Epsom & Ewell Borough Council
Retail Study Update

August 2015
Contents

1. INTRODUCTION ................................................................................................................ 1
2. POLICY FRAMEWORK ..................................................................................................... 2
3. MARKET TRENDS .......................................................................................................... 11
4. RETAIL AND TOWN CENTRE CHANGE ........................................................................ 18
5. QUANTITATIVE NEED .................................................................................................... 27
6. CONCLUSIONS ............................................................................................................... 32

Plans

PLAN 1: STUDY AREA AND HOUSEHOLD TELEPHONE SURVEY ZONES
PLAN 2: RETAIL HIERARCHY
PLAN 3: EPSOM & EWELL FOODSTORE PROVISION
PLAN 4: EPSOM & EWELL RETAIL WAREHOUSE PROVISION
PLAN 5: PMRS THERMAL MAP OF PEDESTRIAN FOOTFALL
PLAN 6: EPSOM TOWN CENTRE COMPARISON GOODS MARKET SHARE

Appendices

APPENDIX 1: CONVENIENCE GOODS NEED PROJECTIONS
APPENDIX 2: COMPARISON GOODS NEED PROJECTIONS
1. **Introduction**

1.1 In October 2008, GVA were instructed by Epsom & Ewell Borough Council to undertake a borough-wide Retail Study. The purpose of that study was to provide an up-to-date picture of current and future retail need in Epsom town centre up to 2026. It was used to inform the evidence base for the Council’s emerging Area Action Plan for Epsom town centre and wider Local Development Framework; and remains at the Council’s disposal to assist in the determination of relevant planning applications.

1.2 Epsom & Ewell Borough Council have subsequently instructed GVA to review and update the ‘2009 Retail Study’ in order to inform the preparation of the new Local Plan, and in particular the emerging Site Allocations document. It is considered necessary to review the previous evidence base and outputs and to assess the implications of change on our conclusions and recommendations. Our work draws on the results of the original household telephone and business surveys, and the study is structured as follows:

- **Section 2** sets out our update review of national and local planning policies relevant to retail/town centre planning in the borough; and also details the implications of national economic and market trends on retailing in Epsom & Ewell;

- **Section 3** provides an overview of the current performance of Epsom Town Centre, and details retail/town centre change across the wider sub-region and borough which may have direct implications on town centre performance and the recommended strategy;

- **Section 4** sets out the updated findings from the quantitative need assessment for both convenience and comparison goods, taking into account new committed floorspace since the 2009 Study;

- **Section 5** reviews the findings of our study against the 2009 outputs to consider the strategic options for the future development of Epsom in terms of retail strategy and development site opportunities.
2. Policy Framework

2.1 This section details the most up-to-date national and local policy framework, focusing on change since 2009.

National Policy Framework

The National Planning Policy Framework (March 2012)


2.3 The NPPF continues to recognise that the planning system is plan-led and therefore Local Plans, incorporating neighbourhood plans where relevant, are the starting point for the determination of any planning application. In line with the Government’s aim to streamline the planning process, each Local Planning Authority (LPA) should produce a single Local Plan for its area with any additional documents to be used only where clearly justified.

2.4 The NPPF maintains the general thrust of previous policy set out in PPS4 – Planning for Sustainable Economic Growth (2009). It advocates a ‘town centres first’ approach, and requires planning policies to positively promote competitive town centre environments and manage the growth of centres over the plan period. In planning for town centres LPAs should:

- Recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
- Define a network and hierarchy of centres that is resilient to anticipated future economic changes;
- Define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary shopping frontages in designated centres and set policies that make clear which uses will be permitted in such locations;
- Promote competitive town centres that provide customer choice and a diverse retail offer which reflect the individuality of town centres;
- Retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
- Allocate a range of suitable sites to meet the scale and type of economic development needed in town centres. Where town centre sites are not available,
LPAs should adopt a sequential approach to allocate appropriate edge of centre sites;
- Set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- Recognise that residential development can play an important role in ensuring the vitality of centres; and
- Where town centres are in decline, plan positively for their future to encourage economic activity.

2.5 LPAs should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. These assessments should be integrated and take full account of relevant market and economic signals. LPAs should use the evidence base to assess, inter alia;

- The needs for land or floorspace for economic development, taking account of both quantitative and qualitative requirements for all foreseeable types of economic activity over the plan period, including retail and commercial leisure development;
- The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs;
- The role and function of town centres and the relationship between them, including any trends in the performance of centres; and
- The capacity of existing centres to accommodate new town centre development.

2.6 The Local Plan will be examined by an independent inspector whose role it is to assess whether the plan is sound. In order to be found sound the Plan should be:

- **Positively prepared** i.e. based on a strategy which seeks to meet objectively assessed development and infrastructure requirements;
- **Justified** i.e. the most appropriate strategy, when considered against the alternatives;
- **Effective** i.e. deliverable over its plan period and based on effective joint working; and
- **Consistent with national policy** i.e. enable the delivery of sustainable development.

2.7 Overall, the NPPF adopts a positive approach, with a presumption in favour of sustainable development and support for economic growth. In terms of decision-making, applications for planning permission must be determined in accordance with the development plan unless material considerations indicate otherwise. The NPPF is a material consideration in planning decisions.
On 6 March 2014 the Department for Communities and Local Government (DCLG) launched the online planning practice guidance, which cancelled a number of previous planning practice guidance documents, including the Practice Guidance on Need, Impact and the Sequential Approach (2009). Although it does not constitute a statement of Government policy, it provides technical guidance on how to prepare a robust evidence base and how to assess the impact of proposals for main town centre uses.

The web-based resource provides guidance on how to assess and plan to meet the needs of main town centre uses in full through production of a positive vision or strategy for town centres. This strategy should be based on evidence of the current state of town centres and opportunities to meet development needs and support their viability and vitality and should consider:

- The appropriate and realistic role, function and hierarchy of town centres in the area over the plan period. This will be informed by audits of existing centres to assess their role, vitality, viability and the potential to accommodate new development. It should cover a three to five year period, but also take the lifetime of the Local Plan into account and be reviewed regularly;
- The most appropriate mix of uses in the centre to enhance overall vitality and viability;
- The potential to expand centres or enable new development or redevelopment of under-utilised spaces to accommodate the scale of need identified for main town centre uses. This should involve evaluating different policy options (for example, expanding the market share of a particular centre) or the implications of wider policy such as infrastructure delivery and demographic or economic change;
- Appropriate timeframes for provision of new retail floorspace;
- Complementary strategies that may be necessary or appropriate to enhance the town centre and help deliver the vision for its future; and
- How car parking provision can be enhanced and both parking charges and enforcement be made proportionate in order to encourage town centre vitality.

Replacing details in PPS4 and the Practice Guidance, the PPG sets out a range of indicators relevant when assessing the health of town centres over time and advises LPAs should take full account of relevant market signals and keep retail land allocations under regular review. When applying the sequential approach in plan-making, LPAs should take into account the need for main town centre uses, the supply and demand for land,
and whether there are sites which are suitable, available and viable having regard to
the nature of the need that is to be addressed.

**Local Policy Framework**

2.11 The new Local Plan documents adopted and emerging will gradually replace the
existing Local Plan (adopted May 2000). Until such time, the current Development Plan
for the Borough consists of the ‘new’ adopted Local Plan Documents (Core Strategy
2007; Plan E AAP 2011) and saved policies from the Local Plan (May 2000).

**Core Strategy (July 2007)**

2.12 The Core Strategy identifies the key issues and the social, environmental objectives for
the future development of the Borough up to 2022, and a strategy to achieve them. The
document recognises that Epsom town centre provides a good range and choice of
facilities and caters for a wide range of needs. The document states that maintaining
the vitality and attractiveness of the town centre is key to delivering sustainable
development and to maintaining and improving the quality of life of the Borough’s
residents. The document emphasises that:

“..the Council is therefore committed to a positive and pro-active
approach to town centre development and change. Its aim is to ensure
that the town reaches its full potential to provide the essential range of
services and facilities required, in an attractive environment that is easily
accessible by all modes of transport.” (para.3.19.1)

2.13 As part of the Council’s overall vision for the future of Epsom town centre, the Core
Strategy seeks a vibrant, healthy and safe shopping environment, combined with a high
quality townscape. In terms of offer, the vision aims for improved retail attractions,
increasing the range of types and form of shops and other high street facilities and
services. The strategy also seeks to secure thriving day-time and night-time economies.

2.14 The strategy encourages focus on other key areas including the range and quality of
cultural, leisure, social and visitor attractions; improved public transport links; reducing
the detrimental impact of vehicular traffic; encouraging a variety of housing; sensitivity
to the character and conservation importance of the town centre; and improving the
sense of safety and security.

2.15 Paragraph 3.19.3 emphasises that the approach will be to focus and promote a variety
of uses within the town centre, provided their impact reinforces this vision and can be
accommodated without harm to the local community or to its townscape character.
Policy CS14 outlines the broad policy context within which further detailed policy development can take place. In addition, the document notes the Council’s next steps to prepare a more detailed Area Action Plan for the town centre, to provide the framework for future change, identify development opportunities and facilitate the changes necessary to promote its vitality and viability.

