

London Boroughs of Ealing, Hounslow and
Hammersmith and Fulham

JOINT RETAIL NEEDS STUDY UPDATE



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EXECUTIVE SUMMARY

Terms of Reference

- 1 Roger Tym & Partners (RTP) was instructed in October 2009 to update the 2006 West London Joint Retail Needs Study (WLRNS). The client steering group comprises three London boroughs, namely Ealing (LBE), Hounslow (LBH) and Hammersmith and Fulham (LBHF).
- 2 This updated study, alongside the original WLRNS, will form part of the evidence used to underpin the preparation of Local Development Frameworks (LDFs) for each borough.
- 3 The terms of reference include two separate objectives. The outputs of objective 1 must:
 - i) Re-assess the quantitative requirements to 2031 for comparison and convenience retail (A1) uses and A3 to A5 commercial food and drink uses.
 - ii) Evaluate the differences between the update study and the original WLRNS and the Experian work for the GLA published in 2009.
 - iii) Supplement the quantitative assessment with a consideration of qualitative matters, in particular the adequacy of existing town centre uses and whether they are fit for purpose.
- 4 Objective 2 must consider the role of neighbourhood centres and other parades and other centres outside the London Plan town centre designations. There are 33 centres (including one cross boundary centre) that are the subject of this work. The outputs of objective 2 must:
 - i) Understand the function of the smaller centres within the wider hierarchy.
 - ii) Provide an evidence base to support a future policy approach for smaller centres.
 - iii) Flag up any centre that potentially needs specific public sector involvement through investment, re-designation or protection.

Policy Context

- 5 PPS4 and PPS12 provide the national policy context and there is an adopted and emerging London Plan to consider alongside an emerging LDF for each borough. In summary the policy context finds that:
 - The boroughs need to consider the requirements of PPS4 when producing their LDF documents. PPS4 requires evidence based policies which take account of both the quantitative and qualitative need for development.
 - The practice guidance published alongside PPS4 sets out good practice on how to provide a robust evidence base.
 - The Competition Commission has recommended that a competition test for new grocery retailers is introduced. This is not currently included within policy, although PPS4 recognises the importance of competition and choice.
 - The adopted London Plan states that West London is expected to experience significant growth in consumer expenditure which could generate demand for up to 227,000 sqm extra comparison goods floorspace to 2016. The London Plan and

PPS4 state that this should be directed to town centres first. Ealing and Hounslow are designated as metropolitan centres, whilst Chiswick, Southall, Hammersmith and Fulham are designated as major centres. In the emerging London Plan, Shepherd's Bush is also designated a metropolitan centre due to the recently opened Westfield shopping centre.

- The three boroughs are in the process of producing their LDFs and have undertaken some consultation already.

Spending Growth

6 As part of the quantitative assessment, the study has assessed the level and growth of spending on retail and commercial leisure (food and drink uses) within the 30 zone study area, which encompasses all three boroughs. The assessment has been informed by population and expenditure estimates and in respect of the **LB Ealing** (best fit zones 4-10) found that from 2009 there will be:

- i) 18,350 additional population by 2021, increasing to 30,761 by 2031
- ii) £448.9 million of comparison and £94.4 million of convenience expenditure growth by 2021, increasing to £961.9 million and £182.5 million respectively by 2031
- iii) £119.7 million of commercial leisure expenditure growth on food and drink uses by 2021, increasing to £264.5 million by 2031

7 In respect of the **LB Hounslow** (best fit zones 11-17), the assessment found the following from 2009:

- i) 17,204 additional population by 2021, increasing to 27,115 by 2031
- ii) £365.9 million of comparison and £80.9 million of convenience expenditure growth by 2021, increasing to £759.9 million and £147.4 million respectively by 2031
- iii) £99.9 million of commercial leisure expenditure growth on food and drink uses by 2021, increasing to £209.0 million by 2031

8 Finally, in respect of the **LB Hammersmith and Fulham** (best fit zones 1-3), the assessment found the following from 2009:

- i) 15,874 additional population by 2021, increasing to 25,267 by 2031
- ii) £367.9 million of comparison and £81.5 million of convenience expenditure growth by 2021, increasing to £789.9 million and £154.2million respectively by 2031
- iii) £104.8 million of commercial leisure expenditure growth on food and drink uses by 2021, increasing to £228.5 million by 2031

Spending Patterns

9 Using a telephone survey of 3,000 households, it is possible to understand where the expenditure in the study area is being spent. In general terms, the assessment of spending patterns finds the following:

- i) In aggregate and for the whole study area, the three boroughs retain 32.7% of comparison spending, 38.7% of convenience spending and 35.8% of leisure spending on food and drink services.

- ii) The main comparison goods spending competition to the three boroughs are high order centres such as Kingston-upon-Thames, Kensington High Street and Central London.
- iii) Applying 2006 market shares to 2009 comparison spending shows the change in market share after Westfield shopping centre opened, with larger high order centres in outer London with a reasonably high order fashion offer suffering, namely Ealing, Kingston-upon-Thames and Harrow.
- iv) The market shares for the larger centres with a lower order fashion offer (i.e. Hounslow and Hammersmith) have not suffered any demonstrable decline following the opening of Westfield shopping centre.
- v) Across the study area, convenience shopping is an inherently local activity with the study area as a whole retaining a high level of expenditure.
- vi) The mobility of food and drink leisure spending is evidenced by other destinations attracting a high degree of trade, but all three authorities broadly retain two thirds of their food and drink leisure spending.

10 On a borough wide basis, **Table 1** summarises the change in market share since the WLRNS 2006 for the comparison and convenience retail sectors.

Table 1 Retained expenditure compared 2006 vs 2009

	Comparison 2006 (%)	Comparison 2009 (%)	Convenience 2006 (%)	Convenience 2009 (%)
LBHF (Zones 1-3)	31.0%	44.1%	57.9%	69.6%
LBE (Zones 4-10)	42.8%	43.7%	62.2%	60.8%
LBH (Zones 11-17)	41.4%	55.2%	76.7%	82.1%

Source: WLRNS 2006 and data in Section 4

11 Turning to specific matters for each authority, for the **LB Ealing** the assessment finds the following:

- i) The LB Ealing retains some 43.7% of its comparison expenditure and 60.8% of its convenience expenditure, which is very similar to the position in 2006.
- ii) Ealing metropolitan centre is the dominant destination for comparison spending, although it suffered a decline in turnover following the opening of the Westfield shopping centre.
- iii) Southall performs poorly in its role as a major centre in terms of both its comparison and convenience turnover.
- iv) The convenience retention level for the borough is the lowest out of the three authorities assessed, with a high degree of expenditure leakage to the south (LB Hounslow)
- v) The borough's main comparison spending competition is from Central London, Brent Cross and Westfield.

- vi) Survey derived special forms of trading is higher than the national average for comparison goods, but lower for convenience goods.

12 For the **LB Hounslow**, the assessment finds the following:

- i) LB Hounslow retains some 55.2% of its comparison expenditure and 82.1% of its convenience expenditure, with the comparison share increasing from the 2006 position and is in part due to the establishment of 'The Centre' in Feltham as a new shopping destination.
- ii) Hounslow metropolitan centre is the dominant centre, but the borough has the highest amount of out of centre comparison spending.
- iii) Brentford has a low comparison and convenience market share compared to its district centre status.
- iv) Generally, the borough has a high level of convenience expenditure retention, but much of this is being spent in large out of centre superstores.
- v) The borough's main comparison spending competition is from other outer London or edge of London centres such as Kingston-upon-Thames, Staines and Richmond-upon-Thames; there is less connectivity with Central London and Westfield than other boroughs.
- vi) Survey derived special forms of trading is lower than the national average for both comparison and convenience goods.

13 Finally, for the **LB Hammersmith and Fulham**, the assessment finds the following:

- i) The LB Hammersmith and Fulham retains some 44.1% of its comparison expenditure and 69.9% of its convenience expenditure, both of which are an increase from 2006 and is due in part to the Westfield shopping centre.
- ii) Although Shepherd's Bush/Westfield has the highest turnover of the borough's centres in the study area, in the local zones Hammersmith is the dominant comparison shopping destination demonstrating Westfield specialist fashion role.
- iii) Generally the convenience retention level of the borough is high, with some of the larger stores trading successfully.
- iv) Shepherd's Bush/Westfield has a low convenience market share compared to its role as a metropolitan centre.
- v) The borough's main comparison spending competition is from Central London and other inner London high profile destinations such as Kensington High Street or Kings Road East (Chelsea).
- vi) Survey derived special forms of trading is higher than the national average for both comparison and convenience goods.

Impact Assessment

14 The purpose of the impact assessment is to understand how comparison shopping patterns might change following the opening of committed developments both inside and outside the study area. This exercise models schemes in three different centres (Ealing, Wembley and Brent Cross) using existing trade draw to model trade diversion and ultimately trade impact. Due to existing trade draw approach, the impact assessment is

likely to represent a worse case scenario. The revised shopping patterns are used to adjust the market shares of scenario B quantitative need assessment at Section 6.

- 15 The impact assessment process and output is summarised as follows:
- i) The impacts from schemes in Ealing, Wembley and Brent Cross have been modelled in 2016.
 - ii) The method uses a well established weighted zonal trade draw approach and uses the existing trade draw of the centres in question to model trade impact.
 - iii) The output from the assessment shows that despite an increase in market share following the opening of the Dickens Yard scheme, other competing schemes mean that Ealing will suffer a small negative impact by 2016.
 - iv) Shepherd's Bush/Westfield will suffer the highest level of impact on its turnover as other centres claw back trade lost to the scheme, whilst Hounslow only will suffer a small negative impact in 2016.
 - v) The adjusted market shares following this exercise can be used to present a reduced market share scenario in 2016.

Quantitative Need - Comparison Goods

- 16 The assessments of quantitative need provide a large number of outputs for six different forecast years. PPS4 requires local planning authorities to allocate sites to meet need for at least the first five years. However, in our experience, major town centre redevelopments can take up to 10 years from the planning stage to opening. Therefore, to assist in formulating policy and for ease of presentation only the data to 2021 is shown and is rounded to the nearest 100 sqm. The exact data for each of the forecast years are presented in the appendices.
- 17 Quantitative need is assessed under three scenarios as follows:
- **Scenario A - constant market shares:** this assesses quantitative need assuming all centres in the borough maintain their market share vis-à-vis other centres outside the three boroughs, whilst allowing for commitments to new floorspace within the three boroughs.
 - **Scenario B - adjusted market shares:** this tests the impact from major schemes on the market share of centres within the three boroughs (described at Section 5) and then assesses capacity based on a set of adjusted market shares, whilst also allowing for commitments to new floorspace within the three boroughs.
 - **Scenario C - aspirational market shares:** this assesses quantitative need on the basis of the three boroughs achieving a market share that provide a fair, equitable, sustainable and realistic distribution of retail provision, whilst also allowing for commitments to new floorspace within the three boroughs.
- 18 The comparison goods quantitative need by borough is summarised in **Table 2**.

Table 2 Summary of comparison goods quantitative need to 2021

	Scenario A	Scenario B	Scenario C
LBE (gross sqm)	41,200	37,500	70,000
LBH (gross sqm)	52,600	50,500	67,700
LBHF (gross sqm)	79,600	71,000	79,600
Total (gross sqm)	173,300	159,100	217,300

Source: Table 60, Appendix 8

19 In general, the following is noted:

- There is a quantitative need for comparison goods floorspace across the three boroughs of between 159,100 sqm gross and 217,300 sqm gross by 2021.
- The highest quantitative need is within the LB Hammersmith and Fulham, which is in part due to the influence of Westfield shopping centre attracting long distance inflow expenditure.
- Under the aspirational market shares (scenario C) there is an opportunity to improve the distribution of shopping facilities in the LB Ealing and the LB Hounslow through the provision of additional floorspace and to uplift in the market share of certain centres.

20 For each authority and individual centres, the findings are summarised below. It should be noted that the sum of the quantitative need for each centre is not equal to the total for each borough due to the exclusion of spending to out of centre and neighbourhood or other destinations. Although the quantitative need by centre provides an indication of where the growth could be accommodated, it is for each authority to decide upon where their borough wide quantitative need should be accommodated through the LDF process, taking into account the guidance in PPS4.

LB Ealing

21 As explained above, the quantitative need for comparison goods floorspace in LB Ealing by 2021 is between 41,200 sqm gross and 70,000 sqm, depending on the scenario adopted. This is disaggregated in **Table 3**.

Table 3 Summary of comparison goods quantitative need to 2021 for LB Ealing

	Scenario A	Scenario B	Scenario C
Ealing (gross sqm)	17,500	15,700	33,200
Southall (gross sqm)	2,400	2,300	15,500
Acton (gross sqm)	5,400	5,000	5,400
Hanwell (gross sqm)	1,000	1,000	1,000
Greenford (gross sqm)	4,300	3,600	4,300

Source: Table 60, Appendix 8

22 The main feature of this analysis is that under scenario B, the quantitative need for LB Ealing reduces through the threat from other developments and the Dickens Yard scheme is not sufficient on its own to uplift Ealing’s market share. Specifically, the following is observed:

- There is a quantitative need for 33,200 sqm gross of comparison floorspace in Ealing by 2021 under scenario C in order to secure a step change in shopping patterns and respond to competition.
- In order for Southall to fulfil its function as a major centre, there is a quantitative need for 15,500 sqm gross of comparison floorspace by 2021 under scenario C.
- Under all scenarios there is a quantitative need for additional floorspace in district centres, in particularly Acton and Greenford (although some of the need will be absorbed by the redevelopment of the Tesco store in Greenford when constructed).

LB Hounslow

23 The quantitative need for comparison goods floorspace in LB Hounslow by 2021 is between 50,500 sqm gross and 67,700 sqm gross, depending on the scenario adopted. This is disaggregated in **Table 4**.

Table 4 Summary of comparison goods quantitative need to 2021 for LB Hounslow

	Scenario A	Scenario B	Scenario C
Hounslow (gross sqm)	19,900	18,700	30,500
Feltham (gross sqm)	5,100	5,100	5,100
Chiswick (gross sqm)	8,900	8,700	8,900
Brentford (gross sqm)	1,500	1,300	6,000

Source: Table 60, Appendix 8

24 The threat from competing developments only results in a limited reduction in the quantitative need in LB Hounslow. Specifically, the following is observed:

- There quantitative need for 30,500 sqm gross of comparison floorspace in Hounslow by 2021 under scenario C in order to improve its market share and claw back trade from other competing destinations and out of centre locations.
- In order for Brentford to fulfil its district centre role, there is a quantitative need for 6,000 sqm gross of comparison floorspace by 2021 under scenario C.
- There remains a quantitative need for the major centre of Chiswick and the district centre of Feltham under all scenarios.

LB Hammersmith and Fulham

- 25 The quantitative need for comparison goods floorspace in the LB Hammersmith and Fulham by 2021 is between 71,000 sqm gross 79,600 sqm gross, depending on the scenario adopted. This is disaggregated in **Table 5**.

Table 5 Summary of comparison goods quantitative need to 2021 for LBHF

	Scenario A	Scenario B	Scenario C
Shepherd's Bush (gross sqm)	41,400	34,200	41,400
Hammersmith (gross sqm)	17,200	16,100	17,200
Fulham (gross sqm)	12,800	12,700	12,800

Source: Table 60, Appendix 8

- 26 The impact from competing developments sees the quantitative need for Shepherd's Bush in particular reduce under scenario B. Specifically, the following is observed:
- The highest quantitative need for comparison floorspace is for Shepherd's Bush, which is due to the significant market share attained by Westfield shopping centre and the level of expenditure inflow.
 - Simply under constant market shares for Hammersmith and Fulham major centres to maintain their market share there is a quantitative need of 17,200 sqm gross and 12,800 sqm gross respectively.

Quantitative Need - Convenience Goods

- 27 As with the comparison assessment, there are a number of different convenience outputs. To assist in formulating policy and for ease of presentation only the data to 2021 for large stores is shown and is rounded to the nearest 100 sqm. The exact data for each of the forecast years are presented in the appendices.
- 28 Quantitative need is assessed under three scenarios as follows:
- Scenario A - constant market shares: This assesses quantitative need assuming all centres and the stores in the boroughs maintain their market share vis-à-vis other centres outside the three boroughs, whilst allowing for commitments to new floorspace within the three boroughs.
 - Scenario B - overtrading/under trading: This uses the same approach as scenario A, but introduces any overtrading/under trading of existing floorspace in the base year compared to company benchmark turnovers, whilst also allowing for commitments to new floorspace within the three boroughs.
 - Scenario C - aspirational market shares: This assesses quantitative need on the basis of the three boroughs achieving a market share that provide a fair, equitable, sustainable and realistic distribution of retail provision, whilst also allowing for commitments to new floorspace within the three boroughs.
- 29 The convenience goods quantitative need by borough is summarised in **Table 6**.

Table 6 Summary of convenience goods quantitative need to 2021

	Scenario A	Scenario B	Scenario C
LBE (gross sqm)	5,200	21,300	10,700
LBH (gross sqm)	7,900	17,100	9,000
LBHF (gross sqm)	4,600	20,600	7,600
Total (gross sqm)	17,700	58,900	27,300

Source: Table 79, Appendix 9

30 In general, the following should be noted:

- Under the lowest scenario A, there is sufficient quantitative need across the three boroughs for over four large superstores, assuming an average of 4,000 sqm gross for each store.
- If a format with alternative sales densities are promoted (i.e. smaller stores), there is sufficient expenditure to enable a balance of different formats across the three boroughs.
- If 100% of overtrading is translated into a quantitative need, there is a significant scale of new superstore floorspace required.
- Under scenario C, there is an opportunity to improve the distribution of convenience floorspace in each of the boroughs by promoting additional floorspace within centres.

31 For each authority and individual centres, the findings are summarised below. It should be noted that the sum of the quantitative need for each centre is driven by the zonal market share where each centre falls. It is not equal to the total for each borough due to the exclusion of spending to other zones within the three boroughs. This is a further source of quantitative need that could be used to support specific schemes within centres. Furthermore, as with the comparison assessment although the quantitative need by centre provides an indication of where the growth could be accommodated, it is for each authority to decide upon where their borough wide quantitative need should be accommodated through the LDF process, taking into account the guidance in PPS4.

LB Ealing

32 As explained above, the quantitative need for convenience goods floorspace (large stores) in LB Ealing by 2021 is between 5,200 sqm gross and 21,300 sqm gross, depending on the scenario adopted. This is disaggregated in **Table 7**.

Table 7 Summary of convenience goods quantitative need to 2021 for LB Ealing

	Scenario A	Scenario B	Scenario C
Ealing (gross sqm)	600	700	600
Southall (gross sqm)	300	700	5,800
Acton (gross sqm)	1,100	5,300	1,100

Hanwell (gross sqm)	1,300	1,300	1,300
Greenford (gross sqm)	500	2,300	500

Source: Table 79, Appendix 9

33 This analysis shows:

- There is an opportunity to improve the market share of Southall and provide up to 5,800 sqm gross of convenience floorspace by 2021
- The quantitative need in Ealing itself is limited, although there is scope for growth if overtrading is relied upon to support floorspace.
- There is quantitative need for convenience floorspace in the district centres, particularly Acton and Hanwell.

LB Hounslow

34 The quantitative need for convenience goods floorspace (large stores) in LB Hounslow by 2021 is between 7,900 sqm gross and 17,900 sqm gross, depending on the scenario adopted. This is disaggregated in **Table 8**.

Table 8 Summary of convenience goods quantitative need to 2021 for LB Hounslow

	Scenario A	Scenario B	Scenario C
Hounslow (gross sqm)	1,200	1,200	1,200
Feltham (gross sqm)	900	-300	900
Chiswick (gross sqm)	1,600	7,100	1,600
Brentford (gross sqm)	300	1,200	2,300

Source: Table 79, Appendix 9

35 This analysis shows:

- Generally, the quantitative need for additional convenience floorspace is limited in the borough.
- There is an opportunity to improve the market share of Brentford and accommodate a further 2,300 sqm gross of convenience floorspace by 2021 in order to claw back expenditure from out of centre locations.
- There is evidence of sharp overtrading of stores in Chiswick, which could justify additional floorspace.

LB Hammersmith and Fulham

36 The quantitative need for convenience goods floorspace in LB Hammersmith and Fulham by 2021 is between 4,600 sqm gross and 20,600 sqm gross, depending on the scenario adopted. The higher figure under scenario B is due to evidence of sharp overtrading of existing foodstores. This is disaggregated in **Table 9**.

Table 9 Summary of convenience goods quantitative need to 2021 for LBHF

	Scenario A	Scenario B	Scenario C
Shepherd's Bush (gross sqm)	1,200	1,600	4,300
Hammersmith (gross sqm)	2,200	9,600	2,200
Fulham (gross sqm)	1,100	9,500	1,100

Source: Table 79, Appendix 8

37 This analysis shows:

- The scale of expenditure growth means there is a quantitative need for further convenience floorspace that could be accommodated in both Hammersmith and Fulham major centres.
- There is also evidence of overtrading in the stores serving both Hammersmith and Fulham major centres.
- There is an opportunity to improve the market share of Shepherd's Bush to provide an additional 4,300 sqm gross of convenience floorspace by 2021 commensurate with its position as a new metropolitan centre.

Qualitative Need

38 The assessment of qualitative need draws on the health check work undertaken by GVA in 2006 and by the GLA in 2009. It also draws on the market share of existing centres, observations from the household survey and data from the Index of Multiple Deprivation.

LB Ealing

39 The qualitative analysis reveals the following:

- There is an opportunity to improve the retail offer in Ealing metropolitan centre responding to competition and to relieve the high trading performance of the existing floorspace.
- There is a clear qualitative opportunity for a retail led development in Southall that reduces expenditure leakage (comparison and convenience expenditure), yet ensures that the role and function of specialist retailers is maintained.
- The comparison and convenience offer in Hanwell is not fulfilling its district centre role and consequently there is a qualitative opportunity for growth in both sectors.
- There is evidence of a qualitative opportunity for improved competition between foodstores, relieving overtrading and encouraging a higher level of linked trips in the Ealing Broadway part of Ealing metropolitan centre and Greenford and Acton.

LB Hounslow

- 40 The qualitative analysis reveals the following:
- There is an opportunity to improve the quality of the retail offer in Hounslow metropolitan centre in order to respond to longer term competition and to claw back some of the expenditure lost to out of centre destinations.
 - There is a qualitative opportunity to relieve the overtrading of foodstores in the east of the borough in order to encourage competition and linked trips.
 - There has already been a recent marked improved to Feltham district through the redevelopment of 'The Centre' but there is also a qualitative opportunity to improve the offer at the periphery of the town centre.
 - There is a clear qualitative need for an improved the retail offer in Brentford and it is noted that this has already been planned for in the Brentford AAP that aims to improve the range of retail outlets and intensifying the retail uses in the centre.

LB Hammersmith and Fulham

- 41 The qualitative analysis reveals the following:
- The Westfield shopping centre has substantially improved the retail offer in the borough and has met a higher order regional/sub-regional need.
 - There remains a qualitative need for improved comparison retail offer that provides investment across the borough geared towards accommodating mid-low ranking typical high street floorspace to respond to competition and relieve the high trading performance of the existing floorspace.
 - In respect of foodstores, there is an opportunity for an extended or new larger foodstore in Shepherd's Bush in order to relieve overtrading elsewhere in the borough and reduce expenditure leakage.
 - The outdoor markets in Fulham and Shepherd's Bush provide an important local shopping function for these areas and a clear qualitative benefit of the centres.

Neighbourhood Centres

- 42 This study does not undertake a detailed assessment of each neighbourhood centre individually but considers the role of all centres in aggregate and highlights areas where each borough may wish to undertake their own more detailed research.

Study Area

- 43 Across the study area there is generally more comparison than convenience units in neighbourhood centres. This is a slightly unusual finding in that the prime purpose of most neighbourhood centres is to serve local convenience needs. Vacancy rates are very low, about half the national average, which is good news for the performance of the centres especially in the current climate where vacancy is increasing.

LB Ealing

- 44 Overall the LB Ealing centres are performing well, especially Northfields, South Ealing and East Acton (when taken as one centre, is also one of the best performing). There may be reason to consider promoting one or more of these in the hierarchy of centres; however East Acton could prove difficult due to its location spread across two boroughs.
- 45 Park Royal and Westway are the two most notable badly performing centres. However both can be considered 'exceptions' since Park Royal is anchored by an Asda superstore; and Westway is a retail park with a different function from the usual neighbourhood centre.
- 46 Generally, Policy 7.2 (restricting town centre uses to the centres identified in the hierarchy) and Policy 7.7 (resisting changes to a non-shopping use) appear to be working - the neighbourhood centres are performing well and appear to serve their local areas effectively.

LB Hounslow

- 47 LB Hounslow is performing well, in terms of the centre audit it is the strongest of the three and the neighbourhood centres are performing consistently well. However, on the other hand there is evidence that the amount of comparison spending in the neighbourhood centres is low and service orientated retail uses in the comparison sector should be promoted or protected.
- 48 There are no obvious candidates for either promotion up the hierarchy or removal. However, Hanworth does not appear to be adequately serving its local area. Other than the limited comparison offer, the performances of the centres suggest the current policies are working to maintain centres that serve a local need.

LB Hammersmith and Fulham

- 49 The performance of the neighbourhood centres in LBHF is mixed. There are strong performances for North End Road and Askew Road, but less well performing centres at Wandsworth Bridge Road South and Fulham Palace Road. LB Hammersmith and Fulham is the only borough with more convenience than comparison shopping in its neighbourhood centres.
- 50 The LB Hammersmith & Fulham has many more designated neighbourhood centres (identified as key local shopping centres in the UDP) than the other two boroughs. It is understood that as part of the LDF process the hierarchy is being reviewed and some centres are being redesignated as lower tier 'neighbourhood parades' and others as 'satellite parades' linked to the town centres.

LDF implications

- 51 There remains a significant quantitative need and specific qualitative factors that support policy for additional town centre floorspace to 2021 and beyond in the three boroughs under every scenario tested. It is our recommendation that Scenario C (aspirational market share) is used to plan for retail growth. The location for this growth should be tested as part of the LDF process.

- 52 The risk of not taking positive policy action in West London is that competition from nearby centres will contribute to polarisation - i.e. large centres get larger and small centres decline. Whilst the opening of the Westfield shopping centre has significantly increased the higher order shopping facilities, there remains a quantitative and qualitative need to improve the shopping facilities elsewhere in the study area. The network of centres should provide a range of town centre floorspace to meet the needs of the local communities in the three boroughs.
- 53 The following paragraphs draw out the key quantitative and qualitative implications which arise from the study and which each borough should particularly consider as they prepare their LDF documents. As the preferred options for centres and development sites evolve, more detailed impact testing of growth might be necessary to ensure that any impact on existing centres is appropriate.

LB Ealing

- 54 The LDF process for LB Ealing should:
- i) Ensure that development plan documents respond positively to a quantitative need for 70,000 sqm gross of comparison floorspace and 10,700 sqm gross of convenience floorspace in the borough by 2021 and thus improve the borough's market shares.
 - ii) Consider the scope for accommodating up to 10,900 sqm gross of A3, A4 and A5 floorspace, either individually or as part of mixed used developments, or improve the existing A3, A4 and A5 offer.
 - iii) Thoroughly assess the town centre sites available to support the scale of floorspace identified at (i and ii) including measures to ensure that:
 - a. Higher order comparison goods floorspace is provided in Ealing to meet its qualitative deficiencies (including the absence of a department store) and to ensure that the centre responds to competition from Westfield and an extension to Brent Cross.
 - b. Investment is secured in Southall (and the Gas Works scheme implemented) to provide adequate access to additional comparison and convenience floorspace in this deprived area and to ensure that it fulfils its function as a major centre.
 - c. Encouragement is given to the development of additional comparison and convenience floorspace within the centres of Acton, Hanwell and Greenford to meet the local needs of these centres.
 - iv) Actively engage with landowners in the main centres in order to assess the potential for growth to 2021 and investigate the potential use of the borough's compulsory purchase powers to bring forward town centre schemes.
 - v) For Ealing metropolitan centre, investigate alternative solutions to the Arcadia Centre extension and/or alternative sites applying flexible design principles in order to:
 - a. Deliver new modern units of up to a total of 32,400 sqm gross of comparison floorspace by 2021 (under an improved market share scenario) or deliver a scheme of a sufficient critical mass to ensure a viable development and the qualitative deficiencies of the centre are addressed.

