patterns**

5.8 Analysis of the household survey tabulations at Appendix 4 reveals the shopping patterns within the study area and our overview of the household survey (also attached at Appendix 4) highlight the key trends revealed by the survey. The key centres in respect of comparison goods are illustrated in Figure 5.1.
Figure 5.1 Main comparison shopping destinations within study area
In our consideration of the comparison shopping patterns, we focus our assessment on the composite market shares, which have been calculated through the application of weights, as explained above in paragraphs 5.4 and 5.5. In Table 5.2 below, we have identified those zones where there is a dominant comparison goods shopping destination – defined as a centre having a market share of over 35%. We also identify in the second column of Table 5.2 the centres with a market share in the range of 10% to 35%; these centres have a secondary market share.

Table 5.2 Market shares and dominant centres - 2006

<table>
<thead>
<tr>
<th>Zone</th>
<th>Centres with dominant market share (&gt;35%)</th>
<th>Centres with secondary market share (10%-35%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lakeside (53.5%)</td>
<td>Romford (24%)</td>
</tr>
<tr>
<td>2</td>
<td>Lakeside (45.4%)</td>
<td>Romford (17.7%), Upminster (13.9%)</td>
</tr>
<tr>
<td>3</td>
<td>Romford (40.5%)</td>
<td>Lakeside (17.7%), <strong>Gallows Corner</strong> (16.5%)</td>
</tr>
<tr>
<td>4</td>
<td>Romford (56.3%)</td>
<td>Lakeside (10.0%), <strong>Gallows Corner</strong> (16.3%)</td>
</tr>
<tr>
<td>5</td>
<td>Romford (58.0%)</td>
<td>Lakeside (13.9%)</td>
</tr>
<tr>
<td>6</td>
<td>Lakeside (36.5%)</td>
<td>Romford (34.7%)</td>
</tr>
<tr>
<td>7</td>
<td>Romford (49.7%)</td>
<td>Dagenham (12%), Lakeside (15.6%)</td>
</tr>
<tr>
<td>8</td>
<td>Romford (44.4%)</td>
<td>Lakeside (12.4%)</td>
</tr>
</tbody>
</table>

Source: derived from NEMS household survey data attached at Appendix 4.

The above table demonstrates that the main battle for comparison goods market share across the study area is between Romford and Lakeside. All the zones have either Romford or Lakeside as a clear dominant centre, other than Zone 6, where to the market share parameters we have set, Lakeside is only the dominant centre over Romford by 1.8%.

We demonstrate these shopping patterns in Figure 5.2 and Figure 5.3. Figure 5.2 demonstrates that in the northern half of the study area (Zones 3, 4, 5, 7 and 8), Romford is the dominant shopping destination. The southern part of the study area is dominated by Lakeside. Zone 6, in the centre of the study area, has considerable market share from both Romford and Lakeside. It is also interesting to note that both Zones 7 and 8 are dominated by Romford town centre, given that both these Zones are outside the borough and extend to the part of East London where Ilford may have been expected to draw trade.

Figure 5.3 demonstrates those secondary shopping destinations in the study area, and either Romford or Lakeside feature in all the zones. Therefore, if Romford is not the primary centre it features as a secondary centre within each zone. The situation is reversed with Lakeside, so if Lakeside is not the primary centre, it is a secondary centre. Other centres to feature as secondary shopping destinations include Upminster (for Zone 2), Dagenham for Zone 7 and Gallows Corner Retail Park in Zones 3 and 4.

What this survey data is telling us is that although that other centres feature in the shopping hierarchy, when we look at where people do the majority of their comparison shopping, it is Romford and Lakeside that are by some distance the main shopping destinations by residents in the study area.
Main locations for different types of comparison goods purchases

5.14 Having established the composite market shares for comparison goods, we now comment briefly on the different comparison sub-sectors. The NEMS data attached at Appendix 4 contain full details of the results for each type of comparison goods purchase. Our overview of the results is also attached within Appendix 4 and provides a detailed consideration of the results, however the highlights are as follows:

- Romford town centre is the main location for clothes and shoes shopping, being the main destination for 52.8% of all households in the study area. Romford is followed by Lakeside, which is the main clothes and shoes destination for 24.2% of households in study area (although Lakeside is located outside the study area).
- Furniture, carpets and soft household furnishings are spread across a number of centres, but the most popular destination for such purchases is Lakeside, Romford and Gallows Corner.
- For DIY goods and decorating goods purchases, the most popular location is Roneo Corner, followed by Gallows Corner and then Romford. This indicates the preference for this type of shopping to be in out-of-centre locations.
- The main location for the purchases of all domestic appliances is Romford, followed by Gallows Corner and then Lakeside. Such domestic appliances include washing machines, fridges, cookers, TVs, video players and computers.
- For specialist comparison goods, Romford is the most popular destination, followed by Lakeside.

5.15 Table 5.3, below, provides a summary of the dominant centres for the five different types of comparison goods as used as the basis for the household survey.

Table 5.3 Centres where most money is spent on different types of comparison goods - 2006

<table>
<thead>
<tr>
<th>Main Destinations By Category of Comparison Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>Highest</td>
</tr>
<tr>
<td>2nd Highest</td>
</tr>
<tr>
<td>3rd Highest</td>
</tr>
<tr>
<td>4th Highest</td>
</tr>
</tbody>
</table>

5.16 This data again demonstrates the importance of both Romford and Lakeside in the consideration of the shopping patterns within the study area. However, it also identifies the importance of retail parks (such as Roneo Corner and Gallows Corner) for the purchases of bulky comparison goods, such as DIY and domestic appliances.

Comparison summary

5.17 The results of the household survey confirm the importance of Romford town centre as a retail destination within the study area, including Zones 7 and 8 which fall outside the borough. It also demonstrates the influence Lakeside has on the shopping patterns, attracting a significant amount of trade from the southern part of the study area.
Convenience patterns

5.18 The main convenience stores within the study area are identified in Table 5.4 and in Figure 5.3. All of the zones are represented by a supermarket operator; however Zones 2 and 3 are represented by Somerfield rather than one of the top four operators, such as Tesco, Asda, Sainsbury or Morrisons.

Table 5.4 Main convenience stores in study area, by Zone - 2006

<table>
<thead>
<tr>
<th>Zone</th>
<th>Operator</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tesco Extra</td>
<td>Dovers Corner, Bridge Road, Rainham</td>
</tr>
<tr>
<td>2</td>
<td>Somerfield</td>
<td>St Mary’s Lane, Upminster</td>
</tr>
<tr>
<td>3</td>
<td>Somerfield</td>
<td>Farnham Road, Harold Hill</td>
</tr>
<tr>
<td>4</td>
<td>Tesco</td>
<td>Collier Row Lane, Collier Row</td>
</tr>
<tr>
<td>5</td>
<td>M&amp;S</td>
<td>South Street, Romford</td>
</tr>
<tr>
<td></td>
<td>Sainsbury</td>
<td>The Brewery, Romford</td>
</tr>
<tr>
<td>6</td>
<td>Sainsbury</td>
<td>High Street, Hornchurch</td>
</tr>
<tr>
<td></td>
<td>Tesco Extra</td>
<td>Roneo, Hornchurch</td>
</tr>
<tr>
<td>7</td>
<td>Morrisons</td>
<td>Wood Lane, Dagenham</td>
</tr>
<tr>
<td>8</td>
<td>Sainsbury</td>
<td>High Road, Chadwell Heath</td>
</tr>
</tbody>
</table>

Localised market share for convenience goods

5.19 Although there is a high level of aggregate retention of convenience goods expenditure for the study area as a whole, we need to undertake a more localised assessment of quantitative and qualitative needs. Table 5.5, which is derived from the household survey data at Appendix 4, sets out the localised convenience goods retention levels for each of the eight zones in the study area.

5.20 The retention level is the percentage of the expenditure in each zone which is spent in the stores within that same zone. For example, 71.9% of the expenditure in Zone 1 is spent in the shops in Zone 1. This information is important because convenience goods shopping is much more localised (compared to comparison shopping); therefore when there is a low localised retention level, this could be cause for concern and means residents are traveling long distances to do their convenience shopping.

Table 5.5 Localised retention levels of convenience goods - 2006

<table>
<thead>
<tr>
<th>Zone</th>
<th>Location</th>
<th>Retention level (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rainham (LB Havering)</td>
<td>71.9</td>
</tr>
<tr>
<td>2</td>
<td>Upminster (LB Havering)</td>
<td>49.7</td>
</tr>
<tr>
<td>3</td>
<td>Harold Hill (LB Havering)</td>
<td>76.3</td>
</tr>
<tr>
<td>4</td>
<td>Collier Row (LB Havering)</td>
<td>46.2</td>
</tr>
<tr>
<td>5</td>
<td>Romford (LB Havering)</td>
<td>39.8</td>
</tr>
<tr>
<td>6</td>
<td>Hornchurch/Elm Park (LB Havering)</td>
<td>70.6</td>
</tr>
<tr>
<td>7</td>
<td>Dagenham (LB Barking and Dagenham)</td>
<td>28.2</td>
</tr>
<tr>
<td>8</td>
<td>Chadwell Heath (LB Barking and Dagenham)</td>
<td>42.5</td>
</tr>
</tbody>
</table>

5.21 The retention levels cited in the above table are going to be influenced by the geography of the zones. For example if there is a large store on the edge of one of the zones, this may influence the retention level of that zone. However, for the purposes
of this study, we consider it provides an insight into where residents of the study area are undertaking their convenience shopping. The location of the stores can be found in Figure 5.3 below.

**Figure 5.3 Main convenience stores in study area - 2006**

<table>
<thead>
<tr>
<th>Convenience summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.22 The study area also performs well in terms of main convenience shopping, with a high proportion of residents carrying out their convenience shopping within the zones they reside. The only zones in the borough (Zones 1-6) where the localised retention rate is less than 50% are zones 2, 4 and 5 - and even in these zones the level is only marginally less than 50%. These high retention levels are in main due to the level of provision within the borough, with foodstores well distributed throughout the borough.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leisure patterns</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.23 The NEMS survey data, as attached at Appendix 4, included a question that asked respondents where they spent the most money on certain types of leisure activity, including the cinema, pubs, restaurants, health and fitness, theatres and concerts, museums, and family entertainment uses such as bowling and bingo. The detailed findings of the survey can be found in Appendix 4.</td>
</tr>
<tr>
<td>5.24 The below Table 5.6 identifies the top two responses for each leisure activity where the respondent has indicated they undertake any of the mentioned leisure activities.</td>
</tr>
</tbody>
</table>
Table 5.6 Top two town/district centres where most money is spent on each leisure activity - 2006

<table>
<thead>
<tr>
<th>Leisure activity</th>
<th>Top two responses - % of households for each leisure activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Cinemas</td>
<td>Romford 39.3%</td>
</tr>
<tr>
<td>Pubs</td>
<td>Romford 13.4%</td>
</tr>
<tr>
<td>Restaurants</td>
<td>Hornchurch 17.9%</td>
</tr>
<tr>
<td>Health/fitness</td>
<td>Romford 7.7%</td>
</tr>
<tr>
<td>Family entertainment</td>
<td>Romford 16.1%</td>
</tr>
<tr>
<td>Theatres/concerts</td>
<td>West End 33.5%</td>
</tr>
<tr>
<td>Museums</td>
<td>West End 32.6%</td>
</tr>
</tbody>
</table>

5.25 The highlights in respect of market share of households for the entire study area are as follows:

- Romford town centre is the most popular location for visiting the cinema, with 39.3% of all households questioning giving this answer. 41.9% of all households claim they do not visit the cinema.
- Romford town centre is the most popular destination for pubs (13.4% of all households), followed by Hornchurch town centre (9.4%). 52.7% of all households do not visit pubs.
- Romford and Hornchurch town centres are the most popular locations for restaurant visits, attracting a similar market share of 17.8% and 17.9% (of all households) respectively. Only 28.1% of all households do not visit restaurants.
- For health and fitness facilities, Romford town centre is the most popular location (7.7% of all households), followed by Hornchurch town centre at 4.9%. A high percentage of respondents (69.7% of all households) do not use health and fitness facilities.
- The main centre for family entertainment activities, such as bowling or bingo, is Romford town centre, which achieves a market share of 16.1% of all households questioned. Again, a high percentage of respondents (67% of all households questioned) do not undertake family entertainment activities.
- The main location for theatres and concerts is the West End (33.5% of all households). However the Hornchurch performs well as a secondary location attracting 12.3% of the market share of households. 45.2% of all respondents do not visit concerts of theatres.
- The West End is the most popular location for museums (32.6% of all households), and 62% of respondents do not visit museums.

5.26 We have also looked at the localised pattern of leisure activities and the below Table 5.7 sets out the main centre where each activity is undertaken for each zone.
Table 5.7 Town/district centre where most money is spent on leisure activities in each zone - 2006

<table>
<thead>
<tr>
<th>Survey zone</th>
<th>Cinemas</th>
<th>Pubs</th>
<th>Restaurants</th>
<th>Health/fitness entertainment</th>
<th>Family</th>
<th>Theatres/concerts</th>
<th>Museums</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Romford</td>
<td>Rainham</td>
<td>Hornchurch</td>
<td>Hornchurch</td>
<td>Romford</td>
<td>West End</td>
<td>West End</td>
</tr>
<tr>
<td>2</td>
<td>Romford</td>
<td>Upminster</td>
<td>Upminster</td>
<td>Romford</td>
<td>Romford</td>
<td>West End</td>
<td>West End</td>
</tr>
<tr>
<td>3</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>Harold Hill</td>
<td>Romford</td>
<td>West End</td>
<td>West End</td>
</tr>
<tr>
<td>4</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>West End</td>
<td>West End</td>
</tr>
<tr>
<td>5</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>West End</td>
<td>West End</td>
</tr>
<tr>
<td>6</td>
<td>Romford</td>
<td>Hornchurch</td>
<td>Hornchurch</td>
<td>Hornchurch</td>
<td>Romford</td>
<td>West End</td>
<td>West End</td>
</tr>
<tr>
<td>7</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>Dagenham</td>
<td>Dagenham</td>
<td>West End</td>
<td>West End</td>
</tr>
<tr>
<td>8</td>
<td>Romford</td>
<td>Chadwell Heath</td>
<td>Romford</td>
<td>Romford</td>
<td>Romford</td>
<td>West End</td>
<td>West End</td>
</tr>
</tbody>
</table>

5.27 Table 5.7 identifies the centre where the highest proportion of respondents in each survey zone undertakes each of the identified leisure activities. As expected, the West End⁴ is the most dominant location for theatres, concerts and museums in each of the eight zones. For all the other activities, Romford is the main leisure destination for the majority of the zones, supported by other centres – in particular Hornchurch which features significantly in Zone 6.

Leisure summary

5.28 There is a relatively high degree of non-participation amongst some of the residents of the study area in relation to some of the activities, as noted above. As a consequence, a quantitative need for further provision of leisure facilities is likely to arise, not only as a result of growth per capita expenditure (as discussed in Section 7), but also as a result of increasing participation rates.

5.29 However, the next section of this report confirms that around three-fifths of expenditure on leisure services relates to food and drink, and it is therefore encouraging that Romford town centre is confirmed to be the top location for visits to pubs/bars and Romford and Hornchurch are the top locations for visits to restaurants.

⁴ Where the West End is referred to, this includes all locations broadly within central London.
6 KEY NATIONAL TRENDS IN THE RETAIL AND LEISURE SECTORS

Introduction

6.1 In this section, we highlight the key trends in the retail and leisure sectors which will be of most importance in driving expenditure growth and in planning for the future of Romford town centre and the borough’s district centres. This assists us in Section 7, where we seek to assess the quantitative need for further development in the retail and commercial leisure sectors in the study area, in the period up to 2018.

6.2 In the retail sector we focus on:
- past expenditure change and future projections;
- change in floorspace efficiency (turnover per unit sales-area);
- the retail polarisation trend; (the concentration of retail expenditure in the larger centres)
- e-tailing; and
- the impact of planning policy on the location of retail development.

6.3 In the leisure sector we focus on:
- social and economic change, as drivers of growth;
- growth in leisure spending and changing leisure activities;
- the Gambling Act 2005; and
- the initial impact of recent planning policy.

Retail sector
Past expenditure growth

6.4 MapInfo’s latest Information Brief 05/02 reveals that expenditure on comparison goods has grown at an average annual rate of 3.8%, per capita, per annum over the last 40 years, whereas growth in expenditure on convenience goods over the same period has been at a rate of only 0.1%, per capita, per annum.

6.5 Although, the overall volume of non-food comparison retail sales has slowed to just 0.2% from August 2004 to August 2005, the short term growth in comparison goods expenditure from 1998 to 2004 has averaged 8.5%, per capita, per annum. Thus, although, there has been some cyclical variation in comparison goods expenditure growth, we can be reasonably confident that growth in the period up to 2018 is likely to be in line with the 40 year trend, at around 4%, per capita, per annum. Indeed, the latest forecasts for Experian and MapInfo suggest comparison goods growth rates in the period up to 2016 of 3.7% and 4.3%, respectively. We note that the end date for this study is 2018, but we have used the forecasts to 2016 in this study.

Latest expenditure forecasts from MapInfo and Experian

MapInfo’s past trends projections

6.6 In September 2005 MapInfo published Information Brief 05/02, which deals with goods based expenditure trends and projections. So far as the past trends projections in the

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5 ONS Economic Trends October 2005, Table 5.8
6 Retail Planner Briefing Note 2.0, Experian, August 2004
7 MapInfo Information Brief 05/02, September 2005
comparison sector are concerned, MapInfo continues to advocate an average annual increase in comparison expenditure between long-term trends of between 1978 and 2004 (4.8%, per capita, per annum) and medium term trends of between 1988 and 2004 (5.5%, per capita, per annum), thus giving an average of 5.15%, per capita, per annum between the long term and medium term trends.

6.7 So far as the convenience sector is concerned, MapInfo states that '..the most statistically robust estimate for growth is for the period 1993-2004..when the annual growth rate averaged 0.8%.'

MapInfo/OEF forecasts

6.8 MapInfo has teamed up with Oxford Economics Forecasting (OEF) to produce forecasts for goods based expenditure growth in the period up to 2016, as an alternative to projections based on past trends. Table 2 of Brief 05/02 sets out the forecasts; for the period 2004 to 2016 these equate to 0.9%, per capita, per annum, in the convenience sector and to 4.3%, per capita, per annum in the comparison sector.

6.9 MapInfo makes no recommendation as to whether the past trends projections or the OEF forecasts are to be preferred.

Business Strategies from Experian (EBS) - Past trends projections

6.10 In August 2004, Experian published its Retail Planner Briefing Note 2.0. In the comparison sector, the past expenditure trends projection for the period 2003-2013 ranges from 4.3%, per annum for ultra long term trends, to 5.9%, per annum for medium term trends. In the convenience sector, the past trends projection ranges from 0.7%, per annum using the ultra long term trend, to 1.1%, per annum using the medium term trend.

EBS forecasts

6.11 The alternative forecasts prepared by EBS, for the period up to 2013, indicate a comparison goods growth rate of 3.7%, per capita, per annum, and a convenience goods growth rate of 0.9%, per capita, per annum.