2.16 Policy CS15 focuses on the role of local centres, which are identified as providing an important and essential service particularly for residents who wish to shop locally or who are dependent on the facilities they offer. They are recognised as highly sustainable options which offer an alternative type of service to larger supermarkets. The policy confirms that the Council will resist proposals which are likely to damage or undermine the retail function of these centres or detract from their vitality and viability.

**Epsom & Ewell District-Wide Local Plan (May 2000) - Saved Policies**

2.17 A number of policies from the 2000 Local Plan remain ‘saved’, albeit increasingly out-of-date given the more recent adopted policy. The relevant saved policies in the 2000 Local Plan were summarised in the 2009 Retail Study, including SH1, SH2, SH3 and SH6. SH1 supports suitable development in or adjacent to existing shopping centres; SH2 seeks to restrict the development of major retail developments and retail warehousing outside Epsom town centre; and SH3 protects the retail function of retail frontages from being eroded by the proliferation of non-retail uses.

**Plan E - Area Action Plan for Epsom Town Centre (April 2011)**

2.18 In accordance with proposals set out in the Core Strategy (2007), the Council prepared Plan E (2011) in close association with representatives from the local statutory, voluntary, community and private sectors. As the main town centre in the borough, Epsom plays a vital role in the community, and the importance of maintaining a vibrant and vital town centre is widely recognised.

2.19 Plan E is a strategic policy document which provides a detailed vision for the future of Epsom Town Centre. It maps out a way forward for the town centre over the next 15 to 20 years, establishing a framework to show how change will take place, how it will be managed, and how it will be delivered. The document is based on the understanding that Epsom Town Centre does not require expansion, and rather the focus should be on effective regeneration through the delivery of identified opportunity sites and effectively managing what already exists.
2.20 Plan E sets a vision for each of the key areas throughout the town centre, and can be summarised as follows:

- **The Old Town and Market Place**: The functional heart of the town centre, and the focus for an exciting mix of street-based activities. West Street and South Street will be the focus of high quality independent shops and restaurants. Promotion of continuous improvements to its appearance;

- **The High Street (East)**: To be reborn as a traditional-style high street shopping environment, reflecting its history as a historic 1930’s shopping parade. Plan E emphasises the longstanding aspiration to improve the road junction and pedestrian connectivity to facilitate linked trips and ease of movement to specialist/niche retailing and leisure attractions on Upper High Street. Derby Square will be a place for people to meet, eat and drink;

- **Upper High Street/Upper Town**: The area’s historic built environment will be protected and enhanced, and it will be home to high quality and niche retailers, family-friendly restaurants and other leisure activities, including the cinema. Connectivity with the wider town centre is encouraged through improvement of the road junction leading to High Street (East);

- **Ashley Centre and Ashley Avenue**: Will continue to be home to a mix of quality national retailers and will have improved pedestrian links to adjoining areas of the Town Centre. A key mixed use area and home to major employers (WS Atkins and Nuffield Health, for example) which in turn contribute to town centre vitality and viability;

- **East Street**: The main business district for both Epsom and the wider Borough, with a mix of small shops and other commercial uses;

- **Epsom Railway Station and Station Approach**: Epsom Station will be redeveloped to provide a mix of uses including a greatly improved station concourse and new housing.

2.21 The remainder of the document sets out how Plan E will achieve the vision. Of particular relevance to this study are Policies E1, E3 and E4. Policy E1 identifies the Town Centre Boundary, and Policy E3 confirms the ambition to maintain Epsom’s position as a secondary regional centre, with a retail offer reflecting that of a quality market town. The policy confirms that, based on the 2009 GVA Retail Study, there is capacity for an additional 1,448 sq m by 2013, growing to 1,767 sq m by 2018, and again to 2,466 sq m by 2026.
2.22 For comparison goods, the 2009 Retail Study identified no need for additional comparison goods floorspace to the period 2013. Policy E3 reflects this position, and sets out capacity beyond this time period, identifying need for an additional 1,676 sq m by 2018, growing to 7,730 sq m by 2026. The floorspace projections for both convenience and comparison goods were carefully examined during the Plan E EiP, and were found to be sound and robust.

2.23 Policy E4 confirms that the percentage of A1 uses within the Primary Shopping Frontages should not fall below 66%, and uses other than A1/2/3 will not be permitted. Within Secondary Retail Frontages, Use Classes A1/2/3 will be permitted, but A5 uses will not be permitted. Other uses will only be permitted provided they demonstrate compliance with a number of criteria listed.

2.24 Section 5 focuses on ‘Opportunity Sites’ which have the ability to help realise the vision, with three ‘Strategic Opportunity Sites’ being identified. These include:

- **Depot Road and Upper High Street (Policy E14):** A mixed use site including 2,000 sq m of retail floorspace that will allow for a mix of small retail units and a small-medium sized foodstore. A **Development Brief (2012)** has been prepared for this site;

- **The Utilities Site (Policy E15):** A mixed use site primarily identified for housing and employment;

- **Epsom Station Site (Policy E16):** Redevelopment of Epsom Station, with additional mix of uses including residential, commercial and a maximum of 1,000 sq m of ground floor retail provision, which could include a café or restaurant.

2.25 Policy E17 identifies a number of smaller sites allocated for redevelopment which will contribute towards meeting Plan E’s wider objectives:

- Market Place, High Street
- Former Woolworths Store, High Street
- Pickard House, Upper High Street
- Former Magistrates and County Court site, The Parade/Ashley Road
- Global House, Ashley Avenue
- TK Maxx Store, High Street
- Emergency Service Uses, Church Street
- Comrades Club, The Parade
- Land to rear of The Albion Public House, South Street
- Town Hall Square and car park, rear of Town Hall
2.26 An update of all development sites identified in Plan E is provided in Section 4, ‘Retail and Town Centre Change’.

Upper High Street, Depot Road and Church Street Development Brief (2012)

2.27 This document forms part of the Epsom and Ewell Local Plan. It is adopted planning guidance and carries significant weight when assessing future development proposals. The Development Brief reiterates Policy E14 in Plan E, which identifies the opportunity for a small-medium sized foodstore on this site of 2,000 sq m (1,767 sq m net). It is envisaged that this store will provide for more than just ‘top up’ shopping trips, providing a real sustainable alternative to existing out-of-centre foodstores.

2.28 Plan E, Policy E3 also identifies some additional comparison retail floorspace that the Town Centre could accommodate over the plan period; and the Development Brief confirms that some of this could be accommodated on this site in the form of small-scale shops located at ground level.

2.29 A series of development layouts are presented which includes options for the foodstore located on Upper High Street, and also on the Depot Road site – a more central part of the wider site. The Development Brief sets out in detail the site opportunities and constraints, and also provides detailed principles of development and planning considerations.

Development Management Policies Document
Submission Draft (November 2013)

2.30 The Development Management Policies Document was submitted to the Secretary of State for examination 17 November 2014. There was no representation objecting to the retail policies and the Inspector sought only mind modifications to these specific areas. The subsequent Main Modifications and Sustainability Appraisal were available for consultation from 6 March 2015 to 17 April 2015.

2.31 The purpose of the Development Management Policies Document is to both support the strategic objectives and deliver the vision of the Core Strategy, and to set criteria by which planning applications and site allocations will be considered and determined.

2.32 DM28, DM29, DM30, DM31 are relevant to ‘Retail Uses’, underpinned by a town centres first approach. Policy DM28 aims to protect existing retail centres outside Epsom Town Centre, resisting change of use from A1, and with the overall percentage not falling below 50%. Along identified Primary Retail Frontages, the percentage of A1 units is protected to remain above 66%.
In order to deliver the Council’s town centre first approach the document seeks to limit opportunities for further retail development outside of Epsom Town Centre and the Borough’s other retail centres. Policy DM29 focuses major new retail developments towards Epsom Town Centre in the first instance, followed by Epsom Town Centre edge of centre sites, and then within the Borough’s other centres which are in locations accessible by a choice of means of transport.

Policy DM30 sets a series of criteria with which to assess proposals to extend or improve existing out of centre retail facilities (Klin Lane, and Ewell By-pass, Ewell); whilst policy DM31 safeguards isolated shops and small groups of shops which serve local needs. Policy DM32 clarifies that proposals for new development within identified shopping centres that generate vehicle trips will take full account of the Borough Parking Strategy.

Site Allocations

The Site Allocations policy document will form an important part of the emerging Local Plan. It will function in parallel with the Development Management Policies Document (DMPD) to deliver the Core Strategy, and this Retail Study Update will provide the evidence necessary to formulate the Local Plan document. In terms of timescales, the Council expect consultation to take place during the end of 2015, submission to the Secretary of State at the beginning of 2016, and adoption of the Site Allocations document towards the end of 2016.

Summary

- The National Planning Policy Framework (NPPF) was adopted in March 2012 and replaces the suite of national Planning Policy Statements, including PPS4. The NPPF maintains the general thrust of PPS4 and advocates a ‘town centres first’ approach and the identification of an appropriate retail hierarchy. It requires planning policies to positively promote competitive town centre environments and manage the growth of centres over the plan period.

- The Core Strategy recognises that Epsom town centre provides a good range and choice of facilities and caters for a wide range of needs. Plan E adds that the future focus should be on effectively managing what already exists – including opportunity sites – rather than significant change or regeneration.