- b. Improve and develop the retail circuit, ensuring sufficient connectivity and integration between the different elements of the centre.
- vi) For Southall major centre, secure the regeneration and future role of the centre by:
 - c. providing a mix of retail uses providing some 15,500 sqm gross of comparison floorspace and 5,800 sqm gross of convenience floorspace by 2021 (i.e. the gas works scheme)
 - d. or, should the Gas Works scheme not proceed and no other options for town centre development present themselves in the plan period, then consider re-designation of Southall to district centre.

LB Hounslow

55 The LDF process for LB Hounslow should:

- i) Ensure that development plan documents respond positively to a quantitative need for 67,700 sqm gross of comparison floorspace and 9,000 sqm gross of convenience floorspace in the borough by 2021 and thus improve the borough's market shares.
- ii) Consider the scope for accommodating up to 8,600 sqm gross of A3, A4 and A5 floorspace, either individually or as part of mixed used developments, or improve the existing A3, A4 and A5 offer.
- iii) Thoroughly assess the town centre sites available to support the scale of floorspace identified at (i and ii) including measures to ensure that:
 - a. Investment is secured in Hounslow to deliver modern retail floorspace and investigate a potential revision to the abandoned Blenheim Stage 2 scheme to ensure that the centre fulfils its metropolitan role in light of competition.
 - b. Consider town centre sites in Chiswick, in particular the scope for any intensification of land uses and modernisation of the existing stock of floorspace.
 - c. Assess the scope for Feltham to build on the success of the 'Centre' and, in particular, opportunities to regenerate and consolidate the peripheral parts of the centre through the development of new floorspace.
- iv) Resist further major out of centre floorspace due to the borough having the highest proportion of out of centre spending and identify sequentially preferable sites within or on the edge of town centres to try and claw back trade.
- v) In Hounslow metropolitan centre, investigate innovative solutions to town centre sites in order to provide an improvement to the quality of the retail offer in the centre and in order to:
 - a. Deliver new modern units of up to 30,500 sqm gross of comparison floorspace by 2021 (under an improved market share scenario) or a scheme of a sufficient critical mass to ensure a viable development and the qualitative deficiencies of the centre are addressed.
 - b. Attain integration between the existing retail uses, including the Blenheim Phase 1 and improve the centre's environment quality.
- vi) Actively promote the implementation of the Brentford Area Action Plan and, if necessary, revise the Plan to ensure its deliverability to secure a sufficient scale of

development consistent with its district centre status. In this respect it should be noted that the quantitative need for Brentford under the improved market share scenario supports the aspirations for growth in the AAP.

LB Hammersmith and Fulham

56 The LDF process for LB Hammersmith and Fulham should:

- i) Consider carefully the estimated quantitative need for 79,600 sqm gross of comparison floorspace in the borough by 2021 to maintain the borough's market share and the estimated 7,600 sqm gross of convenience floorspace by 2021 to improve the borough's market share.
- ii) Consider whether there is a need for accommodating an indicative 12,500 sqm gross of A3, A4 and A5 floorspace, either individually or as part of mixed used developments and/or improve the existing A3, A4 and A5 offer.
- iii) Assess the town centre sites available to support the scale of estimated floorspace identified at (i and ii) and consider the need for measures that:
 - a. allow Shepherd's Bush to build on the success of Westfield shopping centre and associated linked trips spending in order to regenerate and revitalise the historic element of the centre and to help address the levels of deprivation near the centre.
 - b. consider the implications of possible provision of further convenience shopping in Shepherd's Bush in order to draw trade away from out of centre locations and enhance Shepherd's Bush's function as a metropolitan centre.
 - c. consider the scope, in the major centres of Hammersmith and Fulham and other designated centres in order to provide further high street floorspace at an appropriate scale and to meet locally generated needs.
- iv) For Shepherd's Bush metropolitan centre, consider the appropriate mix of town centre uses, such as lower order retail uses or leisure and office uses that complement Westfield and are commensurate with the centre's position as a metropolitan centre.
- v) Take into account the identified qualitative need for further low and mid ranking comparison floorspace to meet the needs of the local population, consider locations where additional floorspace of an appropriate scale could be accommodated and, when identifying sites, bear in mind material considerations, such as employment benefits or physical regeneration opportunities, as well as accessibility and traffic impact.

1 INTRODUCTION

Terms of reference

- 1.1 Roger Tym & Partners (RTP) was instructed in October 2009 to update the 2006 West London Joint Retail Needs Study (WLRNS). The client steering group comprises three London boroughs, namely Ealing (LBE), Hounslow (LBH) and Hammersmith and Fulham (LBHF).
- 1.2 This updated study, alongside the original WLRNS, will form part of the evidence used to underpin the preparation of Local Development Frameworks (LDFs) for each borough.
- 1.3 The terms of reference include two separate objectives. The outputs of objective 1 must:
 - i) Re-assess the quantitative requirements to 2031 for comparison and convenience retail (A1) uses and A3 to A5 commercial food and drink uses.
 - ii) Evaluate the differences between the update study and the original WLRNS and the Experian work for the GLA published in 2009.
 - iii) Supplement the quantitative assessment with a consideration of qualitative matters, in particular the adequacy of existing town centre uses and whether they are fit for purpose.
- 1.4 Objective 2 must consider the role of neighbourhood centres and other parades and other centres outside the London Plan town centre designations. There are 33 centres (including one cross boundary centre) that are the subject of this work. The outputs of objective 2 must:
 - iv) Understand the function of the smaller centres within the wider hierarchy.
 - v) Provide an evidence base to support a future policy approach for smaller centres.
 - vi) Flag up any centre that potentially needs specific public section involvement through investment, re-designation or protection.

Structure of study

- 1.5 The study is divided into three volumes as follows:
 - **Volume 1:** Main Report
 - **Volume 2:** Study Appendices
 - **Volume 3:** NEMS Household Survey Results
- 1.6 Section, appendix and table references in the main report are highlighted in **bold** when first mentioned in each section. A **Glossary of Terms** is included at the back of the report; this defines the key terms referred to in the main report.

Context

- 1.7 Much has changed since 2006 and, as briefly explained below, there are some important contextual matters that have informed the approach to this study.

WLRNS 2006

- 1.8 This study is intended to build on the first WLRNS undertaken by GVA Grimley (GVA) in 2006.
- 1.9 The bulk of the evidence was collected in 2006 and is based on a telephone survey of 3,000 households across 30 zones. It includes detailed assessments of the health of the main centres in each of the three boroughs. It also produces retail floorspace capacity projections to 2021 for each of the three boroughs and the individual centres using a baseline assumption before undertaking a commitments/scenario testing exercise.
- 1.10 An identical 30 zone study area is used for a new telephone household survey and an updated quantitative assessment. The main findings of the healthchecks, the assessment of black and minority retailing and the outputs of the in centre surveys from the WLRNS 2006 are used to inform both the quantitative and qualitative assessments.
- 1.11 The differences in the quantitative need outputs from the WLRNS 2006 and the update are explained in **Section 8**.

Downturn in the economy

- 1.12 There have been important changes in the UK economy over the past eighteen months. Gross Domestic Product (GDP) contracted by 0.2% in the third quarter of 2009 and was 5.1% lower than the third quarter of 2008. In the fourth quarter of 2009, GDP increased slightly by 0.1% and technically means the recession is over. However, the prospects for growth still remain uncertain in the short term.
- 1.13 The consequence of the downturn in the economy is an associated slow down of consumer spending growth and the viability of developments is now less certain. This is a double edged sword, with less expenditure available to support new schemes and fewer schemes coming on stream to deliver regeneration.
- 1.14 The downturn in the economy has resulted in lower per capita growth forecasts used compared to those adopted in 2006. Linked to expenditure growth, a lower level of annual sales density growth is used to ring fence expenditure for existing retailers. The details of these assumptions are explained in **Section 3** (spending growth) and **Section 6 and Section 7** (quantitative need).

Westfield London

- 1.15 The most significant change in shopping patterns in London follows the opening of 'Westfield London' shopping centre at Shepherd's Bush in October 2008. This created a major new higher order shopping destination and has transformed Shepherd's Bush into a metropolitan centre in the Greater London hierarchy of centres. Simply due to its scale, it has changed the network of centres within the three boroughs.
- 1.16 The WLRNS modelled the likely impact from the Westfield development. However, it is now possible to understand the real changes in shopping patterns in the study area that has followed Westfield's opening. The assessment of the observed impact in 2009 for the centres in the three boroughs, as based on the 2009 household survey, is presented at **Section 4**.

New national policy and changes to regional policy

- 1.17 PPS4 was published in December 2009 encourages sustainable economic growth. In respect of retail need, it elevates qualitative considerations alongside quantitative matters when planning for town centres and awards further weight to need in deprived areas. The need to prepare and maintain a robust evidence base remains in this new document and this study forms part of this evidence base for the three boroughs.
- 1.18 In March 2009 an update to Experian's 'Consumer Expenditure and Comparison Goods Retail Floorspace Need in London' document was published. This is important due to the PPS4 requirement for evidence base to be informed by regional assessments.
- 1.19 In October 2009 a replacement London Plan was published for consultation in October 2009. The Outer London Commission has also been established, which encourages development in outer boroughs.
- 1.20 The policy implications from new national policy and existing and draft London-wide policy are discussed at **Section 2**.

Date of Study

- 1.21 This study was commissioned in October 2009 with a reporting deadline in March 2010. The main survey work and quantitative analysis was undertaken in November and December 2009 and a draft report presented in late January 2010. Retail planning and development is dynamic and during the study period PPS4 was issued and various retail schemes in the study area were progressed.
- 1.22 The study findings take into account PPS4, any major retail schemes that were committed (i.e. planning permission issued or under construction) up to 28th February 2010 and any empirical forecasts published prior to this date.
- 1.23 The retail scheme proposed on the site of the former Southall Gas Works in Southall was referred to the GLA/Mayor's Office and subsequently approved on 25 March 2010 subject to a legal agreement being signed. Therefore the quantitative analysis does not account for this commitment. However, reference to this scheme is made at paragraph 5.15 in this report.

2 NATIONAL AND REGIONAL POLICY

- 2.1 This section summarises the policy context and the duty of local planning authorities to prepare and maintain an up-to-date evidence base.

PPS12: Local Spatial Planning

- 2.2 This study will form part of the evidence base upon which the boroughs will draw when developing their Local Development Frameworks (LDFs) and in particular their Core Strategy Development Plan Documents (DPDs). Planning Policy Statement 12: Local Spatial Planning (PPS12) (2008) sets out the tests of *'soundness'*. To be **'sound'** a core strategy should be justified, effective and consistent with national policy.

- 'Justified' means that the document must be: founded on a robust and credible evidence base and the most appropriate strategy when considered against reasonable alternatives.
- 'Effective' means that the document must be: deliverable, flexible and able to be monitored.

- 2.3 PPS12 places emphasis on the need for DPDs to:

'...demonstrate that the plan is the most appropriate, when considered against reasonable alternatives' (paragraph 4.38 of PPS12, our emphasis); and

'...show how the vision, objectives and strategy for the area will be delivered and by whom, and when' (paragraph 4.45 of PPS12, our emphasis).

PPS4: Planning for Sustainable Economic Growth

- 2.4 Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4) was published in December 2009 and replaces previous guidance contained in Planning Policy Guidance Note 4: Industrial, commercial development and small firms (PPG4, 1992) and in Planning Policy Statement 6: Planning for Town Centres (PPS6, 2005).

- 2.5 The Government's overarching objective as set out in paragraphs 9 of PPS4 is to achieve 'sustainable economic growth' by:

- building prosperous communities by improving the economic performance of cities, towns, regions, sub regions and local areas;
- reducing the gap in economic growth rates between regions, promoting regeneration and tackling deprivation;
- delivering more sustainable patterns of development;
- promoting the vitality and viability of town and other centres as important places for communities; and
- raising the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural communities.

- 2.6 Policy EC1 confirms the requirement to use evidence to plan positively and to ensure that the volume and detail of the evidence is proportionate to the importance of the issue (EC1.1b),

- 2.7 Policy EC1.3 states that at a local level the evidence should be informed by regional assessments and should assess the detailed need for all main town centre uses (EC1.3b), identify any deficiencies within the provision of local convenience shopping (EC1.3c) and assess the capacity of existing centres to accommodate new town centre development (EC1.3e).
- 2.8 Policy EC1.4 details what should be considered when assessing the need for retail and leisure development at the local level. The main change from the superseded PPS6 is that local authorities should take into account both quantitative and qualitative need for additional retail and leisure floorspace (EC1.4a). There is no weighting in favour of either quantitative or qualitative need (as there was in PPS6) but in deprived areas that lack a range of services additional weight can be awarded to meeting such deficiencies (EC1.4b).
- 2.9 Policies EC3, EC4 and EC5 are plan making policies regarding town and other centres. Regional Planning Bodies (RPBs) and Local Planning Authorities (LPAs) are required to:
- Set out a strategy for the management and growth of centres over the plan period (Policy EC3).
 - Promote competitive town centre environments and provide consumer choice (Policy EC4).
 - Identify a range of sites to accommodate identified need (Policy EC5).
- 2.10 Policy EC9 restates the monitoring requirement.
- 2.11 Policy EC13 provides a specific policy governing the determination of planning applications affecting shops and services in local centres and villages.
- 2.12 Policies EC14, EC15, EC16 and EC17 provide guidance on the how to determine planning applications for town centre uses. The policies focus on how to respond to applications that are not in accordance with an up-to-date development plan or not in a centre.
- 2.13 Policies in PPS4 are referred to where relevant in the remainder of this study.

Practice guidance on need, impact and the sequential approach

- 2.14 Practice guidance on need, impact and the sequential approach has been published by CLG. This guidance does not constitute a statement of Government policy. However, its contents are likely to be a consideration when retail aspects of emerging development plan documents are examined in public.
- 2.15 When assessing the need for retail and leisure developments, local planning authorities are advised to (paragraph 2.4):
- Take account of the quantitative and qualitative need for different types of retail and leisure developments.
 - In deprived areas, which lack access to a range of services and facilities, give additional weight to meeting these qualitative deficiencies.
 - When assessing quantitative need, have regard to relevant market information and economic data.

- When assessing qualitative need, assess whether there is provision and distribution of shopping and other services which allow genuine choice to meet the needs of the whole community; and take into account the degree to which shops may be overtrading and whether there is a need to increase competition and retail mix.
- 2.16 The guidance provides detailed advice on how to produce an evidence base for retail and leisure developments. This study takes into account the principles set out in the practice guidance.

Competition Commission's Investigation of the UK Grocery Market

- 2.17 The Competition Commission originally published the findings of its investigation of the UK grocery market in April 2008. The Commission's key recommendations were that the Office of Fair Trading (OFT) would be a statutory consultee for grocery store applications in excess of 1,000 sqm sales area (including extensions exceeding 1,000 sqm sales area). The OFT would then provide advice to the LPA as to whether a particular retailer had passed or failed a 'competition test'. This would be based upon factors such as the existing number of fascias in the local area (10 minute drivetime) and the percentage of sales area that the retailer had in the local area.
- 2.18 The Competition Commission makes it clear that it does not envisage the competition test being a replacement for the need test (paragraph 11.134 of the CC report).
- 2.19 Tesco argued that the proposed competition test was unlawful and appealed to the Competition Appeal Tribunal. The Tribunal upheld Tesco's appeal, concluding that the Commission had failed to properly assess the economic costs of the test, or to address proportionality and effectiveness. Following a period of further analysis, in which the Commission reconsidered its proposals, the Commission concluded in July 2009 that the test was likely to have a positive effect for consumers. In October 2009, the Competition Commission published their decision of a recommendation that the competition test is introduced.
- 2.20 As things stand, there is no competition test *per se* within Government guidance. However, the principles of competition are important and are already recognised within PPS4. Thus, this study carefully considers how competition can be improved in the three boroughs.

London Plan

Existing London Plan

- 2.21 The Consolidated London Plan was adopted in February 2008 and is the strategic plan setting out an integrated social, economic and environmental framework for the future development of London. Specifically **Policy 3D.2** expects DPD policies to: assess the capacity for additional retail, leisure, commercial and other town centre development; relate the scale of retail, commercial and leisure development to the size and role of a centre and its catchment; encourage additional comparison goods capacity in larger town centres and convenience goods capacity in smaller centres of an appropriate scale and

manage existing out of centre retail and other service provision in line with the sequential approach.

- 2.22 The Plan states (at paragraph 5.168) that *'West London is expected to experience significant growth in consumer expenditure which could generate demand for 145,000 to 227,000 sqm extra comparison goods floorspace to 2016. This should be accommodated in town centres'*. The plan states that Ealing would benefit from the substantial growth in capacity gained through Crossrail and that opportunities for intensification at other town centres, including Hounslow, should be exploited.
- 2.23 Ealing and Hounslow are designated, in Table A1.1, as metropolitan centres, whilst Chiswick, Southall, Hammersmith and Fulham are designated as major centres.

Draft Replacement London Plan

- 2.24 The draft replacement London Plan has now been published. The draft plan was consulted on from 12 October 2009 to 12 January 2010. In terms of town centres and retailing, the overarching aims of the Plan remain the same. Development should be focused upon London's network of town centres and that the vitality and viability of the town centres should be sustained and enhanced through planning decisions. Table A2.1 proposes changing the designation of Shepherd's Bush in LB Hammersmith & Fulham from a district to a metropolitan centre, in view of the substantial new retail floorspace provided in the Westfield shopping centre.

West London Sub Regional Development Framework

- 2.25 The West London Sub Regional Development Framework for West London (SRDF) is made up of the six boroughs of Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow. It was adopted in May 2006 and its purpose is to provide guidance on the implementation of policies in the London Plan.
- 2.26 The sub regional framework recognises that the role of town centres as focal points for community identity and for a range of community facilities is critical. A key priority is to use growth to strengthen the role and accessibility of town centres and to curb the threat that inappropriate out-of-centre development can create.
- 2.27 The framework provides guidance on improved integration between Ealing Broadway and West Ealing.

Local Development Framework progress

LB Ealing LDF Progress

- 2.28 The Local Development Scheme was adopted in March 2010, superseding the earlier 2005 and 2007 versions. The Statement of Community Involvement was adopted in June 2006.
- 2.29 The LB Ealing's most recent consultation was carried out from 4 September to 16 October 2009. This was on the '2026 Development Strategy - Initial Proposals' and its daughter document, the 'Development Management Policies - Issues and Options'. These are important documents and in combination alongside the Site Allocations document and

other DPDs will set out the future for the borough to 2026. In particular, Chapter 2 of the Development Strategy document includes proposals to regenerate Acton (3,000 sqm of retail floorspace), Ealing (21,000 sqm of retail floorspace) and Southall (development of the Southall Gas Works site).

- 2.30 The LB Ealing already has gone some way in establishing a policy position for the future of its town centres.

LB Hammersmith & Fulham LDF Progress

- 2.31 The Local Development Scheme was adopted in November 2009 and is the third revised version of this document. The Statement of Community Involvement was adopted in September 2006.

- 2.32 The LB Hammersmith & Fulham's most recent consultations were carried out between 3 June and 20 July 2009 (Core Strategy Options) and 20 November 2009 to 15 January 2010 (Generic Development Management Policy Options). The Core Strategy Options includes the proposed re-classification of Shepherd's Bush as a metropolitan centre. The document identifies four sites where there is potential for retail development/regeneration:

- Town Hall and Adjacent Land, Hammersmith - the preferred option here is for a mix of uses to include retail.
- Kings Mall and Ashcroft Square Estate, Hammersmith - the preferred option is to enhance the attractiveness and accessibility of the Kings Mall shopping centre and provide better town centre facilities.
- Wider White City Opportunity Area - the preferred option is not to extend the town centre boundary north of Westfield, rather it is to direct investment to the historic town centre to regenerate its town centre functions, and to develop Shepherd's Bush Market.
- West Kensington, Earls Court and North Fulham Regeneration Area - the preferred option is for a major regeneration scheme to include redevelopment of shopping frontages and new town centre development.

LB Hounslow LDF Progress

- 2.33 The Local Development Scheme was adopted in March 2007 and is being updated. The Statement of Community Involvement was adopted in September 2006.

- 2.34 An initial Issues and Options consultation for the Core Strategy was held in summer 2007. This found support for further shopping development in Hounslow, to enable the centre to serve a wider catchment in line with its metropolitan centre designation. Consultees also said that they would like to see improvements to the public realm, better access by public transport, increased perceptions of safety and provision of leisure uses. There was also support for further shopping development and promoting the evening economy in Feltham. The next stage of the Core Strategy production will be the consultation of the Preferred Options.

- 2.35 Two Development Plan Documents have been adopted. These are the Employment Development Plan Document which was adopted in November 2008 and the Brentford Area Action Plan, adopted in January 2009. The Brentford Area Action Plan (AAP)

anticipates a net increase in retail floorspace in Brentford of between 5,000 and 6,000 sqm and is intended to include a new convenience foodstore.

Summary

2.36 In summary

- The boroughs need to consider the requirements of PPS4 when producing their LDF documents. PPS4 requires evidence based policies which take account of both the quantitative and qualitative need for development.
- The practice guidance published alongside PPS4 sets out good practice on how to provide a robust evidence base.
- The Competition Commission has recommended that a competition test for new grocery retailers is introduced. This is not currently included within policy, although PPS4 recognises the importance of competition and choice.
- The adopted London Plan states that West London is expected to experience significant growth in consumer expenditure which could generate demand for up to 227,000 sqm extra comparison goods floorspace to 2016. The London Plan and PPS4 state that this should be directed to town centres first. Ealing and Hounslow are designated as metropolitan centres, whilst Chiswick, Southall, Hammersmith and Fulham are designated as major centres.
- The three boroughs are in the process of producing their LDFs and have undertaken some consultation already.

3 CURRENT AND FUTURE STUDY AREA SPENDING

Study area definition

- 3.1 To assess existing levels of spending, a study area must first be defined. The study area used is identical to the 30 zones used in the WLRNS 2006 and was a pre-requisite of the terms of reference. It is presented at **Appendix 1** (Figure 1) and the zones are divided by postal sector geography as follows:
- Zones 1 to 3: best fit for LB Hammersmith and Fulham
 - Zones 4 to 10: best fit for LB Ealing
 - Zones 11 to 17: best fit for LB Hounslow
 - Zones 18 to 30: outside three boroughs
- 3.2 Due to the nature of postal sector geography, there is not an exact match with the administrative boundaries for the three boroughs. The exact postal geography composition of the zones is presented at Table 1 in **Appendix 2**. To assist with interpretation and analysis of this and subsequent sections, **Table 3.1** presents the zone numbers (for the three boroughs only) alongside named geography.

Table 3.1 Geography of zones

Zone	Geography	Zone	Geography	Zone	Geography
1	Fulham	7	North LB Ealing	13	Feltham
2	Hammersmith	8	NE LB Ealing	14	Hounslow
3	Shepherd's Bush	9	Greenford	15	East LB Hounslow
4	Acton	10	Southall	16	Brentford
5	Ealing	11	West LB Hounslow	17	Chiswick
6	Hanwell	12	SW LB Hounslow	-	-

Source: as presented on the study area plan at Appendix 1 (geography presented as metropolitan, major or district centres in the three boroughs, or the broad geographical area if no centre is present)

Population

- 3.3 Study area population data by zone in the 2009 base year and forecast years are set out in Table 2 (Appendix 2). The data are based on 2007 zonal population figures supplied by MapInfo and rolled forward to 2009, 2011, 2016, 2021, 2026 and 2031 using GLA Low (2009) ward level population projections for LB Hounslow and LB Hammersmith and Fulham, and using a bespoke set of GLA ward level projections for LB Ealing (Central Projections). The detailed method for projections of population growth is explained at **Appendix 3**.

- 3.4 The 2009 estimate of population is 1,516,126 persons and is forecast to increase by 111,920 by 2021 (7.4% increase from 2009) and by 192,650 by 2031 (12.7% increase from 2009). The growth can be broadly disaggregated by borough, as presented in **Table 3.2** below.

Table 3.2 Population growth in study area

Zonal geography	2009-2021	2009-2021 (%)	2009-2031	2009-2031 (%)
Zones 1-3 (best fit LBHF)	15,874	9.3%	25,267	14.8%
Zones 4-10 (best fit LBE)	18,350	6.0%	30,761	10.1%
Zones 11-17 (best fit LBH)	17,204	7.3%	27,115	11.6%
Zones 18-30 (outside boroughs)	60,492	7.5%	109,508	13.3%
Total study area	111,920	7.4%	192,650	12.7%

Source: Table 2, Appendix 2

- 3.5 There is clear evidence of sharp population growth to 2021 and 2031 across the study area and within the three boroughs. We are aware that the projections used for both the LB Ealing and the LB Hammersmith and Fulham may have under-represented the likely planned outcome. The study has used the only population projections that are available and consequently the use of these projections does not undermine the study's findings. However, due to the uncertainty over these forecasts it is important for each borough to monitor population growth during the plan period.

Expenditure data inputs

- 3.6 Before assessing the amount and growth of retail spending and commercial leisure spending on food and drink, it is necessary to set out the key data inputs upfront. Consistent with the population projections, the assessment's base year is 2009 and the forecast years are 2011, 2016, 2021, 2026 and 2031. This correlates with GLA projections and the WLRNS 2006. The expenditure data inputs are as follows:
- **Base per capita expenditure data:** obtained from Pitney Bowes Business Insight (PBBI) and Oxford Economics (OE) for 2007 in 2007 prices;
 - **Growth in per capita expenditure:** derived from PBBI/OE Information Brief 09/02 (September 2009) and Experian Retail Planner Briefing Note 7.1 (August 2009);
 - **Special forms of trading:** derived from Experian Retail Planner Briefing Note 7.1 (August 2009).
- 3.7 2007 prices remain constant throughout the study and is accepted practice in quantitative retail assessments. This is to ensure consistency with the latest expenditure data supplied by PPBI/OE that is supplied in 2007 prices (see first bullet point above).

Retail spending

- 3.8 As explained below, a simple four step process is used to assess the quantum of both comparison and convenience expenditure now and up to 2031. The process of projecting the 2007 base data to the base year of 2009 and the subsequent forecast years is explained in detail at **Appendix 4**.

Step 1: Per capita expenditure data

- 3.9 The zonal per capita expenditure data for the base year and forecast years are presented at Table 3 (comparison goods) and Table 11 (convenience goods) at Appendix 2. For both categories of goods, the percentage difference from the UK average in the base year is shown to demonstrate the local fluctuations in spending power.
- 3.10 For comparison goods expenditure, the UK average per capita in 2009 is £3,091. For the three boroughs, this is exceeded in all but one of the zones with the highest per capita expenditure in zone 1 at £4,973 and the lowest in zone 10 at £2,810. Outside the three boroughs, zone 29 has the highest per capita expenditure at £7,181 with zone 25 the lowest at £3,009. The divergence is demonstrated further in **Table 3.3** below.

Table 3.3 Differences in comparison goods per capita expenditure

	Zones less than UK Average	Zones higher than UK average by up to 15%	Zones higher than UK average by more than 15%
Zones 1-3 (best fit LBHF)	-	-	1(+61%), 2(+55%), 3(+32%)
Zones 4-10 (best fit LBE)	10(-9%)	7(+11%) 8(+1%), 9(+1%)	4 (+18%), 5 (+40%), 6 (+22%)
Zones 11-17 (best fit LBH)	11(0%)	12 (+2%), 13 (+3%), 14 (+12%)	15(+19%), 16(+16%), 17 (+46%)
Zones 18-30 (outside boroughs)	24(-2%), 25(-3%), 27(-2%)	23 (+4%), 26(+10%)	18(+59%), 19(+68%), 20(+60%), 21(+42%), 22(+16%), 28(+72%), 29(+132%), 30(+71%)

Source: Table 3, Appendix 2 (note that the percentage difference from the UK average is shown in brackets +/-)

- 3.11 A similar trend is evident for convenience goods per capita expenditure, with the UK average at £1,801. This is exceeded in all but one of the zones in the three boroughs, with the highest per capita expenditure in zone 1 at £2,692 and the lowest in zone 10 at £1,756. As with the comparison exercise, the divergence is demonstrated further in **Table 3.4** below.