Conclusion on projected expenditure growth

6.12 We prefer the MapInfo/OEF and Experian/EBS forecasts, as opposed to their past trends projections because they are also based on expected changes in other economic variables. In the convenience sector, there is a consensus between the MapInfo and Experian that growth over the next 10 years or so is likely to be around 0.9%, per capita, per annum. In the comparison sector the growth over the next 10 years or so is projected to range from 3.7%, per capita, per annum (Experian/EBS) to 4.3%, per capita, per annum (MapInfo/OEF). For this study we have used the latter of these forecasts, namely the MapInfo/OEF 4.3% forecast growth. The reason we have used this data is firstly because at the time of writing this is the most recent forecast available. Secondly we are using Mapinfo base expenditure data and therefore using the forecast growth rate means we are consistent with the retail expenditure data we are using in this study.

Change in floorspace efficiency

6.13 Floorspace efficiency is a term used to describe the increases in turnover per unit of sales area in order for that sales area to maintain its competitive edge. For example, retail operators need to increase its floorspace efficiency (or their turnover from that shop) in order to maintain their vitality and viability against competition. Until Experian published its Briefing Note 2.2 in April 2005, there had been no work undertaken in relation to the growth, over time, in floorspace efficiency since URPI’s Brief 86/6, published in 1986. Thus, many retail studies have continued to use an efficiency growth for comparison goods retailers in the range 1.0 to 1.5%, per annum, as advocated by URPI in 1986.
6.14 However, Experian’s recent research has demonstrated that the growth in comparison goods floorspace efficiency has increased substantially since the mid 1980s as a result of the retailing of higher value goods which are smaller in volume, particularly in the electrical and IT sectors. Thus, in Briefing Note 2.2, Experian suggests, for the comparison sector, that:

‘...an assumption that sales densities are likely to increase at somewhere in the range of 2.0% (the ‘moderate’ assumption) to 2.5% (the ‘historical’ trend) appears appropriate.’

6.15 In relation to the convenience sector, Experian states that:

‘...we would expect a slowdown in the observed 1.1% per annum increase in convenience sales densities between 1986 and 1999...we suggest that 0.75% might be more suitable.’

Retail polarisation

6.16 Various data sources from organisations such as Management Horizons, Experian and from the Inland Revenue’s Valuation Office confirm that larger town centres, in general, are becoming stronger (lower yields), at the expense of the smaller and weaker town centres. Indeed, Cambridge Econometrics estimates that 51% of comparison goods expenditure in Great Britain flows to the largest 100 centres, and much of the in-centre development pipeline is concentrated in these same centres.

6.17 The polarisation trend has been driven, in large part, by retailers seeking the economies of scale which derive from operating in larger stores which serve wider catchments. However, polarisation has also been driven by consumer demand in that people have become increasingly discerning and willing to travel further to obtain the comparison goods they desire.

6.18 In the convenience sector, a different form of polarisation has occurred whereby the large superstore operators have gained an ever increasing market share at the expense of independent convenience traders and smaller supermarket operators. Indeed, the number of independent convenience traders has fallen by 30,000 since 1994, equating to 40% of the nation’s stock of such shops. Moreover, the large food superstore operators have increasingly diversified their product lines to include an ever-increasing range of comparison goods.

E-tailing

6.19 Whilst the catalogue shopping market has seen sales decline in recent years, UK internet sales have increased significantly in recent years since consumer confidence in online retailing has risen as shoppers have found the internet increasingly easy to navigate, credit card use to be secure and delivery to be convenient and reliable. According to the Interactive Media in Retail Group (IMRG), the UK population spent just under £5billion online during November and December 2005. This compares to online sales of just over £3billion during November and December 2004.

6.20 Since the e-tail market is a relatively recent phenomenon, it is difficult to estimate e-tail’s likely future market share. Some press commentators assert that e-tailing will eventually account for 30% of total comparison goods sales, however we consider this unrealistically high. Our best estimate is that the share of total comparison goods sales accounted for by Special Forms of Trading (of which e-tail will be the most significant) will rise from 6.0% in 2006, to 9.0% in 2009, to 13.0% by 2013 and to 16.0% by 2018. This is still a substantial proportion of total sales activity and we consider it represents a high allowance for Special Forms of Trading and ensures that our retail forecasts are based on conservative assumptions.

6.21 Certain sub-sectors are likely to be more affected by growth in e-tailing than others and the internet has particular attraction for books, CDs and high volume electrical goods. However, the fastest growing online shopping sector is clothing and footwear.
Nevertheless, it is the high street retailers themselves who are the primary participants in e-commerce – as opposed to new, non-property-based entities – with many key national multiple retailers now viewing online sales as a key complementary function to their existing store operations.

**Impact of planning policy**

6.22 The data on the location of retail development undertaken since the publication of the former PPG6 in 1996 are unreliable and conflicting. Nevertheless, it seems clear that the application of the sequential approach is beginning to have an impact, at least in relation to planning decisions since Mr Caborn’s Parliamentary answer of February 1999. For example, our analysis of appeal decisions in relation to out-of-centre retail parks since 1999 has revealed a dismissal rate of two thirds, and data from CB Richard Ellis suggest that town centre schemes now account for 78% of the shopping centre pipeline, compared to 64% in 1993.

6.23 However, it is clear that a substantial stock of extant consents for out-of-centre retail development still exists and Donaldsons has claimed that more than half of new retail floorspace is still being built in out-of-centre locations.

6.24 Thus, it seems that whilst the out-of-centre tap has been more or less turned off in relation to planning decisions, the flow of retail development in town centre and edge-of-centre locations has been disappointing. It is also clear that town centre schemes have a long gestation period and the encouragement given in PPS6 for local authorities to take a more proactive stance to land assembly is long overdue.

**Leisure sector**

**Social and economic change**

6.25 The leisure industry has benefited from the continued growth in household disposable income and final consumption. Competitive forces have reduced the price of essentials, allowing an ever-increasing proportion of consumer expenditure to be spent on leisure items, whether for in home entertainment or spent outside the home. Table 6.1 presents the national trend in disposable income and consumption.

**Table 6.1 Trends in Household Disposable Income and Consumption**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household Disposable Income</td>
<td>612.11</td>
<td>754.8</td>
<td>900.83</td>
<td>23.3%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Household Final Consumption</td>
<td>587.54</td>
<td>719.27</td>
<td>851.70</td>
<td>22.4%</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

Source: Experian, Autumn 2004 (2001 prices)

6.26 Other social and economic changes which have had, and will have, significant impacts on the commercial leisure sector include:

- growth in the number of people employed (up by nearly 3m since 1987) – particularly females, who account for 82% of part-time jobs – with households becoming increasingly ‘cash-rich’, but ‘time poor’;
- an increase in households which fall within the A, B, and C1 social groupings, who have a greater proportion of disposal income for leisure spending; and
- a growth in the proportion of leisure time spent on the home computer, with young adults spending considerable time surfing the Internet, downloading music, watching DVDs and so on.

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8 Financial Times, 31 August 2005
Growth in leisure expenditure and changing leisure activities

6.27 Experian forecasts that overall expenditure on leisure services will grow by 1.4%, per capita, per annum, in the period 2005 to 2014. Experian breaks down existing leisure spending into six COICOPS (Classification of Individual Consumption by Purpose) categories, as shown in Table 6.2 for the UK as a whole.

Table 6.2 Spending on Leisure Services in 2004

<table>
<thead>
<tr>
<th>COICOPS categories</th>
<th>Description</th>
<th>UK spend per capita £</th>
<th>% of leisure spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1.1</td>
<td>Restaurants, cafés, bars, pubs etc</td>
<td>1,000</td>
<td>61</td>
</tr>
<tr>
<td>9.4.2</td>
<td>Cultural services</td>
<td>238</td>
<td>14</td>
</tr>
<tr>
<td>9.4.3</td>
<td>Games of chance</td>
<td>151</td>
<td>9</td>
</tr>
<tr>
<td>11.2</td>
<td>Accommodation services</td>
<td>92</td>
<td>6</td>
</tr>
<tr>
<td>9.4.1</td>
<td>Recreational and sporting services</td>
<td>83</td>
<td>5</td>
</tr>
<tr>
<td>12.1.1</td>
<td>Personal services</td>
<td>78</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>1,642</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Experian Retail Planner Briefing Note 3.0, Table 2.1 (2004 prices)

6.28 Thus, it can be seen that restaurants, cafés and bars account for three fifths of the UK spend on leisure. Furthermore, commercially oriented property developments, such as cinemas, account for only a small fraction of spend on cultural services (5.1%), with bingo halls accounting for just 6% of spend on games of chance and with casinos accounting for just 14% of spend on games of chance.

6.29 The Leisure Industries Research Centre (LIRC) has also published national projections of categories of leisure spend in the period up to 2008, as set out in Table 6.3. These are not segmented into regions, but the leisure participations would vary according to the age and social class profile of a particular region. In line with the Experian data, LIRC shows that the highest spending category in absolute terms is ‘eating out’, followed by ‘alcoholic drink’, ‘gaming’ and ‘health and fitness’. However, in terms of projected change, the fastest growth is anticipated to be in ‘spectator sports’ and ‘health and fitness’. We understand that these projections are based on existing market shares and do not incorporate the forthcoming casino deregulation.
Table 6.3 Spend on Selected Leisure Activities 2000-2008*

<table>
<thead>
<tr>
<th>Activity</th>
<th>2000 £m</th>
<th>2001 £m</th>
<th>2002 £m</th>
<th>2003 £m</th>
<th>2004 £m</th>
<th>2005 £m</th>
<th>2006 £m</th>
<th>2007 £m</th>
<th>2008 £m</th>
<th>% Change 2008/2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bingo</td>
<td>523</td>
<td>552</td>
<td>595</td>
<td>602</td>
<td>606</td>
<td>664</td>
<td>637</td>
<td>641</td>
<td>676</td>
<td>29.25</td>
</tr>
<tr>
<td>Cinema**</td>
<td>623</td>
<td>620</td>
<td>724</td>
<td>678</td>
<td>739</td>
<td>769</td>
<td>803</td>
<td>840</td>
<td>879</td>
<td>41.10</td>
</tr>
<tr>
<td>Dancing/Discos</td>
<td>749</td>
<td>752</td>
<td>790</td>
<td>832</td>
<td>885</td>
<td>941</td>
<td>999</td>
<td>1,060</td>
<td>1,127</td>
<td>50.50</td>
</tr>
<tr>
<td>Spectator Sports</td>
<td>767</td>
<td>808</td>
<td>826</td>
<td>909</td>
<td>998</td>
<td>1,121</td>
<td>1,217</td>
<td>1,337</td>
<td>1,485</td>
<td>48.80</td>
</tr>
<tr>
<td>Eating Out</td>
<td>33,011</td>
<td>34,376</td>
<td>36,782</td>
<td>38,916</td>
<td>41,160</td>
<td>43,700</td>
<td>46,226</td>
<td>48,939</td>
<td>51,865</td>
<td>57.10</td>
</tr>
<tr>
<td>Alcoholic Drink+</td>
<td>18,080</td>
<td>18,790</td>
<td>19,990</td>
<td>20,430</td>
<td>21,370</td>
<td>22,300</td>
<td>23,330</td>
<td>24,400</td>
<td>25,500</td>
<td>41.10</td>
</tr>
<tr>
<td>Total Sightseeing</td>
<td>934</td>
<td>943</td>
<td>1,046</td>
<td>1,077</td>
<td>1,137</td>
<td>1,194</td>
<td>1,256</td>
<td>1,321</td>
<td>1,390</td>
<td>48.80</td>
</tr>
<tr>
<td>Total Gaming</td>
<td>7,082</td>
<td>7,152</td>
<td>7,583</td>
<td>8,129</td>
<td>8,389</td>
<td>8,890</td>
<td>8,630</td>
<td>8,905</td>
<td>9,376</td>
<td>32.40</td>
</tr>
<tr>
<td>Health &amp; Fitness++</td>
<td>1,420</td>
<td>1,583</td>
<td>1,641</td>
<td>1,763</td>
<td>1,814</td>
<td>2,033</td>
<td>2,077</td>
<td>2,190</td>
<td>2,381</td>
<td>67.70</td>
</tr>
</tbody>
</table>

Source: Leisure Industries Research Centre (current prices)
* Exclusive of spend by non-UK citizens
** Relates to Gross Ticket Revenues only, excluding VAT and concessionary income
+ This includes alcohol consumed in restaurants and hotels, but adjusted for alcohol consumed at home
++ Private sector estimates. Local Authority income excluded

Gambling Act 2005

6.30 The Gambling Act received Royal Assent on 7 April 2005. The consultations for the Act acknowledged that changes were required as the old laws were unduly restrictive and did not take account of current leisure trends. More importantly it did not make any provision for the technological advances which had occurred since its enactment, such as remote betting and gambling.

6.31 A major change was to bring all aspects of the gambling industry under the auspices of one body - the Gambling Commission, which came into being into October 2005. Likewise, all aspects of licensing were to be transferred from magistrates to local authorities, who will act with advice and guidance from the Gambling Commission. The restriction for casinos only to be developed in ‘permitted areas’ was dropped, as was the 24-hour membership rule, and advertising by casinos was permitted. Demand tests for casinos, licensed betting offices and bingo clubs were abolished.

6.32 The Government designated three types of casino: ‘regional’, ‘large’ and ‘small’. The ‘regional’ casinos will be allowed up to 1,250 machines including some with unlimited jackpot prizes. The ‘large’ and ‘small’ casinos would be restricted to jackpot machines with a maximum prize of £4,000 although the table to machine ratios would be far more generous than for existing casino operators. The ‘regional’ and ‘large’ casinos will be permitted to offer bingo and all categories will be able to offer betting. At the time of writing, the Government is retaining its position that licences will initially be issued only for 17 additional casinos: one ‘regional’, eight ‘large’ and eight ‘small’.

6.33 The Government believes that the presence of regional casinos could have a marked impact on areas which are in need of regeneration. As well as bringing many aspects of gambling such as bingo and casinos under one roof, they would include facilities such as hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure attractions. The Government believes that this would facilitate the rejuvenation of deprived areas.

6.34 The Government has not yet stipulated where new casinos should be located. Instead it wants Regional Planning Bodies to submit proposals to an independent advisory panel, which the Government has appointed. This panel will then make recommendations as to the locations of the one ‘regional’, and eight ‘large’ and ‘small’ casinos by the end of 2006. Parliament will have to approve the locations, which is expected to be during the first quarter of 2007.
6.35 When these decisions have been made the casino operators will be able to submit applications to the local authorities for a casino premises licence and for planning permission. Where there is more than one application, for any type of casino, the local authority will run a competition to determine the successful applicant.

Impact of planning policy

6.36 Government policy has increasingly striven to drive leisure developments to town centre and edge-of-centre locations. Much improved architectural design has enhanced the town centre environments and many pub and bar operators have designed formats which have particular high street appeal. The challenge to many local authorities has been to design town centres which operate through days and evenings, rather than become deserted after 6pm, when office workers and shoppers have left the centre and the area becomes deserted, or appears threatening by the presence of a large amount of drinkers. The effect of the Licensing Act has been to extend drinking hours, although this tended to be more likely to occur in town centres than in rural areas.

6.37 The change in policy is encouraging more mixed-use developments which combine leisure, retail and, occasionally, office space. Facilities for night-time leisure ensure that the parking facilities are utilised to their fullest extent and some innovative town centre leisure schemes have been developed. Nevertheless, most leisure park development to date has been in out-of-centre locations.

Conclusions

6.38 We can be reasonable confident that comparison retail expenditure growth in the period up to 2018 is likely to be in line with the 40 year trend, at around 4%, per capita, per annum. This comparison goods expenditure growth - coupled with anticipated population growth - will generate comparison goods retail floorspace requirements, as set out in Section 7.

6.39 This growth in demand for new comparison goods retail floorspace will occur despite a projected growth in internet sales from a present day level of around 6% of total expenditure on comparison goods in 2006, to around 16% by 2018. However, the quantitative need for additional convenience goods floorspace will be much more limited, again as discussed in Section 7.

6.40 The leisure sector has benefited from the continued growth in household disposable income and final consumption and expenditure on leisure services is forecast to grow by 1.4%, per capita, per annum, in the period 2006-2018. It is likely that much of this growth in expenditure will be absorbed by restaurants, cafés and bars, which presently account for three fifths of total spend on leisure.

6.41 One of the key changes in the leisure sector is the new regime of casinos that will be ushered in under the Gambling Act 2005. However, whilst the Government believes that the new casinos may have a marked impact on areas that are in need of regeneration, we are not persuaded that there will be any gain to the national economy as a result of the new legislation. This is because any increase in expenditure on gambling is likely to be offset by reduced levels of expenditure in other leisure and retail sectors, and through reductions in savings. Furthermore, the impact of the new Act for the social inclusion agenda is uncertain.

6.42 Thus, the proactive, plan-led approach to planning for town centres will need to be applied vigorously in East London if a greater proportion of investment in the retail and leisure sectors is to be accommodated within town centres.
7 NEED FOR ADDITIONAL RETAIL AND LEISURE FLOORSPACE

7.1 Having set out some of the key trends, this section sets out our assessment of the future capacity for additional retail (comparison and convenience) and leisure floorspace in each of the forecast years. The study brief requires we use 2013 and 2018 as forecast years, although we have also included 2009 as a midpoint between the base year (2006) and the first of the forecast years (2013). This enables us to model the floorspace requirements more accurately.

7.2 We have drawn on a combination of bespoke surveys and existing/published data to develop a means of assessing capacity for retail and commercial leisure uses in order to provide a strategy for London Borough of Havering (LBH) to meet these requirements. We first investigate the retail position, before moving onto an assessment of commercial leisure provision.

Retail assessment - approach

7.3 In order to undertake our analysis, we have developed a comprehensive model of current comparison and convenience shopping patterns, based on the results of the NEMS household interview survey, undertaken in January 2006. In developing our methodology, we have drawn on established best practice and our extensive experience in this field. In particular, we focus on the following basic guiding principles (which we anticipate will be emphasised in forthcoming ODPM Good Practice Guidance on retail and leisure need and impact assessments):

- the need for a transparent methodology;
- the need to use objective and up to date data inputs;
- the need to justify the use of growth rates and key assumptions used in the analysis; and
- the importance of identifying alternative options and objective testing.

7.4 Based on these guiding principles, we have employed a step by step approach to the capacity modeling exercise in accordance with standard practice, which can be generally described as follows:

- **Step 1**: the study area has been subdivided into eight zones using ward geography and reflects as far as possible the existing distribution of retail centres.
- **Step 2**: population estimates have been obtained for each study area zone for the base year (2006) and each of the forecast years (2009, 2013 and 2018).
- **Step 3**: locally based per capita expenditure estimates for comparison goods and convenience goods have been obtained for all of the zones within the study area for the base year and each of the forecast years (all monetary values are maintained constant at 2003 prices).
- **Step 4**: total available expenditure within each of the study area zones is obtained by combining the population estimates with the expenditure estimates. For the comparison goods assessment, we also deduct proportion of expenditure devoted to Special Forms of Trading (SFT), which is estimated to increase in each of the forecast years.
- **Step 5**: establish composite market shares for the study area for both comparison and convenience goods, as derived from the NEMS household survey data.
- **Step 6**: the spending pattern within the study area is derived by applying market shares to the available expenditure for both comparison and convenience goods.
Step 7: the current sales densities of the borough's centres within the study area are calculated using floorspace data and the market shares derived from the household survey.