- Plan E sets out the need for convenience and comparison goods floorspace to the period 2026 and identifies a number of opportunity sites with which to meet this need. The Upper High Street/Depot Road/Church Street site offers an opportunity to deliver retail floorspace focused on a small-medium sized foodstore and associated
small scale retail units. A Development Brief has been adopted setting out the development principles for the site.

- The Plan E vision and policy focus is on consolidating and enhancing the existing primary shopping area, through the redevelopment of identified sites. Based on extensive Local Plan evidence and consultation, no qualitative or quantitative need has been identified for additional retail floorspace beyond the primary shopping area. The focus is on managing existing floorspace and delivering the identified opportunity sites.

- This Retail Study Update (2015) will inform the preparation of the Local Plan Site Allocations document, and will be at the Council’s disposal to assist in the determination of relevant planning applications.

3. **Market Trends**

3.1 At the time of the 2009 Retail Study, the retail sector was experiencing considerable challenges as a consequence of the extremely rapid deterioration in the national economy during the final months of 2008. Much has changed during and since this period of economic instability and recession, and this section considers these economic fluctuations in more detail, identifying implications for retail and town centre growth and/or change in Epsom.

**Economic Upswing**

3.2 Analysis published by Experian (Retail Planner 2014) concluded that following several years of subdued performance, including a period of recession, a ‘strong economic upswing’ took place in early 2013, driven by increases in consumer spending and business investment. Experian note that whilst there remain drags on growth in terms of fiscal constraint and a weak export market, ‘low inflation, strong employment growth and high levels of consumer and business confidence point to sustained expansion, albeit at a more modest pace’.

3.3 Consumer and investor confidence is tentatively returning, and, consistent with national trends across the UK, Epsom will benefit directly from the upturn in the wider national economy as footfall and expenditure in town centres increase. Epsom is in a particularly strong position to respond to this trend on the basis of the strong socio-economic catchment.
Changing Retailer Space Requirements

3.4 During the recession retailers’ margins were squeezed, whilst other costs have continued to rise and a raft of multiple and independent retailers have either collapsed or significantly shrunk their store portfolios. The growth of the internet means that retailers no longer need to have representation in every town to achieve national coverage, and many are therefore focusing their development programmes on the provision of large flagship stores in strategic locations, supported by smaller satellite stores and transactional websites.

3.5 The larger flagships accommodate full product ranges whilst smaller stores offer more select ranges, supplemented by internet kiosks allowing access to the full range. This offers many advantages to retailers including lower property costs, more efficient logistics and being able to open stores where there is a high level of demand despite there being space restrictions. This ‘polarisation’ of retailing is enabling larger dominant centres – like Kingston and Guildford – to continue to attract key flagship formats, but does not rule out smaller, medium sized centres – like Epsom – from offering the more limited floorspace formats being sought.

Internet Growth & Multichannel Retailing

3.6 Published data sources suggest that the online shopping population, i.e. those who partake in internet shopping, is reaching saturation. Published analysis instead concludes that the continued growth in internet consumer spend will be derived from those people spending a high proportion of their expenditure on-line, driven by new technology, a better ‘browsing’ experience and improved delivery options. The growth in online sales has previously raised concerns about the continued need for bricks and mortar stores; however trends indicate that the more varied means and process of undertaking internet shopping is switching attention back to town centres; the most current example being ‘Click and Collect’.

3.7 The ‘Click and Collect’ market is the largest on-line growth sector in the UK at the current time. It is forecast to be one of the most significant drivers of growth, with expenditure set to grow by 82% between 2014 and 2019 to £6.5bn (Verdict 2014). Verdict research analysts comment that ‘the importance of click & collect should not be underestimated. Maintaining a store network that can offer locality, whilst also having highly informative websites to drive growth, is now a fundamental requirement’.

3.8 Click and Collect is an important tool in generating town centre visitation rates, with statistics suggesting the substantial opportunity for linked trips and additional expenditure
in that store and/or other town centre shops during the ‘collect’ part of the process. In Epsom, key retailers offering the service include John Lewis/Waitrose, Argos, Doddle, Marks & Spencer, Dorothy Perkins, and Monsoon, for example. It can be used as an important tool in helping town centres to continue to have an important role and function, by being a footfall generator in its own right.

3.9 It is apparent that, despite being a relatively new concept for the retail sector to embrace, click & collect is affirming that physical stores will continue to have a role in the multichannel shopping environment. The advantages of physical stores, in terms of the shopping experience, service and immediacy of products in a showroom setting, will ensure that a network of key stores remains a fundamental component of retailer’s strategies to provide an integrated multichannel retail proposition.

3.10 Importantly for Epsom, the Click and Collect phenomenon will drive an occupier desire to have a representation of physical store units across town centres. The centre will already have benefitted from increased visitation rates and linked expenditure trips, although at this time it is difficult to quantify to what extent. The Council may wish to monitor this and undertake more detailed analysis within future evidence based studies and when the concept is more established within households.

**The Role of the Town Centre**

3.11 The town centre has been the main shopping channel for centuries, but in the face of new forms of E-Tailing competition many will need to continue to adapt in order to remain viable shopping destinations. Many centres will be used increasingly for leisure and social activities as well as traditional retailing, with more bars, restaurants, food outlets and community spaces.

3.12 Enhancing the non-retail offer so towns function as more than just retail locations will help drive footfall and increase dwell time. Towns should promote unique attractions such as heritage assets, historic buildings and cultural features which can differentiate a centre and improve its attractiveness.

3.13 To ensure that town centres have a viable function moving forwards they must provide an attractive shopping and leisure experience which the internet is unable to match. A wider strategy must deliver a mix of town centre uses to enhance the attraction of a centre, and increase frequency of visit and dwell time. A vital component of this will be making town centres as accessible as possible, with improved and affordable car parking, as well as investment in public realm and place marketing initiatives. In Epsom, Plan E identifies the reduction of traffic congestion and the improvement of pedestrian
movement as key objectives, with significant funding recently being secured to deliver key projects.

**Convenience Goods/Foodstores**

3.14 The main foodstores ('big four' - Sainsbury's, Tesco, Asda, Morrisons) have reigned-in substantial expansion and the roll-out of super-sized stores. The combined spread of convenience store openings, online grocery sales, and the expansion of discount retailers such as Aldi and Lidl - i.e. those selling products at prices lower than the typical market value - has fundamentally changed consumer shopping behaviour. These trends have encouraged repetitive top-up shopping that in turn diminishes main grocery sales and renders large-format stores less profitable.

3.15 The 'big four' have historically had a combined market share of over 75% of the convenience goods market, although in recent years their dominant market position is being increasingly challenged by discount retailers such as Lidl and Aldi and also the continued growth in convenience retailers offering a more upscale product offer such as Waitrose. The discount retailers are, in particular, in the midst of a period of rapid expansion, having gained considerable market share during the recession.

3.16 In Epsom, we would expect the existing foodstores (Sainsbury's, M&S, and Waitrose) to continue to trade well, and discount retailers including Lidl and Aldi seeking representation. The big four are continually seeking modification of their largest stores in a bid to improve footfall and overall performance.

3.17 The Sainsbury's store at Kiln Lane, Epsom, is a case example of a store which has recently enhanced the wider offer through a new coffee shop and enlarged and improved non-food retailing offer in order to embrace a wider customer offer. The decision of Sainsbury's in Epsom not to implement other consents, such as permission for a parking deck, also reflects the competition and tight margins holding back continued and sustained growth of the larger supermarket chains.

**Out-of-Centre Retailing**

3.18 Retailers are opting to develop stores in the most strategic and cost effective locations, with a notable resurgence of out-of-centre destinations, which offer benefits of lower rents, larger retail units and in most cases, free car parking. According to Verdict, out-of-town retailing is the only form of retailing which has seen store numbers increase consistently since 2000. The Department for Business, Innovation and Skills (BIS) reports that the number of out-of-centre stores has increased by up to c.1,800 (25%) since 2000;
whilst the number of town centre stores fell by almost 15,000 between 2000 and 2009, the majority of which are likely to have been in ‘high street’ locations.

3.19 The recovery of market confidence is benefitting out-of-town retailing. Vacancy rates have fallen, footfall has increased, and many retailers are seeking expansion in out-of-centre locations. A number of these are traditional town centre retailers which have developed out-of-town store formats, including John Lewis, which now operates a number of ‘At Home’ stores in out-of-centre locations, as well as other traditionally ‘high street’-focussed retailers such as Debenhams, Next, Primark and H&M.

3.20 Another trend is the evolution of traditional retail ‘box’ warehouse developments into retail parks, sub-dividing units, expanding the product offer, and developing beyond just retail to introduce food and beverage, encouraging longer dwell times. Retail park owners are also refurbishing their retail parks; i.e. public realm, walkways, car parks, signage, landscaping and seating to enhance the visitor experience. The Council should monitor this trend in respect of retail warehousing at Kiln Lane (Halfords/Wickes) and the Homebase unit on Reigate Road, Ewell, as well as provision in neighbouring boroughs.

Commercial Leisure

3.21 As the nature of retail and high-street shopping continues to change over time, the commercial leisure sector is becoming an increasingly important contributor to the vitality and viability of town centres. Leisure time is a precious commodity to consumers and in order to maximise free time, research suggests that town centre visitors often combine leisure activities as part of an overall going out experience.