Table 3.4 Differences in convenience goods per capita expenditure

	Zones less than UK Average	Zones higher than UK average by up to 15%	Zones higher than UK average by more than 15%
Zones 1-3 (best fit LBHF)	-	-	1(+49%), 2(+46%), 3(+28%)
Zones 4-10 (best fit LBE)	10(-3%)	7(+13%), 8(+5%), 9(+6%)	4 (+17%), 5 (+32%), 6 (+19%)
Zones 11-17 (best fit LBH)	-	11(+4%), 12 (+7%), 13 (+7%), 14 (+13%)	15(+18%), 16(+17%), 17 (+36%)
Zones 18-30 (outside boroughs)	-	22(+14%), 23 (+7%), 24(+4%), 25(+2%), 26(+10%), 27(+1%)	18(+46%), 19(+54%), 20(+48%), 21(+34%), 28(+60%), 29(+108%), 30(+58%)

Source: Table 11, Appendix 2 (note that the percentage difference from the UK average is shown in brackets +/-)

3.12 For both comparison and convenience goods sectors, there is considerable divergence in the levels of expenditure across the three boroughs. In summary:

- **LB Ealing:** the per capita expenditure in zone 10 (Southall) is much lower than surrounding zones; zone 5 (Ealing) is the most affluent of the seven best fit zones for the borough.
- **LB Hounslow:** the per capita expenditure in zones 11, 12 and 13 (including the west of the borough and Feltham) are only slightly above the UK average, with zone 17 (Chiswick) the most affluent of the seven best fit zones for the borough.
- **LB Hammersmith and Fulham:** the per capita expenditure in all three of the best fit zones for the borough (1-3) are all significantly higher than the UK average, with zone 1 (Fulham) the most affluent of the three zones.

Step 2: Project to forecast years

3.13 At step 2, annual growth rates are applied to the base data in order to project the per capita expenditure data to the forecast years. The process used to calculate these growth rates is explained in Appendix 4 and the data is presented at Table 3 (comparison goods) and Table 11 (convenience goods) at Appendix 2. They are derived from PBBII/OE Information Brief 09/02 (September 2009) and Experian Retail Planner Briefing Note 7.1 (August 2009).

3.14 The comparison and convenience goods annual growth rates used are set out in **Table 3.5** below.

Table 3.5 Annual growth rates for comparison and convenience expenditure

Timeframe	Comparison goods	Convenience goods
2009-2011	0.3%	0.2%
2011-2016	3.6%	1.1%
2016-2021	3.2%	0.8%
2021-2026	2.8%	0.9%
2026-2031	2.8%	0.9%

Source: Tables 3 and 11 (Appendix 2) and Appendix 4

- 3.15 These growth rates are applied consistently across all zones. They take a mid-point between the forecasts from the two major consumer expenditure data providers in the UK and consequently represent a robust approach to expenditure growth forecasts. For both categories of expenditure, there is very limited growth in the short term due to the effects of the down turn of the economy.

Step 3: Total expenditure

- 3.16 At step 3, population data in each of the forecast years is applied to the correlating per capita expenditure figure. This provides the total pot of comparison and convenience expenditure in the 30 zones, including any special forms of trading (SFT). This exercise is presented at Tables 4 and 12, Appendix 2.
- 3.17 The total comparison expenditure in the study area in 2009 (including SFT) is £6,382.2 million and the total convenience expenditure is £3,582.8 million (including SFT).

Step 4: Deductions for special forms of trading

- 3.18 At step 4, deductions for SFT are made. This includes any expenditure spent through non-retail sources (i.e. not physical retail outlets). The most recent estimate of existing SFT and its growth is provided by Experian Retail Planner Note 7.1 (August 2009). Consequently, this advice is used and shown in **Table 3.6** below.

Table 3.6 Allowance for special forms of trading

Year	Comparison goods	Convenience goods
2009	7.4%	2.0%
2011	8.4%	2.2%
2016	9.6%	2.7%
2021	9.4%	2.8%
2026	9.1%	3.0%
2031	9.1%	3.0%

Source: Experian Retail Planner Briefing Note 7.1, Appendix 3 (for convenience goods, 50% of the Experian estimate is used)

- 3.19 Due to some supermarket operators sourcing internet sales from physical store space (for example Tesco), Experian advises that the share of non-store retailing is over-stated for convenience goods. Consequently, only 50% of the Experian estimate is deducted.
- 3.20 The Experian estimates are national and there is likely to be some local fluctuations. At **Section 4**, the local SFT based on the household survey results is estimated. Due to less confidence in the reliability of survey data to inform estimates of SFT, Experian estimates are relied upon when assessing quantitative need at **Section 6** and **Section 7**.
- 3.21 In aggregate in 2009, SFT represents some £472.3 million of comparison goods expenditure and £69.9 million of convenience goods expenditure. Deducting this from the total expenditure calculated at step 2 means that across the study area there is some £5,909.9 million of comparison goods expenditure and £3,513.0 million of convenience goods expenditure to support existing floorspace. The destination for this spending is explained in Section 4.

Expenditure growth

- 3.22 The outputs of steps 1-4 mean that the total amount of comparison and convenience retail spending in the study area and the scale of growth to the forecast years is understood. This is summarised in **Table 3.7** below.

Table 3.7 Comparison and convenience expenditure growth in study area

Zonal geography	Comparison 2009-2021 (£m)	Convenience 2009-2021 (£m)	Comparison 2009-2031 (£m)	Convenience 2009-2031 (£m)
Zones 1-3 (best fit LBHF)	367.9	81.5	789.9	154.2
Zones 4-10 (best fit LBE)	448.9	94.4	961.9	182.5
Zones 11-17 (best fit LBH)	365.9	80.9	759.9	147.4
Zones 18-30 (outside boroughs)	1,621.7	340.5	3,555.3	679.1
Total study area	2,804.4	597.3	6,067.0	1,163.2

Source: Tables 4 and 12, Appendix 2

- 3.23 There is clear evidence of very significant expenditure growth across the study area and in the three boroughs. Due to the uncertainty over longer term forecasts, more weight is awarded the growth to 2021 and caution is advised over relying too heavily of the more indicative growth to 2031.
- 3.24 As explained previously, it is possible that the population projections used (see paragraph 3.5 above) may have under-estimated the planned position for both the LB Ealing and the LB Hammersmith and Fulham. For this reason, the contribution of additional population to expenditure growth for the whole study area has been separated from the contribution from natural annual per capita expenditure growth. This separation is presented graphically in **Figure 3.1** (for comparison goods) and **Figure 3.2** (for convenience goods).

Figure 3.1 Proportion of comparison expenditure generated from additional population

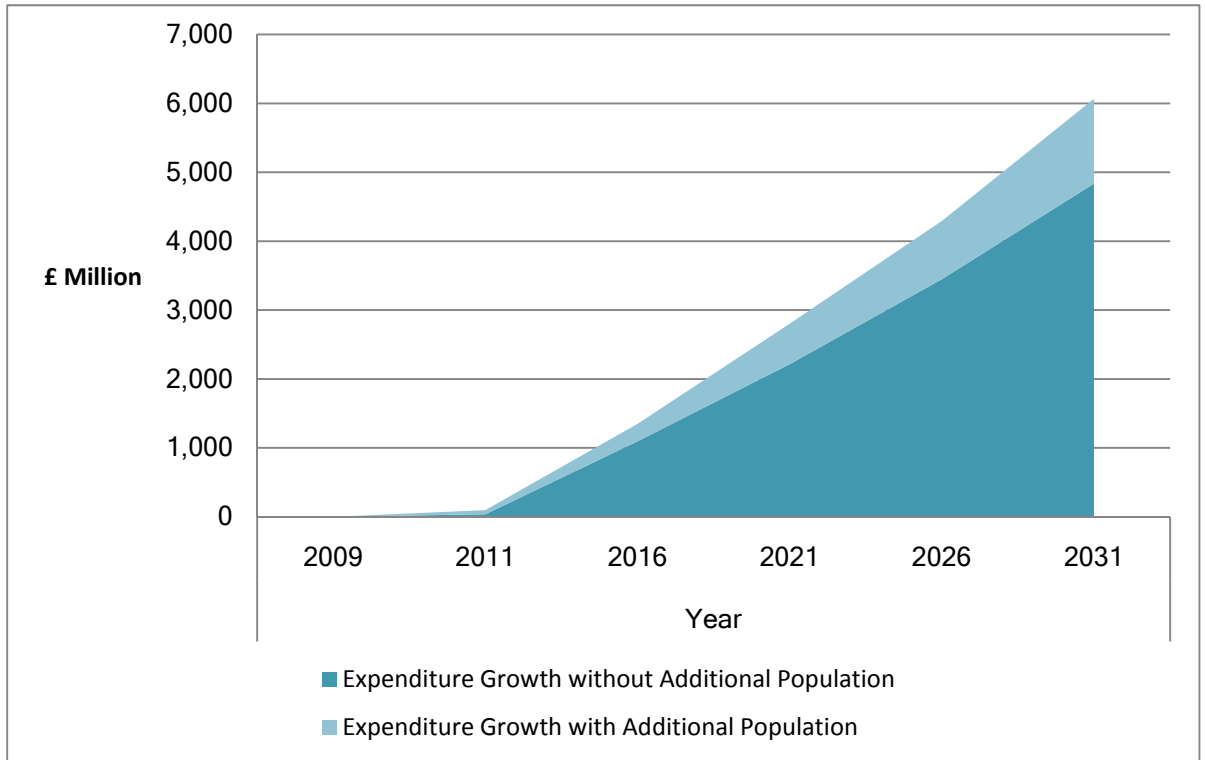
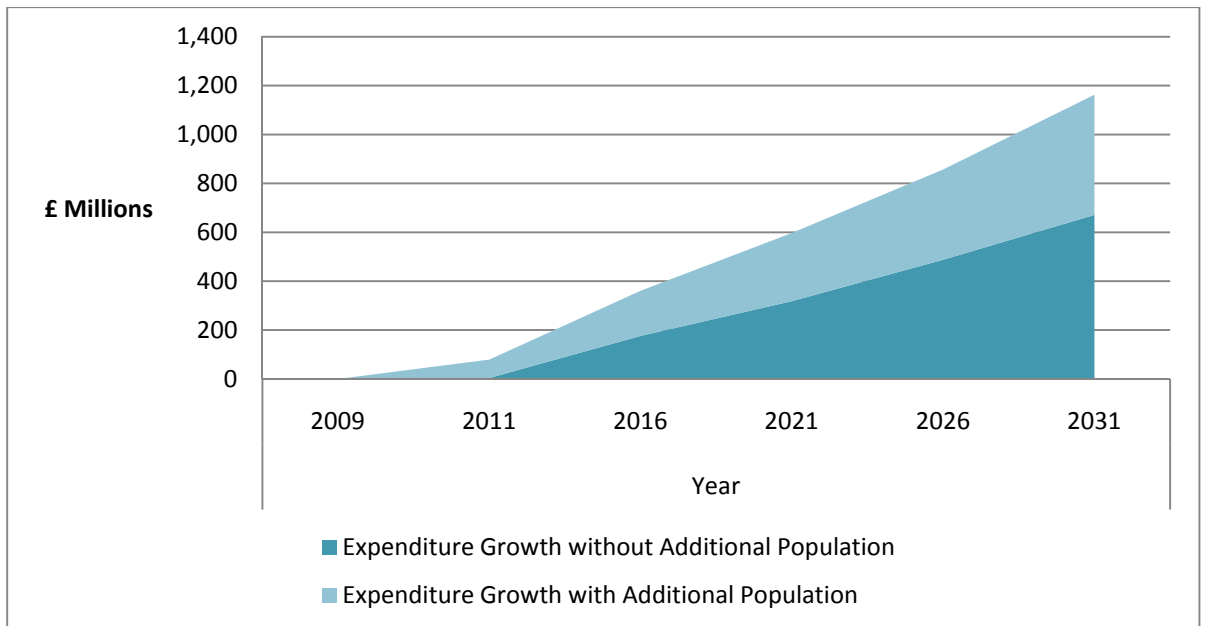


Figure 3.2 Proportion of convenience expenditure generated from additional population



3.25 In terms of a ratio, population growth represents approximately 20% of the comparison expenditure and approximately 45% of the convenience expenditure. This ratio fluctuates throughout the forecast years. But it shows that changes in population projections are more sensitive to the convenience outputs than the comparison outputs. This means that additional population beyond that accounted for in the projections is more likely to influence the scale of convenience floorspace need.

- 3.26 The availability of this expenditure growth to support new retail floorspace within the three boroughs is explained in the assessments of quantitative need at Sections 6 and 7.

Commercial leisure spending on food and drink

- 3.27 Commercial leisure spending on food and drink comprises all spending on meals, alcohol, snacks and drinks sold by restaurants, pubs, cafes etc... Therefore, the assessment broadly covers all expenditure in outlets within Use Class A3, A4 and A5 and therefore assists in informing assessments of the evening economy in the three boroughs.
- 3.28 The three step process for leisure spending on food and drink is very similar to the process adopted for retail spending. However, the process is less developed than the retail model and the estimates of spending are necessarily broad. Therefore, the three stage process is addressed separately from the retail exercise, as explained below.

Step 1: Per capita data

- 3.29 The zonal per capita expenditure data on food and drink uses for the base year and forecast years are presented at Table 15 at Appendix 2. As with the retail exercise, percentage difference from the UK average in the base year is shown to demonstrate the local differences in spending.
- 3.30 It is striking that the commercial leisure spending on food and drink uses in the study area is significantly higher than the national average in all zones within the study area. The UK average per capita spending on food and drink in 2009 is £1,234. For the three boroughs, this is exceeded in all zones with the highest per capita expenditure in zone 1 at £2,442 and the lowest in zone 10 at £1,366. Outside the three boroughs, zone 29 has the highest per capita expenditure at £3,514 with zone 23 the lowest at £1,160. The divergence is demonstrated further in **Table 3.8** below.

Table 3.8 Differences in per capita expenditure on commercial leisure food and drink uses

	Zones less than UK Average	Zones higher than UK average by up to 15%	Zones higher than UK average by more than 15%
Zones 1-3 (best fit LBHF)	-	-	1(+98%), 2(+91%), 3(+63%)
Zones 4-10 (best fit LBE)	-	10(+11%)	4 (+45%), 5 (+73%), 6 (+50%), 7(+36%), 8(+22%), 9(+22%)
Zones 11-17 (best fit LBH)	-	-	11(+21%), 12 (+23%), 13 (+25%), 14(+37%), 15 (+45%), 16(+42%), 17 (+79%)
Zones 18-30 (outside boroughs)	23 (-6%),	22(+6%),	18(+96%), 19(+107%), 20(+98%), 21(+67%), 24(+19%), 25(+18%), 26(+34%), 27(+34%) 28(+111%), 29(+185%), 30(+111%)

Source: Table 15, Appendix 2 (note that the percentage difference from the UK average is shown in brackets +/-)

- 3.31 As with the retail exercise, there is considerable divergence in the levels of expenditure across the three boroughs. As expected, the zonal patterns of divergence are broadly similar in the retail exercise. However, the majority of zones in the three boroughs have a significantly higher level of per capita expenditure on commercial leisure food and drink uses than the national average.

Step 2: Project to forecast years

- 3.32 At step 2 annual growth rates are applied to the base data in order to project the per capita expenditure data to the forecast years. The growth rates are derived from Experian Retail Planner Briefing Note 7.1 (August 2009) and the per capita expenditure on commercial leisure food and drink uses in the forecast years are set out in Table 15, Appendix 2. The per capita growth rates uses are presented in **Table 3.9** below.

Table 3.9 Annual growth rates for commercial leisure expenditure on food and drink

Timeframe	Commercial leisure expenditure on food and drink
2009-2011	-0.4%
2011-2016	1.4%
2016-2021	1.8%
2021-2026	1.8%
2026-2031	1.8%

Source: Table 15 (Appendix 2) and Appendix 4

Step 3: Total expenditure

- 3.33 Step 3 is identical to that undertaken for the retail exercise and is presented at Table 15, Appendix 2. The leisure expenditure on food and drink in the study area in 2009 is £3,101.4 million.

Expenditure growth

- 3.34 The outputs of steps 1-3 provide a broad understanding of the scale of leisure expenditure growth on food and drink uses, as presented at **Table 3.10** below.

Table 3.10 Growth in study area commercial leisure expenditure on food and drink

Zonal geography	2009-2021 (£m)	2009-2031 (£m)
Zones 1-3 (best fit LBHF)	104.8	228.5
Zones 4-10 (best fit LBE)	119.7	264.5
Zones 11-17 (best fit LBH)	99.9	209.0
Zones 18-30 (outside boroughs)	441.5	998.6
Total study area	765.6	1,700.6

Source: Table 16, Appendix 2

- 3.35 Although the growth in the short term is modest, in the period to 2021 and beyond, there is clear evidence of very significant expenditure growth across the study area and in the three boroughs. As with the retail exercise, more weight is given to the growth to 2021 and caution is advised over relying too heavily of the more indicative growth to 2031.
- 3.36 The availability of this expenditure growth to support new A3,A4 and A5 uses within the three boroughs is explained in the assessment of quantitative need for such uses at **Section 10**.

Changes in inputs since 2006

- 3.37 The data on existing and future spending uses up-to-date inputs, which inevitably have moved forward since the WLRNS 2006. To assist in subsequent analyses of the reasons for changes to quantitative outputs, **Table 3.11** outlines the different data sources used in this update compared to the WLRNS 2006 and includes a comment column explaining the reasons for any changes.

Table 3.11 Changes in inputs since 2006

Input	2006	2009	Comment
Base and forecast years	2006, 2011, 2016, and 2021	2009, 2011, 2016, 2021, 2026 and 2031	The base year has changed due to the new household survey. Further forecast years at 2026 and 2031 have been added to correlate with the emerging London Plan.
Population base data and projections	Experian E-marketer for base data and projections	PBBI for base data and GLA ward level projections and bespoke for LBE	Using GLA ward level projections provides a finer grained analysis of the location of growth and ensures a consistency with GLA documents. The update shows the broad scale of growth across the whole study area as slightly less than the 2006 assessment, taking into account the different base year.
Expenditure data and price base	Experian E-marketer from 2005 in 2005 prices	PBBI/OE from 2007 in 2007 prices	PBBI and Experian are the two main expenditure data sources. There are differences in the base data, but these can be explained by the different base year and price base and the sharp spending growth that occurred from 2005 to 2007 which would not have been fully reflected in the earlier base data.
Retail expenditure growth rate	4.3% per annum for comparison goods and 0.7% per annum for convenience goods consistent to all forecast years	For comparison goods, 0.3% to 2011, 3.6% to 2016, 3.2% to 2021 and 2.8% to 2031. For convenience goods, 0.2% to 2011, 1.1% to 2016, 0.8% to 2021 and 0.9% to 2031 (all rates are per annum)	The 2009 growth rates are derived from a mid point between PBBI and Experian projections and are considered a robust approach to growth bearing in mind the recent slow down in consumer spending.
Special forms of trading	Experian Business Solutions advice, deducted at 7.5% for comparison goods and 0.9% for convenience goods in the base year; no growth in SFT in the forecast years	Experian Retail Planner Briefing Note 7.1, deducted in the base year at 7.4% for comparison goods and 2.0% for convenience goods and increased in the forecast years in accordance with the guidance in the note (albeit 50% of the estimates are used for convenience goods)	The internet is becoming more and more important and it is widely acknowledged that there will be growth in this sector. It is considered good practice to allow for growth in SFT in the forecast years as a claim on available expenditure.
Leisure expenditure growth rate	2.0% per annum consistent to all forecast years	-0.4% to 2011, 1.4% to 2016 and 1.8% to 2031 (all rates are per annum) based on Experian Retail Planner Briefing Note 7.1	Experian provide the most comprehensive estimate of leisure spending growth and reflect the recent slow down in consumer spending.

Source: RTP analysis of WLRNS 2006 and RTP assumptions outlined above

- 3.38 A further explanation of the reasons for different outputs in the various studies is set out at **Section 8**.

Summary

- 3.39 This section has assessed the level and growth of spending on retail and commercial leisure (food and drink uses) within the 30 zone study area, which encompasses all three boroughs. The assessment has been informed by population and expenditure estimates and in respect of the **LB Ealing** (best fit zones 4-10) found that from 2009 there will be:
- i) 18,350 additional population by 2021, increasing to 30,761 by 2031
 - ii) £448.9 million of comparison and £94.4 million of convenience expenditure growth by 2021, increasing to £961.9 million and £182.5 million respectively by 2031
 - iii) £119.7 million of commercial leisure expenditure growth on food and drink uses by 2021, increasing to £264.5 million by 2031
- 3.40 In respect of the **LB Hounslow** (best fit zones 11-17), the assessment found the following from 2009:
- i) 17,204 additional population by 2021, increasing to 27,115 by 2031
 - ii) £365.9 million of comparison and £80.9 million of convenience expenditure growth by 2021, increasing to £759.9 million and £147.4 million respectively by 2031
 - iii) £99.9 million of commercial leisure expenditure growth on food and drink uses by 2021, increasing to £209.0 million by 2031
- 3.41 Finally, in respect of the **LB Hammersmith and Fulham** (best fit zones 1-3), the assessment found the following from 2009:
- i) 15,874 additional population by 2021, increasing to 25,267 by 2031
 - ii) £367.9 million of comparison and £81.5 million of convenience expenditure growth by 2021, increasing to £789.9 million and £154.2million respectively by 2031
 - iii) £104.8 million of commercial leisure expenditure growth on food and drink uses by 2021, increasing to £228.5 million by 2031
- 3.42 All figures quoted in the summary are cumulative.

4 CURRENT PATTERNS OF RETAIL AND LEISURE SPENDING

Household survey methodology

- 4.1 Results from a bespoke telephone survey of households are used to understand the patterns of retail and leisure spending in the study area. The full tabulated results can be found at **Volume 3**. A detailed explanation of the survey methodology, its statistical reliability and some of the key outputs not presented in this section is included at **Appendix 5**. In summary, the approach is as follows:
- Completed surveys were obtained from 3,000 households across the 30 zones in the study area
 - Questions asked on convenience (food and grocery shopping), comparison (non-food shopping) and food and drink leisure uses (A3, A4 and A5 uses)
 - Weightings are applied to the answers to achieve a composite market share for spending on convenience goods, comparison goods and food and drink leisure uses.
- 4.2 The outputs are zonal market shares for each category of spending. These are presented at Tables 5, 13 and 18 (at Appendix 2). They are converted to a monetary value in 2009 by applying the spending from **Section 3** directly to the percentage market shares; the spending patterns are presented at Tables 6, 14 and 19 (Appendix 2). As explained below, this exercise enables an understanding of where residents of the study area are spending their money in 2009.
- 4.3 Plans showing the main centres and foodstores in the three boroughs are attached at **Appendix 6**.

Comparison goods spending patterns

Study area wide comparison spending

- 4.4 The turnover of the main shopping destinations generated by comparison spending within the study area and the incidence of expenditure leakage from the study area can be calculated. **Table 4.1** outlines the total spending retention and leakage from the three boroughs in the study area.

Table 4.1 Study area comparison spending patterns

	2009 (£m)	2009 (%)
Three boroughs combined	1,930.1	32.7%
Elsewhere in study area	495.2	8.4%
<i>Study area total</i>	<i>2,425.2</i>	<i>41.0%</i>
Outside study area	3,484.7	59.0%
Total	5,909.9	100.0%

Source: Table 6, Appendix 2 (figures may not sum due to rounding)

- 4.5 This data reveals that the study area as a whole retains some 41.0% of its comparison expenditure, with a large proportion (32.7%) being spent in the three boroughs. There is a reasonably high level of expenditure spent outside the study area (59%) and the destinations for expenditure retention and leakage are examined further below. However, it should be borne in mind that the study area is in a metropolitan area with highly complex shopping patterns and excellent accessibility to higher order destinations, in particular Central London. Improvements to accessibility to higher order destinations (for example Crossrail) might increase leakage during the plan period and it is thus important that the shopping facilities in the boroughs are fit for purpose to ensure sustainable spending patterns. This matter is explained in further detail in Section 9.

Study area expenditure retention: top five destinations

- 4.6 **Table 4.2** lists the top five destinations in the study area for comparison goods spending generated from the study area itself.

Table 4.2 Top five comparison spending destinations in the study area

	2009 (£m)	2009 (%)
Ealing	338.3	5.7%
Shepherd's Bush/Westfield	263.2	4.5%
Hounslow	250.2	4.2%
Hammersmith	185.7	3.1%
Fulham	135.2	2.3%

Source: Table 6, Appendix 2 (figures may not sum due to rounding)

- 4.7 As expected, the three metropolitan centres in the three boroughs dominate this list, followed by the two major centres in LBHF. Although Shepherd's Bush benefits from the recently opened Westfield shopping centre, it is second to Ealing in respect of the level of turnover generated from the study area. This point is examined further below when assessing the changes since 2006.

Study area expenditure leakage: top five destinations

- 4.8 **Table 4.3** lists the top five destinations outside the study area for comparison goods spending generated from the study area itself.

Table 4.3 Top five comparison spending destinations outside the study area

	2009 (£m)	2009 (%)
Central London/West End	492.5	8.3%
Kensington High Street	365.1	6.2%
Kingston-upon-Thames	348.1	5.9%
Kings Road East (Chelsea)	257.7	4.4%

Richmond-upon-Thames	167.8	2.8%
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Source: Table 6, Appendix 2 (figures may not sum due to rounding)

- 4.9 As expected, Central London (8.3%) dominates the leakage destinations. Other higher order metropolitan and major centres also attract a high proportion of the study area's comparison expenditure.

LB Ealing comparison spending

- 4.10 Now turning to the specific boroughs, the spending patterns in LB Ealing is addressed first with attention paid to the amount of trade retained in its best fit zones. As with the study area exercise, the levels of retention and leakage are examined separately. This approach is replicated for each borough.

LB Ealing expenditure retention

- 4.11 The expenditure data on expenditure retention in the LB Ealing (best fit zones 4-10) are presented in **Table 4.4**.

Table 4.4 LB Ealing comparison spending destinations in 2009

	Zones 4-10 (£m)	Zones 4-10 (%)	Study area (£m)	Study area (%)
Ealing	291.2	29.5%	338.3	5.7%
Southall	20.5	2.1%	28.8	0.5%
Hanwell	9.7	1.0%	11.3	0.2%
Acton	24.3	2.5%	49.6	0.8%
Greenford	37.7	3.8%	53.7	0.9%
Out of centre	26.9	2.7%	54.9	0.9%
Other in borough	21.3	2.2%	36.8	0.6%
Total LB Ealing	431.6	43.7%	573.3	9.7%

Source: Table 6, Appendix 2 (figures may not sum due to rounding and percentages are expressed as the total of the geography used in each column)

- 4.12 This shows that the LB Ealing destinations retain some 43.7% of the comparison spending generated from zones 4-10 and as expected Ealing attracts the majority at 29.5%. The overall retention of the borough in the study area is 9.7%.
- 4.13 The second highest destination drawing trade from zones 1-4 is Greenford (3.8%) followed by out of centre destinations (2.7%). The role is reversed when looking at the study area as a whole, with the out of centre destinations having a marginally higher turnover than Greenford. This is likely to be due to the wider draw of some specialist out of centre shops and Greenford's more localised role.
- 4.14 It is notable that Southall has a very limited market share of both the borough zones (2.1%) and the study area (0.5%) and appears inconsistent with its major centre status in

the London Plan. Hanwell also has a very low share of comparison spending, attracting just 1.0% of the spending in zones 4-10.

LB Ealing expenditure leakage

- 4.15 The expenditure data on expenditure leakage from LB Ealing (best fit zones 4-10) are presented in **Table 4.5**.

Table 4.5 Top five comparison spending destinations outside zones 4-10 in 2009

	Zones 4-10 (£m)	Zones 4-10 (%)
Central London/West End	64.7	6.6%
Brent Cross	51.5	5.2%
Shepherd's Bush/Westfield	40.0	4.1%
Hounslow	30.3	3.1%
Uxbridge	29.0	2.9%

Source: Table 6, Appendix 2 (figures may not sum due to rounding)

- 4.16 As expected, LB Ealing faces competition from Central London and the metropolitan centres in the other boroughs, namely Hounslow and Shepherd's Bush/Westfield. In addition, LB Ealing faces competition from Brent Cross and to a lesser extent Uxbridge.

LB Hounslow comparison spending

LB Hounslow expenditure retention

- 4.17 The expenditure data on expenditure retention in LB Hounslow are presented in **Table 4.6**.

Table 4.6 LB Hounslow comparison spending destinations in 2009

	Zones 11-17 (£m)	Zones 11-17 (%)	Study area (£m)	Study area (%)
Hounslow	186.2	24.1%	250.2	4.2%
Feltham	50.7	6.6%	60.1	1.0%
Chiswick	66.7	8.6%	107.4	1.8%
Brentford	16.6	2.1%	33.5	0.6%
Out of centre	70.6	9.1%	149.0	2.5%
Other in borough	35.1	4.5%	69.9	1.2%
Total LB Hounslow	425.8	55.2%	670.1	11.3%

Source: Table 6, Appendix 2 (figures may not sum due to rounding and percentages are expressed as the total of the geography used in each column)

- 4.18 This shows that LB Hounslow destinations retain some 55.2% of the comparison spending generated from zones 11-17 and, as expected, Hounslow attracts the majority at 24.2%. The overall retention of the borough in the study area is 11.3%.
- 4.19 The second highest spending turnover generated from the borough's zones is out of centre floorspace (9.1%) and is the highest of the three boroughs. Both Feltham (6.6%) and Chiswick (8.6%) draw a broadly similar proportion of trade from the borough zones. But when looking at the study area Chiswick has a much higher turnover compared to Feltham, indicating its wider trade draw consistent with its major centre status in the London Plan.
- 4.20 Brentford is a district centre in the London Plan, but has a low market share compared to the other district centre in LB Hounslow, namely Feltham.