Step 8: an allowance is made for claims on expenditure by the turnover of commitments to new retail floorspace in the study area.

Step 9: floorspace capacity for the entire study area is calculated at the forecast years, and at this point we make an allowance for the increase in the trading performance of the existing floorspace in the study area.

Step 10: floorspace capacity for specific centres in the borough are estimated based on existing shopping patterns derived from the household survey.

Each of the steps 1-10 as outlined above is explained in more detail below.

First, it is important to understand that our assessment incorporates a series of assumptions, which we have carefully considered in order to ensure our findings are robust. These assumptions have been informed by the review of national trends explained in Section 6, together with RTP experience and professional judgment. Each assumption is explained in more detail below. However, in summary, we list our key assumptions as follows:

- **Population projections**: We use GLA ward level population projections for 2006 and each of the forecast years.

- **Expenditure growth**: We adopt the MapInfo/Oxford Economic Forecasting (OEF) 2004-2016 forecast of 4.3%/annum for comparison goods and 0.9%/annum for convenience goods.

- **Household survey results**: We calculate a composite market share for comparison and convenience goods by using a series of weights applied to the raw data, a process which is explained in detail at Section 5.

- **Inflow of expenditure**: We estimate the proportion of expenditure that flows into the borough through the use of the Romford visitor survey together with our own professional judgment of the draw of a centre and its role in the retail hierarchy.

- **Floorspace data**: In calculating the floorspace densities (otherwise known as turnover in £ per sqm) for existing LBH centres, we apply a 65:35 gross to net ratio for traditional high street floorspace, and a 85:15 gross to net ratio for newer purpose built floorspace to ascertain the net floorspace in each of the centres.

- **Special Forms of Trading (SFT)**: We assume the proportion of SFT at 2006 will be 6% of expenditure, but we increase this percentage to 9% in 2009, 13% in 2013 and 16% in 2016.

- **Increase in productivity of existing floorspace**: We assume that the turnover of existing comparison floorspace will grow by 2.25%/annum and the turnover of convenience floorspace will grow by 0.75%/annum.

We are aware of a large outdoor market which normally takes place within Romford town centre on a Wednesday, Friday and a Saturday. This market comprises some 142 stalls and sells both convenience and comparison goods. In retail modeling, it is standard practice not to take account of the turnover of the stalls in market places and we have followed this practice.

We appreciate that the market is a significant qualitative draw for visitors to the town centre. Yet we consider the market's influence on the overall turnover of Romford, in monetary terms, would be minimal and the expenditure directed to the stalls should be taken into account through our allowance for SFT, which includes expenditure spent in outdoor markets.
7.9 We now move on to outline Steps 1 and 2, which are common to the calculations for both comparison and convenience goods shopping requirements. We then move on to consider first the comparison goods floorspace requirement, followed by that for convenience goods. All of the spreadsheet tabulations we refer to in the text below are presented in Appendix 5.

**Step 1: Study area definition**

7.10 The study area was defined and agreed with the borough’s officers at the outset of the study. It sets out the parameters of the household survey. The study area is divided into a series of zones (eight in all) that are based on ward geography. The study area covers all the wards in the borough, but extends beyond the borough boundary to the west to include wards from two other London Boroughs, namely London Borough of Barking and Dagenham and London Borough of Havering. A full schedule of the wards that make up each of the eight zones is set out in Spreadsheet Table 1, Appendix 5.

**Step 2: Study area population**

7.11 We have obtained the latest available ward-level population estimates and forecasts from LBH and GLA10 for the whole of the study area for the years 2006, 2009, 2013 and 2018. The ward-level data was then aggregated on the basis of the study area zones and the resulting population projections are set out in Spreadsheet Table 2, along with the change in population in each zone between the base and the forecast years both in terms of absolute growth and percentage growth.

7.12 Across the study area as a whole, the population is forecast to increase by approximately 5,700 (1.7%) in the period to 2009, growing by a further 6,200 (1.8%) in the 2009-13 period. Over the whole 12 years, the population is forecast to grow by approximately 16,800 (5%). However, we note that these population increases do not include any population which might result from residential development in the London Riverside Opportunity Area, where the draft East London SRDF indicates an additional 13,000 homes will be built by 2016, with a proportion of these in the borough. We allow for this by means of alternative scenarios described below.

7.13 In Zone 5 (Romford) population growth is forecast to rise more sharply than in all the other zones, with a growth forecast of 11.4% in the period 2006-18, compared to 5% for the whole study area. A reduction in population is forecast in Zone 2 (Upminster) and Zone 6 (Hornchurch/Elm Park).

**Comparison goods sector**

7.14 Having explained steps 1 and 2, which are common to both comparison and convenience assessments, we now move onto steps 3-10 for the comparison goods element of our assessment.

**Step 3: Per capita expenditure estimates**

7.15 We have obtained from our in-house GIS software11 per capita comparison goods expenditure estimates for each of the study area zones. The data utilized is the latest available, that is 2003 expenditure estimates at 2003 prices. MapInfo estimates are derived from statistics contained in the CSO UK National Accounts, normally referred to as the ‘Blue Book’.

7.16 In order to calculate the expenditure per capita in the base year (2006) and each of the forecast years (2009, 2013 and 2018), we apply an annual growth rate to the 2003 expenditure data. First we use a real (i.e. actual) growth rate of 9.3%, as supplied by

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10 Source: 2005 Round of Interim Demographic Projections – Scenario 8.07
11 as supplied by MapInfo

Roger Tym & Partners
April 2006
MapInfo/OEF\textsuperscript{12} to grow the 2003 expenditure to 2004, and then we use the MapInfo/OEF forecast growth rate of 4.3%/annum to grow the expenditure between 2004-2016. The end date of this MapInfo data is 2016. For modeling purposes, we have assumed that the growth rate is maintained at this level of 4.3%/annum in 2017 and 2018.

7.17 The expenditure per capita estimates are presented in Spreadsheet Table 3. In 2006, the range of comparison expenditure per capita is between £3,527 per capita (Zone 5) and £2,864 per capita (Zone 7).

**Step 4: Total expenditure estimates**

7.18 Having calculated the per capita expenditure figures in each of the study area zones, we next calculate the total available comparison expenditure in each zone by applying the population forecasts to the per capita expenditure figures. The resulting expenditure estimates are presented in Spreadsheet Table 4 and identify the amount of expenditure generated in each study area zone of the time horizon and the total study area expenditure growth to the forecast years.

7.19 It is important to note that that the MapInfo expenditure estimates (as explained above in Step 3) give the total annual expenditure data and therefore this data includes a proportion of expenditure that will be spent by special forms of trading (SFT), such as mail order, internet shopping and expenditure spent at outdoor markets or car-boot sales. We are aware that the major component of SFT is 'e-tailing' and this issue is explained in more detail in Section 6. Our allowance for e-tailing, is in effect, the same as our allowance for SFT. In order to accurately forecast the amount of expenditure available for conventional forms of retailing in each zone, it is necessary to deduct the proportion of total expenditure that is likely to be spent via SFT. We deduct 6% at the base year in 2006.

7.20 Whilst we consider a deduction of 6% SFT at 2006 is appropriate, it is highly likely that the percentage of comparison expenditure devoted to SFT will increase year on year, mainly due to increases in e-tailing (as explained earlier in Section 6). There are differing opinions on how fast SFT will increase in the coming years. For this reason we have drawn on a variety of economic forecasts to provide our best estimate that the proportion of retail comparison expenditure devoted to SFT will increase to 9% in 2009, then to 13% in 2013 and finally to 16% in 2018.

7.21 We consider the 2018 estimate to be a ‘worse case’ estimate in terms of the amount of expenditure available for more conventional forms of retailing. This is in the sense that it reduces the need for additional floorspace - i.e. it presents a cautious approach to the future floorspace capacity projections. We maintain this cautious approach throughout the study so that our work does not overstate the amount of available expenditure and the consequential future floorspace growth projections.

7.22 The level of expenditure in each zone, together with the proportion deducted for SFT is presented in Spreadsheet Table 4. The study area as a whole currently generates £1,024.1m of comparison goods expenditure per annum. Comparison goods expenditure is forecast to grow to £1,317.1m in 2013, an increase of £293m, and to rise further to £1,590.4m in 2018. Over the 12 year period (2006-2018), comparison goods expenditure is forecast to grow by £566.4m.

7.23 This level of growth is substantial and results from both the relatively high population growth within the study area and the continuing growth per capita comparison goods expenditure in the UK. In view of the Government's policy approach in PPS 6, which seeks to apply the ‘class of goods’ approach rather than the ‘format driven’ approach to the location of new retail floorspace, we do not make a distinction between non-bulky and bulky goods in this assessment.

\textsuperscript{12} MapInfo/OEF Information Brief 05/02 (Table 1)
7.24 Our quantitative need assessment has been informed by composite market shares derived from a household survey undertaken by NEMS Market Research. To establish shopping patterns for the study area, we use composite market shares, which are derived from the raw survey data. The raw survey data is attached at Appendix 4, and the process which we obtain our market shares is explained above in Section 5.

7.25 In summary, we apply a series of weights to the raw household data to derive a single set of market shares for each centre within the study area and, where appropriate, centres outside the study area. These weights reflect two elements. Firstly, we weight the data to reflect the proportion of expenditure typically spent on the five main categories of comparison goods. Secondly, we weight the data to reflect the difference in expenditure made by residents between their primary destination and their secondary destination. These composite market shares can be found at Spreadsheet Table 5.

Step 6: Spending pattern within the study area

7.26 The spending pattern within the study area is calculated by applying the composite market share estimates, as set out in Spreadsheet Table 5, to the amount of available expenditure generated from within each zone (as set out in Spreadsheet Table 4). The market shares have been derived from the NEMS Household Survey (2006), and the details of the results are explained in Section 5.

7.27 At this stage we have also estimated the proportion of comparison expenditure that we estimate will flow into the study area from residents outside the study area. We have made an assessment of the role of each centre and then allowed for a proportion of expenditure as “inflow” into the study area. The levels of inflow used are RTP assumptions, informed by the Romford town centre visitor survey and our own observations on the role and function of each centre within the study area. Calculating the spending pattern and the level of inflow enables us to estimate the level of turnover of each centre within the study area. The detailed spending pattern of the centres within the study area is set out in Spreadsheet Table 6.

Main comparison centres within study area

7.28 We now seek to summarise the position in respect of the main shopping destinations, in terms of turnover and the main sources of leakage of expenditure out of the study area. The main shopping destinations within the study area are detailed in Table 7.1. The household survey confirms that Romford town centre is the most important comparison spending location within the study area, with an estimated turnover of £523.8m. Of this total, some £436.5m is derived from residents of the study area.
Table 7.1 Main comparison goods centres within the study area -2006

<table>
<thead>
<tr>
<th>Centre</th>
<th>Total comparison turnover 2006 (£m)</th>
<th>Comparison turnover drawn from residents of study area 2006 (£m)</th>
<th>% of comparison turnover drawn from residents of study area in 2006 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romford</td>
<td>523.8</td>
<td>436.5</td>
<td>43</td>
</tr>
<tr>
<td>Hornchurch</td>
<td>31.3</td>
<td>29.8</td>
<td>3</td>
</tr>
<tr>
<td>Upminster</td>
<td>23.9</td>
<td>22.8</td>
<td>2</td>
</tr>
<tr>
<td>Dagenham Heathway</td>
<td>29.8</td>
<td>27.1</td>
<td>3</td>
</tr>
<tr>
<td>Gallows Corner Retail Park</td>
<td>67.7</td>
<td>64.4</td>
<td>6</td>
</tr>
<tr>
<td>Roneo Corner Retail Park</td>
<td>27.8</td>
<td>26.5</td>
<td>3</td>
</tr>
<tr>
<td>Other centres</td>
<td>75.9</td>
<td>66.8</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>780.2</strong></td>
<td><strong>673.9</strong></td>
<td><strong>66</strong></td>
</tr>
</tbody>
</table>

Source: Derived from Spreadsheet Table 6, Appendix 5 (all data in 2003 prices)

7.29 Table 7.1 also demonstrates the importance of Hornchurch and Upminster as the major district centres within the borough, and the prominence of Gallows Corner and Roneo Corner as out-of-centre retail parks. All these centres attract a significant proportion of trade. Dagenham Heathway is included as one of the main shopping destinations; this is due to its presence within Zone 7 and accordingly it draws the majority of its trade from this zone.

7.30 In summary, Table 7.1 demonstrates that the study area retains 66% of all its expenditure. In other words, 66% of the money generated by residents of the study area is spent in stores within the study area.

Main sources of leakage

7.31 Leakage can be defined as the amount of expenditure derived from the study area which is spent in centres outside the study area; in other words, it ‘leaks’ out from the study area. The main destinations for leakage of comparison goods expenditure are set out in Table 7.2.

Table 7.2 Main destinations for leakage of comparison goods expenditure - 2006

<table>
<thead>
<tr>
<th>Centre</th>
<th>Comparison turnover drawn from residents of study area 2006 (£m)</th>
<th>% of comparison turnover drawn from residents of study area 2006 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakeside</td>
<td>243.6</td>
<td>24</td>
</tr>
<tr>
<td>Bluewater</td>
<td>20.0</td>
<td>2</td>
</tr>
<tr>
<td>Ilford</td>
<td>18.1</td>
<td>2</td>
</tr>
<tr>
<td>West End</td>
<td>14.6</td>
<td>1</td>
</tr>
<tr>
<td>Other centres</td>
<td>53.8</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total leakage</strong></td>
<td><strong>350.1</strong></td>
<td><strong>34</strong></td>
</tr>
</tbody>
</table>

Source: Derived from Spreadsheet Table 6, Appendix 5 (all data in 2003 prices)

7.32 Table 7.2 shows that the destination attracting the highest level of expenditure leakage is Lakeside. This centre is located to the south of the study area. £243.6m of the study area expenditure is leaking to Lakeside, which is 23.8% of all the expenditure in the study area. The nearest competing metropolitan centre to the study area is Ilford.
7.33 In total, the level of leakage is some £350.1m, or some 34% of the entire study area’s comparison expenditure. We comment on the level of retention in the study area in further detail below.

**Step 7: Sales densities of existing centres**

7.34 Sales density is a function of turnover divided by the net sales floorspace, expressed as £ per sqm net. This gives an indication of how successfully a centre is trading. A high sales density normally indicates that a centre that is trading strongly, but this must be considered in the context of the centre’s position in the shopping hierarchy. 

**Spreadsheet Table 7** sets out our calculations of current sales densities for comparison goods for each of the borough’s centres.

7.35 We have obtained retail floorspace data from Experian Goad to calculate net sales area of each of the centres for comparison and convenience goods retailing. This data is not perfect. The main disadvantage is that the floorspace data provided is a gross external area to provide net floorspace figures. Assumptions as to gross-to-net ratios are thus necessary. But the key advantage of this data is that it available for all the centres in the borough (excluding Elm Park and Rainham), thus setting a level playing field. In addition, the data can be disaggregated into comparison and convenience floorspace.

7.36 The floorspace figures include all the area within the site curtilage, including external yards and out-buildings. In some centres, particularly rural centres, this can lead to a distortion of true floorspace figures as properties with substantial amounts of external space within the site curtilage will grossly inflate the floorspace figure. However, we consider that in metropolitan areas, such as Greater London where retailers are limited in their external space, this is much less of an issue. Thus the Experian Goad floorspace data is a reasonable proxy for actual gross internal floorspace areas.

7.37 In assessing net to gross ratios, the net floorspace will vary according to the type of centre being assessed. Traditional town centres normally have a significant proportion of older retail floorspace, some of which was not purpose built. Accordingly, such centres will normally have a relatively low ratio compared to purpose built centres. Shop units in traditional centres normally have a net:gross floorspace ratio of approximately 65/35. We apply this ratio to older elements of Romford town centre and all of the borough’s district centres. For the retail parks and the new purpose built elements of Romford town centre, we have applied a ratio of 85/15 to reflect the likelihood that there is a much higher proportion of sales area compared to storage in these stores.

7.38 The resultant figures show that Romford, the metropolitan centre within the borough, unsurprisingly has the largest comparison goods sales (i.e. net) area at just over 78,000sqm. Upminster contains just under 13,000sqm net and Hornchurch just under 8,000sqm net. The largest of the retail parks is Gallows Corner at approximately 14,500sqm net, followed by Roneo Corner at 10,200sqm net.

7.39 The final column in **Spreadsheet Table 7** presents current sales densities for each of the borough’s centres. The figures show that as well as having the most retail floorspace, Romford is also the best performing centre in terms of sales density at £6,700/sqm. Looking at the district centres, Hornchurch provides the highest average sales density at some £4,000/sqm. Interestingly, the next highest performing centre is Rainham at approximately £3,800/sqm, which is appears high given the size of the centre compared to other district centres. This floorspace density can be explained by the presence of the comparison element of Tesco Extra in the town centre, which we consider attracts the majority of the comparison expenditure being directed to
Rainham. The two lowest floorspace densities for the district centres are Collier Row and Elm Park at £544/sqm and £403/sqm respectively, which reflects the modest amount of comparison floorspace in these centres.

**Step 8: Allowances for claims on expenditure growth by commitments**

**7.40** Before the increases in retained expenditure can be converted into floorspace requirements, it is necessary to take account of ‘claims’ on the expenditure growth. We have divided these claims in to two sections, firstly there is the allowance extant permissions granted within the study area, both those unimplemented to date and those currently under construction. Secondly there is an allowance for the improvements in vacancy rates.

**Spreadsheet Table 8** identifies the two major comparison commitments within the study area, namely the North Side of the Market Place site in Romford and the comparison element of the Asda store on the Dolphin site in Romford. The net comparison floorspace of both these commitments amounts to some 8,169sqm. For the purposes of this study, we have assumed that both these developments will be open and trading by the first forecast year of 2009, although we appreciate they may start trading before this date.

**7.42** We have also made an allowance for the improvement of vacancy rates within the study area. In capacity models such as the one used in this study, an allowance for improvements in vacancy rates is not normally required. This is because there will always be a supply of vacant units in any large centre and is a result of normal market forces and results in a continuing turnover of occupiers. Also, many vacancies are not necessarily suitable for retail uses or are unattractive to retail operators. However with Romford, our healthcheck analysis has revealed that there is 28,060sqm of vacant floorspace within the town centre, which is 12% of all floorspace. This level is high compared to the GB average of 6% and importantly the vacant floorspace include three large retail units. Therefore to ensure our capacity exercise is robust, we consider it sensible to allow for a claim on the expenditure from an improvement in the existing level of vacancies in Romford. The vacancy level in the district centres is low, therefore we have not allowed for improvements in their vacancy levels.