3.22 Reflecting this trend, leisure is becoming an increasingly important component in town centre regeneration schemes, particularly in secondary towns which, reflecting the wider trends in the retail sector previously identified, are in some cases becoming less attractive as retail destinations.

3.23 The recession brought mixed fortunes for the restaurant sector. The main casualties were from the more exclusive end of the market, as well as smaller companies with less established brands. Many companies owning multiple brands expanded throughout the economic downturn and continue to trade well, often by offering heavy promotions and discounts. Family dining restaurants such as Pizza Express and TGI Fridays are increasingly anchoring leisure-focussed (often cinema-led redevelopment schemes), and also increasing representation in other strong trading destinations such as major retail parks.
3.24 The coffee shop sector remains buoyant; there are now approximately 16,500 coffee shops across the country. Recent analysis shows that the UK’s coffee shop sector remains one of the most successful in the nation’s economy and will continue to expand. This sector is particularly buoyant in Epsom town centre, with representation being above the national average, contributing to higher footfall levels and longer dwell times and the overall vibrancy of the town centre.

3.25 The pub industry suffered during the recession with a record number of pub closures across the UK as a direct consequence of a decline in both drinks sales and rental revenues. This decline continues today, at a rate of approximately 30 pub closures per week across the country. Many pubs have in recent years been converted to small-format convenience stores. Additional factors such as competition from supermarkets, changes to licensing legislation and the smoking ban have further compounded the problems faced by many operators. Similar to the foodstores, however, value led brands such as JD Wetherspoon have achieved sales growth in recent years and continue to expand.

3.26 The Health and Fitness sector continues to perform strongly as the social trend involving the maintenance of personal health and fitness shows no sign of abating. The Rainbow Leisure centre continues to be a key asset and attractor in the town centre; and the health and fitness market is currently being expanded through investment by value and budget operators such as Easy Gym, Gymbox and Pure Gym. This new breed of venues aims to appeal to a wider market with flexible, low cost monthly or ‘pay as you go’ subscriptions. These facilities are usually located in high-footfall, in or edge of centre locations, often as part of a wider leisure offer. Epsom now has a recently opened Pure Gym.

Summary

- The ‘traditional’ high street continues to face a number of challenges stemming from the impacts of the recent economic downturn, the tightening of retail spending in recent years, and continued significant changes in consumer shopping behaviour. The growth in online shopping, including multi-channel retailing, acts as tough competition for the high street, but also presents an opportunity for the high street to capitalise, by maximising the opportunities arising from services like ‘click & collect’, and retailers moving towards a seamless transition between store-based and virtual shopping experiences.

- Out-of-centre retailing remains an ever-present source of competition, and market evidence suggests that many retail parks have performed well during the economic
downturn, and are becoming increasingly attractive to ‘high street’ retailers. Portfolio aspiration is generally to increase footfall through a greater product offer and mix of uses to encourage footfall and longer dwell times.

- **Town centre strategies** – like Plan E – which support the continued evolution of the high street are therefore considered ever more vital. This may involve providing a high quality shopping ‘experience’, maximising the benefits of trade from a broader catchment area, and improving the mix of retail and non-retail outlets to increase length of stay and spend.

- It will be important for town centres to be well positioned to be able to adapt to ongoing changes in the retail and leisure sector over the development plan period and to reaffirm their unique selling points which differentiate their retail offer from other centres, allowing them to differentiate themselves from – rather than directly compete with – higher order centres. In Epsom’s case, heritage, visitor assets and other ‘unique selling points’ should be capitalised on, and robust place marketing strategies put in place – i.e. ‘family friendly/market town’ as identified in Plan E.
4. Retail and Town Centre Change

4.1 The 2009 GVA Retail Study examined the retail performance of Epsom Town Centre in the context of the retail network across the wider sub-region. The analysis focused on the shopping catchment, trade flows, the profile of competing centres, and a detailed town centre health check of Epsom. This section summarises those findings, and sets out how the retail and town centre context has since changed.

Shopping Catchment

4.2 The survey area defining the focus of the past and current analysis is attached in Appendix 1, and comprises 12 survey zones. A household telephone survey was undertaken (2008) across 1,000 households capturing data on shopping patterns, socio-economic profiling, and qualitative strengths, weaknesses and opportunities. The outputs are the most up-to-date evidence base given negligible change in floorspace development since 2008.

4.3 The 2009 study identified that Epsom’s catchment profile is affluent and has a strong family bias. Drawing on evidence provided by the Council, there is a very high presence of Wealthy Executives and Prosperous Professionals, typical of Surrey residents. On this basis, it was concluded that this highly affluent catchment may be able to support a premium-market retail sector amongst its retail mix. We consider this position to remain unchanged in 2015, reflected in the near-completion of the affluent Hospital Cluster housing development and continued strong house price rises.

4.4 In terms of the sub-regional context, the household telephone survey identified Banstead, Croydon, Guildford, Kingston-upon-Thames, Leatherhead, New Malden and Sutton as Epsom’s main competing centres. The review of key performance indicators in 2009 confirmed the higher order shopping roles of Kingston, Croydon, Guildford and Sutton, offering a more extensive and therefore superior retail offer to Epsom.

4.5 In terms of 2009 catchment dominance, Kingston and Sutton present the strongest influence on shopping patterns, drawing 28.4% and 16.0% of available comparison goods trade from Zones 1-12. Epsom performs well for a centre occupying a lower position in the sub-regional retail hierarchy, attracting 6.6% of total available comparison goods expenditure from across the survey area (Plan 1). Epsom exerts much influence over the central and southwestern parts of the survey area (Plan 6) demonstrating an established and loyal shopper base.
Competing Centres - Pipeline Development

4.6 Planning permission for the Parkplace development in Croydon was never implemented, but in February 2014 permission was granted for proposals by Westfield/Hammerson to comprehensively redevelop the Whitgift shopping centre and surrounding land. The scheme will comprise over 150,000 sq m (1.6m sq ft) of retail and leisure floorspace, and completion is expected in 2018. This scheme will be comparable in scale to Westfield West London and Westfield Stratford City.

4.7 The 2009 Study noted that, in Guildford, planning permission had been granted to develop the Friary/North Street area to provide an additional 25,000 sq m of retail/leisure floorspace. Since this time, property investors PRUPIM have become the sole freehold owner of the Friary Shopping Centre and Land Securities have become the Council’s development partner for the North Street site. With its partners, the Council continue to bring forward the town centre framework/masterplan, facilitating new town centre/retail development on the North Street Site, with linkages/integration with the Friary Shopping Centre. The scheme will be submitted for planning in due course, but there are currently no fixed timescales for implementation.

4.8 In Kingston, the Eden Quarter continues to represent the key town centre development opportunity, and the Eden Quarter Development Brief was adopted on 27 March 2015. In respect of retail and leisure, the principle aim of development in the Eden Quarter is the expansion of Kingston’s retail offer and the delivery of a mix of shop units, convenience retailing and restaurant uses. The expectation is the delivery of up to 30,000 sq m of retail floorspace, which will substantially enhance the town centre offer. In early 2014 plans for a large-scale mixed use development on the gas holder site in Sutton were approved, leading to the regeneration of the northern part of the town centre. In terms of retail, the scheme includes a new Sainsbury’s superstore and nine unit shops.

4.9 Croydon, Kingston and Guildford have established Business Improvement Districts (BIDS), and therefore also benefit from an additional revenue stream in addition to the new capital investment being brought forward.

Epsom Town Centre

4.10 In 2009, Epsom was identified to be a healthy town centre performing adequately in a number of key areas. Across the six character areas (Plan 2), representation from comparison goods retailers and leisure and service businesses was strong; it had
improved its position in the national retailer demand rankings, Prime Zone A rents had remained unchanged, retail yields had improved and vacancy rates were low.

4.11 The study did identify areas for improvement and consolidation over the LDF period, preventing the centre from slipping into a lower order ‘clone’ town. Epsom had, for example, fallen in the Javelin rankings of town centres reflecting the failure to improve the range and mix of higher order retailing; the proportion of convenience goods floorspace was below the national average; there are a number of heavily trafficked road junctions and barriers to pedestrian movement; usage of the town centre in the evenings was low; and the town centre faced strong competition from out-of-centre floorspace, notably the Sainsbury’s at Kiln Lane.

4.12 The retail offer at that time comprised a high number of mid offer multiple retailers, but the representation from higher quality multiples and niche/specialist and independent retailers was weak and showed no signs of improvement. This was partly a consequence of the recession and partly the characteristics of constrained retail floorspace within shop units. High Street eastern end had recently lost two key anchors, Woolworths and Boots.

4.13 The 2009 report concluded that the greatest threat to Epsom wasn’t necessarily the larger centres, which will inevitably continue to trade at a higher level, but rather the decline of its own retail offer and the proliferation of fast food take-aways and charity shops, for example. The report recommended that overcoming traffic congestion and encouraging ease of pedestrian movement throughout the town centre should form a crucial element of the forthcoming Area Action Plan (Plan E).