LB Hounslow expenditure leakage

- 4.21 The expenditure data on expenditure leakage from LB Hounslow (best fit zones 11-17) are presented in **Table 4.7**.

Table 4.7 Top five comparison spending destinations outside zones 11-17 in 2009

	Zones 11-17 (£m)	Zones 11-17 (%)
Kingston-upon-Thames	61.1	7.9%
Staines	31.1	4.0%
Richmond	26.0	3.4%
Central London/West End	23.6	3.1%
Ealing	16.3	2.1%

Source: Table 6, Appendix 2 (figures may not sum due to rounding)

- 4.22 LB Hounslow faces competition from outer London centres (Kingston-upon-Thames and Richmond) and Staines in Surrey. This reflects the geography of the borough towards the edge of Greater London. It also faces competition from Central London and to a lesser extent Ealing. It is notable that Shepherd's Bush/Westfield does not feature as a top five destination for expenditure leakage from the borough.

LB Hammersmith and Fulham comparison spending

LB Hammersmith and Fulham expenditure retention

- 4.23 The expenditure data on expenditure retention in LB Hammersmith and Fulham (best fit zones 1-3) is presented in **Table 4.8**.

Table 4.8 LB Hammersmith and Fulham comparison spending destinations in 2009

	Zones 1-3 (£m)	Zones 1-3 (%)	Study area (£m)	Study area (%)
Hammersmith	111.4	15.1%	185.7	3.1%
Fulham	88.6	12.0%	135.2	2.3%
Shepherd's Bush/Westfield	85.9	11.7%	263.2	4.5%
Out of centre	4.3	0.6%	7.6	0.1%
Other in borough	34.6	4.7%	94.9	1.6%
Total LBHF	324.7	44.1%	686.6	11.6%

Source: Table 6, Appendix 2 (figures may not sum due to rounding and percentages are expressed as the total of the geography used in each column)

- 4.24 This shows that LB Hammersmith and Fulham destinations retain some 44.1% of the comparison spending generated from zones 1-3 and the overall retention of the borough in the study area is 11.6%.
- 4.25 The most interesting feature of this analysis is that Hammersmith achieves the highest proportion of spending in zones 1-3 (15.1%). But when the wider study area is considered, Shepherd's Bush/Westfield achieves a much higher market share of 4.5% compared to the major centres of Hammersmith (3.1%) and Fulham (2.3%). This clearly shows the wider trade draw experienced by Shepherd's Bush, which is likely to have been influenced by the specialist fashion offer in the Westfield shopping centre.
- 4.26 The only other notable feature of this analysis is the very low spending in out of centre destinations, which is reflective of the limited out of centre comparison offer in the borough.

LB Hammersmith and Fulham expenditure leakage

- 4.27 The expenditure data on expenditure leakage from LB Hammersmith and Fulham (best fit zones 1-3) are presented in **Table 4.9**.

Table 4.9 Top five comparison spending destinations outside zones 1-3 in 2009

	Zones 1-3 (£m)	Zones 1-3 (%)
Central London/West End	87.0	11.8%
Kensington High Street	65.4	8.9%
Kings Road East (Chelsea)	43.1	5.9%
Putney	39.4	5.4%
Chiswick	19.7	2.7%

Source: Table 6, Appendix 2 (figures may not sum due to rounding)

- 4.28 LB Hammersmith and Fulham faces competition from Central London and more centrally located centres with a high quality retail offer, such as Kensington High Street and Kings Road East. This reflects the geography of the borough situated more centrally in Greater London and the relative affluence of part of the borough (as evidenced in Section 3). To a lesser extent the borough faces competition from the major centres of Chiswick and Putney, but it is notable that the metropolitan centres Ealing and Hounslow do not feature as significant competitors.

Comparison goods changes in spending since 2006

- 4.29 Since 2006, Westfield shopping centre has opened and there has also been a significant downturn in the economy that will have changed people's spending habits, at least in the short term. The new household survey enables the changes in market share to be quantified. But this is based on a fixed level of annual expenditure in 2009; this is explained below. Although the analysis recognises changes in shopping habits, whether these changes are due to the economy or Westfield is less clear cut. Consequently, a two stage assessment has been undertaken. First, this explores the quantitative changes - i.e. the different turnover in 2009 as would be the case in 2009 if patterns had remained constant from 2006. Secondly, the changes in shopping habits have been reviewed from a qualitative point of view to distinguish between the Westfield effect and the downturn in the economy.

Quantitative changes

- 4.30 One of the benefits of using an identical study area as used in 2006 is the potential to make a time series comparisons between 2006 and 2009. This enables the influence of major developments (such as the Westfield shopping centre) to be observed. Tables 8-10 (Appendix 2) show our assessment of spending patterns in 2009 using the market shares in the WLRNS 2006 compared to the position according to the 2009 survey. To ensure a direct comparison, the updated spending levels in 2009 are maintained as constant.
- 4.31 This exercise provides a useful background on general trends. However, any conclusions from this exercise must be qualified as follows:
- different surveys have been undertaken - for example RTP adopted a secondary destination question for all non-food goods questions, whilst the 2006 version only asked this for clothes and shoes shopping;
 - the weighting to obtain composition market shares could be different in both surveys;
 - the analysis was restricted to some degree since the WLRNS 2006 market share data for smaller centres (i.e. district) were rounded to a single integer, which increases the margin of error of the exercise;
 - the assessment only involves changes to turnover derived from the study area and not changes to inflow expenditure;
 - Westfield shopping centre had only opened for just over a year at the time of the household survey and thus potentially shopping patterns may still be settling down.
- 4.32 Notwithstanding the above qualifications, the outputs from the exercise are presented at **Table 4.10** for all metropolitan and major centres (plus Feltham district centre) in the three

boroughs. Importantly, this exercise only shows the change in turnover derived from the study area.

Table 4.10 Change in comparison turnover in 2009 (compared to position using 2006 market shares)

	Change in 2009 (£m)	Indicative impact (%)
Ealing	-37.2	-11.0%
Southall	-1.7	-6.0%
Hammersmith	0.4	0.2%
Fulham	40.8	30.1%
Shepherd's Bush/Westfield	199.0	75.6%
Hounslow	2.6	1.0%
Feltham	32.4	53.9%
Chiswick	0.5	0.5%

Source: Table 10, Appendix 2 (positive impact is an increase in turnover)

- 4.33 This exercise reveals a number of interesting outcomes. As expected, Shepherd's Bush increases its turnover significantly due to the opening of Westfield, as does Feltham following the completion and letting of 'The Centre' development.
- 4.34 The only centre with any significant negative impact is Ealing which suffers an 11% impact, with Southall showing a minor decrease in turnover. The turnover of both Hounslow and Chiswick stay broadly the same as if 2006 market shares were adopted.
- 4.35 According to this analysis, Fulham's turnover has increased since 2006. We do not expect that in reality the turnover of Fulham has increased so sharply. The difference is likely to be due to the method of recording Fulham as a destination in the 2006 study compared to 2009. District centres in the three boroughs (not shown in the above table) all experience high increases in turnover. The increase in turnover of the district centres is likely to be due to the addition of secondary destinations in the household survey.
- 4.36 As well as the centres within the boroughs, this exercise can be applied to the leakage destinations, as presented at **Table 4.11**.

Table 4.11 Change in turnover in 2009 (compared to position using 2006 market shares)

	Change in 2009 (£m)	Indicative impact (%)
Kingston	-82.9	-23.8%
West End	-11.8	-2.4%
Uxbridge	-22.7	-21.2%
Staines	-10.4	-9.3%
Harrow	-55.3	-53.3%

Richmond	-31.7	-18.9%
Kensington	59.3	16.2%
Brent Cross	-10.0	-6.4%
Chelsea	43.3	16.8%

Source: Table 10, Appendix 2 (positive impact is an increase in turnover)

- 4.37 This exercise shows that larger centres outside the three boroughs have suffered a much more significant impact than the centres within the three boroughs. In particular the metropolitan centres of Kingston-upon-Thames, Uxbridge, Harrow as well as the major centre of Richmond-upon-Thames have all suffered significant reductions in the turnover derived from the study area. There is more limited negative impact on the West End, Staines and Brent Cross.
- 4.38 Kensington High Street and Chelsea both show an increase in turnover. As with Fulham, we do not expect that in reality the turnover of these two centres has increased so sharply. It is expected that the difference is due to recording differences between the two surveys and local initiatives used to increase the turnover of these centres.

Qualitative changes

- 4.39 The above paragraphs describe the quantitative changes to spending patterns. The influence of the recession on spending habits is much more difficult to quantify. Thus our analysis focuses on the broad conclusions that can be drawn from the household survey and general trends.
- 4.40 The household survey has revealed that, in general terms, the impact from Westfield has been significant on other higher order centres. However, the down turn in the economy will have focused on specific retailers and consequently centres will have suffered where such retailers anchored the shopping offer. The most high profile closure was Woolworths that often anchored smaller centres and the challenge across the country is to ensure the viability of secondary destinations.
- 4.41 Therefore, in general terms, the impact from the downturn in the economy has been structural across all centres. At the margin, some centres will have suffered more sharply than others due to the nature of stores that have closed. Furthermore, those centres that have a budget and mid range offer will have experienced an upturn in turnover (for example Hounslow and Hammersmith). But given the length of the study timeframe, the down turn in the economy represents only a small period of time assuming an adequate recovery.
- 4.42 Therefore the majority of the change in shopping patterns will have been due to Westfield shopping centre whilst the impact from the change in the structure of the economy is broad across the sector and has had much wider implications. Indeed, in the short to medium term, the future challenge for retail and mixed use development is to ensure that new schemes, particularly in secondary destinations, are viable in this challenging economic environment.

Summary on changes in spending since 2006

- 4.43 The main influencing factor on the changes in shopping patterns since 2006 is the opening of Westfield shopping centre in late 2008 due to its location within the LB Hammersmith and Fulham and its extensive comparison goods offer. The recession will have resulted in broader structural changes in the retail industry and all centres will have seen their margins squeezed and some centres will have suffered more than others. But we consider the main influencing factor on the change in shopping patterns is Westfield.
- 4.44 Bearing in mind the qualifications outlined above, the following broad conclusions can be made:
- the only centre in the three boroughs to suffer a significant negative impact is Ealing metropolitan centre;
 - the main changes in turnover following the opening of Westfield shopping centre are focused on higher order large centres in outer London with a significant fashion offer, whilst the performance of the more central centres and central London itself has maintained their performance;
 - larger centres that only have a limited high order fashion offer, such as Hounslow and Hammersmith, have not suffered a material decline in turnover following the opening of Westfield shopping centre.
- 4.45 Opposed to the findings of this quantitative exercise, we expect - at the margin - other centres in the three boroughs will have experienced a decline in turnover following Westfield and the shift in spending from more central destinations to Westfield will have been more pronounced. This is due to the settling down period for major shopping centres and there might be further adjustments in market share over the next two to three years. However, it is quite clear that the overall message from this exercise is that any decline in turnover is unlikely to have been significant, other than for Ealing.

Convenience goods spending pattern

Study area wide convenience spending

- 4.46 A similar exercise to the comparison exercise has been undertaken for convenience spending. Convenience spending is an inherently more localised activity (i.e. people normally shop locally for the food and grocery shopping). Due to the study area extending beyond the boroughs' boundaries, the extent of competition is more locally based within the study area.

Table 4.12 Study area convenience spending patterns

	2009 (£m)	2009 (%)
Three boroughs combined	1,359.5	38.7%
Elsewhere in study area	1,840.6	52.4%
<i>Study area total</i>	<i>3,200.1</i>	<i>91.1</i>
Outside study area	312.9	8.9%

Total	3,513.0	100.0%
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Source: Table 14, Appendix 2 (figures may not sum due to rounding)

- 4.47 The study area achieves a high level of retention of 91.1% and the three boroughs achieve a share of 38.7%. This reflects the localised function of convenience shopping and consequently the focus is on the market share of major stores at a borough wide level and the performance of individual zones.

LB Ealing convenience spending

Borough wide expenditure retention

- 4.48 **Table 4.13** presents the convenience spending in the main foodstores in the LB Ealing.

Table 4.13 LB Ealing convenience spending destinations in 2009

	Zones 4-10 (£m)	Zones 4-10 (%)	Study area (£m)	Study area (%)
Morrisons, Rectory Road, Acton	50.5	8.3%	59.6	1.7%
Sainsbury's, Melbourne Av, West Ealing	36.0	5.9%	38.4	1.1%
Tesco Metro, Broadway SC, Ealing	12.5	2.0%	12.5	0.4%
Waitrose, Alexandria Road, West Ealing	68.0	11.1%	68.3	1.9%
Tesco, Old Hoover Building, Greenford	68.7	11.3%	70.8	2.0%
Tesco Metro, Greenford Road, Greenford	22.9	3.7%	27.9	0.8%
Somerfield, The Broadway, Southall	7.0	1.1%	7.0	0.2%
Other in borough	105.8	17.3%	128.3	3.7%
Total LB Ealing	371.3	60.8%	412.6	11.7%

Source: Table 14, Appendix 2 (figures may not sum due to rounding)

- 4.49 This shows that the larger foodstores in the borough attract the majority of the spending in the borough (over 50%), with the Tesco in the Old Hoover building and Waitrose in West Ealing attracting significant levels of spending. The overall retention level of zones 4-10 is just over 60%. As expected, the foodstores all draw the majority of their trade from the local zones 4-10.

Borough wide expenditure leakage

- 4.50 **Table 4.14** shows the broad destinations for expenditure leakage from zones 4-10.

Table 4.14 Convenience spending destinations outside zones 4-11 in 2009

	Zones 4-10 (£m)	Zones 4-10 (%)
Stores in zones 1-3 (LBHF)	6.0	1.0%
Stores in zones 11-17 (LBH)	69.1	11.3%
Stores in zones 18-30 (other)	148.7	24.4%
Other stores	15.6	2.6%

Source: Table 14, Appendix 2 (figures may not sum due to rounding)

- 4.51 There is limited expenditure leakage to zones 1-3 (LBHF), despite the adjoining boundaries with LB Ealing to the east. There is more extensive leakage to the west and north and in the main is directed to stores in zones 24-27 that adjoin the borough (mainly the Tesco Extra in Yeading, the Sainsbury's in Hayes, the Sainsbury's in Ruislip, the Sainsbury's in Alperton and the Asda on Western Road, Brent Park). Some of this leakage is to be expected given the geography, as is the leakage to the south to zones 11-17 in LB Hounslow (mainly the Tesco Extra stores at Bulls Bridge Industrial Estate and at Syon Lane and stores in Chiswick).

Zonal market share for LB Ealing

- 4.52 A useful measure of the sustainability of existing convenience shopping patterns is to consider the zonal market share, which is the amount of expenditure within a zone spent in stores also located within that zone. For all boroughs this is undertaken for convenience goods expenditure only due to the localised nature of such spending. A degree of caution should be applied to such an exercise due to overlapping catchments and stores on the edge of zones. **Table 4.15** presents the data for the LB Ealing.

Table 4.15 Convenience zonal market share for LB Ealing

Zone	Geography	Total Zonal Expenditure (£m)	Spending in Stores in Zone (£m)	Zonal Market Share
4	Acton	95.3	49.9	52.4%
5	Ealing	138.6	48.8	35.2%
6	Hanwell	88.3	33.5	44.7%
7	North LB Ealing	70.0	39.5	56.4%
8	NE LB Ealing	75.0	8.2	10.9%
9	Greenford	57.0	17.6	30.9%
10	Southall	86.6	18.0	20.8%

Source: Table 14, Appendix 2 (figures may not sum due to rounding and cross zone spending is not shown)

- 4.53 This exercise shows that no zone achieves a zonal market share of more than 60%, which is a function of a highly accessible urban area. Although the Ealing zone (zone 5) achieves a relatively low market share when combined with the neighbouring zone 6 (Hanwell), the combined share of the two zones is a more impressive 65.5%. This combined market share is calculated by dividing the total expenditure spent in both zones (including cross zone spending) (£148.7 million) by the total expenditure in both zones (£226.9 million). Zone 10 (Southall) shows a particularly low zonal market share of 20.8% as does zone 8 (NE Ealing) achieving just 10.9%.

LB Hounslow convenience spending

Borough wide expenditure retention

- 4.54 **Table 4.16** presents the convenience spending by the main stores in the LB Hounslow.

Table 4.16 LB Hounslow convenience spending destinations in 2009

	Zones 11-17 (£m)	Zones 11-17 (%)	Study area (£m)	Study area (%)
Tesco Extra, Bulls Bridge Industrial Estate	7.6	1.6%	28.5	0.8%
Tesco, Faggs Road, Feltham	35.0	7.3%	36.5	1.0%
Asda, Tilley Road, Feltham	12.1	2.5%	14.8	0.4%
Tesco, High Street, Feltham	41.8	8.8%	46.2	1.3%
Asda, Alexander Road, Hounslow	48.7	10.2%	52.2	1.5%
Somerfield, Cavendish Parade, Hounslow	8.8	1.9%	10.9	0.3%
Tesco Extra, Mogden Lane, Isleworth	28.2	5.9%	62.5	1.8%
Tesco Extra, Syon Lane, Isleworth	59.9	12.6%	92.4	2.6%
Morrisons, High Street, Brentford	18.8	3.9%	21.8	0.6%
Sainsbury's Local, Chiswick High Rd	28.7	6.0%	34.8	1.0%
Sainsbury's, Acton Lane, Chiswick	17.8	3.7%	38.4	1.1%
Waitrose, Chiswick High Street, Chiswick	10.5	2.2%	11.6	0.3%
Other in borough	73.4	15.4%	94.1	2.7%
Total LB Hounslow	391.4	82.1%	544.9	15.5%

Source: Table 14, Appendix 2 (figures may not sum due to rounding)

- 4.55 This shows that the LB Hounslow is performing successfully in retaining convenience spending, achieving a retention rate of over 80% in zones 11-17. However, much of this spending is in large superstores, such as the two out of centre Tesco Extra stores in Isleworth. In terms of trade draw, both Tesco stores in Isleworth have a particularly wide trade draw, which is likely to be a function of their size. In addition, the Tesco at Bulls

Bridge Industrial Estate has a limited trade draw from the borough, which is likely to be a function of its position on the edge of the borough boundary.

- 4.56 One anomalous result from this analysis is the turnover of two Sainsbury stores in Chiswick, where the local store on Chiswick High Road has a much higher turnover than the larger Sainsbury's store on Acton Lane. It is expected that this is due to confusion over the recording of the survey data and we suspected a larger proportion of the combined turnover of the two stores (some £73.2 million) should be apportioned to the larger Sainsbury's store on Acton Lane. Thus caution should be afforded the Sainsbury's Local turnover when undertaking other planning studies. However, it is clear that the larger Sainsbury's store is achieving a high turnover and this is recognised in the quantitative and qualitative assessments.

Borough wide expenditure leakage

- 4.57 **Table 4.17** shows the broad destinations for expenditure leakage from zones 4-10.

Table 4.17 Convenience spending destinations outside zones 11-17 in 2009

	Zones 11-17 (£m)	Zones 11-17 (%)
Stores in zones 1-3 (LBHF)	0.8	0.2%
Stores in zones 4-10 (LBE)	7.5	1.6%
Stores in zones 18-30 (other)	71.7	15.1%
Other stores	5.2	1.1%

Source: Table 14, Appendix 2 (figures may not sum due to rounding)

- 4.58 This shows there is limited expenditure leakage to the LB Ealing to the north, despite the extensive adjoining boundary, and to LB Hammersmith and Fulham to the east. The majority of the expenditure leakage is to the south to zones 19 to 22, which is unsurprising given the geography. Generally, level of convenience expenditure leakage from LB Hounslow is low.

Zonal market share for LB Hounslow

- 4.59 As with the LB Ealing, **Table 4.18** presents the zonal market data for LB Hounslow.

Table 4.18 Convenience zonal market share for LB Hounslow

Zone	Geography	Total Zonal Expenditure (£m)	Spending in Stores in Zone (£m)	Zonal Market Share
11	West LB Hounslow	72.1	9.8	13.5%
12	SW LB Hounslow	42.7	19.7	46.1%
13	Feltham	59.0	36.7	62.1%
14	Hounslow	98.1	42.5	39.6%
15	East LB Hounslow	67.5	45.4	67.3%

16	Brentford	39.5	15.0	38.0%
17	Chiswick	97.7	72.8	80.7%

Source: Table 14, Appendix 2 (figures may not sum due to rounding and cross zone spending is not shown)

- 4.60 The highest zonal retention level is for zone 17 (Chiswick), which achieves an impressive 80.7%. Zone 13 (Feltham) also achieves a reasonably high retention level of 62.1%. Zone 14 (Hounslow) has a low retention level of less than 40%, but this is due to many of the centre's foodstores falling in zone 15 and the combined retention level of the two zones is a more impressive 81.5%. The only zone where there is an obvious concern is Zone 16 (Brentford), which achieves a relatively low retention level of 38.0%, with a high proportion of its trade travelling to the out of centre Tesco Extra on Syon Lane.

LB Hammersmith and Fulham convenience spending

Borough wide expenditure retention

- 4.61 **Table 4.19** presents the convenience spending by the main stores in LB Hammersmith and Fulham.

Table 4.19 LB Hammersmith and Fulham convenience spending destinations in 2009

	Zones 1-3 (£m)	Zones 1-3 (%)	Study area (£m)	Study area (%)
Sainsbury's, Townsmead Road, Fulham	44.8	10.5%	59.3	1.7%
Waitrose, North End Road, Fulham	49.6	11.6%	59.7	1.7%
Sainsbury's, Kings Mall, Hammersmith	21.7	5.1%	21.7	0.6%
Tesco, Shepherd's Bush Rd, Hammersmith	59.6	13.9%	85.5	2.4%
Morrisons, Shepherds Bush Centre	17.1	4.0%	21.9	0.6%
Waitrose, Westfield Shopping Centre	9.0	2.1%	13.5	0.4%
Other in borough	65.7	15.3%	98.1	2.8%
Total LBHF	298.0	69.6%	401.9	11.4%

Source: Table 14, Appendix 2 (figures may not sum due to rounding)

- 4.62 This shows that the LB Hammersmith and Fulham is retaining much of its convenience spending, achieving a retention rate of almost 70% in zones 1-3. As with all three boroughs, the spending patterns are dominated by the main foodstore operators. In terms of trade draw, the Tesco on Shepherd's Bush Road is drawing a significant proportion of its trade from beyond the borough. This is likely to be a function of the size of the store (i.e. a wide range of goods) and parking availability. The other stores have a much more localised draw.

Borough wide expenditure leakage

4.63 **Table 4.20** shows the broad destinations for expenditure leakage from zones 1-3.

Table 4.20 Convenience spending destinations outside zones 1-3 in 2009

	Zones 1-3 (£m)	Zones 1-3 (%)
Stores in zones 4-10 (LBE)	12.8	3.0%
Stores in zones 11-17 (LBH)	21.4	5.0%
Stores in zones 18-30 (other)	88.3	20.6%
Other stores	8.0	1.9%

Source: Table 14, Appendix 2 (figures may not sum due to rounding)

4.64 There is limited expenditure leakage to the neighbouring boroughs with the highest level of expenditure leakage to the neighbouring zones 28 and 29 to the east. Even though the leakage to the neighbouring boroughs is limited, it is higher than the corresponding leakage in the opposite direction, which is a function of the much larger stores in the LB Hounslow in particular.

Zonal market share for LB Hammersmith and Fulham

4.65 As with LB Ealing and LB Hounslow, **Table 4.21** presents the zonal market data for the LB Hammersmith and Fulham.

Table 4.21 Convenience zonal market share for LB Hammersmith and Fulham

Zone	Geography	Total Zonal Expenditure (£m)	Spending in Stores in Zone (£m)	Zonal Market Share
1	Fulham	163.4	114.9	70.3%
2	Hammersmith	155.2	78.0	50.3%
3	Shepherd's Bush	109.8	38.2	34.8%

Source: Table 14, Appendix 2 (figures may not sum due to rounding)

4.66 This shows that zone 1 (Fulham) achieves a high level of retention of over 70%, with zone 2 (Hammersmith) faring less well achieving a share of just over 50%. The lowest of the three zones is zone 3 (Shepherd's Bush), which is potentially a concern given its new metropolitan status in the London Plan.

Special forms of trading according to the household survey

4.67 In Section 3 above, the approach to special forms of trading (SFT) is explained. As an alternative, it is possible to calculate an indicative level of SFT based on the household survey. This data can be less reliable than published forecasts because SFT has very complex shopping patterns. However, it does provide an indication of where the base approach adopted in Section 3 is appropriate. Our assessments of survey derived SFT for comparison and convenience goods are shown at Tables 7 and 15 (Appendix 2). The results are summarised in **Table 4.22**.

Table 4.22 Survey derived special forms of trading

	UK Average - Comparison (%)	Comparison Survey Derived (%)	UK Average - Convenience (%)	Convenience Survey Derived (%)
LB Ealing (zones 4-10)	7.4%	9.1%	3.9%	2.9%
LB Hounslow (zones 11-17)	7.4%	7.2%	3.9%	1.7%
LBHF (zones 1-3)	7.4%	9.9%	3.9%	4.3%
All Zones	7.4%	10.1%	3.9%	4.3%

Source: Tables 7 and 15 (Appendix 2)

- 4.68 The national average used is provided by Experian Retail Planner Note 7.1. In general terms for comparison goods, this exercise indicates that in the LB Ealing and the LB Hammersmith and Fulham, the level of SFT exceeds the national average and the LB Hounslow is slightly below the national average. For convenience goods, only the LB Hammersmith and Fulham exceed the national average, whilst both the LB Ealing and the LB Hounslow are below the national average.
- 4.69 PBBI (the suppliers of the base expenditure data used in Section 3) also supply national estimates of special forms of trading in the base year, which is estimated for comparison goods at 5.4% and 1.9% for convenience goods. This is much lower than the Experian estimates and in the main are lower than the survey estimates.
- 4.70 For the purposes of this study's quantitative assessment, the national averages are used (and 50% of the convenience estimates) as supplied by Experian and as explained in Section 3. Even though it is not ideal using a different data source to estimate SFT compared to the base expenditure data, the use of Experian estimates for the base year and for future growth is a reasonable compromise given how much lower the PBBI estimates are compared to the survey estimates.

Commercial leisure spending on food and drink

Study area wide food and drink leisure spending

- 4.71 As with the retail sector, it is possible to assess the patterns of commercial leisure spending on food and drink uses. In this context, 'food and drink' refers to spending in restaurants, cafes, pubs etc... Compared to retail, food and drink spending is much more mobile due to the trend for people to travel long distances to socialise and since there are no constraints connected with transporting goods to the home. Furthermore, the assessment of leisure need is not as well established as the retail approach and so less weight can be afforded the conclusions from this exercise. In any event, it does provide a useful indicator of how the evening economy performs in the three boroughs. **Table 4.23** sets out the level of commercial leisure spending on food and drink within and outside the study area.

Table 4.23 Study area commercial leisure spending on food and drink

	2009 (£m)	2009 (%)
Three boroughs combined	1,111.7	35.8%
Elsewhere in study area	339.8	11.0%
<i>Study area total</i>	<i>1,451.5</i>	<i>46.8%</i>
Outside study area	1,649.9	53.2%
Total	3,101.4	100.0%

Source: Table 19, Appendix 2 (figures may not sum due to rounding)

- 4.72 This demonstrates that in aggregate destinations in the study area retain 46.8% of the commercial spending on food and drink, with the three boroughs achieving the majority (35.8%). This data is not surprising given the connectivity to Central London and the significant food and drink offer across the whole metropolitan area.

LB Ealing food and drink leisure spending

- 4.73 Compared to the retail exercise where the performance of individual centres is assessed, for the food and drink exercise spending is assessed on a borough-wide basis alongside leakage to other boroughs and beyond. This exercise is presented in **Table 4.24**.