**7.43** We have assumed that the Romford vacancy level will improve to 6%, which is the GB average and is a realistic objective for Romford, especially given the presence of large vacant units. Therefore we have treated half of the vacant floorspace as a commitment. We have then applied a 65/35 ratio in order to provide a net floorspace. Then we have assumed that 70% of this floorspace will be reoccupied by a comparison goods retailer. Given the uncertainty over which retailers will occupy each unit, this is our best estimate. Using this assumption, we anticipate that the remainder of the floorspace will be reoccupied by either convenience or other retail operators, or by other town centre uses. For the purposes of this study, we assume this improvement in vacancy rates will occur by the first forecast year of 2009, although we appreciate the vacancy level may improve before this date if and when the large vacant units in Romford are occupied.

**7.44** We have estimated the likely turnover of this all the committed floorspace, including extant permissions and improvements to the vacancy level in Romford, to be £90.3m per year, with £73.4m being derived from the study area. All the calculations can be found at **Spreadsheet Table 8**.

**7.45** Our retail model must deduct all turnover generated by the commitments and the uptake of vacant floorspace, namely £90.3m. Therefore we deduct this turnover from the growth in expenditure calculated in the proceeding steps.

**Step 9: Capacity for new retail floorspace in the study area**

**7.46** Having assessed the quantum of comparison expenditure growth in the study area, the existing turnover of each of the centres within the study area and the claims on
expenditure growth, the next step in the assessment is to calculate the amount of residual expenditure at the each of the forecast years and to convert this to a floorspace requirement for the whole of the study area.

7.47 We test our capacity model against four different scenarios, as explained below. For each scenario, we assume the available expenditure and the turnover of the stores within the study area are in equilibrium in the base year (2006). This is a conventional assumption in retail capacity assessments, as it is difficult to calculate potential capacity for new retail floorspace in the base year without detailed information on actual centre and store level turnovers. However, we do recognise that there is likely to be both over-trading and under trading of some stores in the study area at the base year.

7.48 The four scenarios we have tested for the comparison goods assessment are as follows:

- **Scenario A**: constant market share
- **Scenario B**: increasing the retained market share
- **Scenario C**: constant market share and additional population from London Riverside
- **Scenario D**: increasing the retained market share and additional population from London Riverside

7.49 We consider that under the current conditions, the constant market shares approach is the ‘worse case’ scenario. For this reason we have not tested what would happen if the retained market shares were to drop. The reason for this approach is that there are no major new retail commitments near the edge of the study area. The nearest major commitment for new retail floorspace is the Stratford City development, which will provide approximately 100,000sqm of new comparison floorspace in East London. This will shift Stratford up the retail hierarchy from a major centre to a metropolitan centre.

7.50 However, other than Stratford becoming a competing metropolitan centre to Romford in East London, we consider its impact on the trading performance of Romford will be minimal. This is confirmed by Stratford Retail Study (February 2003), prepared by Hillier Parker, which states that the impact on Romford from the Stratford will be minimal due to the distance between the two centres and largely different catchment areas (paragraph 8.22).

7.51 Given that Romford is, by some distance, the largest comparison shopping destination in the study area, we consider that if any impact from Stratford were to occur then this would be on Romford. However we still consider that the retained market share for the entire study area is unlikely to drop when the Stratford development proceeds and begins trading. We explain our approach to each scenario below.

**Scenario A: Constant market shares**

7.52 This scenario assumes that the market share of the centres within the study area maintains the same vis-à-vis centres outside the study area for each of the forecast years. The retained market share at 2006 for the centres within the study area is 66%, which is the proportion of expenditure in the study area which is spent in shops also within the study area.

7.53 With this scenario we use the baseline population projections, as supplied by the GLA and as explained in Step 2 above.

**Scenario B: Adjusted market shares**

7.54 For this scenario, we have assumed that the market share of the centres within the study area will increase in each of the forecasts years vis-à-vis other centres outside the study area. The retained market share is 66% in 2006, and we estimate that this
will increase by 4 percentage points over the twelve years to 2018. Therefore, we have estimated that the retained market share will increase from 66% in 2006 to 67% in 2009, to 68% in 2013 and to 70% in 2018.

7.55 The reason we have used this increasing market share is two-fold. First, we consider that the developments such as the new floorspace at the site North of the Market Place and the redevelopment of the Dolphin site will increase the attractiveness of Romford town centre in the short term. Thus residents of the study area will be more likely to shop locally in the years to come. Secondly, Government policy in PPS 6 has firmly puts town centres first in respect of retail strategies (as explained in detail in Section 2).

7.56 We thus consider population growth in the forecast years is unlikely to result in significant expenditure flowing to out-of-town destinations. On this basis, we consider it both sustainable and realistic in the forecasts years for the study area to claim back some of the expenditure that is currently leaking to Lakeside. We consider it is unlikely that any further floorspace be provided or permitted at Lakeside. Retail growth should be directed to centres within the study area in accordance with Government guidance.

7.57 With this scenario we use the baseline population projections, as supplied by the GLA and as explained in Step 2 above. In general, we have noted that population growth is highest in those zones where Romford has been identified as the primary shopping destination for comparison goods.

Scenario C: Constant market share and allowance for additional population at London Riverside

7.58 With this scenario, we adopt the constant market share approach as explained under Scenario A. We have also assumed that residential developments proposed at London Riverside will proceed and will result in an increase of 11,000 additional residents within Zone 1 of the study area. We assume that 50% of these additional residents will be present by 2013 and the remainder will be present by 2018.

Scenario D: Adjusted market share and allowance for additional population at London Riverside

7.59 With this scenario, we adopt the adjusted market share approach as explained under Scenario B and incorporate the additional population likely the result from London Riverside, as explained under Scenario C.

Study area floorspace capacity

7.60 In Spreadsheet Tables 9a-d (attached at Appendix 5) we have drawn together our key data outputs from Spreadsheet Tables 1-8, and end up with a study area floorspace requirement for each of the forecast years. We provide a summary below of the approach common to each scenario. We refer to rows A-K, which can be found in Spreadsheet Tables 9a-d.

i) **Study area expenditure retention**: The first three rows A-C provide the ‘retained expenditure’ in each of the forecast years. This is calculated by taking the total study area expenditure (as calculated in Steps 2, 3 and 4 above), and then applying the current market share of centres (as calculated using the composite market shares as described in Step 5 above) to provide the ‘retained expenditure’ for the study area.

ii) **Expenditure inflow from beyond the study area**: In row D, we estimate the proportion of expenditure that flows into the study area from population living outside the study area.

iii) **Available expenditure**: In row E, we calculate the total available expenditure. This is calculated by adding the retained expenditure with the inflow.
iv) **Deductions for claims on expenditure**: In rows F and G, we make deductions for the claims on expenditure. First, we must deduct the turnover of the existing stores in the study area. As noted above, we assume that the 2006 turnover of the centres is in equilibrium with the available expenditure. We then make an allowance for the growth in the floorspace turnover efficiency (turnover per sqm) of the existing retail floorspace stock within study area. We have built in an improved efficiency rate of 2.25%/annum for the existing comparison floorspace. We have also allowed for a claim on expenditure by commitments to new floorspace, as explained in Step 8 above.

v) **Residual expenditure**: Row H sets out the residual expenditure, which is the available expenditure, less the deductions made from the centres’ turnover and from the commitments.

vi) **Assumed sales density**: In order to convert our residual expenditure to a floorspace requirement, we use an assumed floorspace density. This is the £/sqm we consider any new floorspace is likely to turnover at and means we can calculate how much floorspace is required in the study area. Row I demonstrates that we use £5,500/sqm in 2006, which we grow by 2.25%/annum to each of the forecast years. This floorspace density is a RTP estimate based on the turnover of the existing floorspace. It reflects our experience in other studies.

7.61 Incorporating all the data inputs as explained above, Row J of Spreadsheet Tables 9a-d provides a net floorspace requirement at each forecast year. We convert this net requirement into a gross requirement by applying a net to gross ratio of 65/35. The gross requirements can be found at Row K. **Table 7.3** explains the position at 2018, for each different scenario.

<table>
<thead>
<tr>
<th>Table 7.3 Study area comparison floorspace requirements in 2018</th>
<th>Scenario A</th>
<th>Scenario B</th>
<th>Scenario C</th>
<th>Scenario D</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Total study area expenditure (£m)</td>
<td>1,590.4</td>
<td>1,590.4</td>
<td>1,641.4</td>
<td>1,641.4</td>
</tr>
<tr>
<td>B. Current market share of study area (%)</td>
<td>66</td>
<td>70</td>
<td>66</td>
<td>70</td>
</tr>
<tr>
<td>C. Retained expenditure (£m) (=A*C)</td>
<td>1,046.7</td>
<td>1,113.3</td>
<td>1,080.2</td>
<td>1,149.0</td>
</tr>
<tr>
<td>D. Inflow (£m)</td>
<td>165.1</td>
<td>165.1</td>
<td>170.4</td>
<td>170.4</td>
</tr>
<tr>
<td>E. Available expenditure (£m) (=C+D)</td>
<td>1,211.7</td>
<td>1,278.4</td>
<td>1,250.6</td>
<td>1,330.2</td>
</tr>
<tr>
<td>F. Study area centre’s turnover (£m)</td>
<td>1,019.0</td>
<td>1,019.0</td>
<td>1,019.0</td>
<td>1,019.0</td>
</tr>
<tr>
<td>G. Commitments (£m)</td>
<td>110.3</td>
<td>110.3</td>
<td>110.3</td>
<td>110.3</td>
</tr>
<tr>
<td>H. Residual Expenditure (£m) (=E-F-G)</td>
<td>82.4</td>
<td>149.0</td>
<td>118.8</td>
<td>198.4</td>
</tr>
<tr>
<td>I. Assumed sales density (£/sqm)</td>
<td>7,183</td>
<td>7,183</td>
<td>7,183</td>
<td>7,183</td>
</tr>
<tr>
<td>J. Floorspace requirement (net sqm) (=H/I)</td>
<td>11,470</td>
<td>20,747</td>
<td>16,537</td>
<td>27,621</td>
</tr>
<tr>
<td>K. Floorspace requirement (gross sqm)</td>
<td>15,484</td>
<td>28,008</td>
<td>22,325</td>
<td>37,289</td>
</tr>
</tbody>
</table>

Source: derived from Spreadsheet Tables 9a-d, Appendix 5 (all data is in 2003 prices)

**Step 10: Floorspace capacity for each centre within the borough**

7.62 In Step 9 above, we calculate a study area floorspace requirement for each scenario and in each forecast year. This floorspace then should be directed to centres in accordance with the sequential approach as set out in PPS6. However, in accordance with the study brief, and to provide further evidence of where this floorspace requirement should be met, we have sought to direct a proportion of the study area floorspace requirement to each of the centres within the study area, and in particular those centres within the borough.
The floorspace capacity for each of centres within the borough for each of the scenarios is set out in Spreadsheet Tables 10a-d. The way we have divided the floorspace requirements is based on using existing share of the comparison expenditure each centre attracts, as derived from the composite market shares calculated at Step 5 above. We have then applied these market shares to the overall study area requirement to enable us to derive an indicative floorspace requirement for each centre, which are based on the existing shopping patterns. It should be noted that the existing patterns direct some market share to out-of-centre retail destinations.

As Government guidance seeks to resist further out-of-centre development (as explained in Section 2), we have not included the market shares of the out-of-centre destinations, rather distributed their share on a pro-rata basis to the other centres within the study area. This means we have an indicative floorspace requirement for Romford metropolitan centre and each of the district centres within the borough.

Table 7.4 sets out the floorspace requirement for each of the borough’s centres in 2018, and to provide a context we in compare this with the East London SRDF requirements, which are to 2016. In the first instance, we urge a degree of caution when assessing these floorspace requirements, especially for the district centres, as these are based on existing market shares. Therefore, if a centre achieved a low market share in the household survey, it will in turn attract a low floorspace requirement in our assessment.

Table 7.4 Comparison floorspace requirements for each LBH centre in 2018

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
<th>Scenario</th>
<th>SRDF (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
</tr>
<tr>
<td>sqm gross</td>
<td>sqm gross</td>
<td>sqm gross</td>
<td>sqm gross</td>
<td>sqm gross</td>
</tr>
<tr>
<td>Romford metropolitan centre</td>
<td>12,428</td>
<td>22,481</td>
<td>17,919</td>
<td>29,930</td>
</tr>
<tr>
<td>Hornchurch district centre</td>
<td>848</td>
<td>1,533</td>
<td>1,222</td>
<td>2,041</td>
</tr>
<tr>
<td>Rainham district centre</td>
<td>164</td>
<td>296</td>
<td>236</td>
<td>394</td>
</tr>
<tr>
<td>Harold Hill district centre</td>
<td>180</td>
<td>326</td>
<td>260</td>
<td>434</td>
</tr>
<tr>
<td>Upminster district centre</td>
<td>649</td>
<td>1,173</td>
<td>935</td>
<td>1,562</td>
</tr>
<tr>
<td>Elm Park district centre</td>
<td>28</td>
<td>51</td>
<td>41</td>
<td>68</td>
</tr>
<tr>
<td>Collier Row district centre</td>
<td>36</td>
<td>65</td>
<td>52</td>
<td>87</td>
</tr>
<tr>
<td>TOTAL LBH</td>
<td>14,333</td>
<td>25,925</td>
<td>20,665</td>
<td>34,515</td>
</tr>
<tr>
<td>Outside LBH (but inside study area)</td>
<td>1,152</td>
<td>2,083</td>
<td>1,661</td>
<td>2,784</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>15,484</strong></td>
<td><strong>28,008</strong></td>
<td><strong>22,325</strong></td>
<td><strong>37,289</strong></td>
</tr>
</tbody>
</table>

Note: The East London SRDF Data includes 13,000 sqm gross as a “residual” requirement for LBH which has not been allocated to a centre.

Source: derived from Spreadsheet Tables 10a-d, Appendix 5

Table 7.4 demonstrates that we have forecast a floorspace requirement for the borough of between circa 14,000sqm and 35,000sqm gross. The draft East London SRDF requirement is circa 37,000sqm gross at 2016, which is some 2,000sqm less than our upper requirement (under Scenario D), and some 23,000sqm more than our...
lowest requirement (under Scenario A). However, it should be noted that we understand that the draft SRDF requirement does not allow for any comparison commitments in Romford (as set out in Table 1C.3 on page A62 of Annex 4) or makes any allowance for the improvements in vacancies.

7.67 If we look at the situation with Romford specifically, Table 7.4 demonstrates a floorspace requirement of between circa 12,000sqm gross and 30,000sqm gross. The East London SRDF forecast a requirement for Romford of 20,000sqm gross at 2016. This is some 8,000sqm more than our lowest requirement (Scenario A), but is some 10,000sqm less than our highest requirement (Scenario D).

7.68 This can be explained through the presence within the SRDF data of an unallocated 13,000sqm floorspace for the borough, which we understand should be directed in accordance with the sequential approach. In this respect, we consider it entirely acceptable for Romford to attract a much higher floorspace requirement than as set out in the SRDF, given its role as a metropolitan centre and is at the top of the retail hierarchy within the borough.

7.69 As mentioned above, we urge a degree of caution in using the above floorspace requirements for the district centres. However, it is clear that of the district centres, Hornchurch and Upminster are attracting the highest floorspace requirements, consistent with their role as the largest district centres within the borough.

Sensitivity assessment

7.70 The assumptions we have used in this assessment are those that we consider the most appropriate for this study, and we have sought to justify the various inputs we have used elsewhere in the report. However, we are aware that there are a number of different data inputs which are heavily reliant on economic forecasts that are inherently difficult to predict, especially in the longer term. Therefore, we have undertaken a brief sensitivity assessment, which looks at the situation for each scenario if two of the key data inputs are altered. The key assumptions we have altered in our sensitivity assessment are as follows:

- **Growth rate**: we test the situation if the growth rate used is 3.7%/annum, which is the Experian Business Forecasts level (explained in further detail in Section 6).
- **Special Forms of Trading (SFT)**: We test the situation if a lower level of SFT is forecast to be 8% in 2009, 10% in 2013 and 12% in 2018 (which lower than we have estimated SFT).

7.71 The situation is summarised in the below table, where we look at what would happen to the gross floorspace requirement for the study area (under each scenario) if these data inputs are changed. We have looked at the situation if both data inputs are changed and as well as either one of them individually. It should be noted that we have not reproduced the Spreadsheet Tables for each of these different data inputs, rather just provided ‘bottom line’ gross floorspace requirement in 2018.
Table 7.5 Sensitivity assessment on study area comparison floorspace requirement varying the comparison goods growth rate and levels of SFT - 2018

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Scenario A</th>
<th>Scenario B</th>
<th>Scenario C</th>
<th>Scenario D</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTP Assumptions</td>
<td>15,484</td>
<td>28,008</td>
<td>22,325</td>
<td>37,289</td>
</tr>
<tr>
<td>Lower growth rate of 3.7%/annum</td>
<td>11</td>
<td>11,563</td>
<td>6,285</td>
<td>20,088</td>
</tr>
<tr>
<td>Lower level SFT</td>
<td>26,329</td>
<td>39,449</td>
<td>33,421</td>
<td>49,092</td>
</tr>
<tr>
<td>Combined lower growth rate and lower SFT</td>
<td>10,014</td>
<td>22,116</td>
<td>16,520</td>
<td>30,975</td>
</tr>
</tbody>
</table>

Note: The RTP assumptions used in this assessment are that the growth rate is 4.3%/annum (as forecast by MapInfo/OEF), and that SFT increases from 6% in 2006 to 9% in 2009, 13% in 2013 and to 16% in 2018.

7.72 The first thing the above table shows us is that floorspace requirements are sensitive to economic changes. For example, depending on the data inputs we use there is a gross floorspace requirement for the study area of between circa 0sqm and 49,000sqm. This is a large range, and therefore we need to use the assumptions we consider the most appropriate.

7.73 In this study we have used the higher of the two growth rates for comparison goods (4.3%/annum), but we have also used a relatively high allowance for the proportion of growth in expenditure to be directed to SFT. This means in effect, whilst we are forecasting a large amount of growth in expenditure, we are also forecasting that a high proportion of this growth will be directed to SFT, such as e-tailing. If we look at the combined row (in Table 7.5 above) this takes the lower of the published growth rates for comparison goods (3.7%/annum), but combines this with a much lower allowance for SFT. This means that in very broad terms, the floorspace requirements are similar to those under the RTP assumptions.

7.74 Overall, whilst we acknowledge that with the comparison goods sector there is a degree of uncertainty with economic forecasts such as growth rates and degrees of SFT, we consider the assumptions we have made regarding the data inputs are reasonable and therefore this demonstrates that our assessment is robust.

Conclusions on comparison assessment

7.75 Our assessment indicates that there is a quantitative need for new comparison floorspace within the study area of between circa 15,000sqm and 37,000sqm (gross) in 2018. Using our existing market share approach, we have identified a need for Romford metropolitan centre of between 12,000sqm and 30,000sqm gross, and a need across the borough’s district centres in total of between 2,000sqm and 4,500sqm gross.