4.14 This study provides an up-to-date analysis of the health of Epsom town centre, drawing on desk based research, detailed on-site surveys (March 2015), and data obtained from the Council. In broad terms, we found the centre to be performing well with a number of new good quality operators adding to the town centre mix. The Council responded to the conclusions and recommendations set out in the 2009 Study, focusing on a town centre first approach. A proactive and robust policy framework controlling out-of-centre retail floorspace has encouraged new town centre investment and has continued to support the consolidation and performance of the primary shopping area.

4.15 Table 4.1 and 4.2 below, compares the town centre composition by number of units since 2009. It is evident that over this period, the number of convenience retailers has fallen from 22 to 18 (1.63% below the national average), demonstrating the need to protect this operator type within the Primary Shopping Area in the future. The number of
comparison retailers has also fallen from 114 to 104, but the number of service operators has risen from 147 to 156 (both continuing to fall above the national average).

4.16 The fall in comparison retailers is not necessarily a growing weakness in the centre, as representation continues to be above the national average. The figures perhaps reflect the need for town centres to evolve to comprise a mix of food, non-food and eating/drinking destinations to enhance attraction/dwell time, and the ability of Epsom to achieve this mix. We set out below the inflow of new businesses in order to analyse the quality of change.

4.17 The Town and Country Planning (General Permitted Development) (England) Order 2015 has introduced greater flexibility to enable a more straightforward change of use within shopping frontages. Of particular relevance, the amendments allow permitted change from retail premises (A1) to financial services (A2), and restaurants and cafes (A3) without a time limit on that change of use. The Council’s policy framework has effectively protected and enhanced the primary shopping area in recent years, and we recommend the proactive consideration of legislative controls to prevent such a change of use where considered inappropriate and harmful to the vitality and viability of the shopping frontage – i.e. the dilution of A1 uses underpinning footfall and connectivity across a centre.

<table>
<thead>
<tr>
<th>Table 4.1: Epsom Town Centre Composition of Units - 2009 Study</th>
<th>Number of Units</th>
<th>% of Total</th>
<th>UK Average (%)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>22</td>
<td>7.19</td>
<td>8.82</td>
<td>-1.63</td>
</tr>
<tr>
<td>Comparison</td>
<td>114</td>
<td>37.25</td>
<td>35.04</td>
<td>+2.21</td>
</tr>
<tr>
<td>Service</td>
<td>147</td>
<td>48.13</td>
<td>45.85</td>
<td>+2.28</td>
</tr>
<tr>
<td>Vacant</td>
<td>22</td>
<td>7.1</td>
<td>10.12</td>
<td>-2.93</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1</td>
<td>0.33</td>
<td>0.17</td>
<td>+0.16</td>
</tr>
<tr>
<td>TOTAL</td>
<td>306</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Experian Goad Category Report (November 2009)

<table>
<thead>
<tr>
<th>Table 4.2: Epsom Town Centre Composition of Units - 2015 Study</th>
<th>Number of Units</th>
<th>% of Total</th>
<th>UK Average (%)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>18</td>
<td>6.08</td>
<td>8.41</td>
<td>-2.33</td>
</tr>
<tr>
<td>Comparison</td>
<td>104</td>
<td>35.14</td>
<td>32.47</td>
<td>+2.67</td>
</tr>
<tr>
<td>Service</td>
<td>156</td>
<td>52.71</td>
<td>47.39</td>
<td>+5.32</td>
</tr>
<tr>
<td>Vacant</td>
<td>18</td>
<td>6.08</td>
<td>11.42</td>
<td>-5.34</td>
</tr>
<tr>
<td>TOTAL</td>
<td>296</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Experian Goad Category Report (November 2013)
4.18 The vacancy rate in Epsom has remained consistently low in recent years, well below the national average. GVA undertook a site survey in March 2015 which enabled the Experian Goad data to be updated. The survey highlighted that the number of vacant retail units had fallen again from 18 to 15, and identified that there is currently no significant clustering of vacant units within Epsom town centre. The previously vacant units that have been re-occupied are illustrated in Table 4.3 below.

<table>
<thead>
<tr>
<th>Retail Fascia</th>
<th>Address</th>
<th>Retail Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Albion Pub</td>
<td>134 High Street</td>
<td>Leisure</td>
</tr>
<tr>
<td>Hair &amp; Beauty</td>
<td>9 West Street</td>
<td>Retail Service</td>
</tr>
<tr>
<td>Pure Gym</td>
<td>High Street</td>
<td>Leisure</td>
</tr>
<tr>
<td>Taxi Bookings</td>
<td>5 Waterloo Road</td>
<td>Retail Service</td>
</tr>
<tr>
<td>Barbers</td>
<td>41 Upper High Street</td>
<td>Retail Service</td>
</tr>
<tr>
<td>Persian Restaurant</td>
<td>11-13 Upper High Street</td>
<td>Leisure</td>
</tr>
<tr>
<td>Metro Bank</td>
<td>91 High Street</td>
<td>Financial and Business</td>
</tr>
</tbody>
</table>

Source: GVA On-site Survey March 2015

4.19 In terms of quality of operator and mix of uses, the representation of national multiple comparison goods retailers has remained strong. In the previous study (2009), multiple retailers in Epsom made up 70% of the comparison shopping offer, and in 2013 this figure was 65% - a small drop.

4.20 The GVA on-site survey updates the analysis of retailer representation throughout the centre, and recorded key retailers that have ceased operating – including Waterstones, Ann Summers and HMV – all reflective of those businesses that consolidated and retracted during the recession. There have, however, been a number of businesses that have invested in their units, including H&M which retained their existing unit for children’s-wear whilst also moving into the 2-storey Waterstones unit to sell a full-line clothing range.

4.21 The Albion, Marquis of Granby, Slug & Lettuce, Clintons Cards and Kingfish Fish & Chips have all undergone major refurbishment, and Skyrah on Upper High Street have moved in to a new, larger unit. The HMV unit has been re-occupied by Sports Direct, and ‘Hotter Shoes’ have moved in to the Ann Summers unit.
4.22 A number of new operators have moved in to the centre, including:

- Cabello (A3)
- Guitar Guitar
- Stormfront (Apple/Computers)
- Bills Restaurant
- Hotter Shoes
- Pandora Jewellers
- Sports Direct
- Metro Bank
- Jones Bootmakers
- Pure Gym
- Costa Coffee, Ashley Centre
- Costa Coffee, Odeon
- Costa Coffee, Epsom Station
- Muffin Break (A3)
- La Piccola (A3)
- Roosters Piri Piri
- Mountain Warehouse
- Nandos
- Smiggle Stationery
- Black Burgers

4.23 The mix of new operators listed above represents strong, good quality businesses. ‘Guitar Guitar’ is the largest guitar shop in the UK, and is a flagship store anchoring the far eastern end of ‘High Street East’, providing a good retail ‘link’ with Upper High Street. Cabello and Bills have introduced a family friendly eating experience, offering breakfast, brunch, lunch, afternoon tea and dinner, and both have been successful in meeting a gap in this type of higher end/quality A3 use. Bills is a key footfall driver to the west of the town centre on South Street, and Cabello is a good anchor at the eastern end.

4.24 The town centre has retained House of Fraser, M&S, Next, Monsoon, New Look, The Body Shop, TK Maxx, Wilkinson’s, WH Smiths, Fat Face, Boots the Chemist, Evans/Dorothy Perkins, Clarks Shoes, Superdrug, and H Samuel as key anchor tenants and footfall drivers. In terms of foodstores, Waitrose and M&S Food are still represented in the Ashley Centre, Co-op has two stores on Upper High Street and Waterloo Road, and Tesco Express has recently been introduced as part of the Epsom Station redevelopment.

4.25 There have previously been some concerns in respect of the influx of charity shops into Epsom town centre, particularly on High Street: Eastern End. Since 2009, Tadworth Children’s Trust, a new business has moved on to this stretch of the high street. Nevertheless, these businesses are generally regarded as good footfall drivers in the era of value driven retail, and our analysis demonstrates that Epsom does not have a high proportion of charity shops when compared to the national average and other centres in the wider catchment. This can be summarised in Table 4.4 below.
Table 4.4: Charity Shop Town Centre Comparison

<table>
<thead>
<tr>
<th>Town Centre</th>
<th>No.of Charity Shops</th>
<th>% of Total Shops</th>
<th>National Average %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sutton</td>
<td>7</td>
<td>1.62%</td>
<td>2.65%</td>
</tr>
<tr>
<td>Epsom</td>
<td>9</td>
<td>3.04%</td>
<td>2.65%</td>
</tr>
<tr>
<td>Dorking</td>
<td>9</td>
<td>3.05%</td>
<td>2.65%</td>
</tr>
<tr>
<td>Reigate</td>
<td>8</td>
<td>3.85%</td>
<td>2.65%</td>
</tr>
<tr>
<td>Ashford</td>
<td>7</td>
<td>4.46%</td>
<td>2.65%</td>
</tr>
<tr>
<td>Leatherhead</td>
<td>9</td>
<td>6.92%</td>
<td>2.65%</td>
</tr>
</tbody>
</table>

Source: GVA On-site Survey March 2015

4.26 The Ashley Shopping Centre and High Street Western End are identified as the areas with the highest footfall, and the market place continues to perform a key town centre role hosting the weekly market and monthly farmers market. Funding secured by Epsom and Ewell Borough Council and Surrey Council for the Epsom Plan E Major Highway Scheme will deliver environmental improvements around the market area, and traffic calming on South Street/ring road with the overall objective to reduce traffic in the central area of the town centre. The scheme will contribute to a much improved environment and shopper experience, and a more attractive centre for inward investment / retail operators.