Table 4.24 LB Ealing food and drink leisure spending retention and leakage 2009

	Zones 4-10 (£m)	Zones 4-10 (%)	Study area (£m)	Study area (%)
LB Ealing	344.4	66.2%	397.6	12.8%
Zones 1-3 (LBHF)	15.8	3.0%	-	-
Zone 11-17 (LBH)	41.3	7.9%	-	-
Zones 18-30 (other)	3.9	0.8%	-	-
Other	115.0	22.10%	-	-
Total	520.4	100.00%	-	-

Source: Table 19, Appendix 2 (figures may not sum due to rounding and percentages are expressed as the total of the geography used in each column)

- 4.74 This shows that the LB Ealing retains about two thirds of its commercial spending on food and drink. The highest level of expenditure leakage is to LB Hounslow to the south (mainly Chiswick). Other destinations (such as Central London) attract a relatively higher proportion of spend and is reflective of the highly mobile nature of food and drink leisure spending and the choice of destinations across greater London and beyond.

LB Hounslow food and drink leisure spending

- 4.75 As with LB Ealing, the food and drink leisure spending exercise for LB Hounslow is presented in **Table 4.25**.

Table 4.25 LB Hounslow food and drink leisure spending retention and leakage 2009

	Zones 11-17 (£m)	Zones 11-17 (%)	Study area (£m)	Study area (%)
LB Hounslow	262.6	64.7%	360.2	11.6%
Zones 1-3 (LBHF)	2.0	0.5%	-	-
Zone 4-10 (LBE)	12.2	3.0%	-	-
Zones 18-30 (other)	15.9	3.9%	-	-
Other	112.8	27.8%	-	-
Total	405.7	100.0%	-	-

Source: Table 19, Appendix 2 (figures may not sum due to rounding and percentages are expressed as the total of the geography used in each column)

- 4.76 This exercise shows a remarkably similar pattern of spending as the LB Ealing, with the LB Hounslow in aggregate retaining 64.7% of the leisure spending on food and drink in zones 11-17. However, there is a wider draw and the LB Hounslow draws almost £100 million of trade from beyond its seven zones. As with the LB Ealing, other destinations attract a higher proportion of food and drink leisure spending and the choice of destinations across greater London and beyond.

LB Hammersmith and Fulham food and drink leisure spending

- 4.77 The food and drink leisure spending exercise for LB Hammersmith and Fulham is presented in **Table 4.26**.

Table 4.26 LBHF food and drink leisure spending retention and leakage 2009

	Zones 1-3 (£m)	Zones 1-3 (%)	Study area (£m)	Study area (%)
LBHF	263.1	67.3%	354.0	11.4%
Zones 4-10 (LBE)	7.4	1.9%	-	-
Zone 11-17 (LBH)	22.4	5.7%	-	-
Zones 18-30 (other)	7.2	1.8%	-	-
Other	90.8	23.2%	-	-
Total	390.9	100.0%	-	-

Source: Table 19, Appendix 2 (figures may not sum due to rounding and percentages are expressed as the total of the geography used in each column)

- 4.78 The pattern of expenditure for LB Hammersmith and Fulham is similar to both the LB Hounslow and LB Ealing, achieving in aggregate a retention level of 67.3% of the leisure spending on food and drink in zones 1-3. There is also limited leakage to other boroughs and other destinations attract a higher proportion of food and drink leisure spending and the choice of destinations across greater London and beyond.

Summary

- 4.79 The assessment of spending patterns reveal some very interesting features about where the residents of the study area are spending their money on both retail and leisure services.
- 4.80 In general terms, the assessment of spending patterns finds the following:
- In aggregate and for the whole study area, the three boroughs retain 32.7% of comparison spending, 38.7% of convenience spending and 35.8% of leisure spending on food and drink services.
 - The main comparison goods spending competition to the three boroughs are high order centres and Central London.
 - Applying 2006 market shares to 2009 comparison spending shows the change in market share after Westfield shopping centre opened, with larger high order centres in outer London with a reasonably high order fashion offer suffering, namely Ealing, Kingston-upon-Thames and Harrow.
 - The market shares for the larger centres with a lower order fashion offer (i.e. Hounslow and Hammersmith) have not suffered any demonstrable decline following the opening of Westfield shopping centre.
 - Across the study area, convenience shopping is an inherently local activity with the study area as a whole retaining a high level of expenditure.
 - The mobility of food and drink leisure spending is evidenced by other destinations attracting a high degree of trade, but all three authorities broadly retain two thirds of their food and drink leisure spending.
- 4.81 On a borough wide basis, **Table 4.27** summarises the change in market share since the WLRNS 2006 for the comparison and convenience retail sectors.

Table 4.27 Retained expenditure compared 2006 vs 2009

	Comparison 2006 (%)	Comparison 2009 (%)	Convenience 2006 (%)	Convenience 2009 (%)
LBHF (Zones 1-3)	31.0%	44.1%	57.9%	69.6%
LBE (Zones 4-10)	42.8%	43.7%	62.2%	60.8%
LBH (Zones 11-17)	41.4%	55.2%	76.7%	82.1%

Source: WLRNS 2006 and data in Section 4

- 4.82 Turning to specific matters for each authority, for the **LB Ealing** the assessment finds the following:
- i) The LB Ealing retains some 43.7% of its comparison expenditure and 60.8% of its convenience expenditure, which is very similar to the position in 2006
 - ii) Ealing metropolitan centre is the dominant destination for comparison spending, although it suffered a decline in turnover following the opening of the Westfield shopping centre.

- iii) Southall performs poorly in its role as a major centre in terms of both its comparison and convenience turnover.
- iv) The convenience retention level for the borough is the lowest out of the three authorities assessed, with a high degree of expenditure leakage to the south (LB Hounslow)
- v) The borough's main comparison spending competition is from Central London, Brent Cross and Westfield.
- vi) Survey derived special forms of trading is higher than the national average for comparison goods, but lower for convenience goods.

4.83 For the **LB Hounslow**, the assessment finds the following:

- i) LB Hounslow retains some 55.2% of its comparison expenditure and 82.1% of its convenience expenditure, with the comparison share increasing from the 2006 position and is in part due to the establishment of 'The Centre' in Feltham as a new shopping destination.
- ii) Hounslow metropolitan centre is the dominant centre, but the borough has the highest amount of out of centre comparison spending.
- iii) Brentford has a low comparison and convenience market share compared to its district centre status.
- iv) Generally, the borough has a high level of convenience expenditure retention, but much of this is being spent in large out of centre superstores.
- v) The borough's main comparison spending competition is from other outer London or edge of London centres such as Kingston-upon-Thames, Staines and Richmond-upon-Thames; there is less connectivity with Central London and Westfield than other boroughs.
- vi) Survey derived special forms of trading is lower than the national average for both comparison and convenience goods.

4.84 Finally, for the **LB Hammersmith and Fulham**, the assessment finds the following:

- i) The LB Hammersmith and Fulham retain some 44.1% of its comparison expenditure and 69.9% of its convenience expenditure, both of which are an increase from 2006 and is due in part to the Westfield shopping centre.
- ii) Although Shepherd's Bush/Westfield has the highest turnover of the borough's centres in the study area, in the local zones Hammersmith is the dominant comparison shopping destination demonstrating Westfield specialist fashion role.
- iii) Generally the convenience retention level of the borough is high, with some of the larger stores trading successfully.
- iv) Shepherd's Bush/Westfield has a low convenience market share compared to its role as a metropolitan centre.
- v) The borough's main comparison spending competition is from Central London and other inner London high profile destinations such as Kensington High Street or Kings Road East (Chelsea).
- vi) Survey derived special forms of trading is higher than the national average for both comparison and convenience goods.

5 RETAIL IMPACT ASSESSMENT

Major retail developments

- 5.1 Before quantitative need is assessed, the potential impact from major retail developments both inside and outside of the study area is modelled. This enables the study to understand how the market shares of the three boroughs may change following the opening of major retail developments during the study timeframe. The exercise focuses on comparison goods led schemes due to their wider sphere of influence on shopping patterns and in order to ensure consistency with the approach adopted within the WLRNS 2006. The outputs of this exercise are used to inform one of the three scenarios on comparison goods quantitative need, described at **Section 6**.
- 5.2 The approach used is to test the impact of major retail developments on the turnover of 12 main centres within the three boroughs. Firm schemes have been identified inside or outside the three boroughs with the criteria being that they will influence the market share of centres within the three boroughs during the plan period. Due to the uncertainty over certain schemes, an informed judgement needs to be made as to which schemes to model. The following schemes (both inside and outside the three boroughs) are likely to impact on the market share of the centres within the boroughs and have thus been modelled here.
- Ealing (Dickens Yard)
 - Wembley (both Quintain sites and Central Square)
 - Brent Cross extension
- 5.3 The following paragraphs provide further detail about each centre.

Ealing

- 5.4 Planning permission has been granted for a retail led development at Dickens Yard in Ealing metropolitan centre for some 7,271 sqm (gross) of comparison floorspace. When completed, it is intended that this scheme will increase the scale and quality of comparison goods floorspace in Ealing, consistent with its metropolitan role in the London Plan.

Wembley

- 5.5 Wembley is a major centre in the London Plan and benefits from two major committed retail schemes. The Central Square redevelopment adjacent to Wembley Central railway station will result in some 7,759 sqm (gross) of comparison goods floorspace and is anchored by TK Maxx. The TK Maxx store opened in October 2009, but trading patterns are unlikely to have settled down prior to the new household survey in November 2009 and the remainder of the scheme is yet to open. Therefore, the impact from the full scheme is modelled.
- 5.6 The Quintain sites (incorporating a site formerly owned by the London Development agency) are adjacent to the new national stadium. In combination, planning permission exists for some 29,876 sqm (gross) comparison floorspace, with the majority intended to

be a specialist sports and leisure offer, which is controlled by planning condition. The emerging Core Strategy for LB Brent incorporates both these sites in the town centre boundary.

Brent Cross Extension

- 5.7 The LB Barnet has resolved to grant planning permission to extend Brent Cross, resulting in an additional 43,002 sqm (net) of comparison floorspace, following demolitions. The Council has referred the application to the Secretary of State and he is considering whether to call the application in for his own determination. Despite there not being a firm planning permission yet, there is a policy commitment to the development plan and it is a reasonable assumption that this scheme will come forward during the plan period.

Methodology

- 5.8 To model the impact of these three schemes on the market share of centres in the three boroughs, it is necessary to undertake a cumulative impact assessment. For completeness and transparency, this study includes a full set of the step-by-step impact tabulations at Tables 20-39 at **Appendix 7**. However, particular attention is drawn to Table 39, the final table, which is a summary drawing together the results of the analysis and displaying the cumulative impact results on a single page.
- 5.9 The main steps in the assessment are summarised below:
- i) Firstly, we estimate the turnover of the schemes (Table 20) and estimate their trade draw based on the existing performance of the centres in the study area (Table 21)
 - ii) Secondly, we establish spending patterns in the base year (2009) using market shares derived from Appendix 2 and roll this forward to 2016 to show spending patterns in that year in a notional 'no development' scenario, i.e. before any commitments are included (Tables 22-23);
 - iii) Thirdly, we build in the Dickens Yard scheme in Ealing as a commitment by 2016 (Tables 24-28)
 - iv) Fourthly, we build in the Wembley schemes in combination as a commitment by 2019 (Tables 29 to 33)
 - v) Fifthly, after having taken into account Ealing and Wembley, we show the impact effects of an extension to Brent Cross shopping centre (Tables 34 to 38);
 - vi) Finally at Table 39 we draw together the impact from the 'no development' 2016 position for each scheme, concluding with the cumulative impact from all three schemes.
- 5.10 In undertaking this assessment, four key assumptions are applied:
- Trade impact is modelled at 2016 for ease of presentation and to ensure consistency with the assessment of quantitative need, albeit it is appreciated some schemes such as Wembley Central Square will be open prior to 2016.
 - Only the impact on turnover derived from the study is modelled; no impact on inflow is presented.

- Trade draw is assumed to be identical to existing trade draw (consistent with the WLRNS 2006), whereas in reality some schemes such as the specialist Quintain scheme in Wembley may have a much wider trade draw.
- Trade diversion is informed by weighted market shares, based on the relative attraction of each of the main centres in the sub-region informed by their position in the hierarchy of centres.

5.11 The impact assessment is presented as a 'worse case' scenario and more positive scenarios are addressed in subsequent chapters. The reason that the approach is 'worse case' is, in the main, due to the use of existing trade draw to inform impact (third bullet point above). Examination of the Brent Cross Retail Impact Assessment (Revised Retail Report, November 2008) indicates a trade diversion of just over £5 million in 2011 (1999 prices) from Ealing to Brent Cross (excluding other commitments). This is much more modest than this assessment that forecasts a trade diversion of £16.7 million in 2016 (2007 prices) from Ealing to Brent Cross. Such differences should be borne in mind when assessing the outputs of this impact exercise.

Impact of major developments

5.12 As explained above, Table 39 presents the individual impact from all major developments modelled. The key output from this exercise is the cumulative impact position and is summarised for the main 12 centres in the three boroughs at **Table 5.1**.

Table 5.1 Cumulative impact from Ealing, Wembley and Brent Cross extension

Centre	2016 Impact (£m)	2016 Impact (%)
Ealing	-6.4	-1.6%
Southall	-0.4	-1.2%
Hanwell	-0.2	-1.6%
Acton	-1.5	-2.4%
Greenford	-2.5	-3.8%
Hammersmith	-4.0	-1.7%
Fulham	-0.7	-0.4%
Shepherd's Bush/Westfield	-25.9	-8.0%
Hounslow	-4.2	-1.3%
Feltham	-0.1	-0.1%
Chiswick	-0.9	-0.7%
Brentford	-0.8	-2.0%

Source: Table 39, Appendix 7 (negative figure is decline in turnover)

- 5.13 This shows that despite the initial uplift in market share for Ealing following the Dickens Yard scheme, the centre will suffer a slight decline in turnover by 2016 due to competition from other schemes. Consequently, in this worse case scenario the development of the Dickens Yard scheme is necessary to maintain Ealing's 2009 market share in 2016. Furthermore, the 2009 market share is actually lower than the 2006 market share due to the Westfield effect (as evidenced in Section 4).
- 5.14 The most prominent impact falls on Shepherd's Bush/Westfield, which is not surprising due to its higher order shopping role in the sub-region. In comparison, Hounslow suffers only a very small impact, whilst the impact on all other centres is also marginal.

Other potential schemes

- 5.15 It is appreciated that there are numerous other schemes that could have an impact on the market share of the boroughs' centres during the timeframe of this study. However, where there is uncertainty over future developments, we have not modelled these in the assessment. These are as follows:
- The Arcadia scheme in Ealing metropolitan centre, which has recently been refused planning permission from the Secretary of State.
 - The Southall gas works application was refused by the LB Ealing but was subsequently 'called in' by the Mayor of London for his own determination and was approved subject to a legal agreement on 25 March 2010 (as explained in paragraph 1.23 due to the timing of this decision the impact of the scheme has not been modelled).
 - The LB Hammersmith and Fulham has identified five regeneration areas (wider White City Opportunity Area; Hammersmith Town Centre and Riverside; West Kensington, Earls Court and North Fulham; South Fulham Riverside; and Old Oak Common and Hythe Road Area) and new retail development is likely to be an important element for regeneration.
 - The Kingston-upon-Thames Area Action Plan envisages some 50,000 sqm (gross) of comparison floorspace by 2016, although to date we are not aware of any firm scheme proceeding at this stage.
- 5.16 Clearly each of the above proposals or schemes is likely to materially change the market share of the three boroughs if they come forward during the study timeframe. The implications of an uplift in the market share of centres in the three boroughs are considered in more detail at Scenario C as assessed in Section 6. The threat from expansion of Kingston-upon-Thames should be borne in mind when considering the future of metropolitan centres within the three boroughs.

Summary

- 5.17 The purpose of this exercise is to understand how comparison shopping patterns might change following the opening of committed developments both inside and outside the study area. This exercise models schemes in three different centres (Ealing, Wembley and Brent Cross) using existing trade draw to model trade diversion and ultimately trade

impact. Due to existing trade draw approach, the impact assessment is likely to represent a worse case scenario. The revised shopping patterns are used to adjust the market shares of scenario B quantitative need assessment at Section 6.

5.18 The impact assessment process and output is summarised as follows:

- i) The impact from schemes in Ealing, Wembley and Brent Cross have been modelled in 2016
- ii) The method uses a well established weighted zonal trade draw approach and uses the existing trade draw of the centres in question to model trade impact.
- iii) The output from the assessment shows that despite an increase in market share following the opening of the Dickens Yard scheme, other competing schemes mean that Ealing will suffer a small negative impact by 2016.
- iv) Shepherd's Bush/Westfield will suffer the highest level of impact on its turnover as other centres claw back trade lost to the scheme, whilst Hounslow only will suffer a small negative impact in 2016.
- v) The adjusted market shares following this exercise can be used to present a reduced market share scenario in 2016.

6 QUANTITATIVE NEED FOR COMPARISON RETAIL FLOORSPACE

Methodology and key assumptions

- 6.1 The assessment of quantitative need adopts the widely respected step by step methodology, which is consistent with CLG's practice guidance. The essential steps in the assessment of quantitative retail need are as follows:
- **Steps 1-4:** assess the scale of comparison expenditure growth in the study area up to 2031 (described in detail at **Section 3**);
 - **Step 5:** assess spending patterns (described in detail at **Section 4**) in order to understand the turnover performance of the centres in the study area, incorporating inflow expenditure where necessary (described below);
 - **Step 6:** make allowance for 'claims' on the growth in retained expenditure as a result of:
 - commitments to new floorspace (either schemes under construction or extant permissions that would result in additional retail floorspace);
 - sales density growth (that is the growth in turnover for existing retailers within existing floorspace);
 - **Step 7:** calculate the initial residual expenditure pot which is potentially available for new retail floorspace;
 - **Step 8:** apply an estimated sales density (turnover per sqm) to covert this expenditure to a quantitative need for additional floorspace.
- 6.2 To fully understand the implications of alternative market share or alternative empirical assumptions on quantitative need, scenario and sensitivity testing must be applied to the outputs. GVA's approach in the WLRNS 2006 was as follows:
- Capacity without commitments (referred to as 'Baseline assuming no new development')
 - Capacity with commitments - allowing for both the turnover of commitments and the resultant changes in market share (referred to as 'With key proposals and commitments')
 - Scenario testing on both different population and expenditure/sales density growth assumptions.
- 6.3 It is understood that the definition of commitments in the WLRNS 2006 includes any schemes that had recently opened (but trading patterns have not settled down) and schemes under construction and any schemes that benefit from planning permission. In terms of commitments to comparison goods floorspace, the WLRNS 2006 included White City (the now opened Westfield), Blenheim Centres (phases 1 and 2), Central Square and Quintain in Wembley and Longford shopping centre in Feltham.
- 6.4 This study undertakes a slightly different approach to testing the quantitative need outputs. Importantly, it makes a different distinction between scenario testing (which is interpreted as policy options) and sensitivity testing (is interpreted as the influence of empirical assumptions on outputs). The approach is as follows:

- **Scenario A - constant market shares:** this assesses quantitative need assuming all centres in the borough maintain their market share vis-à-vis other centres outside the three boroughs, whilst allowing for commitments to new floorspace within the three boroughs.
- **Scenario B - adjusted market shares:** this tests the impact from major schemes on the market share of centres within the three boroughs (described at **Section 5**) and then assesses capacity based on a set of adjusted market shares, whilst also allowing for commitments to new floorspace within the three boroughs.
- **Scenario C - aspirational market shares:** this assesses quantitative need on the basis of the three boroughs achieving a market share that provide a fair, equitable, sustainable and realistic distribution of retail provision, whilst also allowing for commitments to new floorspace within the three boroughs.

6.5 The quantitative need assessment is presented in Tables 40-60 at **Appendix 8**.

Turnover performance

6.6 The comparison goods turnover of the floorspace in the three boroughs, as derived from expenditure within the study area, is presented in Section 4. However, before the turnover performance of the centres is assessed, an allowance must be made for inflow expenditure. This can comprise long distance shopping trips, workers and tourists. The inflow estimates are presented in **Table 6.1** and are derived from the WLRNS 2006. Inflow plans from the WLRNS 2006 are attached at **Appendix 15** (prepared by GVA Grimley as part of the original study).

Table 6.1 Estimates of inflow expenditure from beyond the study area in 2009

Centre	Inflow (%)	Centre	Inflow (%)
Ealing	15.3%	Fulham	17.2%
Southall	6.0%	Shepherd's Bush/Westfield	50.0%
Hanwell	13.0%	Hounslow	1.0%
Acton	28.3%	Feltham	7.1%
Greenford	2.1%	Chiswick	5.1%
Hammersmith	23.5%	Brentford	9.2%

Source: WLRNS 2006 (other than Shepherd's Bush/Westfield, which is an RTP estimate)

6.7 The only centre where inflow is not derived from the WLRNS 2006 is Shepherd's Bush/Westfield. Westfield was not open at the time of the 2006 surveys and consequently estimates of inflow must be based on a new assumption and in this case 50% has been used. This is based on comparing the survey derived turnover with the expected post-Westfield turnover of the whole centre (i.e. Shepherd's Bush and Westfield combined) as estimated by Montagu Evans in their Retail Assessment supporting the mezzanine floorspace applications (dated July 2006).

- 6.8 The level of inflow is high and the survey data shows Westfield having a relatively low level of local turnover drawn from the study area, given its size. Although Westfield is almost fully let, the high level of inflow assumed is potentially a function of the trading patterns of Westfield shopping centre settling down. However, it is also reflective of the wider trade draw characterised by this higher order shopping destination, its specialist fashion offer and its excellent accessibility with other parts of London. Consequently we consider this approach is robust. But we recommend the role of Westfield in the hierarchy of centres in West London is carefully monitored during the plan period.
- 6.9 The turnover performance of the centres in the study area is presented in Table 40, Appendix 8. The existing sales densities of the centres are set out in **Table 6.2** below.

Table 6.2 Existing sales density of town centres

Centre	Net comparison floorspace (sqm net)	Turnover (£m)	Sales density (£ per sqm)
Ealing	42,736	399.4	9,346
Southall	16,641	30.6	1,839
Hanwell	6,040	12.9	2,142
Acton	6,336	69.2	10,921
Greenford	5,464	54.8	10,037
Hammersmith	18,598	242.7	13,052
Fulham	7,776	163.3	20,997
Shepherd's Bush/Westfield	94,504	526.4	5,571
Hounslow	48,430	252.7	5,219
Feltham	10,619	64.7	6,095
Chiswick	17,133	113.2	6,608
Brentford	3,403	36.9	10,838

Source: Table 40, Appendix 8

- 6.10 This indicates that the town centres are generally achieving a very high turnover per sqm compared to acknowledged benchmarks for comparison floorspace. For example, Experian advised that modern comparison floorspace achieves a sales density of £4,987 per sqm in 2009. This is exceeded by all centres other than Southall and Hanwell. In particular, Hammersmith, Fulham and Ealing are showing very high levels of sales density. However, the trading performance for Fulham in particular may be due to anomalous recording of Fulham as a destination in the household survey and consequently we recommend caution in relying on this turnover for other planning studies, such as impact assessments.

- 6.11 Brentford is also achieving a high sales density. But the Experian data from the GLA may have over-estimated the floorspace in the centre since it is now approximately double than the position in 2006 and no new development has been implemented. Therefore, it is likely that the sales density is an over estimate of the true position for Brentford.
- 6.12 The levels of sales density experienced by the centres indicates that there is a degree of pent up demand in the market, which is likely to be due to the high level of comparison expenditure growth experienced between 1992 and 2008, which was not matched by any significant new floorspace being developed during that period. It is appreciated that Westfield shopping centre opened in late 2008. But as explained in Section 4, the survey results indicate this has only relieved demand for other high order destinations and the turnover of other centres with more mid range operators has not changed significantly since Westfield has opened.
- 6.13 The CLG practice guidance explains that it is difficult to devise a 'meaningful' benchmark for an acceptable performance of a whole centre (paragraph B.41). Indeed, as well as pent up demand, the high performance is likely to be due to the trend for household surveys to over estimate the turnover of larger centres and the relative affluence of the study area (explained in Section 3). Consequently, for comparison assessment it is assumed that the floorspace is in equilibrium; i.e. the level of available expenditure equals the turnover of the floorspace. This is standard practice for long term assessments of quantitative need. However, since PPS4 advises that overtrading forms part of qualitative need, the implications of the high levels of turnover of comparison floorspace is assessed in **Section 9**.

Claims on expenditure growth

- 6.14 There are two key claims on expenditure growth (step 6 of the methodology). These are firm commitments to new floorspace or any allowance of sales density growth, explained below.

Commitments

- 6.15 The definition of commitments used in this study is any scheme that is under construction, benefits from planning permission or benefits from a resolution to grant planning permission and is larger than 1,000 sqm net. We are not aware of any schemes that have recently opened where the shopping patterns will not be reflected within the survey results. As explained above, there is a small risk that the spending patterns are still settling down for Westfield shopping centre (and are likely to do so for another two or three years given its scale). But since the centre is almost fully let, there is no justification to account for the shopping centre as a commitment.
- 6.16 Since the study is only assessing expenditure growth available to the three boroughs, only schemes within the three boroughs have been considered. These are presented in Table 41, Appendix 8 and summarised at **Table 6.3** below.

Table 6.3 Commitments to comparison floorspace

Scheme	Net comparison floorspace (sqm net)	Sales density in 2016 (£m)	Turnover in 2016 (£m)
Dickens Yard, Ealing	5,453	5,346	29.2
Daniels, Ealing	2,517	5,346	13.5
302-306 King Street, Hammersmith	1,395	5,346	7.5
Wallis House, Brentford	1,043	5,346	5.6
Total	-	-	55.6

Source: Table 41, Appendix 8 (this excludes the Southall Gas works scheme due the date of the decision as explained in paragraph 1.23)

- 6.17 Table 6.3 includes the permission at 302-306 King Street in Hammersmith. This permission includes retail, but also two other uses. However, due to the potential for the site to accommodate 100% retail floorspace, an allowance for the scheme as a commitment has been made in the quantitative assessment.
- 6.18 We are also aware of a resolution to grant planning permission for a replacement Tesco store in Greenford (an additional 1,184 sqm net comparison floorspace in the Tesco store and improvements to small retail units). Since the legal agreement has not yet been signed, this has not been included as a commitment. But, if the legal agreement is signed and the development implemented this will absorb some of the quantitative need for Greenford.
- 6.19 In summary, this indicates that existing commitments will claim £55.6 million of the overall expenditure growth for the three boroughs by 2016.

Sales density growth

- 6.20 Sales density growth (also known as floorspace productivity growth) is the amount of expenditure ring fenced for existing floorspace to improve its turnover each year. The CLG practice guidance advises (paragraph B.48) that such allowances should be 'realistic' and the choice will depend on the 'capacity of existing floorspace to absorb increased sales' and should be 'compatible with assumptions about the growth in per capita expenditure'.
- 6.21 Since this study incorporates a large number of different centres, each with differing scope to increase growth, there are practical implications for making different allowances for different centres. Consequently, allowances for sales density growth are linked to expenditure growth to ensure compatibility, as explained in detail in Appendix 4. The level of comparison sales density growth for the three boroughs combined is summarised in **Table 6.4** alongside the monetary value for the Scenario A quantitative need output.

Table 6.4 Sales density growth for comparison goods expenditure

Timeframe	Per annum allowance (% per annum)	Growth from 2009 (£m)
2009-2011	0.1%	5.6
2011-2016	1.4%	171.3
2016-2021	1.2%	331.6
2021-2026	1.1%	478.7
2026-2031	1.1%	633.7

Source: Appendix 4 and Table 44, Appendix 8 (note growth from 2009 is cumulative)

- 6.22 Since the floorspace is already trading very successfully, the potential for the existing stock to absorb this growth might be limited. If this were true and the sales density growth cannot be accommodated, the quantitative need for additional comparison floorspace would increase further. This highlights the importance of testing the sensitivity of assumptions, explained below, and monitoring as explained in **Section 12**.

Scenario A: Constant market shares

- 6.23 Drawing together steps 1-6 means that the amount of available expenditure remaining in each of the forecast years can be calculated and converted to a quantitative need floorspace figure. This is assessed under three scenarios, firstly Scenario A where quantitative need is assessed on the basis that the boroughs maintain their market share vis-à-vis other centres. The assessment of need is first calculated on a combined basis for all three authorities, then by each authority individually and finally by each of the main 12 centres (to ensure consistency with the WLRNS).
- 6.24 The process for converting the amount of residual expenditure in each forecast year to a net quantitative need figure uses the application of an indicative sales density. It is appreciated that different formats achieve different levels of sales density and thus a degree of flexibility must be afforded the outputs. The comparison sales density used in this study is consistent for all boroughs and centres to ensure ease of presentation. It is £4,987 per sqm, which is a typical turnover in 2009 and is increased using the annual sales density growth, explained above. Clearly this is much lower than sales density existing floorspace is achieving (summarised in Table 6.2 above) and this level is used for three important reasons as follows:
- Modern floorspace will usually have much larger floorplates and more efficient layouts, thus a lower sales density (i.e. £ per sqm) will be achieved;
 - If new floorspace is developed in a town centre, particularly where it is trading successfully, there is normally a degree of internal or mutual impact, where trade is re-distributed in the centre and thus the new floorspace will not achieve the same levels as the existing stock.