7.76 We have carefully considered all the different scenarios and we consider there is evidence that scenario D is more likely to occur compared to the three other scenario. This means that the floorspace requirements are at the upper level of the requirements we identify above. Therefore this study recommends that following gross floorspace requirements in the twelve year period to 2018 are realistic:

- Romford town centre: 30,000sqm gross
- All six district centres in the borough: 4,500sqm gross

7.77 The above floorspace requirements are based on an assumption that both the residential development at London Riverside proceeds and that the retained market share for the study area improves by 4 percentage points from 66% to 70% by 2018. The latter of these assumptions is dependent on vigorous implementation of Government guidance in PPS6.
Convenience goods sector

7.78 As stated earlier in this section Steps 1 and 2 are common to both the comparison and convenience goods assessments, and therefore we now proceed straight to Step 3.

Step 3: Per capita expenditure estimates

7.79 The per capita convenience goods expenditure estimates for each of the study area zones have, like the comparison goods estimates, been sourced from our in-house GIS software supplied by MapInfo. The data obtained is the latest available, that is 2003 expenditure estimates at 2003 prices.

7.80 These expenditure estimates for each of the study area zones next need to be projected forward to the base year 2006, and to each of the forecast years. In parallel with our approach with the comparison sector, we apply the MapInfo/OEF forecasts. Our first step is to use the real growth rate of 1.3% to 2004, and then we apply the MapInfo/OEF growth rate of 0.9%/annum in the period 2004-2018. As with the comparison sector, the MapInfo/OEF forecast ends at 2016, however we consider it reasonable to assume this trend will continue for the two additional years to 2018, and therefore our calculations are made on this basis. The expenditure calculations are presented in Spreadsheet Table 11.

Step 4: Total expenditure estimates

7.81 Having calculated the per capita supermarket expenditure for each of the study area zones, we next calculate the total available expenditure in each zone by applying the population forecasts to the per capita expenditure figures. The resulting total expenditure estimates for each study area zone generated over the time horizon are presented in Spreadsheet Table 12.

7.82 For the convenience sector, we have not made any allowance for SFT deductions. In the first instance, the reason for this is traditionally SFT is particularly low. In addition, e-tailing for convenience goods is normally based in existing stores, and the orders are simply picked off the shelves. This means the expenditure is still, in-effect, funding the turnover of the ‘bricks and mortar’ floorspace. Furthermore, we have included internet/online shopping within the list of options within the household survey (see Appendix 4) and therefore any expenditure directed to SFT has already been accounted for in our assessment.

Step 5: Establish composite market shares for convenience goods shopping

7.83 Our quantitative need assessment has been informed by composite market shares derived from a household survey undertaken by NEMS Market Research. To establish shopping patterns for the study area, we use composite market shares, which are derived from the raw survey data. The survey data is attached at Appendix 4, and the process which we obtain our market shares is explained in Section 5. In summary, we apply a series of weights to the raw household data, to come up with a single set of market shares for each store within the study area and, where appropriate, stores outside the study area. These market shares can be found at Spreadsheet Table 13.

Step 6: Spending pattern within the study area

7.84 The convenience goods spending pattern within the study area is calculated through applying the market share estimates (as calculated in Step 5 and proposed in Spreadsheet Table 13) to the amount of available expenditure generated within each zone (as found in Spreadsheet Table 12). The market shares for convenience retailing are very different from the comparison goods figure due to the much more localised nature of food shopping.

7.85 At this stage we have also estimated the proportion of convenience expenditure that we estimate will be spent in stores within the study area from residents outside the study area. We have made an assessment of the role and geographical location of
each store, and then allowed for a proportion of expenditure as “inflow” into the study area. The levels of inflow are informed by our own observations about the role and function of each store. However, given that convenience shopping is more localized than comparison shopping, the level of inflow is much lower than that of the comparison sector.

7.86 Through calculating the spending pattern, and the level of inflow, this enables us to estimate the turnover of each store within the study area. The detailed spending pattern of the stores within the study area is set out in Spreadsheet Table 14. We now summarise the position in respect of the main destinations for convenience shopping in terms of turnover and the main sources of leakage of expenditure out of the study area.

Main convenience stores within study area

7.87 The main shopping destinations within the study area are detailed in Table 7.6. The survey identifies the three Tesco ‘Extra’ stores within the study area as the most popular destinations for convenience goods shopping, with a combined estimated turnover £161.2m

<table>
<thead>
<tr>
<th>Store</th>
<th>Total convenience turnover 2006 (£m)</th>
<th>Total convenience turnover from study area 2006 (£m)</th>
<th>% of turnover from study area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tesco Extra, Bryant Avenue, Romford</td>
<td>59.7</td>
<td>56.9</td>
<td>13.4</td>
</tr>
<tr>
<td>Tesco Extra, Roneo, Hornchurch Road</td>
<td>53.1</td>
<td>48.2</td>
<td>11.4</td>
</tr>
<tr>
<td>Tesco Extra, Dovers Corner, Rainham</td>
<td>48.4</td>
<td>46.1</td>
<td>10.9</td>
</tr>
<tr>
<td>Sainsbury, The Brewery, Romford</td>
<td>41.6</td>
<td>36.2</td>
<td>8.5</td>
</tr>
<tr>
<td>Sainsbury, High Street, Hornchurch</td>
<td>38.7</td>
<td>38.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Sainsbury, High Road, Chadwell Heath</td>
<td>32.0</td>
<td>23.6</td>
<td>6.9</td>
</tr>
<tr>
<td>Morrisons, Wood Lane, Dagenham</td>
<td>24.9</td>
<td>19.2</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Source: Derived from Spreadsheet Table 14, Appendix 5 (all data in 2003 prices)

7.88 As expected, Table 7.6 demonstrates the importance of the large supermarkets as destinations for convenience shopping. We note that two of the stores, the Sainsbury in Chadwell Heath and the Morrisons in Dagenham, are located outside the borough but inside the study area. These stores provide important convenience provision within Zones 8 and 7 of the study area.

Main sources of leakage

7.89 The amount of leakage in the convenience goods sector is much lower than with comparison goods. The main destinations for leakage of convenience goods expenditure are set out in Table 7.7, with the two stores located on the edge of the study area to the west accounting for the vast majority of the expenditure leakage.
Table 7.7 Main destinations for leakage of convenience goods expenditure

<table>
<thead>
<tr>
<th>Store</th>
<th>Convenience turnover drawn from residents of study area 2006 (£m)</th>
<th>% convenience turnover from residents of study area 2006 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asda Walmart, Merrielands Avenue, Dagenham</td>
<td>35.0</td>
<td>6.7</td>
</tr>
<tr>
<td>Tesco Extra, High Road, Goodmayes</td>
<td>25.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Tesco Extra, Cygnet View, Lakeside</td>
<td>6.4</td>
<td>1.2</td>
</tr>
<tr>
<td>Other</td>
<td>33.6</td>
<td>6.4</td>
</tr>
<tr>
<td>Total Leakage</td>
<td>100.5</td>
<td>19.2</td>
</tr>
</tbody>
</table>

Source: Derived from Spreadsheet Table 14, Appendix 5 (all data in 2003 prices)

7.90 The Asda in Dagenham and the Tesco Extra in Goodmayes are located on the edge of the study area a short distance to the west. Spreadsheet Table 13 demonstrates that these stores draw the majority of their trade from Zones 7 and 8, which are the nearest zones to these stores.

7.91 £100.5m (or approximately 19%) of the convenience expenditure leaks to stores located outside the study area. The majority of this leakage comes from Zones 7 and 8, which are outside the borough and the leakage can be explained by the presence of large stores on the edge of the study area. Therefore it is clear from the spending pattern that convenience goods is characterised by local shopping patterns, and in this respect there is a limited amount of expenditure leakage to stores outside the study area. In the first instance, this indicates the study area is performing well in retaining the majority of the convenience expenditure within the study area.

Step 7: Sales densities of existing stores

7.92 Sales density is a function of turnover divided by net sales floorspace, and gives an indication of how successfully a store is trading and also gives an indication of whether there is under or over-provision of floorspace in an area. We have made an assessment of the sales densities of the existing provision and present the results in Spreadsheet Table 15. An accepted procedure used to establish the trading success of a particular store is to compare the current store sales density with the company average. We undertake this assessment in Spreadsheet Table 15.

7.93 The first step in undertaking such an assessment is to calculate the company average turnover for each store. Company average turnovers are published in Retail Rankings (2005); this document is published by Mintel. We take these published company turnovers, and refine the data by ensuring it is in the 2003 price base, and then stripping out elements of the expenditure which is directed to both petrol and comparison goods. The result is a pure convenience company average turnover for each operator.

7.94 The next step is to estimate the proportion of convenience floorspace in each store identified. We have obtained floorspace data from a variety of sources for each store, included using IGD, Experian Goad, Storepoint and the borough’s planning files. We then refine this data to ensure we are only using the convenience elements of the store. Where we are unsure of the floorspace split of a particular store, we use company average floorspace splits as supplied by the document ‘Verdict on Supermarkets’ (2006).

7.95 Combining the net convenience floorspace with the company average turnovers, we can calculate what the turnover of each store would be if it were trading at company average. The data in the final two columns of Spreadsheet Table 15 indicates that according to our assessment of company average turnovers, all but two of the stores...
7.96 The two stores that are trading at below company average are the Sainsbury at The Brewery Centre, Romford and the Tesco store at Airfield Road, Hornchurch. The Sainsbury at the Brewery Centre is only under trading by 3.6%, which is a minimal level. However, the Tesco at Airfield Way is under trading by 34.7%. We consider there is a potential explanation for this under trading. This store is an out-of-centre store and is competing with other larger Tesco Extra stores. Therefore, if residents are going to use their car to visit one of these stores, it is more likely to be the larger Tesco Extra stores because there is more choice, hence why the Tesco at Airfield Way might be under trading.

**Step 8: Allowances for claims on expenditure growth by commitments**

7.97 Before the increases in retained expenditure can be converted into floorspace requirements, it is necessary to take account of 'claims' on the expenditure growth. We have divided these claims in to two sections, firstly there is the allowance extant permissions granted within the study area, both those unimplemented to date and those currently under construction. Secondly there is an allowance for the improvements in vacancy rates.

7.98 *Spreadsheet Table 16* identifies the two convenience commitments within the study area, namely the convenience element of the Asda store on the Dolphin site in Romford and the Aldi store on St Mary's Lane in Upminster. For the purposes of this study, we have assumed that both these developments will be open and trading by the first forecast year of 2009, although we appreciate they may start trading before this date.

7.99 As with Step 8 for the comparison goods assessment, we also consider there is a requirement to make an allowance for an improvement in the vacancy rate for Romford town centre. We have assumed that the Romford vacancy level will improve to 6%, which is the GB average and is a realistic objective for Romford, especially given the presence of large vacant units. Therefore we have treated half of the vacant floorspace as a commitment. We have then applied a 65/35 ratio in order to provide a net floorspace. Then we have assumed that 15% of this floorspace will be reoccupied by a convenience goods retailer. Given the uncertainty over which retailers will occupy each unit, this is our best estimate. Using this assumption, we anticipate that the remainder of the floorspace will be reoccupied by either comparison or other retail operators, or by other town centre uses. For the purposes of this study, we assume this improvement in vacancy rates will occur by the first forecast year of 2009, although we appreciate the vacancy level may improve before this date if and when the large vacant units in Romford are occupied.

7.100 The net convenience floorspace of all these commitments amounts to some 4,660sqm. We have estimated that in 2006 the likely turnover of this floorspace to be £56.3m, with £54.3m being derived from the study area. However, for the purpose of this study we need to deduct the entirety of this turnover from the growth in expenditure.

**Step 9: Capacity for new retail floorspace in the study area**

7.101 Having assessed the quantum of convenience expenditure growth in the study area, the existing turnover of each of the centres within the study area and the claims on expenditure growth, the next step in the assessment is to calculate the amount of residual expenditure at the each of the forecast years and to convert this to a floorspace requirement for the whole of the study area. We test our capacity model against two different scenarios:

- **Scenario A**: constant market share
- **Scenario B**: constant market share and additional population from London Riverside
7.102 Given convenience shopping is a localised shopping function, we consider it unlikely that there will be any significant change in the market share of the study area. In other words, we consider it unlikely that the proportion of convenience expenditure spent in stores within the study area will change in any of the forecast years. Therefore we have maintained constant market shares at 81% retained expenditure for both scenarios. However for Scenario B we have also assumed that residential developments proposed at London Riverside will result in an increase of 11,000 additional residents within Zone 1 of the study area. We assume that 50% these residents will be present by 2013 with the remainder being present in 2018. Our calculations are made on this basis.

7.103 With the comparison assessment, we assumed that the available expenditure and turnover of stores was in equilibrium in the base year (2006). However, for the purposes of the convenience assessment, we have factored in whether there is under or over-trading of stores at the base year and incorporated this into our assessment. In the past, over-trading of existing stores has been accepted as being quantitative need. If over-trading reaches an unacceptable level, it will result in queues and checkouts, full car parks, lack of fresh produce in shops and uncomfortable shopping environments. This will eventually lead to shoppers traveling longer distances to stores where over-trading is less pronounced, which is essentially an unsustainable pattern of shopping.

7.104 However, there have recently been a series of recent rulings and judgments which have put into question whether over-trading is indeed quantitative need. Perhaps the most important judgment is a decision by the Court of Appeal (Sainsbury Supermarkets Ltd Court of Appeal Judgment of May 2005 [Kidlington, Oxfordshire]), which suggests that overtrading cannot ‘necessarily’ be regarded as an indicator of quantitative need and other evidence will need to be presented which demonstrates that there is a surplus of local purchasing power over retail provision. Whilst we include over-trading within our assessment, we recommend caution in respect of placing too much weight on whether this is quantitative need.

7.105 We now move onto assessing the total convenience floorspace requirement for the study area.

Study area floorspace capacity

7.106 In SpreadsheetTables 17a-b (attached at Appendix 5) we have drawn together our key data outputs from SpreadsheetTables 1-2 and 11-16, and end up with a study area floorspace requirement for each of the forecast years. We provide a summary below of the approach common to each scenario. We refer to rows A-J, which can be found in SpreadsheetTables 17a-b.

vii) Study area expenditure retention: the first three rows A-C provide the ‘retained expenditure’ in each of the forecast years. This is calculated by taking the total study area expenditure (as calculated in Steps 2, 3 and 4 above), and then apply the current market share of stores (as calculated using the composite market shares as described in Step 5 above) to provide us with the ‘retained expenditure’ for the study area.

viii) Expenditure inflow from beyond the study area: in row D we estimate the proportion of expenditure that flows into the study area from population living outside the study area.

ix) Available expenditure: in row E, we calculate the total available expenditure, which is calculated by adding the retained expenditure with the inflow.

x) Allowance for overtrading: In row F we quantify in £m how much the existing stores in the study area are over-trading by, through the use of company average turnovers and the net convenience floorspace of each store.
Deductions for claims on expenditure: in rows G and H, we make deductions for the claims on expenditure. Firstly, we must deduct the turnover of the existing stores in the study area, and then add the overtrading turnover. We then make an allowance for the growth in the floorspace turnover efficiency (turnover per sqm) of the existing retail floorspace stock within study area. This will allow the existing retailers to grow their businesses. We have built in an improved efficiency rate of 0.75%/annum for the existing comparison floorspace. We have also allowed for a claim on expenditure by commitments to new floorspace, as explained in Step 8 above.

Residual expenditure: Row I sets out the residual expenditure, which is the available expenditure, less the deductions made from the stores' turnover and from the commitments.

Assumed sales density: In order to convert our residual expenditure to a floorspace requirement, we must use an assumed floorspace density. This is in effect, the £/sqm we consider any new floorspace is likely to turnover at and means we can calculate how much floorspace is required in the study area. Row I demonstrates that we use £10,000/sqm in 2006, which we grow by 0.75%/annum to each of the forecast years. This floorspace density is a RTP estimate based on the turnover of supermarket operators together with experience in other studies.

Incorporating all the data inputs as explained above, Row K of Spreadsheet Tables 17a-d provides us with a net floorspace requirement at each forecast year. We convert this net requirement into a gross requirement by applying a net to gross ratio of 65/35, and the gross requirements can be found at Row L. Table 7.8 explains the situation at 2018, for each different scenario.

Table 7.8 study area floorspace requirements in 2018

<table>
<thead>
<tr>
<th>Scenario A</th>
<th>Scenario B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Total study area expenditure (£m)</td>
<td>612.2</td>
</tr>
<tr>
<td>B. Current market share of study area (%)</td>
<td>81</td>
</tr>
<tr>
<td>C. Retained expenditure (£m) (=A*C)</td>
<td>494.8</td>
</tr>
<tr>
<td>D. Inflow (£m)</td>
<td>29.3</td>
</tr>
<tr>
<td>E. Available expenditure (£m) (=C+D)</td>
<td>524.1</td>
</tr>
<tr>
<td>F. Allowance for over-trading (£m)</td>
<td>72.8</td>
</tr>
<tr>
<td>G. Study area centre's turnover (£m)</td>
<td>490.8</td>
</tr>
<tr>
<td>H. Commitments (£m)</td>
<td>60.3</td>
</tr>
<tr>
<td>I. Residual Expenditure (£m) (=E+F-G-H)</td>
<td>46</td>
</tr>
<tr>
<td>J. Assumed sales density (£/sqm)</td>
<td>10,938</td>
</tr>
<tr>
<td>K. Floorspace requirement (net sqm) (=I/J)</td>
<td>4,202</td>
</tr>
<tr>
<td>L. Floorspace requirement (gross sqm)</td>
<td>5,673</td>
</tr>
</tbody>
</table>

Source: derived from Spreadsheet Tables 17a-d, Appendix 5 (all data in 2003 prices)

The above table indicates that for convenience goods, there is a study area wide quantitative need to 2018 of some between circa 5,600sqm and 7,700sqm gross, which is sufficient to support one new foodstore in the study area in the period 2006 to 2018. However, this quantitative need is made up largely from over-trading, rather than growth in expenditure. Therefore we urge some degree in caution in relying on this floorspace requirement to support any proposals for new convenience floorspace within the borough. If a proposal comes forward which relies on over-trading to justify its quantitative need argument, then strong evidence should be provided by the...
applicant to demonstrate that the store will encourage more sustainable shopping patterns.

**Step 10: Floorspace capacity for each zone within the borough**

7.109 In Step 9 above, we calculate a study area floorspace requirement for each scenario and in each forecast year. This approach is normal with such retail assessments and this floorspace then should be directed to centres in accordance with the sequential approach, as advised by PPS6. However, in accordance with the study brief, and to provide further evidence of where this floorspace requirement should be met, we have sought to direct a proportion of the study area floorspace requirement to each of the zones within the study area, and in particular those centres within the borough.

7.110 The floorspace capacity for each of centres within the borough for each of the scenarios is set out in [Spreadsheet Tables 18a-b](#). The way we have divided the floorspace requirements is based on using the existing share of the convenience expenditure each zone attracts, as derived from the composite market shares calculated at Step 5 above. We have then applied these market shares to the overall study area requirement to enable us to derive an indicative floorspace requirement for each centre, which are based on the existing shopping patterns.