4.27 Data from the 2009 study demonstrated that High Street Eastern End has a good level of footfall, just below that recorded in the Ashley Centre and on High Street Western End. An enhanced retail area and improved operator representation on High Street Eastern End, continues to be hampered by heavy traffic and a dominant central reservation barrier constraining pedestrian movement and circulation. Within an established retail frontage, the improvement of the environment, retail frontages and pedestrian linkages/integration are key to attract new and better quality retail operators.

4.28 The 2009 Study notes the ‘Streetscape’ scheme on Kensington High Street as a superior example in removing barriers to pedestrian movement and promoting the philosophy of less is more. Within closer proximity, the Tolworth Greenway is a similar example of promoting connectivity within a town centre environment which is dominated by busy roads. Epsom should prioritise these concepts on High Street Eastern End, alongside junction improvements at Spreadeagle junction and the Quadrant.

4.29 In 2009, the retail study recommended the policy framework restrict against the further representation of A5 fast food take-away outlets which can seriously undermine the mix of uses and vibrancy of an area. This was of particular concern in more secondary areas such as Upper High Street. The Council subsequently reviewed and brought forward
frontage policies detailed in Plan E (Policy E4) to protect the representation of certain uses (i.e. A1 in Primary Shopping Frontages), and to restrict the introduction of certain uses (i.e. A5 take-away uses across the Primary Shopping Area). The policy framework has been instrumental and successful in retaining the balance and mix of uses, thus ensuring a vibrant and attractive shopping centre. The Council should continue to implement and enforce this policy stance moving forwards.

**Development Sites**

4.30 Seven development sites were identified in Appendix 8 of the 2010 Retail Study, and we provide an update below:

- **Site 1: Waterloo Road North**: now allocated as a separate district centre, but continues to retain a close link to the town centre in the event of future policy/investment strategies.

- **Site 2: Station Approach**: now implemented. Since completion of the 2010 Study, the Epsom railway station has been redeveloped within the town centre boundary but outside the primary shopping area. The scheme, which is now complete, comprises:

  “Provision of mixed use development, comprising new railway station ticket hall facility, 124 residential apartments, 64 bed hotel and ancillary A1 and A3 retail uses 1,098 sq m, together with 67 car parking spaces, highway and public realm improvements and servicing arrangements.”

  The ground floor A1 and A3 retail uses including three units, now open and trading as Tesco (435 sq m), Costa Coffee and Doddle (311sq m and 352 sq m).

- **Site 3: East Street/Hook Road Landmark Site**: now falls part within the wider Plan E Opportunity site: The Utilities Site, allocated primarily for employment/housing.

- **Site 4: Upper High Street - East End site**: Opportunity to enhance the frontage to create a higher quality mix of units.

- **Site 5: Waterloo Road North**: Now refurbished and presents a quality landmark building occupied by Metro Bank.

- **Site 6: High Street, TK Maxx Urban Block**: No change. Potential for comprehensive redevelopment within the Primary Shopping Area.

- **Site 7: Woolworths/QS Clothing**: Vacant Woolworths now occupied by Poundland, but remains an opportunity for unit reconfiguration with adjoining QS Clothing to attract a major town centre operator. Continued opportunity for double frontages on to Derby Square.
Summary

- The catchment of Epsom is defined as being affluent with a strong family bias. In terms of town centre competition, Kingston and Sutton are identified as key town centres, followed by Croydon and Guildford. All four centres have major proposals to enhance the town centre and retail offer, the largest being a new Westfield shopping centre in Croydon.

- The implementation of Plan E is already having a positive outcome. Epsom continues to perform well, with a falling vacancy rate, a strong proportion of multiple comparison retailers, evidence of business investment/refurbishment, and a large number of new, good quality businesses, all contributing to a wider town centre mix. The restriction of A5 take-away businesses across primary and secondary shopping frontages has been successful, and the Council has secured substantial funding to improve the environment, and implement traffic calming and junction improvements.

- The Council’s firm policy stance on town centre consolidation and the restriction of out-of-centre development has enabled a positive focus on encouraging town centre enhancement, retailer representation and footfall. The fall in the number of convenience goods operators is perhaps of concern, particularly as the number of such businesses was already below the national average. This should be monitored and existing businesses protected.

- Moving forwards, the Council should continue to focus on prioritising pedestrian circulation and frontage integration, particularly on High Street Eastern End. The concepts implemented on High Street Kensington and the Tolworth Greenway would substantially benefit the retail environment on High Street Eastern End, and should continue to be encouraged alongside frontage improvements. These ‘grassroot’ improvements are key to enhancing the retail offer at a future date.

- The development sites within the Primary Shopping Area which remain available and suitable for redevelopment include Site 4: Upper High Street – East End Site, Site 6: TK Maxx Urban Block, and Site 7: Woolworths/QS Clothing.
5. Quantitative Need

5.1 In this section we update the quantitative assessment, setting out the extent of need for additional convenience and comparison goods floorspace in the borough to the period 2030. The capacity tables, incorporating interim years of 2020 and 2025, are attached in Appendix 1 and 2.

Data Inputs

5.2 We have again used the outputs from the Household Telephone Survey of shopping patterns (November 2008), which covered 1,000 households and asked people where they undertook their convenience and comparison goods shopping. This continues to be a suitable evidence base given the absence of any substantial change in the composition of retail floorspace in Epsom and the competing centres since this time. We do take into account a number of smaller, recent developments and commitments which are discussed later in this section.

5.3 Population estimates and forecasts were prepared from the Experian E-Marketer in-house system. This provides estimates of population based on trend-line projections and the 2011 census for small, localised areas. Overall, the population of the survey area within Zones 1-12 is currently 490,517. It is forecast to grow to 519,665 by 2020, 547,123 by 2025 and 571,295 by 2030 (Table 1, Appendix 1). Overall, population is forecast to grow by 16.5% within the whole survey area.

5.4 Whilst the projected years are different and it is not possible to make a direct comparison, this population growth is higher than that forecast in the 2010 Study. At that time, population was expected to reach 482,322 by 2018 and 506,135 by 2026.

5.5 The Experian E-Marketer system provides estimates of per capita expenditure for convenience and comparison goods in 2013 prices. As previous, we have made deductions for special forms of trading (SFT) which represents expenditure not available to spend in the shops, i.e. internet and catalogue shopping. We have applied individual per capita expenditure figures across each survey zone to provide a more detailed understanding of available expenditure in different parts of the catchment area.

5.6 For convenience goods, we use growth rates of 0.6% to project forwards from 2015, and for comparison goods the figure is 3.3%. These figures reflect a stronger economy than that experienced during the 2010 study, albeit a tentative growth with the economy not yet returning to that experienced during the boom, pre-2008. This is consistent with national economic forecasts which underpin Experian’s projections.
5.7 Taking these considerations into account, we have generated expenditure by zone to highlight variations across the survey area and grown them accordingly to 2020, 2025 and 2030. Table 2, Appendix 1 applies per capita expenditure within each zone to population forecasts, which indicates that the total available convenience goods expenditure within the survey area is currently £1.084 billion. This is forecast to grow to £1.168 billion by 2020, £1.255 billion by 2025 and £1.343 billion by 2030, equating to an overall growth of £259,186 (24%) between 2015 and 2030.

5.8 Table 2, Appendix 3, sets out total comparison goods expenditure over the same time period, and demonstrates that the total amount in 2015 is currently £1.867 billion. The total is forecast to grow to £2.240 billion by 2020, £2.766 billion by 2025 and again to £3.409 billion by 2030, equating to an overall growth of £1.5 million (82%) between 2015 and 2030.

**Convenience Goods**

5.9 The analysis has identified the town centre M&S food hall and Waitrose to be performing well, based on qualitative and quantitative factors; whilst the out-of-centre Sainsbury’s at Kiln Lane continues to trade strongly - above company average levels. The Sainsbury’s store continues to be the dominant foodstore in the borough, and this performance has been taken into consideration when forecasting the need for additional floorspace; i.e. the overtrading doesn’t lead to a further need for convenience goods floorspace above that identified in this analysis.

5.10 The need for additional convenience goods floorspace is set out in detail in Table 7, Appendix 1. It is evident that, given the increase in population and expenditure, the baseline need – excluding commitments – has increased to 4,618 sq m net in 2020, 5,397 sq m net in 2025 and 6,192 sq m net in 2030. Population growth trends and the upturn in the economy have clearly had an impact on driving the need for additional convenience goods floorspace.

5.11 It is necessary, however, to take into account any changes in retail floorspace across the borough in recent years. Indeed, since the completion of the previous 2010 Retail Study, a number of site allocations, developments and commitments have come forward which must be deducted from these baseline ‘need’ figures. These include:

- **Upper High Street/Depot Road [Policy Site Allocation]** - 1,767 sq m net
- **Tesco, Ruxley Lane [Open and Trading]** - 400 sq m net
- **Tesco, Epsom Station Development [Open and Trading]** - 300 sq m net
- **Aldi, Kingston Road, Ewell [Open and Trading]** - 1,050 sq m net
- **TOTAL** - 3,517 sq m net
5.12 The level of residual expenditure available to support additional convenience goods floorspace has subsequently reduced as a consequence of these ‘claims’, and the analysis identifies a need of 1,101 sq m net in 2020. Forecasts beyond this period should be subject to regular updates/monitoring. The need identified should be directed to town centres in the first instance, particularly given the declining representation in Epsom town centre in recent years. The Council should prevent against further competition in out-of-centre destinations.