- There is a propensity for household surveys to over estimate the turnover of larger centres, which is a recognised feature of such research (see paragraph B34 of CLG’s practice guidance).
- 6.25 Furthermore, caution is advised when considering the quantitative need by centre (as explained for each borough below) under scenario A. Firstly, CLG practice guidance advises that this serves to maintain the ‘status quo’ with the largest and most successful centres have the greatest capacity (paragraph B.53). Secondly, in order to ensure consistency with the WLRNS 2006, it does not take into account quantitative need driven by spending in out of centre or neighbourhood centre destination, which is a further source of growth that could be used to support town centre developments.
- 6.26 The quantitative need outputs for scenario A can be found in Tables 42 to 47, Appendix 8. The levels of quantitative need are shown to 2031 in the sections below and the appendices. However, as explained elsewhere in this study, less weight is afforded to the projections post 2021 due to the reliability of assumptions. Therefore, projections to 2026 and 2031 should only be considered as ‘indicative’.
- 6.27 In order to convert net quantitative need outputs to gross outputs, a 75% ratio is applied. This is higher than the 70% ratio applied to existing floorspace and is also reflective of the more efficient floorplates in new developments.

Three boroughs combined

- 6.28 The level of quantitative need (both net and gross) for the three boroughs and each borough individually is presented in **Table 6.5**.

Table 6.5 Scenario A - Borough wide quantitative need for comparison floorspace

	2011	2016	2021	2026	2031
LBE (net sqm)	1,875	11,322	30,891	49,892	71,338
LBE (gross sqm)	2,501	15,097	41,188	66,456	95,118
LBH (net sqm)	1,954	19,061	39,453	59,202	81,603
LBH (gross sqm)	2,606	25,415	52,604	78,936	108,804
LBHF (net sqm)	2,947	28,919	59,666	89,443	123,219
LBHF (gross sqm)	3,929	38,558	79,554	119,257	164,292
Total (net sqm)	6,777	58,303	130,010	198,487	276,170
Total (gross sqm)	9,036	79,070	173,347	263,841	368,214

Source: Table 44, Appendix 8 (all figures presented are cumulative)

- 6.29 Although the quantitative need in the very short term to 2011 is limited, the exercise shows the total quantitative need for almost 130,000 sqm net (over 172,000 sqm gross) of comparison goods floorspace by 2021 across the three boroughs.

LB Ealing centres

6.30 The quantitative need for individual centres in LB Ealing is presented in **Table 6.6**.

Table 6.6 Scenario A - Quantitative need for comparison floorspace in LBE centres

	2011	2016	2021	2026	2031
Ealing (net sqm)	1,137	1,290	13,156	24,647	37,682
Ealing (gross sqm)	1,516	1,720	17,541	32,863	50,243
Southall (net sqm)	87	896	1,806	2,686	3,685
Southall (gross sqm)	116	1,195	2,408	3,582	4,913
Acton (net sqm)	197	2,027	4,082	6,073	8,331
Acton (gross sqm)	263	2,702	5,443	8,097	11,108
Hanwell (net sqm)	37	379	763	1,136	1,558
Hanwell (gross sqm)	49	505	1,018	1,514	2,077
Greenford (net sqm)	156	1,606	3,236	4,814	6,603
Greenford (gross sqm)	208	2,142	4,314	6,418	8,805

Source: Table 45, Appendix 8 (all figures presented are cumulative)

6.31 As expected, this exercise shows the highest quantitative need for Ealing due to its dominance of the local spending patterns. Under scenario A, there is quantitative need for over 13,000 sqm net (over 17,500 sqm gross) of comparison goods floorspace in Ealing by 2021. The quantitative need outputs for the other centres are more limited, ranging from between just under 800 sqm net (or 1,000 sqm gross) for Hanwell to over 3,200 sqm net (over 4,300 sqm gross) for Greenford by 2021. This trend is reflective of the constant market shares approach adopted for this scenario.

LB Hounslow centres

6.32 The quantitative need for individual centres in LB Hounslow is presented in **Table 6.7**.

Table 6.7 Scenario A - Quantitative need for comparison floorspace in LBH centres

	2011	2016	2021	2026	2031
Hounslow (net sqm)	720	7,403	14,911	22,183	30,431
Hounslow (gross sqm)	960	9,870	19,882	29,577	40,575
Feltham (net sqm)	184	1,896	3,819	5,681	7,793
Feltham (gross sqm)	246	2,528	5,091	7,574	10,391
Chiswick (net sqm)	322	3,316	6,679	9,936	13,631
Chiswick (gross sqm)	430	4,421	8,905	13,248	18,174

	2011	2016	2021	2026	2031
Brentford (net sqm)	105	37	1,132	2,193	3,397
Brentford (gross sqm)	140	49	1,510	2,925	4,529

Source: Table 47, Appendix 8 (all figures presented are cumulative)

- 6.33 This exercise shows the highest quantitative need for Hounslow, again due to its dominance of local shopping patterns. Under scenario A, there is a quantitative need for over 14,900 sqm net (or over 19,800 sqm gross) of comparison goods floorspace in Hounslow by 2021. Also, the quantitative need for Chiswick is notable at over 6,600 sqm net (over 8,900 sqm gross) of comparison goods floorspace by 2021. The Brentford quantitative need is limited, due to the poor existing offer in the centre.

LB Hammersmith and Fulham centres

- 6.34 The quantitative need for individual centres in LB Hammersmith and Fulham is presented in **Table 6.8**.

Table 6.8 Scenario A - Quantitative need for comparison floorspace in LBHF centres

	2011	2016	2021	2026	2031
Shepherd's Bush (net sqm)	1,499	15,419	31,059	46,206	63,386
Shepherd's Bush (gross sqm)	1,999	20,559	41,412	61,608	84,515
Hammersmith (net sqm)	691	5,715	12,927	19,911	27,833
Hammersmith (gross sqm)	922	7,620	17,235	26,548	37,110
Fulham (net sqm)	465	4,782	9,633	14,331	19,660
Fulham (gross sqm)	620	6,377	12,844	19,108	26,213

Source: Table 46, Appendix 8 (all figures presented are cumulative)

- 6.35 The highest quantitative need is for Shepherd's Bush, which is over 31,000 sqm net (over 41,400 sqm gross) of comparison goods floorspace by 2021. But it should be borne in mind that that a large proportion of this need is driven by the new Westfield shopping centre and long distance spending inflows associated with this higher order destination.

Scenario B: Adjusted market shares

- 6.36 Having assessed quantitative need on a constant market share basis, the position is now assessed if market shares are adjusted following the key developments (taking the market shares calculated at Section 5). The data for this exercise are presented in Tables 48-53, Appendix 8. Since all centres in the three boroughs experience a decline in turnover, including Ealing despite the Dickens Yard scheme, this is in effect a proxy for a 'declining market share' scenario.
- 6.37 In the interests of brevity, the quantitative need (both net and gross) is only presented in the report for the three boroughs and each borough individually, although the data for

individual centres are in the appendices. The data for the boroughs is presented in **Table 6.9**.

Table 6.9 Scenario B - Borough wide quantitative need for comparison floorspace

	2011	2016	2021	2026	2031
LBE (net sqm)	1,875	8,861	28,111	46,754	67,900
LBE (gross sqm)	2,501	11,814	37,481	62,338	90,534
LBH (net sqm)	1,954	17,703	37,919	57,498	79,706
LBH (gross sqm)	2,606	23,604	50,559	76,664	106,275
LBHF (net sqm)	2,947	23,286	53,305	82,376	115,353
LBHF (gross sqm)	3,929	31,048	71,073	109,835	153,804
Total (net sqm)	6,777	49,849	119,355	186,628	262,959
Total (gross sqm)	9,036	66,466	159,113	248,837	350,612

Source: Table 50, Appendix 8 (all figures presented are cumulative)

- 6.38 In simple terms, the result of this exercise is to reduce the quantitative need for additional floorspace by approximately 10,000 sqm net (or 14,000 sqm gross) by 2021. This is due to the erosion of the market share of centres within the three boroughs by competitors outside the borough, principally the extension to Brent Cross.

Scenario C: Aspirational market shares

- 6.39 Under the third scenario C, account is taken for pre-existing policy aspirations and professional judgement in order to secure an equitable distribution of floorspace. When adjusting market share, account of the need to secure a critical mass of development in order to secure a step change in shopping patterns. The key steps undertaken when adjusting the market share are as follows:
- vi) Consider the existing market share by zone of the centres in the three boroughs;
 - vii) Review the appropriateness of the market share of the centres in light of their position in the hierarchy and the performance of other centres;
 - viii) Consider any existing policy aspirations for growth in emerging planning policy documents;
 - ix) Consider any qualitative factors (as explained in further detail at Section 9)
 - x) Consider the broad scale of floorspace growth that is likely to be necessary to deliver a viable scheme and enable a step change in shopping patterns
 - xi) Bearing in mind the considerations in (i) to (v), manually adjust the zonal market shares of certain centres upwards by 2016.
- 6.40 The outputs are presented in Tables 54 to 59, Appendix 8. The adjustment of market shares are summarised in **Table 6.10**.

Table 6.10 Adjustment in comparison goods zonal market shares

Centre	Zones adjusted
Ealing	Zones 4 (increase from 27.5% to 40%) and 5 (increase 44.1% to 55%)
Southall	Zones 9 (increase from 6.4% to 15%), 10 (increase from 8.9% to 30%) and 11 (increase from 2.5% to 5%)
Hounslow	Zones 11 (increase from 40% to 45%), 14 (increase from 43.4% to 55%) and 15 (increase from 23.8% to 30%)
Brentford	Zones 16 (increase from 12.0% to 25%) and 17 (increase from 2.2% to 5%)

Source: Table 54, Appendix 8

- 6.41 This exercise results in an increase in the zonal market share of certain centres in 2016. To ensure the market shares sum to 100%, the increase in share is deducted from other destinations outside the three boroughs (effectively increasing the retention level of the boroughs). However, it is appreciated that the increase in market share is likely to have local impacts on other centres in the three boroughs. These impacts would need to be taken into account in more detailed evidence to support specific policies and is beyond the remit of this study.
- 6.42 Since the exercise means that centres that do not benefit from an adjusted market share simply maintain their constant market share under scenario A, this data is only presented on a borough-wide basis and for those centres that experience a change in market share. This is set out in **Table 6.11 and 6.12**.

Table 6.11 Scenario C - Borough wide quantitative need for comparison floorspace

	2011	2016	2021	2026	2031
LBE (net sqm)	1,875	30,469	52,513	73,861	98,076
LBE (gross sqm)	2,501	40,626	70,017	98,482	130,769
LBH (net sqm)	1,954	29,112	50,803	71,810	95,638
LBH (gross sqm)	2,606	38,816	67,737	95,746	127,517
LBHF (net sqm)	2,947	28,919	59,666	89,443	123,219
LBHF (gross sqm)	3,929	38,558	79,554	119,257	164,292
Total (net sqm)	6,777	88,500	162,982	235,114	316,933
Total (gross sqm)	9,036	118,000	217,309	313,485	422,578

Source: Table 56, Appendix 8 (all figures presented are cumulative)

Table 6.12 Scenario C - Quantitative need for comparison floorspace in selected centres

	2011	2016	2021	2026	2031
Ealing (net sqm)	1,137	11,722	24,936	37,733	52,249
Ealing (gross sqm)	1,516	15,629	33,248	50,311	69,666

Southall (net sqm)	87	9,612	11,648	13,619	15,856
Southall (gross sqm)	116	12,816	15,530	18,159	21,141
Hounslow (net sqm)	720	14,462	22,883	31,039	40,289
Hounslow (gross sqm)	960	19,283	30,511	41,385	53,719
Brentford (net sqm)	105	3,028	4,510	5,945	7,573
Brentford (gross sqm)	140	4,037	6,013	7,927	10,098

Source: Table 57 and 59, Appendix 8 (all figures presented are cumulative) - this does not identify any centres in LBHF since an uplift in market share has not been modelled for LBHF centres.

- 6.43 The result of increasing the market share in 2016 is that there is a higher quantitative need by 2016 and subsequent forecast years, as opposed to the constant market share scenario. It is noteworthy that no increase in market share has been modelled for any centres in LB Hammersmith and Fulham. The reason for this is that all three of the main destinations are trading successfully. However, there remains a quantitative need for growth in the borough simply under constant market shares.

Sensitivity testing

- 6.44 In order to reflect changing economic circumstances in the UK and the uncertainty over empirical assumptions, a sensitivity assessment has been undertaken under the three approaches:
- Increased SFT: We have increased comparison goods SFT to 15% of expenditure in 2021 and to 17.5% by 2026 and 20% by 2031.
 - Alternative growth: We have used the approach in the WLRNS 2006 as an alternative set of expenditure and sales density growth figures; namely 4.3% per annum expenditure growth and 2.0% per annum sales density growth.
 - Increased SFT and alternative growth: this is a combination of the first two approaches above.
- 6.45 The outputs of the sensitivity assessment are summarised in **Table 6. 13**, alongside the base approach under Scenario A.

Table 6.13 Comparison goods sensitivity testing on overall need for three boroughs

	2011	2016	2021	2026	2031
Base approach (sqm net)	6,777	58,303	130,010	198,487	276,170
Base approach (sqm gross)	9,036	79,070	173,347	263,841	368,214
Increased SFT (sqm net)	6,777	59,303	91,831	135,079	184,568
Increase SFT (sqm gross)	9,036	79,070	122,442	180,106	246,090
Alternative growth (sqm net)	26,934	84,112	166,722	258,596	365,162
Alternative growth (sqm gross)	35,912	112,149	222,296	344,795	486,882
Increased SFT and alternative growth (sqm net)	26,934	84,112	126,274	189,634	262,897

Increased SFT and alternative growth (sqm gross)	35,912	112,149	168,365	252,846	350,529
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Source: RTP testing of outputs under scenario A

- 6.46 Clearly, residual expenditure (and thus floorspace capacity) is highly sensitive to empirical forecasts and there are numerous permutations to the above exercise. The forecasts used in the base assessment is our preferred approach to quantitative need since these are based on published sources and are widely respected in the industry. However, in order to ensure that the Councils benefit from a robust evidence base, it is important to ensure regular monitoring of such assumptions and we provide advice on our recommended approach to monitoring in Section 12.

Summary

- 6.47 The assessments of quantitative need provide a large number of outputs for six different forecast years. PPS4 requires local planning authorities to allocate sites to meet need for at least the first five years. However, in our experience, major town centre redevelopments can take up to 10 years from the planning stage to opening. Therefore, to assist in formulating policy and for ease of presentation only the data to 2021 is shown and is rounded to the nearest 100 sqm. The exact data for each of the forecast years is presented in the appendices.

Table 6.14 Summary of comparison goods quantitative need to 2021

	Scenario A	Scenario B	Scenario C
LBE (gross sqm)	41,200	37,500	70,000
LBH (gross sqm)	52,600	50,500	67,700
LBHF (gross sqm)	79,600	71,000	79,600
Total (gross sqm)	173,300	159,100	217,300

Source: Table 60, Appendix 8

- 6.48 In general, the following is noted:
- There is a quantitative need for comparison goods floorspace across the three boroughs of between 159,100 sqm gross and 217,300 sqm gross by 2021.
 - The highest quantitative need is within the LB Hammersmith and Fulham, which is in part due to the influence of Westfield shopping centre attracting long distance inflow expenditure.
 - Under the aspirational market shares (scenario C) there is an opportunity to improve the distribution of shopping facilities in the LB Ealing and the LB Hounslow through the provision of additional floorspace and to uplift in the market share of certain centres.
- 6.49 For each authority and individual centres, the findings are summarised below. It should be noted that the sum of the quantitative need for each centre is not equal to the total for each borough due to the exclusion of spending to out of centre and neighbourhood or other destinations. Although the quantitative need by centre provides an indication of

where the growth could be accommodated, it is for each authority to decide upon where their borough wide quantitative need should be accommodated through the LDF process, taking into account the guidance in PPS4.

LB Ealing

- 6.50 As explained above, the quantitative need for comparison goods floorspace in LB Ealing by 2021 is between 41,200 sqm gross and 70,000 sqm, depending on the scenario adopted. This is disaggregated in **Table 6.15**.

Table 6.15 Summary of comparison goods quantitative need to 2021 for LB Ealing

	Scenario A	Scenario B	Scenario C
Ealing (gross sqm)	17,500	15,700	33,200
Southall (gross sqm)	2,400	2,300	15,500
Acton (gross sqm)	5,400	5,000	5,400
Hanwell (gross sqm)	1,000	1,000	1,000
Greenford (gross sqm)	4,300	3,600	4,300

Source: Table 60, Appendix 8

- 6.51 The main feature of this analysis is that under scenario B, the quantitative need for LB Ealing reduces through the threat from other developments and the Dickens Yard scheme is not sufficient on its own to uplift Ealing's market share. Specifically, the following is observed:

- There is a quantitative need for 33,200 sqm gross of comparison floorspace in Ealing by 2021 under scenario C in order to secure a step change in shopping patterns and respond to competition.
- In order for Southall to fulfil its function as a major centre, there is a quantitative need for 15,500 sqm gross of comparison floorspace by 2021 under scenario C.
- Under all scenarios there is a quantitative need for additional floorspace in district centres, in particularly Acton and Greenford (although some of the need will be absorbed by the redevelopment of the Tesco store in Greenford when constructed).

LB Hounslow

- 6.52 The quantitative need for comparison goods floorspace in LB Hounslow by 2021 is between 50,500 sqm gross and 67,700 sqm gross, depending on the scenario adopted. This is disaggregated in **Table 6.16**.

Table 6.16 Summary of comparison goods quantitative need to 2021 for LB Hounslow

	Scenario A	Scenario B	Scenario C
Hounslow (gross sqm)	19,900	18,700	30,500
Feltham (gross sqm)	5,100	5,100	5,100

Chiswick (gross sqm)	8,900	8,700	8,900
Brentford (gross sqm)	1,500	1,300	6,000

Source: Table 60, Appendix 8

- 6.53 The threat from competing developments only results in a limited reduction in the quantitative need in LB Hounslow. Specifically, the following is observed:
- The quantitative need for 30,500 sqm gross of comparison floorspace in Hounslow by 2021 under scenario C in order to improve its market share and claw back trade from other competing destinations and out of centre locations.
 - In order for Brentford to fulfil its district centre role, there is a quantitative need for 6,000 sqm gross of comparison floorspace by 2021 under scenario C.
 - There remains a quantitative need for the major centre of Chiswick and the district centre of Feltham under all scenarios.

LB Hammersmith and Fulham

- 6.54 The quantitative need for comparison goods floorspace in the LB Hammersmith and Fulham by 2021 is between 71,000 sqm gross and 79,600 sqm gross, depending on the scenario adopted. This is disaggregated in **Table 6.17**.

Table 6.17 Summary of comparison goods quantitative need to 2021 for LBHF

	Scenario A	Scenario B	Scenario C
Shepherd's Bush (gross sqm)	41,400	34,200	41,400
Hammersmith (gross sqm)	17,200	16,100	17,200
Fulham (gross sqm)	12,800	12,700	12,800

Source: Table 60, Appendix 8

- 6.55 The threat from competing developments sees the quantitative need for Shepherd's Bush in particular reduce under scenario B. Specifically, the following is observed:
- The highest quantitative need for comparison floorspace is for Shepherd's Bush, which is due to the significant market share attained by Westfield shopping centre and the level of expenditure inflow.
 - Simply under constant market shares for Hammersmith and Fulham major centres to maintain their market share there is a quantitative need of 17,200 sqm gross and 12,800 sqm gross respectively.

7 QUANTITATIVE NEED FOR CONVENIENCE RETAIL FLOORSPACE

Methodology and key assumptions

- 7.1 The step methodology for convenience goods is identical to the comparison goods exercise summarised in **Section 6**. The only differences concern the approach to converting residual expenditure to quantitative need for floorspace (addressed below) and the approach to scenarios. In respect of scenarios, the GVA approach in the WLRNS 2006 for convenience goods was as follows:
- Capacity without commitments (referred to as ‘No commitments’)
 - Capacity with commitments (referred to as ‘With all commitments’)
- 7.2 An important assumption by GVA was to adjust the sales from existing floorspace to accord with benchmark turnovers in 2011 (the first forecast year in WLRNS 2006 study). The effect of this approach is that some centres showing a negative capacity due to a perceived under trading compared to company benchmarks. Conversely, there are some centres with a high convenience capacity due to a perceived over trading compared to company benchmarks.
- 7.3 This study applies a slightly different approach. As with the comparison assessment, equilibrium between available expenditure and floorspace is initially assumed in the base year. Then the influence of overtrading/under trading is tested as a second scenario. The approach is as follows:
- **Scenario A - constant market shares:** This assesses quantitative need assuming all centres and the stores in the boroughs maintain their market share vis-à-vis other centres outside the three boroughs, whilst allowing for commitments to new floorspace within the three boroughs.
 - **Scenario B - overtrading/under trading:** This uses the same approach as scenario A, but introduces any overtrading/under trading of existing floorspace in the base year compared to company benchmark turnovers, whilst also allowing for commitments to new floorspace within the three boroughs.
 - **Scenario C - aspirational market shares:** This assesses quantitative need on the basis of the three boroughs achieving a market share that provide a fair, equitable, sustainable and realistic distribution of retail provision, whilst also allowing for commitments to new floorspace within the three boroughs.
- 7.4 The reason for the difference in approach is that the CLG practice guidance (paragraph B.43) advises caution when relying on overtrading to inform an assessment of quantitative need. Consequently, the overtrading/under trading inputs are assessed within a separate scenario in order to understand the implications of this element of the quantitative need. As with the comparison assessment, the implications of any high level of trading of existing stores as an indicator of qualitative need is addressed in **Section 9**.
- 7.5 Furthermore, it is considered good practice to test whether there is scope to improve the market shares of certain zones. In part this would be an alternative to the overtrading

approach, because the effect of improving the market share in an underperforming zone would be to relieve the overtrading in an alternative zone and ‘claw back’ expenditure.

Turnover performance

- 7.6 The convenience goods turnover of the floorspace in the three boroughs, as derived from expenditure with the study area, is presented in **Section 4**. Opposed to the comparison assessment, it is expected that any inflow convenience expenditure will be much more limited and the only allowance made is to the Waitrose in Westfield due to likely spending associated with longer distance trips to the shopping centre. The assessment of the performance of existing stores is limited to the larger foodstores due to the data available on typical benchmark turnovers for foodstore operators. The assessment of turnover performance is included at Table 61, **Appendix 9**.
- 7.7 In aggregate, it is clear that the existing foodstores in the three boroughs are trading significantly in excess of their company average (i.e. by about 34%). To some extent, this is an indicator of pent up demand in the existing floorspace and potentially can represent overtrading in the base year. As explained above, this matter has been separated into a second scenario, whilst the merits of overtrading as an indicator of qualitative need are considered in **Section 9**.

Claims on expenditure growth

- 7.8 As with the comparison assessment, the two claims on expenditure growth are commitments to new floorspace and allowances for sales density growth. The definitions and approach to this element of the assessment are identical to the comparison assessment (**Section 6**, paragraph 6.1).

Commitments

- 7.9 The only commitments to new convenience floorspace we are aware of are presented in Table 61, Appendix 8 and summarised at **Table 7.1** below. The definition of a commitment is largely identical to the comparison assessment and includes any scheme that is under construction, benefits from planning permission and is larger than 1,000 sqm net. However, to ensure consistency with the comparison assessment we have included the convenience element of the Dickens Yard scheme.

Table 7.1 Commitments to convenience floorspace

Scheme	Net convenience floorspace (sqm net)	Sales density in 2016 (£m)	Turnover in 2016 (£m)
Dickens Yard, Ealing	525	12,995	6.8
Sainsbury's Extension, Townmead Road	1,172	10,660	12.5
Total	-	-	19.3

Source: Table 41, Appendix 8 (excludes Southall Gas works scheme, see paragraph 1.23)

- 7.10 As with the comparison assessment, we aware of a resolution to grant planning permission for a replacement Tesco store in Greenford (an additional 1,172 sqm net convenience floorspace in the Tesco store). Since the legal agreement has not yet been signed, this has not been included as a commitment. But, if the legal agreement is signed and the permission implemented this will absorb some of the quantitative need for Greenford.
- 7.11 This indicates that existing commitment will claim £19.3 million of the overall expenditure growth for the three boroughs by 2016. However, in effect this will be highly localised and account for local expenditure growth in Ealing and in the area surrounding the Sainsbury's store on Townmead Road.

Sales density growth

- 7.12 As with the comparison assessment, the approach adopted links the level of sales density growth with the per capita expenditure assumptions. The detail of the amount of convenience expenditure ring-fenced for existing retail is set out in **Table 7.2**.

Table 7.2 Sales density growth for convenience goods expenditure

Timeframe	Per annum allowance (% per annum)	Growth from 2009 (£m)
2009-2011	0.1%	2.4
2011-2016	0.5%	36.1
2016-2021	0.4%	62.0
2021-2026	0.4%	92.1
2026-2031	0.4%	122.8

Source: Appendix 4 and Table 65, Appendix 9 (note growth from 2009 is cumulative)

- 7.13 As with the comparison assessment, since the floorspace is already trading very successfully, the potential for the existing stock to absorb this growth might be limited and highlights the importance of testing the sensitivity of assumptions (as undertaken below) and monitoring as explained in **Section 12**.

Scenario A: Constant market shares

- 7.14 The approach to scenario A is identical to the comparison assessment. The only difference is that two alternative indicative sales densities are used in order to test the implications of alternative formats and to ensure consistency with the outputs in the WLRNS 2006. The 2009 convenience sales densities applied to the residual expenditure are as follows:
- **Supermarkets sales density:** £12,623 per sqm net (average of Tesco, Asda, Sainsbury's Morrison's, Waitrose and Marks and Spencer) for 2009 in 2007 prices
 - **Small stores sales density:** £5,605 per sqm net (average of Co-op, Somerfield, Iceland, Lidl, Aldi and Netto) for 2009 in 2007 prices

- 7.15 These averages are derived from Retail Rankings by Mintel (2009 version) and UK Grocery Retailers from Verdict (2009 version). They have been adjusted to ensure only convenience sales are considered and an allowance for VAT is added where appropriate. Subsequently, the 2009 data are increased to the forecast years using annual sales density growth, as explained above.
- 7.16 The quantitative need for 'supermarkets' and 'small stores' floorspace is driven by the sales density of the operators listed above. In broad terms, we expect that the small stores sales density operators would trade from stores below 2,500 sqm net but supermarket operators will trade from stores larger than 2,500 sqm net. However, it should also be borne in mind that operators such as Tesco and Sainsbury's also trade from smaller format stores (i.e. Tesco Express or Sainsbury's Local), but these stores still normally trade at company averages. So, the quantitative need for these type of stores should be accounted in the 'supermarket' quantitative need.
- 7.17 In respect of assessing need by centre, caution is again advised, but for different reasons for the comparison assessment. In this case we use the relevant zone a centre falls in as the basis for deriving a market share. This is considered more appropriate than using the market share of centres themselves, since often convenience spending is dominated by stores outside the town centre. However, there will be occasions where a degree of flexibility should be afforded to the quantitative need outputs for centres. This is particularly the case, where there is need occurring in other zones in the borough and could be used to support additional convenience floorspace in town centres.
- 7.18 As with the comparison assessment, less weight is afforded to the projections post 2021 due to the reliability of assumptions. Therefore, projections to 2026 and 2031 should only be considered as 'indicative'.
- 7.19 In order to convert net quantitative need outputs to gross outputs, a 65% ratio is applied. This is lower than as adopted for the comparison assessment due to the high amount of storage space demanded by convenience retailers.

Three boroughs combined

- 7.20 The level of quantitative need (both net and gross) for the three boroughs and each borough individually is presented in **Table 7.3** and is disaggregated between large (using the supermarket sales density) and small (using the small stores sales density). The quantitative need output is for either the large store data or the small store data (or an appropriate mix) but not both the large and small store data combined.