7.111 Table 7.9 sets out the floorspace requirement for each LBH study area zone in 2018, and to provide a context we in compare this with the East London draft SRDF borough-wide requirements, which are to 2016. In the first instance, we urge a degree of caution when assessing these floorspace requirements as they are based on existing market shares, therefore if a zone achieved a low market share in the household survey, it will in turn attract a low floorspace requirement in our assessment.

7.112 In this respect, we included for information the localised market share for each zone in [Spreadsheet Tables 18a-b](#). All zones have a relatively high localised market share other than Zone 5 (the Romford Zone), which is currently at 39.5%. However, we consider the localised market share for this zone will increase once the Asda store currently being constructed on the Dolphin site is opened. Therefore, we find no justification for adjusting the market share of any of the zones within the study area.

| Table 7.9 Convenience floorspace requirements for each LBH zone in 2018 |
|-----------------|-----------------|-----------------|
| Zone 1 (Rainham) | 642 sqm gross | 871 sqm gross | - sqm gross |
| Zone 2 (Upminster) | 279 sqm gross | 379 sqm gross | - sqm gross |
| Zone 3 (Harold Hill) | 1,016 sqm gross | 1,379 sqm gross | - sqm gross |
| Zone 4 (Collier Row) | 287 sqm gross | 390 sqm gross | - sqm gross |
| Zone 5 (Romford) | 1,011 sqm gross | 1,373 sqm gross | - sqm gross |
| Zone 6 (Hornchurch/Elm Park) | 1,450 sqm gross | 1,938 sqm gross | - sqm gross |
| TOTAL LBH | 4,685 sqm gross | 6,630 sqm gross | 6,000 sqm gross |
| Outside LBH (but inside study area – Zones 7 and 8) | 988 sqm gross | 1,342 sqm gross | - sqm gross |
| GRAND TOTAL | 5,673 sqm gross | 7,702 sqm gross | - sqm gross |

Source: derived from Spreadsheet Tables 18a-b, Appendix 5

7.113 Table 7.9 demonstrates that we have forecast a convenience floorspace requirement for the borough of between circa 4,700sqm and 6,600sqm gross. The East London SRDF requirement is circa 6,000sqm gross at 2016, which is some 1,300sqm more
than our lower requirement (under Scenario A) and some 600sqm lower than our upper requirement (under Scenario B). However, we understand the draft SRDF requirement excludes any commitments to new floorspace, therefore will not have taken into account the Asda development on the Dolphin site in Romford. Therefore, this study has forecast a higher convenience floorspace requirement for the borough, compared to the GLA forecasts as expressed in the East London SRDF.

7.114 We have divided the floorspace requirements up by zone based on the existing market share of each zone. The disadvantage of this method is that if there is a zone with an under-provision of floorspace then that zone will not attract very much additional floorspace. This can be overcome by adjusting the market shares for each zone to represent more sustainable shopping patterns. However for this study we find no justification to adjust the market share. Notwithstanding, we place more weight on the overall study area need, rather than the specific need for each zone.

**Conclusions on convenience assessment**

7.115 In summary, we forecast a requirement for additional convenience floorspace of between circa 5,700sqm and 7,700sqm gross for the entire study area in the period to 2018. Using the existing market share approach, there is a requirement for the borough of between circa 4,700sqm and 6,600sqm gross in the period to 2018. However, as mentioned above, much of this floorspace requirement is due to the over-trading of existing stores rather than through any significant growth in expenditure. Indeed, much of the existing growth in expenditure is soaked up by the new Asda store on the Dolphin site, Romford.

7.116 We thus urge an element of caution when planning for additional convenience floorspace in the borough, especially if there are arguments concerning over-trading. However, if we take the mid-point of our forecast requirement for the borough, the overall convenience floorspace requirement is 5,600sqm gross convenience floorspace required in the borough in the period to 2018. Given the number of existing stores within the borough and the modest floorspace requirement, this study finds no justification to make any allocations for new foodstores within the study period.

**Leisure assessment**

7.117 At the outset it is worth emphasising the limitations associated with providing quantitative estimates for commercial leisure provision. Whilst it is possible to purchase per capita leisure expenditure data (from companies such as Experian), there are no industry-standard methodologies for modelling and apportioning growth in leisure expenditure. For these reasons, we use a simple approach to our leisure assessment which concentrates on the broad level of demand and scope for additional commercial leisure facilities within the borough and then focusing on the qualitative requirements of the key sectors of ‘cinemas’ and ‘food and drink’.

7.118 In Section 6 we set out some of the key national trends which have fuelled growth in expenditure on leisure services. However, the approach to the assessment of quantitative need in the leisure sector is less well developed than in the retail and office sectors. Furthermore, development in the leisure sector has historically been very market led, and it is only recently that leisure has been brought into the range of uses covered by the sequential approach.

7.119 However, whilst there are no industry standard methodologies for modeling and apportioning growth in expenditure on leisure services, we have noted, in Section 6 that:

i) restaurants, cafés and bars account for three-fifths of the UK spend on leisure services;

ii) commercially oriented property developments, such as cinemas, account for only a small fraction of the total spend on cultural services, and that bingo halls and
casinos account for only 20% of expenditure on games of chance, with betting accounting for 50% of expenditure on games of chance and the lotteries a further 16%; and that

iii) the average growth in expenditure on leisure services – as defined by the six COICOPS categories set out in Table 6.2 – is projected to amount to 1.5%, per capita, per annum.

7.120 We have also noted, in Section 5, that participation rates in various leisure pursuits are low, with 67% of households claiming not to visit family entertainment centres, 69.2% cent not participating in health & fitness centres, 45.2% not visiting theatres/concert halls, and 41.9% not visiting cinemas. Thus, part of the growth in spending on leisure services will be achieved by increasing participation rates.

7.121 If we assume a population projection up to 2018 for the study area of 353,636 then the growth in expenditure on leisure services over the 12 year period 2006 to 2018 is likely to amount to around £139m, a growth of approximately 24%. Some three-fifths of this growth (£83m) is likely to be spent on food and drink establishments, which suggests ample scope to further improve the quality of restaurants, particularly in Romford town centre and in the borough’s district centres. Our calculations are demonstrated in the Table 7.10, below.

Table 7.10 Expenditure to support new leisure facilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Expenditure per capita (£)</th>
<th>Available expenditure (£m)</th>
<th>Growth in expenditure (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>336,866</td>
<td>1,712</td>
<td>576</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>342,547</td>
<td>1,785</td>
<td>612</td>
<td>35</td>
</tr>
<tr>
<td>2013</td>
<td>348,728</td>
<td>1,887</td>
<td>661</td>
<td>81</td>
</tr>
<tr>
<td>2018</td>
<td>353,636</td>
<td>2,023</td>
<td>722</td>
<td>139</td>
</tr>
</tbody>
</table>

1. Taken from Spreadsheet Table 2, Appendix 5
2. Expenditure at £1,634 per capita in 2003 (as supplied by Experian), grown by 1.5%/annum to 2006 and the forecast years (all data in 2003 prices)

7.122 As an indication of what scale of commercial facilities might be supported by such a scale of growth in leisure spending across the study area, we set out in Table 7.11 the typical annual turnover achieved by various types of leisure facilities.

Table 7.11 Typical annual turnovers of various leisure facilities

<table>
<thead>
<tr>
<th>Leisure Facility</th>
<th>Annual Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eight Screen Multiplex Cinema</td>
<td>£2.4m (£301,000 per screen)1</td>
</tr>
<tr>
<td>A Gala or Mecca Bingo Club</td>
<td>£1.5m per club2</td>
</tr>
<tr>
<td>Traditional Casino</td>
<td>£3.6m per casino3</td>
</tr>
<tr>
<td>Branded Bar/Restaurant</td>
<td>£0.9m to £1.1m4</td>
</tr>
<tr>
<td>Health &amp; Fitness Club</td>
<td>£0.8m to £4.0m5</td>
</tr>
</tbody>
</table>

1. Dodona
2. Bingo Association
3. Gambling Commission
4. RTP estimate for mid-range branded facilities
5. RTP estimate, with Fitness First type operators at the lower end of the range and David Lloyd Leisure Club at the upper end.

7.123 In light of the above calculations and requirements, we can briefly review the situation in respect of each of the key leisure sectors, although we focus on cinemas and food and drink, for the reasons explained above.
Cinemas

7.124 There is a good coverage of cinema provision within the study area, with 16 screens at the Vue cinema in Romford. In addition there are nine screens at the Vue cinema in Dagenham, which is inside the study area, but outside the borough. In addition, the A has excellent transport links to central London, where there are a large number of cinema destinations in the West End.

7.125 We have assessed the provision of cinema screens within the study area, and we have found 25 screens, which suggest an average density of some 13,500 people per screen, given the existing population. This compares well with the London-wide figure of some 15,000 people per screen\textsuperscript{13}. This suggests a slight over-supply of cinema screens and therefore we consider that there is little scope for additional provision in the foreseeable future.

Food and drink

7.126 Within our town centre healthcheck work (attached at Appendix 2) we compared the representation of food and drink uses in Romford and the district centres with the GB average. The main message taken from the healthcheck assessment is that whilst there is good provision, and indeed over-provision in some cases, the quality of the operators could be improved. Therefore we see a qualitative requirement to increase the number of good quality eating and drinking destinations, rather than take-away units.

Other commercial leisure facilities

7.127 The scope for additional facilities such as theatres, tenpin bowling and health and fitness centres is more difficult to quantify. However, given the likely expenditure growth in leisure pursuits over the next 12 years, there will be some scope to expand the offer in sectors of the leisure market such as these. The most appropriate locations for these facilities would depend on the amount of population growth achieved, as well as operator requirements. However, for the facilities that are intended to serve a wide audience - such as theatres - should be directed first to Hornchurch as the borough’s cultural centre and then to Romford as the metropolitan Centre within the borough and then the other district centres.

\textsuperscript{13} Source: Cinema Advertising Association (December 2004)
8 STRATEGY AND POLICY OPTIONS FOR RETAIL AND LEISURE

Introduction

8.1 This study is intended to assist the preparation of the borough’s Local Development Framework (LDF). It sets out the Government’s PPS6 requirements in relation to the role of LDFs in the plan-led approach to the enhancement of town centres in the borough and to meeting the needs for various town centre uses (Sections 2 and 3). The study also provides a qualitative appraisal of the hierarchy of centres in the borough (Section 4) and identifies various qualitative needs in respect of Romford town centre and the borough’s district centres.

8.2 The study then turns to the assessment of quantitative need for further retail and commercial leisure development. We have identified current shopping patterns from a survey which obtained 1,500 valid responses from households resident across the study area (Section 5). Key national trends affecting investment in the retail and leisure sectors are set out in Section 6. The overall conclusions of the study in respect of quantitative need for further retail and commercial leisure development are set out in Section 7.

8.3 We conclude this study with recommendations for the retail and leisure strategy which should underpin the Council’s LDF. This starts with the need to base some policies on the borough’s network and hierarchy of centres, moves on to a broad suggested strategy approach for Romford and for each district centre within the borough, and also seeks to guide decisions on future proposals for retail and commercial leisure development.

Suggested borough-wide retail policies

Retail hierarchy

8.4 We first investigate the network of centres within the borough and set out our view on the retail hierarchy. The current defined retail hierarchy in the LBH UDP is as follows:

- Metropolitan centre – Romford
- Major district centres – Hornchurch, Upminster
- Minor district centres – Rainham, Elm Park, Harold Hill and Collier Row
- Major local centres – 10 centres located throughout the borough
- Minor local centres – 81 centres located throughout the borough

8.5 This study focuses consideration on the top three tiers of the above hierarchy. This hierarchy is slightly different to London Plan, where all the district centres (major and minor) are included at the same level, i.e. ‘district centre’. In this respect, it is recommended that the Council be consistent with the London Plan terminology for the centres.

8.6 This study has investigated whether there is any potential to alter the retail hierarchy for the borough’s centres. Clearly, Romford should remain a metropolitan centre given its important role within the East London retail hierarchy and the quantum of floorspace in the centre. Turning to Upminster and Hornchurch as the ‘major’ district centres within the borough, it is clear from the survey work that both these centres play an important role in the retail hierarchy. They are both popular town centres and their function is addressed in Section 4 of this report. The report considers whether there is scope for either or both of the centres to move up the retail hierarchy to a ‘major’
centre. In this context, it is noted that the borough does not currently have a ‘major’ centre.

8.7 Both Upminster and Hornchurch perform well as retail destinations, although they each only serve a localised shopping function. The household survey indicates that these centres draw the great majority of their trade from their immediate catchment area. For example, Upminster currently has a turnover generated from the study area of some £22.8m (see Spreadsheet Table 6, Appendix 5). Exactly 50% (£11.4m) of this turnover is derived from residents within the Upminster zone (Zone 2), with a further 16% (£3.7m) of the turnover comes from Zone 6 (which is immediately adjacent to Zone 2).

8.8 Similarly, Hornchurch currently has a turnover generated from the study area of some £29.8m (see Spreadsheet Table 6, Appendix 5) and 54% of this turnover comes from the Hornchurch zone (Zone 6). It is clear both these centres have a localised catchment area and thus we see no justification for moving these centres up the retail hierarchy. It is recommended that they remain as district centres.

8.9 Secondly, the study considered whether there is any scope for dropping any of the ‘minor’ district centres to a lower level in the hierarchy such as a ‘local’ centre. Given the size of the ‘minor’ district centres and their limited attraction for comparison shopping, we have not relied on the household survey results in considering their role in the retail hierarchy. Rather, the conclusions of the healthcheck analysis have been used and qualitative judgments have been made as to the role of each centre.

8.10 Collier Row, Harold Hill and Elm Park can all be logically described as ‘district’ centres. They accord with the district centre description within PPS6. Each of these centres performs well in a district centre role as explained in Section 4. However, the characteristics of Rainham are more appropriate to that of a ‘local’ centre as defined in PPS6. The healthcheck work in Rainham indicates that the function of the village element of Rainham is largely that of a local centre and that the Tesco Extra store situated behind the main shopping frontage is a dominant feature. This store operates as a one-stop-shop, with few visitors undertaking linked trips with the remainder of the centre.

8.11 On balance, it is not recommended that Rainham’s position in the retail hierarchy is changed. Rather it is suggested that there is scope for public sector involvement to boost the centre’s role as a district centre. The study thus sets out a separate strategy for Rainham (see below) and considers whether there is scope to provide any new retail development in conjunction with the London Riverside residential development.

Suggested Policy SP1

8.12 It is recommended that Policy SP1 on the retail hierarchy should read as follows:

- Metropolitan centre: Romford
- District centres: Hornchurch, Upminster, Rainham, Elm Park, Harold Hill and Collier Row

8.13 However, it is suggested that the supporting text of any policy should stress the fact that Hornchurch and Upminster have a much more important role in the retail hierarchy than the other district centres.

Town centre boundaries

8.14 We are aware that the LBH UDP defines town centre boundaries for Romford and for each of the district centres. This planning function is a useful tool and has generally been successful in helping to achieve compact and focused town centres. It is thus recommended that defined town centre boundaries should remain a feature of the UDP proposals map.
Suggested Policy SP2

8.15 It is recommended that a town centre boundary policy be followed and that it embraces the following:

- Town centre boundaries should be drawn for Romford and all the district centres. The boundaries should be drawn around the main retail area and areas of predominantly leisure business and other main town centre uses within or adjacent to the main retail area.

8.16 The town centres should be the focus for all 'town centre' uses, which include retail and leisure uses. The role of and best strategy for each centre below is summarised below, but no recommendations are made as to amending town centre boundaries. This is on the basis that the current extent of the boundaries encompasses all the relevant elements of the town centres. The town centre boundaries for each centre are included on the plans found at Appendix 1.

Shopping frontages

8.17 In respect of shopping frontages, the LBH UDP Proposals Map currently only defines both core and fringe shopping areas for Romford. However, Schedule 7 of the UDP describes in text the extent of the core and fringe areas for each of the district centres (both major and minor).

8.18 The UDP’s core and fringe retail areas are treated the same as the PPS6 definition of primary and secondary shopping frontages. PPS6 states that primary and secondary shopping frontages may be distinguished by local planning authorities (paragraph 2.17) but these should be appropriately defined. Given this guidance, we have considered whether it is appropriate to maintain the core and fringe areas (as defined in the UDP) in all of the centres within the borough.

8.19 For Romford, there is a clear difference in the characteristics of the core and fringe areas of the town centre. The role of the various elements of the town centre is considered in more detail at Section 4 and Appendix 2. However in summary, we consider the different parts of the town centre (i.e. the core and fringe areas) have different functions. It is therefore appropriate to include both primary and secondary frontages in Romford. We have used the existing core and fringe areas (as defined in the LBH UDP) as a basis, and then updated the frontages to reflect the analysis undertaken of the town centre and recent developments. The map of Romford town centre, including the suggested primary and secondary shopping frontages, is included in Appendix 1.

8.20 For the district centres, this study has considered both the role and function of the major and minor district centres in considering whether primary and secondary shopping frontages are necessary. For Hornchurch and Upminster, there is a case for including primary and secondary frontages given these are both large district centres with a range of different uses. But based on the characteristics of these centres, a considered view is that using such a primary and secondary approach is overly prescriptive - there is no clear distinction between the different parts of the centres. Therefore we do not consider it appropriate to maintain core and fringe retail areas.

8.21 In respect of the four minor district centres, it has been considered whether it is appropriate to maintain a core and fringe retail area, and to thus define primary and secondary frontages. As with the borough’s major district centres, we consider this approach is overly prescriptive as there is no distinction between the different parts of the centres. Therefore it is not recommended that primary and secondary frontages be included for the minor district centres.

8.22 Whilst the study does not identify any difference in respect of primary and secondary frontages for the district centres, it does identify the main retail frontages in each of the district centres. This approach is taken because the town centre boundaries include more than just retail floorspace. Identifying the retail frontage enables the Council to
define an area where retail development is concentrated as is required by PPS6, see Annex A, Table 2, and enables the Council to defend frontages. The plans for each centre, including the main retail frontage, are included at Appendix 1.

8.23 We are aware that the current policy approach in the UDP restricts the diversity of uses in the retail core and fringe areas. Given that this study proposes a slightly different approach to retail frontages, we consider the diversity of uses approach separately in the relevant section below.

Suggested Policy SP3

8.24 It is recommended that the proposals map be amended on the following basis:

- Romford: primary and secondary shopping frontages to be defined.
- District centres: only a town centre boundary (as in policy SP2) and retail frontage to be defined for each centre.

8.25 The new supporting text should explain the rationale behind only designating primary and secondary frontages in Romford, and then including simply a retail frontage in all the district centres.

Diversity of uses

8.26 The protection of retail uses in a defined shopping centre is a legitimate objective for planning policy. The borough currently tackles this issue through adopted Policies ROM3, SHP2 and SHP3. The study brief requires a consideration of the role of these policies.

8.27 The Council, in common with many other local planning authorities, attempts to retain the amount of retail uses (A1) in each centre by specifying a minimum length of frontage, or part of the centre, which should be used for such activity. Thus UDP Policy ROM3 seeks to ensure that the retail core of Romford consists of A1 units except where that the use is a service use appropriate to a shopping area, the proposal would not result in a grouping of three or more adjoining non-retail uses and not more than 15% of the length of the relevant frontage is in non-retail use. Within the fringe retail areas, two of the above mentioned criteria do not apply, namely the percentage of the frontage criterion and the requirement for there not to be 3 or more adjoining non-retail uses.