**Comparison Goods**

5.13 The 2010 Study identified that the influence of Epsom extends across most of the survey area apart from Zones 3, 11 and 12 where shoppers continue to look to Kingston-upon-Thames, New Malden, Sutton and Croydon for their comparison shopping needs. Within the whole survey area, Epsom town centre draws 6.6% of total available comparison goods expenditure, the majority coming from Zones 1, 7 and 8 from which Epsom absorbs 26.9%, 18.3% and 20% of available spend in each zone respectively.

5.14 As in the 2010 Study, it should be noted again that the growth in internet spending, which has increased substantially in recent years, will be taking a growing proportion of expenditure. We have accounted for expected increases in special forms of trading (SFT) and estimated that by 2025 15.9% of overall available comparison expenditure will be diverted from ‘bricks and mortar’ retail floorspace. This is an increase from 12.5% in 2015.

5.15 The town centre will need to continue to compete with the internet through developing the overall ‘visitor experience’ that the internet cannot compete with, including for example, a strong mix of uses, eating/drinking, leisure destinations, and a pleasant environment. As we have noted in earlier sections, the rapid rise of ‘click & collect’ will provide some comfort to town centres, with this service driving town centre footfall and linked trips.

5.16 On the basis of current market shares, taking account of SFT and the expected inflow of expenditure, we estimate that Epsom town centre has a current turnover of £122.9million pounds (2015). This is forecast to grow to £146.8million by 2020, £180.9million by 2025, and £222.8million by 2030 (Table 5, Appendix 2). These figures are higher than that previously forecast, when turnover reached just £157.3million by 2026 in the 2010 Study; driven primarily by population growth across the catchment area, not solely within the borough.
5.17 We estimate that Epsom town centre has a comparison goods sales density of approximately £5,250 per sq m net, an increase from £3,948 per sq m net as recorded in the 2010 Study. This is a healthy level of town centre performance, in the region of what we would expect for a town centre of this size in this position in the retail hierarchy. The 2010 Study and our updated health check have identified some areas of vulnerability and constraints to a stronger performance, and the focus should continue to be on improving and removing these barriers to change/growth within the Primary Shopping Area in the light of future retail change in the higher order and neighbouring centres.

5.18 The enhancement in town centre performance should not lead to complacency. This growth has been driven by population and expenditure growth in the absence of new retail floorspace development. The household survey results are sufficiently robust at this point in time, but we would recommend a new and up-to-date survey within the next 5 years to enable a new analysis of shopping patterns in the context of newly developed floorspace and consequent implications on town centre performance. The longer term use of these survey results would not reflect such changes throughout the sub-regional network of retail floorspace following the implementation of new development.

5.19 In assessing capacity for future comparison goods floorspace, we have assumed that the efficiency with which existing floorspace is being used will increase over time, i.e. their turnover performance will grow and existing businesses will absorb a small proportion of identified growth in expenditure. We have therefore assumed an annual growth in existing sales per sq m net of 1.5%. This assessment assumes that Epsom will maintain market share and that new floorspace will achieve a performance sales density of £5,500 per sq m net in 2015 - again growing by 1.5% per annum.

5.20 By virtue of growth in population and expenditure we have projected that increases in available comparison expenditure will create a residual expenditure of £21.9m by 2020, growing to £41.7m by 2025 and again to £74.3m by 2030. This translates to a need for comparison goods floorspace of 3,882 sq m net by 2020, 6,607 sq m net by 2025, and 10,909 sq m net by 2030 (Table 7, Appendix 2). We have not deducted any floorspace for the Epsom station redevelopment on the basis that the retail units created are occupied by Tesco, Costa Coffee and Doddle, and do provide any further comparison goods floorspace.

5.21 We do not conclude that a surplus in expenditure should lead to the allocation of out-of-centre sites in the absence of town centre sites. Our Study has demonstrated how a strong and committed policy framework has protected and improved the primary shopping area making it attractive to new operators and investors. The analysis has also identified the strength in competing floorspace being brought forward - particularly in
Croydon (Westfield) and Kingston (Eden Quarter). The Council should continue to focus on a town centres first approach, restricting competition outside the primary shopping area, and enhancing the town centre - both commercial and physical - in advance of these major new sub-regional developments across the catchment area.

5.22 There will evidently be some trade diversion to new schemes in competing locations (Croydon/Kingston) given their scale and attractiveness, and any surplus comparison goods need to the period 2020 should be accommodated on allocated sites, and through the redevelopment of sites and extensions to existing premises within the Primary Shopping Area. Beyond 2020, the figures are open to increasing margins of error and should be revised/refreshed through new survey evidence.

Summary

- The quantitative analysis is underpinned by a stronger economy than that being experienced at the time of the 2010 study; albeit investor and consumer confidence is only tentatively returning and has not reached the levels being experienced in the ‘boom’ years, i.e. pre-2008.

- Shopping patterns reflect those in the November 2008 household telephone survey given the absence of any strategic/substantial retail development in the borough and wider sub-region. Floorspace need arising is primarily driven by growth in population and expenditure, with appropriate deductions made for special forms of trading and increases in floorspace efficiency.

- For convenience goods, we have incorporated four schemes which represent policy allocations, new development or commitments since the 2010 study. Through the appropriate deductions for new floorspace, we identify a need of 1,101 sq m net in 2020, rising to 1,880 sq m net in 2025.

For comparison goods, we conclude that the town centre is performing at a stronger level than the 2010 study (£5,250 per sq m net). When forecasting need, no deductions have been made for commitments, and residual expenditure identified would support 3,882 sq m net by 2020, rising to 6,607 sq m net by 2025. We recommend that the Council continues to focus on a town centres first approach, given the imminent development of regional significant retail floorspace in Croydon and Kingston, and the likely diversion of trade and consequent need to restrict competition with Epsom town centre locally.
6. **Conclusions**

**Policy**

6.1 The National Planning Policy Framework (NPPF) was adopted in March 2012 and replaces the suite of national Planning Policy Statements, including PPS4. The NPPF maintains the general thrust of PPS4 and advocates a ‘town centres first’ approach. It requires planning policies to positively promote competitive town centre environments and manage the growth of centres over the plan period.

6.2 The Core Strategy recognises that Epsom town centre provides a good range and choice of facilities and caters for a wide range of needs. Plan E adds that the future focus should be on effectively managing what already exists – including opportunity sites – rather than significant change or regeneration.

6.3 Plan E sets out the need for convenience and comparison goods floorspace to the period 2026 and identifies a number of opportunity sites with which to meet this need. The Upper High Street/Depot Road/Church Street site offers an opportunity to deliver retail floorspace focused on a small-medium sized foodstore and associated small scale retail units. A Development Brief has been adopted setting out the development principles for the site.

6.4 The Plan E vision and policy focus is on consolidating and enhancing the existing primary shopping area, through the redevelopment of identified sites. Based on extensive Local Plan evidence and consultation, no qualitative or quantitative need has been identified for additional retail floorspace beyond the primary shopping area. The focus is on managing existing floorspace and delivering the identified opportunity sites.

6.5 This Retail Study Update (2015) will inform the preparation of the Local Plan Site Allocations document, and will be at the Council’s disposal to assist in the determination of relevant planning applications.

**Market Trends**

6.6 The ‘traditional’ high street continues to face a number of challenges stemming from the impacts of the recent economic downturn, the tightening of retail spending in recent years, and continued significant changes in consumer shopping behaviour. The growth in online shopping, including multi-channel retailing, acts as tough competition for the high street, but also presents an opportunity for the high street to capitalise, by maximising the opportunities arising from services like ‘click & collect’, and retailers
moving towards a seamless transition between store-based and virtual shopping experiences.

6.7 Out-of-centre retailing remains an ever-present source of competition, and market evidence suggests that many retail parks have performed well during the economic downturn, and are becoming increasingly attractive to ‘high street’ retailers. Portfolio aspiration is generally to increase footfall through a greater product offer and mix of uses to encourage footfall and longer dwell times.

6.8 Town centre strategies which support the continued evolution of the high street are therefore considered ever more vital. This may involve providing a high quality shopping ‘experience’, building on the ‘family friendly market town’ brand, maximising the benefits of visitor trade from a wider/stronger catchment, and improving the mix of retail and non-retail outlets to increase length of stay and spend. The Council may wish to consider the introduction of a Business Improvement District (BID) enabling business led partnerships to work with the local authority in improving the local trading environment. Improvements may include, but are not limited to, extra safety/security, cleansing and environmental measures.

6.9 It will be important for town centres to be well positioned to be able to adapt to ongoing changes in the retail and leisure sector over the development plan period and to reaffirm their unique selling points which differentiate their retail offer from other centres, allowing them to differentiate themselves from – rather than directly compete with – higher order centres. ‘Unique selling points’, such as Epsom’s family friendly market town status, should be capitalised on, and robust place marketing strategies put in place, alongside continue physical enhancements to the public realm and pedestrian circulation throughout.