Table 7.3 Scenario A - Borough wide quantitative need for convenience floorspace

	Large stores					Small stores				
	2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
LBE (net sqm)	678	1,908	3,379	4,897	6,727	1,527	4,297	7,610	11,029	15,151
LBE (gross sqm)	1,043	2,935	5,198	7,533	10,349	2,349	6,611	11,707	16,967	23,309
LBH (net sqm)	895	3,213	5,155	7,160	9,577	2,016	7,237	11,611	16,127	21,570
LBH (gross sqm)	1,377	4,943	7,931	11,015	14,734	3,102	11,134	17,864	24,810	33,184

LBHF (net sqm)	683	1,485	2,966	4,494	6,337	1,537	3,345	6,680	10,122	14,272
LBHF (gross sqm)	1,050	2,285	4,563	6,914	9,749	2,365	5,146	10,277	15,572	21,957
Total (net sqm)	2,256	6,606	11,500	16,551	22,640	5,080	14,879	25,901	37,277	50,992
Total (gross sqm)	3,470	10,163	17,692	25,463	34,831	7,816	22,890	39,848	57,350	78,450

Source: Table 65, Appendix 9 (all figures presented are cumulative; the quantitative need is for **either** the large store data **or** the small store data [or an appropriate mix] but **not both** large and small store data)

- 7.21 The exercise shows a total quantitative need for almost 11,500 sqm net (over 17,700 sqm gross) of convenience goods floorspace by 2021 across the three boroughs, using the large stores density. As expected, this floorspace figure increases significantly if the small stores sales density is used, with a net requirement of over 25,900 sqm (or over 39,900 sqm gross) to 2021.
- 7.22 For all the convenience outputs, the quantitative need is for either the large store data or the small store data (or an appropriate mix) but not both large and small store data.

LB Ealing centres

- 7.23 The quantitative need for individual centres in LB Ealing is presented in **Table 7.4**.

Table 7.4 Scenario A - Quantitative need for convenience floorspace in LBE centres

	Large stores					Small stores				
	2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
Ealing (net sqm)	160	49	397	755	1,188	361	111	894	1,701	2,675
Ealing (gross sqm)	246	76	611	1,162	1,827	555	171	1,375	2,617	4,115
Southall (net sqm)	36	129	207	288	385	81	291	466	648	866
Southall (gross sqm)	55	199	319	442	592	125	447	718	997	1,333
Acton (net sqm)	126	452	726	1,008	1,348	284	1,018	1,634	2,270	3,036
Acton (gross sqm)	194	696	1,116	1,550	2,074	437	1,567	2,514	3,492	4,670
Hanwell (net sqm)	146	526	843	1,171	1,567	330	1,184	1,900	2,638	3,529
Hanwell (gross sqm)	225	809	1,298	1,802	2,410	507	1,821	2,922	4,059	5,429
Greenford (net sqm)	62	222	356	494	661	139	499	801	1,112	1,488
Greenford (gross sqm)	95	341	547	760	1,016	214	768	1,232	1,711	2,289

Source: Table 66, Appendix 9 (all figures presented are cumulative; the quantitative need is for **either** the large store data **or** the small store data [or an appropriate mix] but **not both** large and small store data)

- 7.24 This exercise shows that the quantitative need for individual centres, both for large and small store outputs, is limited by 2021 with no centre showing a quantitative need for more than 1,000 sqm net under the supermarket sales density by this date. This is a function of much lower expenditure growth for convenience expenditure (than for comparison expenditure) and the dilution of quantitative need across a number of centres.

LB Hounslow centres

7.25 The quantitative need for individual centres in LB Hounslow is presented in Table 7.5.

Table 7.5 Scenario A - Quantitative need for convenience floorspace in LBH centres

	Large stores					Small stores				
	2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
Hounslow (net sqm)	141	505	810	1,125	1,505	317	1,137	1,824	2,534	3,389
Hounslow (gross sqm)	216	777	1,246	1,731	2,315	487	1,749	2,806	3,898	5,213
Feltham (net sqm)	107	384	616	856	1,145	241	865	1,388	1,927	2,578
Feltham (gross sqm)	165	591	948	1,317	1,761	371	1,331	2,135	2,965	3,966
Chiswick (net sqm)	185	663	1,064	1,477	1,976	416	1,493	2,395	3,327	4,450
Chiswick (gross sqm)	284	1,020	1,636	2,272	3,039	640	2,297	3,685	5,118	6,846
Brentford (net sqm)	38	136	218	302	404	85	305	490	680	910
Brentford (gross sqm)	58	209	335	465	622	131	470	754	1,047	1,400

Source: Table 68, Appendix 9 (all figures presented are cumulative; the quantitative need is for **either** the large store data **or** the small store data [or an appropriate mix] but **not both** large and small store data)

7.26 As with LB Ealing, the quantitative need for additional convenience floorspace to 2021 is limited with only Chiswick showing a quantitative need of over 1,000 sqm net using the supermarket sales density.

LB Hammersmith and Fulham centres

7.27 The quantitative need for individual centres in LB Hammersmith and Fulham is presented in Table 7.6.

Table 7.6 Scenario A - Quantitative need for convenience floorspace in LBHF centres

	Large stores					Small stores				
	2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
Shepherd's Bush (net sqm)	139	500	803	1,115	1,491	314	1,127	1,808	2,511	3,358
Shepherd's Bush (gross sqm)	214	770	1,235	1,715	2,294	483	1,733	2,781	3,863	5,167
Hammersmith (net sqm)	250	896	1,438	1,997	2,672	562	2,019	3,239	4,499	6,017
Hammersmith (gross sqm)	384	1,379	2,213	3,073	4,110	865	3,106	4,983	6,921	9,257
Fulham (net sqm)	293	89	725	1,382	2,174	661	199	1,633	3,113	4,897
Fulham (gross sqm)	451	136	1,115	2,126	3,345	1,017	307	2,512	4,789	7,533

Source: Table 67, Appendix 9 (all figures presented are cumulative; the quantitative need is for **either** the large store data **or** the small store data [or an appropriate mix] but **not both** large and small store data)

7.28 Focusing on the large stores output, Shepherd's Bush and Hammersmith experience a quantitative need in excess of 1,000 sqm net by 2021. However, the quantitative need for Fulham is slightly less, due to the extant Sainsbury's extension.

Scenario B: Overtrading/under trading

- 7.29 For the convenience assessment, scenario B simply translates the quantum of overtrading of the main foodstores into a floorspace figure and incorporates this into the quantitative assessment. The data for this exercise is presented in Tables 69-72, Appendix 9. In the interests of brevity, the quantitative need (both net and gross) is only presented in the report for the three boroughs and each borough individually, although the data for individual centres are in the appendices. The data for the boroughs is presented in **Table 7.7**.

Table 7.7 Scenario B - Borough wide quantitative need for convenience floorspace

	Large stores					Small stores				
	2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
LBE (net sqm)	11,570	12,539	13,817	15,121	16,742	26,058	28,241	31,121	34,057	37,707
LBE (gross sqm)	17,799	19,291	21,257	23,263	25,756	40,089	43,448	47,878	52,396	58,011
LBH (net sqm)	7,082	9,252	11,085	12,968	15,265	15,950	20,837	24,966	29,207	34,382
LBH (gross sqm)	10,895	14,233	17,053	19,950	23,485	24,539	32,057	38,409	44,934	52,895
LBHF (net sqm)	11,565	12,107	13,396	14,710	16,343	26,048	27,269	30,172	33,132	36,810
LBHF (gross sqm)	17,793	18,627	20,609	22,631	25,143	40,075	41,953	46,418	50,972	56,630
Total (net sqm)	30,217	33,898	38,298	42,799	48,350	68,057	76,348	86,258	96,396	108,899
Total (gross sqm)	46,487	52,151	58,920	65,845	74,385	104,702	117,458	132,705	148,302	167,536

Source: Table 69, Appendix 9 (all figures presented are cumulative; the quantitative need is for **either** the large store data **or** the small store data [or an appropriate mix] but **not both** large and small store data)

- 7.30 This reveals that the quantitative need for additional floorspace is significantly inflated if overtrading is considered. The qualitative implication of this scale of overtrading is considered in Section 9.
- 7.31 From a quantitative point of view, overtrading is a contentious issue and there are mixed views in Secretary of State decisions as to whether it can be used to support a quantitative need case and our research often shows larger stores to be overtrading. Indeed, statements about 'overtrading' or 'under-trading' are contentious since information from several leading operators' shows that there is considerable variation around their company averages for convenience sales densities. It is not unusual for individual stores to trade at 20% to 30% above or below the company average, and a few stores trade at 100% or more above the company average. These variations can occur because of factors like efficient management or attractive store design and not just lack of competition.
- 7.32 The CLG practice guidance explains that overtrading can represent quantitative need insofar as it can be an indication of an imbalance between demand and supply of floorspace in an area (paragraph 3.17). Based on applying benchmark sales densities to the floorspace of the main foodstores, there is evidence of an imbalance of larger foodstores. However, the practice guidance also advises that benchmarks should not be used prescriptively (paragraph B.42) and advises these are weighted up or down to reflect

local circumstances such as the affluence of the area, the size and type of stores and the costs of the location of retailers (paragraph B.44).

- 7.33 Since this study covers a wide area, it is not practical to investigate the specific local circumstances surrounding each store and therefore national company averages have been applied to derive overtrading. The question is whether all of this overtrading can be said to represent a quantitative need? Firstly, since all the stores are located in Greater London, it is a reasonable assumption that their operating costs are greater than elsewhere in the country. The exercise shows that, in aggregate, the stores are overtrading by 35%. However, as explained in Section 3, the affluence of the study area is greater than the national average and if national per capita convenience expenditure is applied to population, LB Hammersmith and Fulham is 30% higher than the national average, LB Ealing 12% higher and LB Hounslow 13% higher.
- 7.34 In summary, there is evidence of an imbalance of the supply and demand of foodstores in the three boroughs. However, this should be balanced against the likelihood of the higher costs associated with operating in Greater London and the relative affluence of the three boroughs compared to company averages.

Scenario C: Aspirational market shares

- 7.35 Under the third scenario C and similar to the comparison assessment, account is taken for pre-existing policy aspirations and professional judgement in order to secure an equitable distribution of floorspace. The process adopted is identical to that undertaken for the comparison goods exercise. But due to the localised nature of convenience goods, it is appropriate to aim for a much higher localised market share. The outputs are presented in Tables 73 to 77, Appendix 9. The adjustment of market shares are summarised in **Table 7.8**.

Table 7.8 Adjustment in comparison goods zonal market shares

Centre	Zones adjusted
Southall	Zones 9 (increase from 3.8% to 10%), 10 (increase from 20.8% to 55%) and 11 (increase from 0% to 10%)
Shepherd's Bush	Zone 3 (increase from 34.8% to 55%)
Brentford	Zones 15 (increase from 4.5% to 10%), 16 (increase from 38% to 55%) and 17 (increase from 1% to 5%)

Source: Table 73, Appendix 9

- 7.36 This exercise, results in an increase in the market share of certain centres. To ensure the market shares sum to 100%, the increase in share is deducted from other destinations outside the three boroughs (effectively increasing the retention level of the boroughs). This is the case with all zones other than zone 16, where the increase in share is deducted from neighbouring zone 15, which includes two large overtrading Tesco Extra stores.
- 7.37 As with the comparison assessment, it is appreciated that the increase in market share is likely to have local impacts on other centres in the three boroughs. These impacts would

need to be taken into account in more detailed evidence to support specific policies and is beyond the remit of this study.

- 7.38 As with the comparison assessment, data is only presented on a borough-wide basis and for those centres that experience a change in market share. This is presented in **Table 7.9 and 7.10**.

Table 7.9 Scenario C - Borough wide quantitative need for convenience floorspace

	Large stores					Small stores				
	2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
LBE (net sqm)	678	5,345	6,960	8,626	10,635	1,527	12,038	15,675	19,428	23,954
LBE (gross sqm)	1,043	8,223	10,707	13,271	16,362	2,349	18,520	24,115	29,890	36,852
LBH (net sqm)	895	3,860	5,830	7,862	10,313	2,016	8,695	13,130	17,709	23,228
LBH (gross sqm)	1,377	5,939	8,969	12,096	15,866	3,102	13,377	20,201	27,244	35,735
LBHF (net sqm)	683	3,373	4,933	6,543	8,484	1,537	7,597	11,110	14,736	19,108
LBHF (gross sqm)	1,050	5,189	7,589	10,066	13,052	2,365	11,688	17,093	22,671	29,396
Total (net sqm)	2,256	12,578	17,722	23,031	29,432	5,080	28,330	39,916	51,873	66,289
Total (gross sqm)	3,470	19,351	27,265	35,433	45,280	7,816	43,584	61,409	79,805	101,983

Source: Table 75, Appendix 9 (all figures presented are cumulative)

Table 7.10 Scenario C - Quantitative need for convenience floorspace in selected centres

	Large stores					Small stores				
	2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
Southall (net sqm)	36	3,566	3,788	4,017	4,293	81	8,032	8,531	9,047	9,669
Southall (gross sqm)	55	5,486	5,828	6,180	6,605	125	12,356	13,125	13,919	14,876
Shepherd's Bush (net sqm)	139	2,388	2,770	3,163	3,638	314	5,379	6,238	7,125	8,194
Shepherd's Bush (gross sqm)	214	3,674	4,261	4,867	5,597	483	8,275	9,597	10,962	12,606
Brentford (net sqm)	38	1,355	1,488	1,625	1,790	85	3,051	3,350	3,660	4,032
Brentford (gross sqm)	58	2,084	2,289	2,500	2,754	131	4,694	5,155	5,630	6,204

Source: Table 76, 77 and 78, Appendix 9 (all figures presented are cumulative)

- 7.39 Manually adjusting the zonal market shares increase the quantitative need in each of the boroughs. Specifically, there is quantitative need for further supermarket floorspace in Southall, Shepherd's Bush and Brentford.

Sensitivity testing

- 7.40 In order to reflect changing economic circumstances in the UK and the uncertainty over empirical assumptions, a sensitivity assessment has been undertaken using the three approaches above:

- Increased SFT: we have increased convenience goods SFT to 5% of expenditure in 2021 and to 7% by 2026 and 9% by 2031.

- Alternative growth: we have used approach in the WLRNS 2006 as an alternative set of expenditure and sales density growth figures; namely 0.7% per annum expenditure growth and 0% per annum sales density growth.
- Increased SFT and alternative growth (a combination of the first two bullet points)

7.41 The outputs of the sensitivity assessment are summarised in **Table 7.11**, alongside the base approach under Scenario A.

Table 7.11 Convenience goods sensitivity testing on overall need for three boroughs

	Large stores					Small stores				
	2011	2016	2021	2026	2031	2011	2016	2021	2026	2031
Base approach (sqm net)	2,256	6,606	11,500	16,551	22,640	5,080	14,879	25,901	37,277	50,992
Base approach (sqm gross)	3,470	10,163	17,692	25,463	34,831	7,816	22,890	39,848	57,350	78,450
Increased SFT (sqm net)	2,256	6,606	8,744	11,259	14,356	5,080	14,879	19,694	25,359	32,333
Increase SFT (sqm gross)	3,470	10,163	13,453	17,322	22,086	7,816	22,890	30,299	39,014	49,744
Alternative growth (sqm net)	3,591	8,815	15,508	22,148	30,014	8,088	19,853	34,929	49,884	67,600
Alternative growth (sqm gross)	5,524	13,561	23,858	34,074	46,175	12,443	30,544	53,736	76,745	104,000
Increased SFT and alternative growth (sqm net)	3,591	8,815	12,662	16,623	21,270	8,088	19,853	28,518	37,440	47,906
Increased SFT and alternative growth (sqm gross)	5,524	13,561	19,479	25,574	32,723	12,443	30,544	43,873	57,600	73,701

Source: RTP testing of outputs under scenario A

7.42 As with the comparison assessment, it is clear that residual expenditure (and thus floorspace capacity) is highly sensitive to empirical forecasts and there are numerous permeations to the above exercise. The forecasts used in the base assessment is our preferred approach to quantitative need since these are based on published sources and are widely respected in the industry. However, in order to ensure that the Councils benefit from a robust evidence base, it is important to ensure regular monitoring of such assumptions and advice is provided on our recommended approach to monitoring in Section 12.

Summary

7.43 As with the comparison assessment, there are a number of different convenience outputs. To assist in formulating policy and for ease of presentation only the data to 2021 for large stores is shown and is rounded to the nearest 100 sqm. The exact data for each of the forecast years are presented in the appendices.

Table 7.12 Summary of convenience goods quantitative need to 2021

	Scenario A	Scenario B	Scenario C
LBE (gross sqm)	5,200	21,300	10,700
LBH (gross sqm)	7,900	17,100	9,000

LBHF (gross sqm)	4,600	20,600	7,600
Total (gross sqm)	17,700	58,900	27,300

Source: Table 79, Appendix 9

7.44 In general, the following should be noted:

- Under the lowest scenario A, there is sufficient quantitative need across the three boroughs for over four large superstores, assuming an average of 4,000 sqm gross for each store.
- If format with alternative sales densities are promoted (i.e. smaller stores), there is sufficient expenditure to enable a balance of different formats across the three boroughs.
- If 100% of overtrading is translated into a quantitative need, there is a significant scale of new superstore floorspace required.
- Under scenario C, there is an opportunity to improve the distribution of convenience floorspace in each of the boroughs by promoting additional floorspace within centres.

7.45 For each authority and individual centres, the findings are summarised below. It should be noted that the sum of the quantitative need for each centre is driven by the zonal market share where each centre falls. It is not equal to the total for each borough due to the exclusion of spending to other zones within the three boroughs. This is a further source of quantitative need that could be used to support specific schemes within centres. Furthermore, as with the comparison assessment although the quantitative need by centre provides an indication of where the growth could be accommodated, it is for each authority to decide upon where their borough wide quantitative need should be accommodated through the LDF process, taking into account the guidance in PPS4.

LB Ealing

7.46 As explained above, the quantitative need for convenience goods floorspace (large stores) in LB Ealing by 2021 is between 5,200 sqm gross and 21,300 sqm gross, depending on the scenario adopted. This is disaggregated in **Table 7.13**.

Table 7.13 Summary of convenience goods quantitative need to 2021 for LB Ealing

	Scenario A	Scenario B	Scenario C
Ealing (gross sqm)	600	700	600
Southall (gross sqm)	300	700	5,800
Acton (gross sqm)	1,100	5,300	1,100
Hanwell (gross sqm)	1,300	1,300	1,300
Greenford (gross sqm)	500	2,300	500

Source: Table 79, Appendix 9

7.47 This analysis shows:

- There is an opportunity to improve the market share of Southall and provide 5,800 sqm gross of convenience floorspace by 2021
- The quantitative need in Ealing itself is limited, although there is scope for growth if overtrading is relied upon to support floorspace.
- There is quantitative need for convenience floorspace in the district centres, particularly Acton and Hanwell.

LB Hounslow

- 7.48 The quantitative need for convenience goods floorspace (large stores) in LB Hounslow by 2021 is between 7,900 sqm gross and 17,900 sqm gross, depending on the scenario adopted. This is disaggregated in **Table 7.14**.

Table 7.14 Summary of convenience goods quantitative need to 2021 for LB Hounslow

	Scenario A	Scenario B	Scenario C
Hounslow (gross sqm)	1,200	1,200	1,200
Feltham (gross sqm)	900	-300	900
Chiswick (gross sqm)	1,600	7,100	1,600
Brentford (gross sqm)	300	1,200	2,300

Source: Table 79, Appendix 9

- 7.49 This analysis shows:
- Generally, the quantitative need for additional convenience floorspace is limited in the borough.
 - There is an opportunity to improve the market share of Brentford and accommodate a further 2,300 sqm gross of convenience floorspace by 2021 in order to claw back expenditure from out of centre locations.
 - There is evidence of sharp overtrading of stores in Chiswick, which could justify additional floorspace.

LB Hammersmith and Fulham

- 7.50 The quantitative need for convenience goods floorspace in LB Hammersmith and Fulham by 2021 is between 4,600 sqm gross and 20,600 sqm gross, depending on the scenario adopted. The higher figure under scenario B is due to evidence of sharp overtrading of existing foodstores. This is disaggregated in **Table 7.15**.

Table 7.15 Summary of convenience goods quantitative need to 2021 for LBHF

	Scenario A	Scenario B	Scenario C
Shepherd's Bush (gross sqm)	1,200	1,600	4,300
Hammersmith (gross sqm)	2,200	9,600	2,200
Fulham (gross sqm)	1,100	9,500	1,100

Source: Table 79, Appendix 8

7.51 This analysis shows:

- The scale of expenditure growth means there is a quantitative need for further convenience floorspace that could be accommodated in both Hammersmith and Fulham major centres.
- There is also evidence of overtrading in the stores serving both Hammersmith and Fulham major centres.
- There is an opportunity to improve the market share of Shepherd's Bush to provide an addition 4,300 sqm gross of convenience floorspace by 2021 commensurate with its position as a new metropolitan centre.

8 ASSESSMENT OF OUTPUTS AGAINST OTHER STUDIES

- 8.1 There is a significant amount of evidence already in existence for quantitative need for retail floorspace in West London. This is principally in the form of regional level studies prepared by Experian on behalf of the GLA (from 2005 and 2009) and the original WLRNS 2006.
- 8.2 In the two studies, in one forecast year for one destination there are 11 outputs for comparison goods and 14 for convenience goods, with both studies presenting data in alternative forms. There are also further variations in respect of the different formats of convenience floorspace, sensitivity on the quantitative outputs and in the case of this study an improving market share scenario.
- 8.3 To ensure consistency, the difference in outputs for comparison and convenience goods is assessed using a like for like basis - i.e. gross with gross comparing the GLA data and net with net when comparing the WLRNS 2006 data. To keep the process manageable and to reflect the fact that some of the data outputs are from four or five years ago, the difference in one forecast year (2016) is assessed. However, our recommendations at Section 12 focus on the longer term need outputs to 2021.
- 8.4 The details of the different outputs are presented at Tables 81-82 at **Appendix 10** for all boroughs and each centre individually. Sensitivity testing in this study and the WLRNS 2006 is excluded from this data. In the main text of this report, only the borough wide outputs are presented. It is necessary to assess the Experian/GLA outputs separately from the WLRNS 2006 due to the format of the outputs.

Experian/GLA

- 8.5 Experian's work on behalf of the GLA is a gravity model that provides outputs as a gross sqm figure, with variations on alternative levels of sales density (floorspace productivity) growth and for convenience goods also using two sales densities (for supermarkets and small stores). In order to ensure that the outputs are compared like with like, the following outputs are used:
- **WLRNS 2010:** Scenario A (constant market shares) for comparison sector and the large stores output for Scenario A (constant market shares) for the convenience sector.
 - **GLA/Experian:** outputs using 1.5% sales density growth for comparison goods and 0.5% sales density growth for convenience goods (using the superstores sales density)

Table 8.1 WLRNS 2010 against GLA/Experian Forecasts (2005 and 2009)

Borough	Comparison (sqm gross)		Convenience (sqm gross)	
	WLRNS 2010	GLA 2009	WLRNS 2010	GLA 2005
LBE	15,097	18,460	2,935	3,710
LBH	25,414	22,653	4,943	6,330
LBHF	38,558	12,462	2,285	3,873
Total	79,070	53,575	10,163	13,913

Source: Table 81-82, Appendix 10

- 8.6 The detailed data broken down by centre is provided at Appendix 10. However, this has not been provided for the convenience outputs since the GLA/Experian appears to have errors in the appendices with the data on individual centres. For example, all centres appear to have a surplus of convenience floorspace, which does not marry with the borough wide outputs provided in the main text of the Experian report.
- 8.7 Bearing in the mind the margins in this study and the different methodologies adopted, the outputs are remarkably similar across the boroughs between GLA and this study and are within the margins of tolerance that we would expect from such exercises. The major difference evident is for the LB Hammersmith and Fulham where there is a substantial difference in output for comparison goods (i.e. approximately 16,000 sqm gross). The reason for this difference is simple. It is due to the fact that the GLA/Experian work effectively treats Westfield shopping centre as a commitment and so, in effect, the shopping centre is absorbing a lot of localised need in the short term. However, in this study, the 2009 survey effectively creates a new base position in 2009 and models longer distance expenditure inflows (i.e. beyond the localised spending) and consequently results in a much higher quantitative need. In other words, the high turnover of Westfield is causing a higher quantitative need in future needs under our methodology.
- 8.8 The GLA/Experian data provides a useful overview of the quantitative need outputs for the boroughs. However, its draw backs are that it is influenced by the quantum of existing provision (i.e. areas with an existing large amount of floorspace will attract a correlating high level of quantitative need) and it does not allow for any uplift in market share or any qualitative factors. These matters should be borne in mind when interpreting any of these outputs.

WLRNS 2006

- 8.9 The WLRNS 2006 provides outputs as a net sqm figure, with scenarios with and without commitments and the testing of two sales densities for supermarkets and small stores. There is a further set of data testing alternative outputs depending on different expenditure and sales density growth. In order to ensure the outputs are compared like with like, the following outputs are used:
- **WLRNS 2010:** Scenario A (constant market shares) for comparison sector and the large stores output for scenario B (overtrading) for the convenience sector.

- **WLRNS 2006:** the scenario (with commitments) has been used for the comparison sector and the single convenience scenario for large stores has been used.

Table 8.2 WLRNS 2010 against WLRNS 2006

Borough	Comparison (sqm net)		Convenience (sqm net)	
	WLRNS 2010	WLRNS 2006	WLRNS 2010	WLRNS 2006
LBE	11,322	17,589	12,539	9,100
LBH	19,061	22,666	9,252	5,294
LBHF	28,919	41,974	12,107	4,074
Total	59,303	82,238	33,898	18,468

Source: Table 81-82, Appendix 10

- 8.10 There are differences in outputs for both comparison and convenience goods. There are numerous minor changes in inputs that cumulatively will have contributed to these differences alongside the new household survey. Furthermore, there are minor differences in both scenarios used by us and GVA, therefore the comparison is not exactly like with like. However, there is a relatively simple explanation for all the changes evident.

Comparison sector

- 8.11 The WLRNS 2006 forecast for additional comparison goods floorspace in 2016 is higher than our forecast in 2016. The reason for this is two fold. Firstly, the WLRNS 2006 uses 2006 as a base year and this study uses 2009 as a base year and both studies assume equilibrium in the base year. Consequently this study does not account for three years of expenditure growth since 2006 that is potentially an additional source of spending not taken into account. Secondly, this study uses more conservative levels of expenditure growth due to the down turn in the economy than the 2006 study and therefore the quantitative need is delayed further into the study period.
- 8.12 Despite these differences, it should be remembered that this study recommends planning on the basis on outputs to 2021 (see Section 12) and adopting an increased market share scenario (Scenario C) that front loads the quantitative need during the plan period.

Convenience sector

- 8.13 The convenience outputs from 2006 builds in overtrading into the assessment. Our approach in this study is to separate out overtrading expenditure and treat it as a separate scenario due to the caution advised by CLG over the use of benchmarks in isolation. Since our assessment focuses on the main foodstores, the quantitative need is higher since it does not reflect the potential for under trading of smaller floorspace. We consider this is a robust approach since there is no meaningful benchmark for smaller stores and the outputs the contribution that overtrading makes to quantitative need is clear.
- 8.14 As explained in Section 12, the preferred approach is scenario C that excludes overtrading but includes an uplift in market share of certain zones. In effect this scenario

still relieves overtrading stores by directing new floorspace to areas of under provision and clawing back trade from overtrading stores.

Implications of differences

- 8.15 In summary, there are a significant number of differences and range of quantitative outputs. The matter is complicated further with the Experian outputs presented as a gross figure, whilst the WLRNS outputs are presented as a net figure. Every study is likely to present an alternative output and whilst the different outputs provide a technical background, the practical consequences of the quantitative outputs must be understood for planning policy to be effective. Therefore, the following should be borne in mind:
- The regional level data from the GLA is based on gravity model and cannot take into account local initiatives and policy aspirations.
 - The data in the WLRNS 2006 outputs do not fully take into account Westfield shopping centre, nor do they respond to the downturn in the economy (albeit sensitivity testing has been applied to the outputs).
 - The contribution of overtrading/under trading to quantitative need in the WLRNS 2006 is not separated from the overall quantitative projections, thus some centres show inflated levels of need whilst others have a negative output.
- 8.16 Every study will inevitably produce a different set of outputs and this is further complicated by different formats of data. Unless there are any clear errors, it is unlikely that any of the studies are mathematically wrong although some of the work is or might be out of date. It is important that evidence is up-to-date, but it also should be proportionate. Therefore, we recommend the following steps are undertaken to ensure that the material in this report is accounted for in a transparent manner and to ensure that the evidence is best used to inform policies:
- i) Bearing in mind any qualitative considerations that influence the outputs (i.e. scenarios), each borough considers carefully the most appropriate set of quantitative need projections bearing in mind the need for projections to be up-to-date.
 - ii) Each borough identifies appropriate steps to meet the needs identified.
 - iii) Each borough formulates town centre strategies to address deficiencies and meet any needs for town centre uses.
- 8.17 Broad recommendations for how this evidence base can be taken forward through the boroughs' LDF process are set out in further detail in **Section 12**.