8.28 UDP Policies SHP2 and SHP3 advocate a similar approach to that of Romford for both the major and minor district centres. The main difference to the policy approach for Romford is that Policy SHP2 for the major district centres requires the proportion of non-retail frontage to be not more than 20% and Policy SHP3 for the minor district centres requires the proportion to be not more than 33%. As with Romford, the policy approach for the fringe areas is relaxed.

8.29 In our opinion and through experience elsewhere, such percentage-based policies can sometimes be difficult to defend at a planning appeal. The reason for this is due to the frequently arbitrary nature of the percentage definitions. In addition, each shopping centre in the hierarchy is different and requires, ideally, an individual response.

8.30 We are not advocating a complete withdrawal of control of non-retail uses in the borough’s town centres, but instead we consider the Council should introduce more flexibility, where appropriate. Provided that each centre in the retail hierarchy retains its role, function, and character in accordance with the typologies set out in PPS6, minor changes to the proportion of retail frontage are not likely to materially affect the main shopping function of the centre.

8.31 For the Romford and the larger district centres (i.e. Hornchurch and Upminster), both A1 convenience and A1 comparison retail units need to be protected to retain the role and function of the centre. Defining primary and secondary frontages in Romford will contribute to this aim. In addition, the larger shop units in these centres also need to be
retained and protected for occupation by national multiple retailers, who usually seek more retail floorspace and storage than independent retailers.

8.32 For district centres this requires the protection of the key A1 convenience uses - i.e. supermarkets, grocers, butchers, bakers etc. There are of course limitations to what can be achieved, with some changes permitted through the Use Classes Order 1987 and its amendment in 2005.

8.33 On the basis of the above, it is recommended that the Council adopt an alternative approach to non-retail uses in its defined centres. As mentioned above, we have suggested that primary and secondary frontages are defined for Romford. With this in mind, we consider a general presumption against the loss of retail uses within the primary frontage should be followed, other than if exceptional circumstances can be demonstrated. We consider greater flexibility towards non-retail uses will be shown in secondary frontages in Romford. For the retail frontages of the district centres, we consider a generally more flexible approach be adopted that seeks to protect the retail function of the centres, but also allow non-retail uses where appropriate. We set out a suggested policy approach below.

Suggested Policy SP4a - Romford

8.34 For Romford, we see slightly differing approaches for the primary and secondary shopping frontages, which reflect the differing characteristics of these parts of the town centre. Therefore we see the policy approach as follows:

- Primary frontages: these are maintained in retail use, unless exceptional circumstances can be demonstrated.
- Secondary frontages: non-retail uses can be allowed if the proposed use complements the retail function, retains an active frontage, are open during core retailing hours, does not lead to the loss of a key retail use, and does not lead to the loss of a large retail unit.

Suggested Policy SP4b – district centres

8.35 In the district centres, we suggest a slightly more flexible approach than with Romford’s primary shopping frontage. This reflects the more diversity of other town centre uses often found within district centres. Therefore we see the policy approach as follows:

- District centre retail frontages: non-retail uses can be allowed if the proposed use complements the retail function, retains an active frontage, is open during core retailing hours, does not lead to the loss of a key retail use, and does not lead to the loss of a large retail unit.

8.36 The development of town centre strategies and Area Action Plans will allow the Council to develop more detailed policies applicable to each town centre and to ensure that its specific needs and the type of uses required are met. Suggestions for each centre are set out in more detail below.

Suggested centre specific policies

8.37 Having suggested a partially revised basis for some borough-wide retail policies, we now set out guidelines to assist with a specific policy approach for each centre. In each case, these are first based upon a suggested retail strategy. This is informed by a consideration of the function of each centre as explained in Section 4 and Appendix 2.

8.38 We then take together with the quantitative need for comparison and convenience floorspace, as assessed in Section 7 and Appendix 5. In summary, the floorspace requirements in the timeframe to 2018 are as follows:

- **Comparison goods**: circa 30,000sqm gross for Romford and circa 4,500sqm gross in total for the six district centres within the borough.
**Convenience goods:** circa 5,600sqm gross across the borough.

8.39 The capacity assessment has identified a floorspace requirement for each district centre (for comparison goods) and each zone (for convenience goods). As explained in Section 7, we do not think that too much weight should be afforded these requirements and rather we should use the overall borough-wide floorspace requirement when making recommendations for growth. With this in mind, we set out recommendations where this floorspace can be accommodated across the borough and where appropriate we suggest retail and/or mixed use allocations a centre.

**Romford**

**Overall strategy**

8.40 The study findings show that Romford currently performs well in its role as a metropolitan centre and is a prominent retail destination in East London. Recent developments include the redevelopment of the Brewery site, the refurbishment and extension of the Liberty centre and the ongoing developments at the Dolphin site and adjacent to the market place. These developments have enhanced and continue to improve the role of Romford and a retail and leisure destination. In summary, we consider Romford is performing well and this feeds into the overall strategy for Romford, which we see as two fold. We set out the two elements of a suggested strategy below.

i) **Consolidation:** in the short term Romford should consolidate its role and ensure that it maintains it position in the regional retail hierarchy.

ii) **Expansion:** in the medium to long term, Romford will need to improve its retail offer in order to maintain its position in the hierarchy against other competing centres.

8.41 Each of these aims below is considered below.

**Consolidation**

8.42 Given Romford's current role, we consider that the strategy in the short term is to consolidate its position and ensure that visitors still regard the town centre as an important retail and leisure destination within East London. This can be achieved through a number of measures which could be promoted in conjunction with the emerging Romford Urban Strategy, including the following:

- Implement a strategy to reduce the overall number of vacancies within the town centre;
- Seek to develop some of the smaller vacant sites to provide additional high quality retail and/or leisure developments which contribute to the offer in the remainder of the town centre.
- Encourage environmental improvements to improve the overall shopping and leisure experience in Romford.

**Expansion**

8.43 The capacity assessment (as explained in Section 7) suggests in order for Romford town centre to maintain its role as a metropolitan centre within the London-wide retail hierarchy, the centre can accommodate up to approximately 30,000sqm of new comparison floorspace by 2018. In the future Romford may face competition from Ilford and possibly Stratford together with continuing competition from Lakeside and therefore we consider it is important to continue to understand way in which Romford can improve its retail offer.

8.44 If the floorspace requirement is to be met within the study timeframe, a further redevelopment scheme within the town centre should be considered. Given the existing fabric of the town centre, we do not see any requirement to extend the boundary of the town centre. Rather it is suggested that any growth occurs on land...
within the existing defined town centre. Therefore we recommend that within the next 12 years a new retail development in Romford town centre of up to 30,000sqm gross be promoted. Such a development should be capable of the following:

- is of a high quality design which assists in enhancing the town centre’s overall retail and leisure circuit;
- is of a multi-storey ‘high street’ format;
- is targeted at ‘high quality’ retailers (both multiples and independent operators), including possibly a second department store;
- is capable of attracting high quality food and drink operators.

8.45 Such a development will produce further attractions to Romford town centre. These in turn will mean that people are more likely to visit Romford rather than traveling to out-of-centre retail destinations such as Lakeside. We consider this approach is consistent with Government guidance through the promotion of town centre redevelopments.

Potential for growth

8.46 Given the strategy suggested above, we consider it is important to investigate whether there is any potential for Romford to grow.

8.47 We are aware that Romford town centre includes a number of development opportunity sites which hold potential to accommodate a significant quantity of new retail and leisure floorspace. The intensification of land use on these sites, each of which is currently partly or completely vacant, would facilitate a growth in floorspace within the existing town centre boundary. Furthermore, the relocation of existing ground-level car parking above or below new floorspace could allow an increase in floorspace-to-plot size ratios.

8.48 The opportunity sites for redevelopment are as follows (and are identified in the plan attached at Appendix 1):

- Former £ Saver and Time/Envy nightclub, 108 -116 South Street.
- Former Decathlon store, North Street.
- Vacant and occupied units, 23 -51 North Street.
- Former R M One bar, Secrets nightclub and car park, 48 High Street.
- Vacant and occupied units, 25 -59 High Street.
- Surface-level car park, the Brewery centre.

8.49 It is considered that the identified development opportunity sites could accommodate a development of between 10,000 and 15,000sqm of new retail and leisure floorspace at ground floor level alone. A multi-level development, as currently exists at the Romford Mall and Brewery Centre, could theoretically enable Romford to provide over 30,000sqm (gross) of new retail floorspace.

Hornchurch

Overall strategy

8.50 Hornchurch is the cultural centre for the borough and also includes a good range of retail provision, including a Sainsbury supermarket. This study has found that Hornchurch fulfills its role as a district centre well and has a good range of shops and leisure facilities. Therefore our recommendation in respect of an overall strategy is for consolidation, but with a proviso to maintain its important position as one of the large district centres and the borough’s cultural centre. Such maintenance would be by means of promoting small to medium scale retail and leisure redevelopments in conjunction with the Council-led Hornchurch Urban Strategy.
8.51 We also see there is scope for Hornchurch to build upon its cultural function which will in turn attract additional visitors to the centre and ultimately contribute further to its vitality and viability. Given Hornchurch already attracts significant proportion of the leisure market share for restaurants, pubs and theatre visits, we consider there is further scope to expand this leisure role and in this respect there is scope to encourage additional leisure uses that complement the existing offer.

8.52 In terms of type of new development, we consider this should be through small to medium scale well designed developments that have the potential to attract national retailers and high quality leisure operators. On the leisure side of things, this study finds no requirement to duplicate the existing leisure offer; rather new leisure facilities such as an art gallery or museum could also be provided for in the centre.

Potential for growth

8.53 Four development opportunity sites have been identified in Hornchurch town centre as shown on the plan at Appendix 1, namely:

- Parade of vacant units, 23 – 29 High Street.
- New “urban lane”, between Queens Theatre & the High Street.
- Council car park off Billet Lane/Keswick Avenue.
- Mecca Bingo site and car park, High Street.

8.54 All these sites are modest in size but provide an opportunity to enhance both the retail and leisure offer within Hornchurch town centre. Therefore, we consider the Council should promote the redevelopment of these sites for both retail and leisure uses with the proviso that should any other town centre sites become available, then a retail and leisure development which is appropriate to the scale and function of the town centre would be acceptable.

Upminster

Overall strategy

8.55 Upminster performs well as the borough’s second retail destination, behind Romford. It benefits from both multiple and independent retailers and includes a small department store in the form of Roomes and a small supermarket in the form of Somerfield. Therefore, we consider that Upminster fulfills its role as a district centre well.

8.56 We have considered scope for improving the convenience retail offer within Upminster, especially as the localised retention level of the Upminster Zone (Zone 2) is, at 49.7%, lower than some of the other zones. However, given the opening of an Aldi store in the town centre, together with a recent application for a mixed use which includes a Marks and Spencer Food outlet, we see no current requirement for improving the convenience offer in Upminster.

8.57 Therefore, as with Hornchurch, we consider that the main strategy for Upminster is for consolidation. In order to consolidate, we consider there is scope to promote both small and medium scale retail and leisure development within the town centre to maintain its position as one of the two supporting retail destinations behind Romford. Any development should seek to enhance to town centre and provide good quality retail space which is attractive to both multiple retailers and independent operators.

Potential for growth

8.58 Three development opportunity sites have been identified in Upminster town centre as shown on the plan at Appendix 1, namely:

- Council car park, Gaynes Road.
- 209 – 213, St Mary’s Lane.
8.59 The development opportunity sites in Upminster are largely located towards the edge of the town centre boundary. However, these sites do have reasonable footfall levels and as such could accommodate some new retail or leisure floorspace. An intensification of land use at these sites with associated parking either above or below could enable the town centre to accommodate between 1,000sqm to 2,000sqm gross new comparison retail floorspace in total.

8.60 We see no justification for extending the boundary of the town centre given that the current retail frontages extend some distance along Station Road. Extending the boundary would just dilute the focus of the town centre, undermining its vitality and viability.

Rainham and London Riverside

Overall approach

8.61 In floorspace terms, Rainham is the largest of the minor district centres within the borough. However, this is almost entirely down to the presence of the Tesco Extra store, which is situated behind ‘village’ element of Rainham, along Viking Way. We consider the presence of the Tesco store has had a detrimental effect on the vitality and viability of the town centre, and is currently performing as a ‘one-stop-shop’. The store does not appear to generate any significant number of linked trips to the remainder of Rainham centre. We are concerned that Rainham is not currently fulfilling its role as a district centre and we consider the only reason it is classified as such is due to the presence of the Tesco store.

8.62 The assumed additional population in or near Zone 1\textsuperscript{14} will provide additional expenditure available to support new retail facilities. We have incorporated an assumption based on an additional 11,000 population at 2018 in Scenario D as explained in Section 7. The quantitative assessment looks at the study area wide floorspace requirement as this is the preferred approach to assessing quantitative need.

8.63 If we look specifically at Zone 1, the market share is 4% for comparison goods and 72% for convenience goods (as taken from Spreadsheet Tables 5 and 13, Appendix 5). Both these levels are broadly what we would expect given the geographical characteristics of Zone 1. It would not be realistic to expect any radical change to arise from the London Riverside redevelopment. But there is a significant comparison floorspace requirement under Scenario D which relies on London Riverside proceeding. Similarly, there is a convenience floorspace requirement under Scenario B. Therefore, we consider that Rainham has a legitimate claim on the borough-wide floorspace requirements, especially given its geographical position adjacent to this planned additional population.

8.64 Given the above, we see there is scope for some improvement to the retail offer within Rainham town centre. This would boost role of the centre and help to ensure that Rainham performs as a district centre. This would be supported by the additional population provided at London Riverside. Therefore we see the strategy for Rainham as expansion.

8.65 In this respect, there is scope for a small to medium scale development in the centre of Rainham. This would provide larger shop units which are attractive to both national and independent retailers. Given the existing level convenience floorspace, we consider that the aim should be to attract comparison retailers who can complement and improve the existing offer. This, in turn, will encourage additional investment to the centre. In this respect, there is also scope to develop a specific role for Rainham.

\textsuperscript{14} Note: for the purposes of this study we have assumed all of the additional population provided at London Riverside would be located in Zone 1.
within the retail hierarchy, for example the potential for the centre to develop a niche market for comparison retailers.

8.66 However, we do not consider there is enough expenditure available to also support an additional centre of any significant size (such as a district centre) within the London Riverside residential development. The reason for this is that this would dilute the focus on Rainham and mean expenditure would not be used to enhance the centre. The only retail provision we would envisage within London Riverside would be a small scale retail parade, which could act as a local top-up shopping function together with providing other limited services for local residents.

**Potential for growth**

8.67 Low floorspace-to-plot size ratios in Rainham provide an opportunity within the existing centre boundary to develop new retail floorspace, albeit any new development within the centre should take into account the Conservation Area designation within the town centre. Currently the centre is dominated by the Tesco store on Viking Way, so the development of new comparison retail floorspace in the centre along with better linkage to the existing retail frontage could help expand the town centre’s role as a district centre. Higher density redevelopment of the opportunity sites could provide between 1,000sqm to 2,000sqm of new comparison retail space in the town centre.

8.68 Three development opportunity sites have been identified in Rainham town centre as shown on the plan at Appendix 1, namely:

- Tesco site, Viking Way, including access to Upminster Road South.
- Vacant and unused land, north of railway station, west of Ferry Lane
- Library, Social Services sites and underused land to rear, The Broadway

8.69 In respect of the first of the above three sites, we are aware that there have been discussions regarding the potential redevelopment of the existing Tesco store on Viking Way. We consider that such a proposal should be supported if it results in the provision of additional shop units (separate from the Tesco store itself) and significantly improves the integration of the store with the town centre, and thus encouraging linked trips.

8.70 We do not consider there is justification for the Rainham Tesco to increase its provision of comparison floorspace over and above what is currently present in the store. It is appreciated, however, that as the store is within the designated town centre, the ability of the Council to control the amount of comparison floorspace in any redeveloped Tesco is limited. Therefore we recommend that the Council seeks to improve the linkages with the town centre, to promote any scheme for new shop units, and to ensure that any redevelopment is appropriate in scale terms.

**Elm Park**

**Overall approach**

8.71 Elm Park is a predominantly convenience based district centre, which benefits from a range of small operators. The centre does not have much of a comparison shopping role, which is reflected in its low comparison goods sales density as explained in Section 7. Shoppers will visit either Romford, or nearby Hornchurch or Upminster, to undertake their comparison goods shopping.

8.72 Whilst it is noted that Elm Park has a good convenience role of the district centres, the greatest qualitative need appears to be for a small supermarket. The centre currently only has a small Co-op store, together with other small operators in which residents can undertake their bulky food shop. This means residents will need to travel to the Tesco Extra store at Roneo Corner to undertake their bulky food shop.

8.73 Thus there is potential for Elm Park to accommodate a small supermarket of the Tesco Metro or Sainsbury Central format. Whilst it is appreciated this will provide competition
with other stores in the centre, it is considered that it will encourage residents to shop
more locally within the centre and to undertake linked trips to other operators in the
centre, rather than traveling by car to the out-of-centre stores.

8.74 Overall, we consider that the strategy for Elm Park is for consolidation and, ideally, this
requires some redevelopment in order to replace some of the poorer retail units. Elm
Park provides an ideal opportunity to enhance its retail and leisure offer through small
scale mixed use developments, in particularly on sites on the southern side of the
railway line. Therefore we consider that the Council should actively encourage the
regeneration of this part of the centre through the promotion of appropriately sized
mixed use developments that include an element of retail development.

Potential for growth

8.75 We have identified three potential development opportunity sites as follows as shown
on the plan at Appendix 1, namely:
- The Elm Park Public House, Elm Park Avenue.
- Station Parade, The Broadway.
- Tadworth Parade, The Broadway.

8.76 We have identified an opportunity to redevelop a large proportion of the town centre to
the south and would provide a suitable site to accommodate an appropriately sized
small supermarket. This could also have the benefit of acting as an anchor store to
redevelopment south of the railway line and stimulate regeneration of this part of the
centre.

Collier Row

Overall approach

8.77 Collier Row provides limited opportunities to accommodate new retail floorspace. As
such, the centre should seek to maintain its role within the borough’s retail hierarchy
through consolidation. It should continue in its role as a successful centre which serves
a largely local catchment area. The study has not identified any potential opportunities
for the centre to grow beyond its existing limits. But if any town centre sites come
forward, then there is scope to add to the existing retail offer through appropriately
sized mixed use retail and leisure developments.

Harold Hill

Overall approach

8.78 Harold Hill is the smallest of the district centres within the borough. As such there is
limited demand from retailers to locate in this centre. The strategy for the centre is for
consolidation. The centre should seek to improve its retail and leisure offer if an
opportunity site in the town centre arises. We find no justification for expansion of the
centre.

Potential for growth

8.79 The centre contains one notable development opportunity which could provide
additional retail floorspace within the town centre. The opportunity site is identified in
the plan at Appendix 1 as:
- The Arcade pedestrianised zone, off Farnham Road.