**Retail and Town Centre Change**

6.10 The catchment of Epsom is defined as being affluent with a strong family bias. In terms of town centre competition, Kingston and Sutton are identified as key town centres, followed by Croydon and Guildford. All four centres have major proposals to enhance the town centre and retail offer, the largest being a new Westfield shopping centre in Croydon and plans for the Eden Quarter in Kingston.

6.11 Overall, Epsom continues to perform well, with a falling vacancy rate, a strong proportion of multiple comparison retailers, evidence of business investment/refurbishment, and a large number of new, good quality businesses, all contributing to a wider town centre mix. The tight controls on frontages as set out in Plan
E, Policy E4 and the restriction of A5 take-away businesses across primary and secondary shopping frontages has been successful, and the Council has secured substantial funding to improve the environment, and implement traffic calming and junction improvements.

6.12 The Council pro-actively responded to the conclusions and recommendations set out in the 2009 Study, focusing on a town centre first approach as endorsed in national policy. The subsequent proactive and robust policy framework has focussed on the role and positioning of the Primary Shopping Area and the control of out-of-centre retail floorspace. The local policy framework has encouraged new town centre investment and continued to support the consolidation and performance of the primary shopping area.

6.13 The Council’s firm policy stance on town centre consolidation and the restriction of out-of-centre development has enabled a positive focus on encouraging town centre enhancement, retailer representation and footfall. The fall in the number of convenience goods operators is perhaps of concern, particularly as the number of such businesses was already below the national average. This should be monitored and existing businesses protected, using Article 4 Directions (where deemed necessary) to remove recently introduced permitted development to change uses permanently throughout primary and secondary shopping frontages. This procedure would protect Plan E Policy E4.

6.14 Moving forwards, the Council should continue to focus on prioritising pedestrian circulation and movement throughout the key character areas and across a number of difficult road junctions. Substantial investment in junction improvements will enhance pedestrian permeability and linked trips through the whole Primary Shopping Area, rather than the current configurations which create barriers to such integration and movement to the detriment of the town centre as a whole.

6.15 The strategy should continue to support frontage integration and linkages throughout the primary shopping area from the Market Place through to High Street Eastern End and on to Upper High Street. The concepts implemented on High Street Kensington and the Tolworth Greenway would substantially benefit the retail environment on High Street Eastern End, and should continue to be encouraged alongside frontage improvements. These ‘grassroots’ improvements are key to enhancing the retail offer and town centre performance in the short to medium term.
Quantitative Need

6.16 The quantitative analysis is underpinned by a stronger economy than that being experienced at the time of the 2010 study; albeit investor and consumer confidence is only tentatively returning and has not reached the levels being experienced in the ‘boom’ years, i.e. pre-2008.

6.17 Shopping patterns reflect those in the November 2008 household telephone survey given the absence of any strategic/substantial retail development in the borough and wider sub-region. Floorspace need arising is primarily driven by growth in population and expenditure, with appropriate deductions made for special forms of trading and increases in floorspace efficiency.

6.18 For convenience goods, we have incorporated four schemes which represent policy allocations, new development or commitments since the 2010 study. Through the appropriate deductions for new floorspace, we identify a need of 1,101 sq m net to the period 2020. Forecasts beyond this period should be subject to regular updates/monitoring. The need identified should be directed to town centres in the first instance, particularly given the declining representation in Epsom town centre in recent years. The Council should prevent against further competition in out-of-centre destinations.

6.19 For comparison goods, we conclude that the town centre is performing at a stronger level than the 2010 study (£5,250 per sq m net). When forecasting need, no deductions have been made for commitments, and residual expenditure identified would support 3,882 sq m net by 2020, rising to 6,607 sq m net by 2025. Despite a rise in the identified need for additional comparison goods floorspace, we recommend that the Council continues to focus on a town centres first approach, given the imminent development of regionally significant retail floorspace in Croydon and Kingston, and the likely diversion of trade and consequent need to restrict competition with Epsom town centre locally.

Recommendations

1. We recommend the Council retains the primary and secondary retail frontages identified in Plan E. We recommend the Council retains the relevant policies restricting A5 take away uses, whilst retaining an appropriate mix of A1-A4 Uses elsewhere in the centre. We recommend the Council explores the use of Article 4 Directions to remove recently introduced permitted development to allow change of use from A1 to A2 or A3 uses. In many cases, such permitted development will
irreparably damage A1 retail concentrations in town centres, weakening frontages and becoming less attractive areas to visit.

2. We do not recommend further site allocations for convenience goods retailing. Upper High Street/Depot Road is allocated for an appropriate small to medium sized foodstore. The site is supported in policy and is sufficient in scale, suitable and available for all foodstore formats. Our assessment has identified a continued fall in convenience goods representation within the primary shopping area and the limited scale of need identified should be directed to the primary shopping area in the first instance. We recommend the Council proactively resists further convenience goods competition outside of the primary shopping area.

3. The analysis has identified some need for additional comparison goods floorspace, but we do not recommend the allocation of sites beyond the primary shopping area. Our Study has demonstrated how a strong and committed policy framework has protected and improved the primary shopping area making it attractive to new operators and investors. The analysis has also identified the strength in competing floorspace being brought forward – particularly in Croydon (Westfield) and Kingston (Eden Quarter).

The focus should remain on ‘town centre first’, and the policy position should continue to resist further competition outside of the Primary Shopping Area (PSA). Any surplus comparison goods need to the period 2020 should be accommodated on allocated sites, and through the redevelopment of sites and extensions to existing premises within the Primary Shopping Area. Beyond 2020, the figures are open to increasing margins of error and should be revised/refreshed through new survey evidence at that time.

4. In respect of development site opportunities, the following sites (from those referenced in Policy E14/15/16/17 of Plan E, and 2010 Retail Study) remain suitable for retail/town centre development:

   - Site 4: Upper High Street – East End Site [Appendix 8, 2010 Study];
   - Site 6: TK Maxx Urban Block [Plan E, Policy E17 / Appendix 8, 2010 Study];
   - Site 7: Woolworths (not Poundland) / QS Clothing (now Store 21) [Plan E, Policy E17 / Appendix 8, 2010 Study];
   - Upper High Street/Depot Road [Plan E, Policy E14].

5. As noted in Section 3, the ‘Click and Collect’ market is the largest on-line growth sector in the UK at the current time, and its importance should not be underestimated. It can be used as an important tool in helping town centres to continue
Click and Collect opportunities are available throughout Epsom within individual businesses (Waitrose/John Lewis, M&S, Monsoon, for example); but we recommend the Council supports further click and collect opportunities in the town centre, including, for example, ‘Click and Collect cafes’ or a ‘Click and Collect Hub’ within the Ashley Shopping Centre.

Westfield, for example, has launched ‘Click and Collect Hubs’, in partnership with Collect+, allowing shoppers to pick up their online orders from their centres. The dedicated hubs allow shoppers to try on their purchases to know if they are suitable before taking them home, and offers a returns service. This provides shoppers with access to over 260 retailers signed up to the Collect+ service, including John Lewis, Amazon and Asos, and would substantially enhance footfall within Epsom town centre, leading to linked trips. Westfield view it as an opportunity to respond to shoppers’ needs and ultimately help deliver a seamless experience for customers shopping on-line and in-store.

6. The Council should continue to seek opportunities for unit reconfiguration/expansion throughout the primary shopping area in order to meet the modern space requirements of multiple retailers. Such change in configuration should encourage the representation of quality national multiples which would contribute to the attractiveness, competitiveness and footfall within Epsom town centre.

7. The Council should retain a qualitative focus on improvements throughout the town centre, building on the investment opportunity presented by funding secured. Specific focus should be on the physical/pedestrian environment, heavy traffic, the removal of the dominant central reservation barrier along High Street Eastern End.

The complex and busy road junctions and the improvement of pedestrian movement/linked trips throughout the whole Primary Shopping Area should continue to be prioritised, with examples/concepts being taken from elsewhere. A relevant example is Oxford Circus (image below), where inspiration was taken from Tokyo, with the new design stopping traffic in all directions, allowing shoppers to cross diagonally in an ‘X’ as well as straight ahead. The £5m junction, which promotes ease of pedestrian movement between different retail areas, is now able to handle double the number of pedestrians, whilst street clutter and barriers have been removed, and pavements have been widened through the new design.
8. The Council should continue to focus on shop front design and improvements to fascias and signage. In 2013, for example, Leyton High Road (East London) won best town centre project at the London Planning Awards (image below), with the inspiration relying on a consistent look and feel, with signs above shops made to a uniform size, shutters were brought inside shops, and buildings were re-painted. The enforcement team have enforced a blanket ban on estate agents ‘to let’ and ‘for sale’ signs throughout the borough to remove clutter which has a substantial positive impact on the appearance of high street areas.

The Council are preparing a Design Quality SPD which we understand will include detailed guidance on shop front design. This might be a timely opportunity to integrate this document with wider brand, marketing and environmental aspirations/initiatives across the town centre to ensure consistency in strategy moving forwards.

Figure 6.2: Leyton High Road, Shop Front Investment