8.80 This site is located towards the retail core of the centre and we estimate that
redevelopment could theoretically provide between 500sqm and 750sqm of new retail
or leisure floorspace.
Indicative upper limits for development

8.81 The brief for this study requires that indicative upper limits be suggested for retail and leisure uses for each of seven main town centres across the borough. This stems from PPS6 (paragraph 2.43) which advises local planning authorities to consider setting indicative upper limits for development.

8.82 Such indicative upper limits are set out in the below Table 8.1. This table provides both the range of floorspace to be provided in each centre (as identified in Section 7) and indicative upper limits. For Romford, we have used a relatively arbitrary figure of 45,000sqm gross. This is based on Romford being the highest order centre within East London and, as such, it should be the focus of all major trip generating uses - thus the scale issue is less important here.

8.83 In addition, we have provided broad parameters for the quantitative need for comparison floorspace in each of the centres. However, as PPS6 sets out in paragraph 3.8, if proposals for retail uses are located within the primary shopping area or if other town centre uses within the town centre, then there is no requirement for need to be demonstrated.

<table>
<thead>
<tr>
<th>Centre</th>
<th>Strategy</th>
<th>Indicative comparison floorspace requirement to 2018 (sqm gross)</th>
<th>Indicative convenience floorspace requirement to 2018 (sqm gross)</th>
<th>Indicative upper limit for additional retail and leisure floorspace (sqm gross)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romford</td>
<td>Consolidation/expansion</td>
<td>12,000-30,000</td>
<td>1,000-1,400</td>
<td>45,000</td>
</tr>
<tr>
<td>Hornchurch</td>
<td>Consolidation</td>
<td>800-2,000</td>
<td>1,500-1,900</td>
<td>5,000</td>
</tr>
<tr>
<td>Upminster</td>
<td>Consolidation</td>
<td>600-1,600</td>
<td>300-400</td>
<td>5,000</td>
</tr>
<tr>
<td>Rainham</td>
<td>Expansion</td>
<td>200-600</td>
<td>600-900</td>
<td>3,000</td>
</tr>
<tr>
<td>Elm Park</td>
<td>Consolidation</td>
<td>100</td>
<td>1,500-1,900</td>
<td>1,000</td>
</tr>
<tr>
<td>Collier Row</td>
<td>Consolidation</td>
<td>100</td>
<td>300-400</td>
<td>1,000</td>
</tr>
<tr>
<td>Harold Hill</td>
<td>Consolidation</td>
<td>200-400</td>
<td>1,000-1,400</td>
<td>1,000</td>
</tr>
</tbody>
</table>

Notes: (1) the borough-wide comparison floorspace requirement is between 14,000 and 35,000sqm gross, but is likely to be at the upper end of these forecasts; the borough-wide convenience forecast is between 4,700 and 6,600sqm gross. (2) the indicative comparison and convenience requirements are rounded estimates from the quantitative assessment undertaken in Section 7. (3) The convenience indicative requirement for Elm Park and Hornchurch should be split between the two zones due to both centres falling within Zone 6 of the study area.

8.84 The above table provides general guidance about the size of development that is acceptable in each of centres within the borough. It is based on a consideration of the role of each centre within the retail hierarchy and how we have categorised the strategy of each centre. However, we consider that these limits should be treated with caution. Given the town centre first strategy is advocated through PPS6, any potential development on a town centre site should be carefully considered in terms of its trading characteristics and how it integrates with the rest of the town centre. A retail or leisure development should not be resisted simply because it is above the indicative upper limits as suggested in Table 8.1. Similarly, just because a development is within the indicative upper limit, does not necessarily mean that it is appropriate in scale terms.
Out of centre development

8.85 We are aware that the Council may come under pressure to accommodate some of the need identified in out-of-centre locations. We note, however, that under the Government's favoured 'class of goods' approach to the sequential test – as opposed to the 'format driven' approach – the convention is not to make a distinction between bulky and non-bulky goods.

8.86 Therefore, as is now standard with many retail studies, the quantitative need assessment has not specifically provided for out-of-centre development in the form of retail warehouses. Rather, we have identified a global study area need and divided the subsequent floorspace requirements in accordance with the sequential approach through focusing on Romford and the district centres.

8.87 This study finds that 19.3% (as derived from Spreadsheet Table 6, Appendix 5) of the study area comparison expenditure in 2006 is directed to out-of-centre destinations within the borough. In the need assessment in Section 7, it is assumed that in the forecast years of 2013 and 2018 that none (0%) of the comparison floorspace requirement will be directed to out-of-centre locations. Rather, through using the existing market share of each of the centres within study area, we direct all of the floorspace requirements to these centres. In reality it is possible that some of the identified comparison floorspace requirement will have to be accommodated in out-of-centre locations. For example, this would normally be bulky goods type comparison floorspace, but for the reasons above a specific retail warehouse floorspace requirement has not been provided. The sequential approach should be first strictly followed before any out-of-centre retail development is permitted.

8.88 There are five existing out-of-centre shopping destinations within LBH. The characteristics of each of these locations are briefly explained within our town centre health check analysis attached at Appendix 2. The current UDP either designates these locations as secondary employment areas or as the Bryant Avenue Commercial Area. The existing policy for the Bryant Avenue Commercial Avenue favours proposals for retail warehousing. This policy approach requires updating in light of current national guidance in the form of PPS6. Our recommended approach is to specifically designate these locations as 'Existing Retail Warehouse Parks' and attach to this designation a strict policy stance which follows the approach in PPS6. A suggested policy approach is outlined below.

8.89 In the light of the above analysis, retail development in out-of-centre locations (including within the existing retail parks as explained in paragraph 8.88 above) should only be permitted only if it meets all the tests as set out in PPS6 (and explained in Section 2 of this study). First, a need must be identified and as required by PPS6 and secondly it must also be demonstrated that the development cannot be accommodated within or on the edge of the town centres within the borough. The potential to disaggregate the proposed development must also be carefully considered given that operators may argue that large retail warehouse developments may be incapable of being accommodated within or on the edge of town centres. Finally, it must be demonstrated that the development does not impose an unacceptable impact on the vitality and viability of existing centres within the borough.

8.90 The policy approach outlined above should also be applied to applications to widen the range of goods sold from any of the existing retail warehouse units. This situation will only arise if there is a condition attached to the planning permission for a store which restricts the range of goods that can be sold from that store.

8.91 If the Council is minded to accept any out-of-centre development, then we recommend that firstly all the relevant policy tests be met and secondly the development should located in an accessible location, for example adjacent or within the existing retail parks.
Monitoring indicators

8.92 In order to satisfactorily deliver the suggested strategy, we suggest a Monitoring Framework. If implemented, this can then be used by the Council in order to keep the study up-to-date and enable informed decisions to be made on any retail or leisure proposals. PPS6 advises, in Chapter 4, that comprehensive, relevant and up-to-date monitoring is essential to the effective planning and management of town centres. Such monitoring can enable early signs of change in town centres to be identified and appropriate action to be undertaken.

8.93 Paragraph 4.3 of PPS6 states that the following matters should be kept under regular review:
- the network and hierarchy of centres (at both the regional and local levels);
- the need for further development; and
- the vitality and viability of centres (at the local level).

8.94 In relation to the first of these matters, paragraph 2.10 of PPS6 states, “...any significant change in role and function of centres, upward or downward, should come through the development plan process”.

8.95 In terms of the need for further development, this study identifies comparison and convenience floorspace capacities for 2009, 2013 and 2018. We consider that the capacity estimates are robust and, accordingly, we do not anticipate that the Council should need to update the quantitative need capacity estimates until the first projected year, i.e. 2009. However, should the Council wish to update the capacity estimates before this period, in order to reflect new permissions or population changes, we have provided electronic access to the spreadsheets contained in Appendix 5.

8.96 The further matter to be kept under review is given the greatest coverage in Chapter 4 of PPS6. Accordingly we have focused on the key vitality indicators (outlined in paragraph 4.4 of PPS6) in formulating a suggested Monitoring Framework.

Guidance on monitoring

8.97 Guidance on monitoring is provided in Local Development framework Monitoring: A Good Practice Guide15 (ODPM, 2005). The Guidance relates primarily to the monitoring of local development frameworks (LDFs) as overall documents (as opposed to the monitoring of specific, individual indicators)16. Nevertheless, the Guidance provides useful general advice in relation to the preparation of monitoring frameworks. Those aspects of the Guidance that are most useful and relevant to the monitoring of retail related indicators are summarised below:
- monitoring should adopt a positive, future orientated approach (rather than being an error-correcting mechanism);
- allied to the above point, monitoring should not just be about collecting information and indicators – instead, an analytical and action-orientated approach is required;
- existing sources of information should be used wherever possible; and
- too many indicators can lead to information overload and confusion. They should thus be kept to the minimum necessary.

8.98 Whilst we recognize its wider remit, the useful content of the Guidance was taken into account in formulating the Monitoring Framework.

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15 From this point forward referred to as ‘the Guidance’.
16 Under section 35 of the Planning & Compulsory Purchase Act 2004, local planning authorities are required to submit an annual report to the Secretary of State containing information on the implementation of the local development scheme and the extent to which the policies set out in local development documents are being achieved.
Monitoring framework

8.99 The suggested Monitoring Framework is provided in the tables included on the following pages. The indicators are grouped into three categories - market, vitality and qualitative indicators - in accordance with the town centre healthchecks as undertaken (Appendix 2).

8.100 The ‘market indicators’ include retail rents, yields, retailer requirements and vacancy rates. Data on these indicators is available for the borough’s larger centres and in some cases may also be available for the borough’s minor district centres. ‘Vitality indicators’ relate to pedestrian flows, diversity of uses and qualitative views on the range of retailing available. Such data can typically be gathered by undertaking town centre visits. The ‘qualitative indicators’ are based on largely subjective opinion, which can often also be established by on-foot surveys on the centres.

8.101 For most indicators, we suggest an annual monitoring frequency. In this way, the indicators can be monitored at the same time, which will prove useful since many of the indicators overlap with each other. It will also be more efficient in terms of human resources if the monitoring of indicators to be undertaken at the same time. We recommend that the indicators are monitored at the same time of year, where possible, to assist with the compatibility of data.

8.102 The indicators that we have assessed in the town centre healthchecks and which form the basis of our suggested Monitoring Framework are devised from those advocated in Chapter 4 of PPS 6.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Data sources</th>
<th>Method for data collection</th>
<th>Monitoring frequency</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market indicators</strong></td>
<td></td>
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</tbody>
</table>
| Zone A retail rents                | • Colliers CRE’s In-Town Retail Rents, produced each summer (Romford & Hornchurch only)  
• Commercial property agents (for other centres) | Compile time-series data of rental movements (shown in Appendix 2, Annex 1). Compare with comparable centres. Contrast rents within each centre - core to fringe. | Annually             | Colliers CRE is the recognised industry source of published rents - figures are optimum Zone A rents. However, commercial agents often provide more accurate indicative Zone A rents. |
| Retailer requirements              | • FOCUS on-line database, Retail Requirements – Town, (www.focusnet.co.uk)    | Identify new national retailers and leisure operators seeking space in each centre. Compare to Appendix 2 (Annex 3) and similar centres. | Annually             | We understand FOCUS update their database monthly, but we recommend monitoring at the same time as the other indicators.               |
| Overall property demand and supply | • Commercial property agents  
• Current traders                    | Discussions with agents and traders to determined current (and recent) demand and supply of land and property in each town centre. | Bi-annually          | Agents and traders will typically be able to provide information on recent trends on supply and demand, as well as indicative examples of deals. |
| Vacancy rates                      | • GOAD, Town Centre Plans,  
• On-foot town centre surveys       | Update vacant units in Appendix 2 (Annex 4) and recalculate vacancy rates. Compare to figures in report. | Annually             | PPS6 advises that vacancies arise in even the strongest centres. Care must be taken with this indicator. Key is long-term vacancies.       |
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Data sources</th>
<th>Method for data collection</th>
<th>Monitoring frequency</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pedestrian flows</td>
<td>• On-street footfall surveys</td>
<td>Monitor the number of people moving in both directions, in different parts of each centre.</td>
<td>Annually</td>
<td>No time-series data is presently available for this indicator. If footfall surveys are commissioned, updates must use same methodology to ensure comparability.</td>
</tr>
<tr>
<td>Diversity of retail uses</td>
<td>• GOAD, Town Centre Plans</td>
<td>Update tables at Appendix 2 (Annex 4) to identify the quantity and frequency of each A-class retail use present. Compare to previous figures and similar centres. Also consider A1 comparison and convenience proportions.</td>
<td>Annually</td>
<td>GOAD plans are unlikely to be updated annually, but on-foot surveys could be carried out with this frequency. Typically limited changes occur annually, so annual monitoring should not require large resources.</td>
</tr>
<tr>
<td>Range of retailers</td>
<td>• GOAD, Town Centre Plans, Identified Key Attractors, On-foot town centre surveys</td>
<td>Consider balance of national multiples and independent retailers. Compare frequency of GOAD defined key attractors and high profile retailers to figures from study (Appendix 2, Annex 7, 8 &amp; 9).</td>
<td>Annually</td>
<td>GOAD plans are unlikely to be updated annually, but on-foot surveys could be carried out with this frequency.</td>
</tr>
<tr>
<td>Mix of services and other uses</td>
<td>• GOAD, Town Centre Plans</td>
<td>Update tables at Appendix 2 (Annex 4) to identify number of services, leisure, community and business uses present. Compare to previous figures and similar centres. Consider the night-time economy and tourism.</td>
<td>Annually</td>
<td>GOAD plans are unlikely to be updated annually, but on-foot surveys could be carried out with this frequency. Typically limited changes occur annually, so annual monitoring should not require large resources.</td>
</tr>
</tbody>
</table>
## London Borough of Havering – Retail and Leisure Study
### Final Report

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Data sources</th>
<th>Method for data collection</th>
<th>Monitoring frequency</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Qualitative indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private transport accessibility</td>
<td>• On-street observations</td>
<td>Speak to stakeholders/shoppers regarding car access, congestion, car parking to each centre. Compare with commentary from study (Appendix 2).</td>
<td>Annually</td>
<td>Not a particularly quantifiable indicator. An attitudinal survey of pedestrians may be appropriate.</td>
</tr>
<tr>
<td></td>
<td>• Discussions with stakeholders and shoppers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public transport accessibility</td>
<td>• On-street observations of public transport facilities</td>
<td>Speak to stakeholders/shoppers regarding tube/train/bus access, frequency and usage to each centre. Compare with commentary from study (Appendix 2).</td>
<td>Annually</td>
<td>Not a particularly quantifiable indicator. An attitudinal survey of pedestrians may be appropriate.</td>
</tr>
<tr>
<td></td>
<td>• Discussions with stakeholders and shoppers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pedestrian and cyclist movement</td>
<td>• On-street observations</td>
<td>Determine the ease of access to, and movement within each centre. Consider shopper views and whether improvements are required.</td>
<td>Annually</td>
<td>Not a particularly quantifiable indicator. An attitudinal survey of pedestrians may be appropriate.</td>
</tr>
<tr>
<td></td>
<td>• Discussions with stakeholders and shoppers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crime levels and the fear of crime</td>
<td>• Metropolitan Police, Annual Crime Figures for London</td>
<td>Compare trends in crime for the borough as a whole. Discussions with users/stakeholders in each town centre will provide further qualitative data on crime related issues and the fear of crime.</td>
<td>Annually</td>
<td>Metropolitan Police crime figures are not broken down by town centre, but do exist for LB of Havering as a whole and Greater London. This indicator is less quantifiable than others.</td>
</tr>
<tr>
<td></td>
<td>• Discussions with traders, stakeholders and shoppers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer attitudes</td>
<td>• Discussions with shoppers and visitors</td>
<td>Determine what shoppers/visitors identify as the strengths/weaknesses of each centre.</td>
<td>Annually</td>
<td>A standard pro-forma could be used to record issues through on-foot centre surveys.</td>
</tr>
<tr>
<td>Indicator</td>
<td>Data sources</td>
<td>Method for data collection</td>
<td>Monitoring frequency</td>
<td>Notes</td>
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<tr>
<td>Pollution and cleanliness</td>
<td>• On-street observations</td>
<td>Consider whether air or noise pollution or general cleanliness is an issue in any part of a centre. Make observations and consult stakeholders/visitors to obtain information.</td>
<td>Annually</td>
<td>Potential sources of pollution include road traffic and business uses. Commercial dumping of waste could be an issue, or alternatively the centre may lack bins.</td>
</tr>
<tr>
<td></td>
<td>• Discussions with stakeholders and visitors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architectural style and building frontages</td>
<td>• On-street observations</td>
<td>Make observations and discuss with relevant stakeholders/visitors whether notable positive or negative contributions are made. Compare to comments made in Appendix 2.</td>
<td>Bi-annually</td>
<td>Unlikely that substantial change will occur year on year, so monitoring could be as frequently as every two years.</td>
</tr>
<tr>
<td></td>
<td>• Discussions with stakeholders and visitors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open spaces and public seating and street furniture</td>
<td>• On-street observations</td>
<td>Make observations and discuss with relevant stakeholders/visitors. Consider how public spaces are managed and whether street furniture is appropriate.</td>
<td>Annually</td>
<td>Varying seasonal use of out-door space should be taken into account.</td>
</tr>
<tr>
<td></td>
<td>• Discussions with stakeholders and visitors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development opportunities</td>
<td>• General dialogue with potential developers, land owners and operators.</td>
<td>Monitor opportunity sites included in Appendix 2 for developments. Look for new potential opportunities for new development.</td>
<td>Annually</td>
<td>Noted developer/operator interest in a particular site may indicate an opportunity.</td>
</tr>
<tr>
<td></td>
<td>• On-street observations</td>
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Roger Tym & Partners
April 2006
Conclusions and next steps

8.103 This section of the report has set out a series of suggested policies and strategies for the borough. It is considered that these will provide an appropriate policy framework for retail and commercial uses in the next five years. In summary, the study sees the role for Romford as consolidation and possible expansion in order to maintain its competitive edge against other major shopping destinations, especially Lakeside.

8.104 In terms of the district centres, the study does not recommend extensive public sector involvement other than at Rainham. Rainham is dominated by the Tesco Extra and currently does not perform the role of a district centre. We consider there is scope, through the added population provided by London Riverside and general growth in expenditure in the borough, to enhance to role of Rainham as a retail destination and develop its role as a district centre.

8.105 This study projects floorspace requirements for some 12 years to 2018. This is relies on a series of economic forecasts and assumptions. Inevitably, economic conditions may change over this period. Furthermore, it is possible the retail environment of the borough may change through either a shift in Government policy or possibly in the form of additional planning permissions for retail use outside of the borough boundary.

8.106 All these factors contribute to potential uncertainty of floorspace forecasts, especially in the long run. Given the existing forecasts and the assumptions we have used, we are comfortable that the current floorspace projections are robust. However, we consider the projections should be updated in the next 4-5 years to reflect either changes in the retail environment and/or changes in economic conditions. An update should also include an updated household survey. This will have the added benefit of understanding further how the existing commitments to new floorspace inside the study area are influencing Romford’s market share, together with having further certainty over the additional population provided at London Riverside.