9 QUALITATIVE NEED FOR RETAIL FLOORSPACE

- 9.1 At national policy level, PPS4 makes one fundamental change from PPS6. It now awards equal weight to both quantitative and qualitative needs and awards even more weight to qualitative deficiencies in deprived areas. There is thus less focus on a specific floorspace output and there is more flexibility for authorities to plan for different levels of growth if supported by qualitative factors. Importantly, benefits in respect of regeneration and employment should not be taken into account when assessing need. But PPS4 does advise that such matters are material considerations when assessing sites.
- 9.2 PPS 4 Policy EC1.4d states that when assessing qualitative need, local planning authorities should assess whether there is distribution of shopping services which allows a genuine choice to meet the needs of the whole community. It also states that local planning authorities should take into account the degree to which existing shops may be overtrading and whether there is a need to increase competition and retail mix.
- 9.3 CLG's practice guidance provides further detail on what represents qualitative need. Since it is a subjective concept, a number of factors can apply. But the practice guidance outlines five frequently identified factors, namely gaps in existing provision, consumer choice and competition, overtrading, location specific issues and the quality of the existing provision. Therefore the assessment of qualitative need should take these factors into account, drawing on the health check assessments (Section 3), the results of the visitor surveys (Section 4), the analysis of spending patterns (Section 5) and where relevant the quantitative findings in the above paragraphs.
- 9.4 This section provides an overview of the qualitative need for new floorspace. Specifically, the assessment draws on the health check work undertaken by GVA in 2006 and by the GLA in 2009. It also draws on the market share of existing centres, observations from the household survey and data from the Index of Multiple Deprivation.

Previous health check work

- 9.5 The health of each of the metropolitan, major and district centres in each borough is summarised below. This includes using the GVA study 2006 and the GLA health checks 2009 data, together with any specific updates suggested by officers. New health checks have not been undertaken as part of this update study.

LB Ealing

Ealing

- 9.6 Ealing is identified as a **metropolitan centre** in the London Plan. According to the data available, the position is as follows:
- Ealing town centre consists of two main shopping areas, namely Ealing Broadway and West Ealing.
 - The centre has excellent transport links provided by Ealing Broadway Underground station and numerous bus routes.

- The centre performs reasonably well, with a high rental level compared to other centres in the three boroughs, and a reasonable vacancy rate of 9%.
- In 2006 there was a published demand for between approximately 17,200 and 30,000 sqm gross of retail and service floorspace.
- The main foodstores are Tesco, Sainsbury's and Waitrose. There is a lack of high quality fashion outlets and a poor department store offer, with currently only one department store operating in the centre (BHS).
- Ealing Broadway has a good choice of branded cafes, restaurants and bars.
- The quality of the public realm is variable, with well maintained shop fronts along Ealing Broadway becoming more rundown towards West Ealing. There is heavy traffic in the centre.
- Recent local initiatives in the Ealing Broadway include improvements to Bond Street, an improved shop front scheme, Ealing Broadway street clutter removal, a Cultural Quarter/Cinema study and improved Haven Green lighting.
- In West Ealing, there have been environmental improvements in Dean Gardens, Leeland Road, Melbourne Avenue and St James Avenue, whilst there are local initiatives including shop improvement schemes, stop and shop parking spaces, CCTV implementation and the establishment of a traders association.

Southall

9.7 Southall is identified as a **major centre** in the London Plan. According to the data available, the position is as follows:

- Southall is in the west of the borough and is divided into two parts - north and south of the railway line. The centre is served by Southall overground rail station as well as several bus routes.
- Rental levels are low compared to the other major centres in West London, but have increased in recent years. Vacancy is low at 4%.
- In 2006 there was a published demand for between approximately 9,300 and 17,700 sqm gross of retail and service floorspace.
- The main foodstores are Somerfield and Iceland and a Lidl store opened in 2008, but there are many specialist ethnic shops. The in-centre survey carried out to inform the WLRNS 2006 showed that 83% of respondents were using the centre to shop for specialist ethnic food.
- 70% of the total floorspace in the town centre is operated by independent retailers and there is an opportunity to introduce more 'mainstream' multiple retailers into Southall. The centre would benefit from a better supply of larger shop units.
- The ethnic retailing performs an important role in the centre and 'The Framework for Southall' guides development in this centre.
- There are also markets operating Tuesday-Thursday and Saturday and selling a wide range of goods. These make an important contribution to the vitality and viability of Southall.
- The public realm in Southall is variable, with some run down buildings and shop fronts and dirty and poorly maintained streets/pavement.

Acton

9.8 Acton is defined as a **district centre** in the London Plan. According to the data available, the position is as follows:

- Acton is located to the east of Ealing Broadway. The centre is served by Acton overground rail station as well as several bus routes.
- Rents have shown strong increases in recent years and the vacancy rate is low at 6%.
- In 2006 there was a published demand for between approximately 6,500 and 10,900 sqm gross of retail and service floorspace.
- The Morrisons store (located at King Street) provides the anchor for the centre. There are also Netto and Iceland stores as well as strong ethnic provision including Irish, Polish, Russian, Middle Eastern and Halal goods.
- The centre supports a large number of comparison independent retailers and has a predominantly 'value' offer.
- Environmental quality is average and deteriorates towards the eastern end of the centre, but there have been recent streetscape improvements in the area around Acton Central Station, improvements to Acton Town Square and the completion of a public realm improvement strategy.

Greenford

9.9 Greenford is defined as a **district centre** in the London Plan. According to the data available, the position is as follows:

- The centre is located in a residential area in the north of the borough. It is not within walking distance of any train or underground stations, but is well served by the bus network.
- The centre seems to be performing well, with a very low vacancy rate of 3%.
- In 2006 there was a published demand for between approximately 9,300 and 17,700 sqm gross of retail and service floorspace.
- The centre has a strong and diverse convenience offer, anchored by Tesco but including a wide range of independent and specialist ethnic food shops; furthermore the Tesco store benefits from a recent resolution to grant planning permission for expansion and refurbishment.
- The centre functions as an important shopping and service destination for its local catchment.
- The LB Ealing has recently invested in improving the quality of the environment in Greenford and the scheme has recently been implemented.

Hanwell

9.10 Hanwell is defined as a **district centre** in the London Plan. According to the data available, the position is as follows:

- Hanwell is situated in the west of the borough. It is served by frequent local bus services and Hanwell train station is around 15 minutes walk away.
- Vacancy in the centre is reasonably low at 7%.
- In 2006 there was a published demand for between approximately 500 and 900 sqm gross of retail and service floorspace.

- The convenience offer in the centre comprises a Lidl (Uxbridge Road) together with several independent, small scale and ethnic convenience stores.
- The representation of comparison goods in the centre is below average and there is a lack of service provision, with no banks or building societies. Several units which were previously banks have been converted to restaurants and bars.
- The quality of buildings is variable, there is a problem with litter and heavy traffic along the Uxbridge Road detracts from the environmental quality.
- In recent years, there have been environmental improvements with new lighting columns, hanging baskets, festive lightings and streetscape improvements are planned for both sides of Uxbridge Road, whilst an application for improvements to the Lidl forecourt area has been approved.

LB Hounslow

Hounslow

9.11 Hounslow is defined as a **metropolitan centre** in the London Plan. According to the data available, the position is as follows:

- Hounslow is located centrally in the borough and includes the Treaty and Blenheim shopping centres. It has excellent public transport links with two underground stations, a railway station and numerous bus routes.
- Rents are reasonable compared to other metropolitan centres in the area and vacancy is average at 10%.
- In 2006 there was a published demand for between approximately 16,300 and 30,000 sqm gross of retail and service floorspace.
- Asda provides a strong convenience anchor in the town centre and there is also a range of smaller convenience stores.
- The centre has a reasonable representation of national multiple retailers and anchor high street fashion stores, but there remains a strong qualitative deficiency since the visitor survey undertaken as part of the WLRNS 2006 identified a poor quality of shops and the number of large retail operators as clear deficiencies.
- Environmental quality is mixed and the buildings and street frontages decline in quality towards the periphery of the centre.

Chiswick

9.12 Chiswick is defined as a **major centre** in the London Plan. According to the data available, the position is as follows:

- Chiswick is located in the east of the borough and is served by two underground stations.
- The centre is healthy and performing well. Rents are high for a major centre and the vacancy rate is very low at 4%.
- In 2006 there was a published demand for between approximately 19,900 and 37,700 sqm gross of retail and service floorspace.
- There is a good representation of major convenience stores: with a large format Sainsbury's, a Waitrose store, a Sainsbury's Local, a Marks & Spencer and a Tesco Express.

- The centre primarily functions as an upmarket specialist destination with niche and boutique comparison shops supplemented by a limited number of national multiple retailers. There is also a mix of independent and multiple cafés, restaurants and bars.
- Chiswick is an attractive and well maintained centre with wide pavements, although the traffic on the High Road detracts from environmental quality.

Feltham

9.13 Feltham is defined as a **district centre** in the London Plan. According to the data available, the position is as follows:

- The centre is located in the south west of the borough. It is not within walking distance of any underground stations, but has a mainline train station and is accessible by bus.
- The centre is improving and the vacancy rate of 16% in 2006 reducing to 11% in 2009.
- In 2006 there was a published demand for between approximately 8,500 and 17,000 sqm gross of retail and service floorspace.
- The centre has a strong convenience offer, including, Asda, Tesco, Aldi and Lidl.
- The redevelopment of 'The Centre' in 2006 means that Feltham now has a relatively good comparison offer, including fashion retailers Next, New Look and Matalan. The Centre also includes new cafes and restaurants.
- Environmental quality is generally good and has been improved by the redevelopment but there is scope for improvement at the periphery of the centre.

Brentford

9.14 Brentford is defined as a **district centre** in the London Plan. According to the data available, the position is as follows:

- The centre is located in the east of the borough. There is an overground rail station around 5-10 minutes walk away and the centre is served by several bus routes.
- Vacancy is average at 10%.
- In 2006 there was a published demand for between approximately 9,000 and 16,900 sqm gross of retail and service floorspace.
- The convenience offer is limited to the Morrisons store.
- The range and choice of comparison goods is also limited, although there is good representation of services such as banks and cafes. The recent Brentford Lock development included a new bar and coffee shop.
- Environmental quality is mixed. There is heavy traffic on the high streets and a number of derelict buildings and run down shop frontages.
- The Brentford Area Action Plan was adopted in January 2009 and seeks a reduction of Brentford's town centre boundary and an additional 9,250 sqm gross of retail floorspace. The aim is to strengthen the offer of Brentford to meet the needs of the growing population.

LB Hammersmith & Fulham

Hammersmith

- 9.15 Hammersmith is defined as a **major centre** in the London Plan. According to the data available, the position is as follows:
- Before Westfield opened, the centre was the largest in the borough and includes the Broadway and Kings Mall shopping centres. It is well served by underground and bus, although congestion makes access by car difficult.
 - Kings Mall is over 30 years old and has a worn and dated exterior.
 - In 2006 there was a published demand for between approximately 15,600 and 32,400 sqm gross of retail and service floorspace.
 - Hammersmith is performing well, with high rents compared to other major centres in the three boroughs, and a fairly low vacancy rate of 7%.
 - The main foodstores are Tesco, Sainsbury's, Iceland and the foodhall in Marks & Spencer. The centre has a good range of national multiple retailers and a relatively strong fashion offer, although there is only one department store in the centre (Marks & Spencer).
 - Heavy traffic impacts negatively on the centre's environmental quality.

Fulham

- 9.16 Fulham is defined as a **major centre** in the London Plan. According to the data available, the position is as follows:
- Fulham is located in the south of the borough and includes the Fulham Broadway shopping centre. It is well served by underground and bus.
 - Rents are fairly high for a major centre and the vacancy rate is reasonable at 9%.
 - In 2006 there was a published demand for between approximately 14,800 and 32,500 sqm gross of retail and service floorspace.
 - There is a good range of convenience retailers, with Sainsbury's, Waitrose, M&S Simply Food, Somerfield and Iceland stores, as well as a cluster of specialist ethnic food shops.
 - There are some multiple outlets, including Monsoon, HMV and Boots, in the Fulham Broadway Shopping Centre. There is also a range of independent comparison stores and a strong leisure offer.
 - The retail offer includes the street market along North End Road, which sells a variety of goods.
 - Environmental quality varies throughout the centre. There is a high quality area around Vanstone Place but along North End Road, although the buildings appear well maintained, the heavy traffic creates a poor quality pedestrian environment. In particular, the stretch from Coomer Place to Lillie Road includes a number of poor quality properties.

Shepherds Bush

- 9.17 Shepherds Bush is defined as a **district centre** in the adopted London Plan, but the Draft Replacement London Plan proposes a change in designation to a **metropolitan centre**

following the opening of Westfield shopping centre. According to the data available, the position is as follows:

- Shepherd's Bush is within walking distance of several underground stations and an overground station as well as being well served by buses.
- Convenience provision includes the Morrisons and Waitrose foodstores alongside the smaller Sainsbury's Local and Marks & Spencer stores, and there are a range of specialist ethnic food shops.
- Since the WLRNS 2006 was published, the Westfield shopping centre has opened. This includes over 265 shops - both high street and designer brands - as well as a cinema, restaurants and cafes. The centre is now one of the main comparison shopping destinations in London.
- There is also a street market open Monday to Saturday selling a wide range of goods.

Household survey results

- 9.18 The household survey results provide detailed evidence of shopping patterns. In **Section 4**, the spending patterns derived from this household survey are described focusing on the comparison, convenience and food and drink spending patterns. Further data from the household survey are presented in **Appendix 5**. This data reveals specific gaps in retail provision and need for improved competition in specific locations.

LB Ealing

Comparison goods

- 9.19 Ealing metropolitan centre is dominant in the local zones achieving a comparison goods market share of 29.5% and a study area market share of 5.7%. But Ealing has suffered a decline in turnover since the opening of Westfield shopping centre and its market share is further at risk from developments in Brent Cross and Wembley and in the longer term Kingston-upon-Thames. Although there is no clear gap in provision, if there a continuing threat to Ealing's market share this may put at risk its competitive position in the longer term.
- 9.20 As noted above, Ealing has suffered a loss in turnover to Westfield. In respect of clothes and shoes shopping, the survey revealed that the reason for change was due to the choice and format of Westfield and its good accessibility. Thus unless Ealing responds to this challenge and provides a sufficient offer to continue to attract shoppers in the longer term, there is risk of a further decline in its market share.
- 9.21 Southall major centre has a particularly low market share in both the local zones (2.1%) and the wider study area (0.5%) and therefore there is a high amount of comparison expenditure leakage. Despite this, there is evidence that Southall has national/international significance in respect of specialist ethnic retailing. However, it still performs poorly against the market share of other major centres and its comparison turnover is actually lower than two other district centres in the LB Ealing (Acton and Greenford). There appears to be a clear gap in comparison shopping provision in Southall and this marries closely with the outputs of the WLRNS 2006 which revealed an

opportunity for more national multiples in the centre. Furthermore, it suggests there is an opportunity to improve the competitive position of Southall since the CLG practice guidance suggests that to remain competitive centres need a good mix of different types of multiple and independent retailers.

- 9.22 Acton and Greenford district centres are both performing relatively strongly in light of their status in the hierarchy. However, Hanwell has a very low market share achieving only 1% of the local zones comparison expenditure. Therefore, there is potentially a qualitative deficiency in Hanwell's comparison shopping offer given its position as a district centre in the hierarchy.

Convenience goods

- 9.23 Turning to convenience goods, stores in the LB Ealing zones retain some 60.8% of the zones' convenience expenditure. There is evidence of leakage to other larger stores in the surrounding zones, but this is due in part to the extent of overlapping catchments and is not necessarily an indicator of a gap in provision. The survey revealed that residents of LB Ealing undertook fewer linked trips between their main food shop and other shops and services compared to the other boroughs. This suggests that there is a qualitative opportunity to improve the levels of linked trip spending should new convenience floorspace be proposed in the borough.
- 9.24 If we include West Ealing, Ealing metropolitan centre has a good range of foodstores including a large Waitrose store, a Sainsbury's store and a smaller Tesco Metro and Marks and Spencer. The combined zonal market share of zones 5 and 6 (Hanwell/West Ealing and Ealing Broadway zones) is 65.5% and although there is potential to improve this market share, it is not at a critically low level. However, there could be an opportunity to improve the foodstore offer in the Ealing Broadway part of the centre in order to improve competition with the stores in West Ealing and encourage more linked trips.
- 9.25 The foodstore offer in Southall is limited to a small Somerfield and an Iceland store alongside a Lidl store. Consequently, there is convenience expenditure leakage to other stores and the Southall zone (zone 10) achieves a market share of just 20.8%. This is a clear cause for concern and there is a high amount of expenditure leakage to large out of centre stores. Consequently, and in light of its position in the hierarchy, there is a clear gap in foodstore provision in Southall.
- 9.26 Greenford benefits from a Tesco Metro store and although its zonal market share (zone 9) is less than 50%, its residents have access to the out of centre Tesco store in the Old Hoover Building. There are also a number of popular independent foodstores in the centre. The Tesco store has recently been granted permission for a small extension and refurbishment. Whilst there is no clear qualitative deficiency in the Greenford, there is potentially an opportunity for a new operator in the centre to increase competition with Tesco and to encourage linked trips. But any new operator should not jeopardise the role of the successful independent stores in the centre.
- 9.27 Acton is anchored by a Morrisons store and there is also a small Netto store in the centre. The zonal market share (zone 4) is just over 50% and this is due in part to overlapping catchment areas from Chiswick to the south. Although the evidence suggests that the

centre would benefit from investment, we find no clear qualitative foodstore deficiency. But any opportunities to improve the retention level of zone 4 and encourage linked trips should be treated positively.

- 9.28 Hanwell is limited to a Lidl store and independent outlets, including a range of specialist BME retailers. Indeed, we anticipate residents rely on nearby West Ealing for their main food shopping. Compared to the other district centres in the LB Ealing and other boroughs, Hanwell performs poorly in terms of foodstore provision. If the centre is going to maintain as a district centre, we consider that there is a qualitative opportunity for an improved foodstore offer.

LB Hounslow

Comparison goods

- 9.29 Hounslow metropolitan centre dominates local shopping patterns and achieves a local zone market share of 24.1%. But out of the three boroughs the borough of Hounslow suffers the highest level of expenditure leakage to out of centre destinations. Compared to Ealing, Hounslow has not suffered from the Westfield effect, which is likely to be due to the majority of the retail offer being at the budget end of the market. Indeed, we expect that the recent downturn in the economy has contributed to Hounslow's relatively strong performance. Although there is no clear gap in provision, in the longer term there is a threat to Hounslow's market share from growth in Kingston.
- 9.30 As mentioned above, the level of diversion from the Hounslow zones to Westfield is relatively small. However, of those residents that did shift their clothes and shoes spending from Hounslow to Westfield, the clear message was that Westfield offered a much better shopping environment and range of shops.
- 9.31 Both Chiswick major centre and Feltham district centre are performing well. They attract 8.6% and 6.6% of the local zones expenditure respectively. Chiswick has a good range of multiples and this is balanced with some niche and boutique style shops. This combination is attractive to shoppers and, combined with its good accessibility and pleasant environment, explains its successful performance. Feltham is also attracting a high market share and likely to be because of the improved range of comparison outlets provided in the redeveloped 'The Centre' in Feltham and any spin off benefits from this development. There is no clear qualitative deficiency in either centre, although we consider that there is an opportunity to build on the success of 'The Centre' in Feltham to improve the quality of the offer elsewhere in Feltham.
- 9.32 Brentford district centre achieves a relatively low market share of 2.1% of the local zones and is about a third of what is achieved by Feltham. This is reflective of the poor comparison offer in the centre and there is real qualitative deficiency and an opportunity to improve Brentford's retail offer.

Convenience goods

- 9.33 Stores in the LB Hounslow zones retain some 82.1% of its local expenditure. This is much higher than the other two boroughs and is a function of the large number of stores in

the borough. Therefore, on a borough wide level, there is no evidence of any gaps in provision. In general, the foodstore provision is dominated by Tesco superstores (particularly in the west of the borough), but there is also presence from Asda, Morrisons, Sainsbury's and Waitrose.

- 9.34 Hounslow metropolitan centre benefits from a large Asda store in the town centre. Foodstore provision is supplemented by a Marks and Spencer store and a Aldi store, with a Somerfield store in Hounslow West. Despite this foodstore offer, the local zone retention level is only 39.6%. The reason for this low level of retention is the combined effects from four surrounding out of centre Tesco stores (three Extra stores) at Bulls Bridge to the north west, at Syon Lane to the north east, Mogden Lane to the south east and Faggs Road (Feltham) to the south west. Although Asda provides an alternative offer in the town centre, the dominance of Tesco creates a qualitative need to improve the level of competition and a need to draw trade back into the town centre.
- 9.35 Chiswick major centre has a good foodstore provision with a large Sainsbury's store and a Waitrose store and the local zone retention level is high at over 80%. Therefore there is no clear gap in foodstore provision in Chiswick.
- 9.36 Feltham district centre benefits from a new Asda store (as part of 'The Centre' development) and a slightly smaller Tesco store. The local zone retention level is just over 60% and the expenditure leakage that does exist from this zone is travelling in the main to the nearby Tesco store on Faggs Road. As with Chiswick, there is no clear gap in foodstore provision in Feltham.
- 9.37 The foodstore provision in Brentford district centre is limited to a Morrisons store (former Somerfield) and the local zone retention level is only 38%. There is expenditure leakage to the large Tesco stores at Syon Lane and Mogden Lane. Consequently, there is evidence of a gap in foodstore provision within Brentford district centre and there is an opportunity to improve the foodstore offer and increase the propensity of linked trips.

LB Hammersmith & Fulham

Comparison goods

- 9.38 The unusual feature of comparison spending patterns in the LB Hammersmith and Fulham is that, in the local zones, Hammersmith and Fulham major centres are more dominant than Westfield. But when considering the study area as a whole, the Shepherd's Bush/Westfield turnover is much higher. Although Westfield has provided a large amount of comparison floorspace with a range of operators, the findings of the survey indicate that Westfield shopping centre has met a wider sub-regional need rather than a locally generated borough wide need.
- 9.39 In qualitative terms, the LB Hammersmith and Fulham experiences slightly different pressures to the LB Ealing and the LB Hounslow. There does not appear to be a clear gap in comparison provision since Westfield meets a higher order requirement. This is further evidenced by those who changed their clothes and shoes shopping to Westfield for the choice of shops and for accessibility reasons. Hammersmith and Fulham major centres are meeting a more mid-range high street provision.

- 9.40 The level of expenditure leakage is 56% and on its face this seems high. However, it should be borne in mind that the area benefits from excellent accessibility and the three main competing centres are Central London, Kensington High Street and Chelsea. This is not surprising given the clear overlapping catchments and indeed these centres offer a very similar offer as Westfield does already. We thus see no opportunity for any further claw back of trade.
- 9.41 The issue of whether there are any gaps in provision or any opportunities to improve competition focuses initially on whether there is an opportunity to improve the mix and choice of retail facilities in the borough. Since Westfield meets the higher order requirements at a sub-regional level, we consider there is a qualitative opportunity to invest in the existing retail stock and widen the range and choice of low and mid-ranking multiples that are affordable to all local residents.

Convenience goods

- 9.42 Stores in the LB Hammersmith and Fulham zones retain some 69.9% of expenditure. Much of the expenditure leakage is due to the extensive number of overlapping catchment areas in this part of London. Although the majority of convenience expenditure is absorbed by larger superstores and supermarkets, there is a reasonable amount of spending to other destinations such as smaller foodstores and independents.
- 9.43 Hammersmith major centre benefits from a Sainsbury's in Kings Mall and a Tesco Metro in the Broadway Centre. However, shopping patterns are dominated by the larger Tesco store on the edge of the centre along Shepherd's Bush Road. The retention level of the Hammersmith zone (zone 2) is 50.3% and the expenditure leakage that exists is diluted between a numerous stores in surrounding zones and is consequently a function of overlapping catchment areas. Although there is no clear gap in provision, there is potentially an opportunity to claw back expenditure and encourage linked trips with the town centre itself.
- 9.44 Fulham major centre benefits from a Waitrose and a Sainsbury's store in the centre and there is a further large Sainsbury's store located to the south of the centre at Townsmead Road. The local zone retention level (zone 1) is over 70% and in light of the overlapping catchment areas, this level of retention is healthy. Although there is no clear gap in provision, foodstore provision in the wider locality is dominated by Sainsbury's and there is a qualitative opportunity to improve choice in the centre. But this must not jeopardise the successful specialist shops identified as important in the 2006 health check work.
- 9.45 Shepherd's Bush is currently designated as a district centre but is recognised in the emerging London Plan as a metropolitan centre. The centre's foodstore provision is limited to a Waitrose store in Westfield shopping centre and a small Morrisons store. The zonal market share (zone 3) is relatively low at 34.8%. There is expenditure leakage to larger stores in neighbouring zones, such as the Tesco on Shepherd's Bush Road in Hammersmith and stores in Chiswick and Acton. In light of the centre's position in the hierarchy, there appears to be a gap for a new or expanded mid ranking foodstore that could accommodate more of the locally generated need and encourage linked trips between foodstore shopping and the historical Shepherd's Bush centre.

Trading performance

9.46 In Sections 6 and 7 on quantitative need, the trading performance of both comparison and convenience floorspace was assessed. Whilst no allowance was made for overtrading in the base year for the comparison goods assessment, a scenario was tested for overtrading for convenience goods (scenario B). Although it is not clear cut whether the level of overtrading experienced by the three boroughs represents a quantitative need, there are some clear qualitative messages that can be explored for both comparison and convenience floorspace. The outputs of this exercise are necessarily broad since, there would need to be a detailed examination of the stock of the floorspace to understand whether such overtrading represents a qualitative (or indeed quantitative need).

Comparison goods

9.47 The quantitative need assessment at Section 6 explored the turnover performance of the comparison floorspace in the three boroughs. It concluded that in general the centres are experiencing a high level of turnover and that is likely to be due to the high level of expenditure growth between 1992 and 2008 that was not met with any new floorspace development.

9.48 The assessment finds that although Westfield has relieved a demand for higher order floorspace, it has not relieved the pent up demand from mid-range high street operators. Consequently, this pent up demand is a further source of expenditure that could be used to support additional floorspace. However, due to the inherent uncertainty over the use of benchmarks, the credibility of the high levels of turnover in some centres and the study's long timeframe, the quantitative assessment assumes equilibrium in the base year.

9.49 Based on the survey results, there is evidence of overtrading of comparison floorspace and in qualitative terms, this is likely to be due to the constrained space in some centres and is generating a demand for new modern floorspace. The following broad conclusions can be drawn for each of the boroughs:

- **LB Ealing:** There is a high level of trading performance in Ealing, Acton and Greenford, but a much lower level in Southall and Hanwell. This indicates that there is a qualitative need to provide modern outlets to relieve the demand in Ealing and to encourage more investment in both Southall and Hanwell.
- **LB Hounslow:** The turnovers of Hounslow, Feltham and Chiswick are all relatively high but they do not present a clear qualitative concern in respect of a lack of choice. But the turnover of Brentford is particularly high and indicates that there is a qualitative need to improve the floorspace in the centre, although there is a possibility that the floorspace has been over-estimated.
- **LB Hammersmith and Fulham:** The turnover of Shepherd's Bush/Westfield is broadly in line with expectations and this is due to the high inflow allowance for the centre reflecting its sub-regional/regional role. The turnover of both Hammersmith and Fulham major centres is particularly high and indicates that there is further scope for investment in floorspace to deliver new floorspace that meets the choice of the wider community.

Convenience goods

- 9.50 The convenience assessment of quantitative need tests the trading performance of the existing floorspace against benchmarks and focuses on the turnover of the main foodstores in the three boroughs. This revealed that in aggregate all stores are overtrading at some 35% above company averages. This in part can be explained by higher operating costs in Greater London and the high per capita expenditure than the national average. However, this does not entirely explain the high level of turnover and consequently a separate scenario is tested that presents quantitative need based on incorporating an allowance for overtrading to support new floorspace.
- 9.51 In qualitative terms, the question of whether the overtrading of the foodstores represents a need is more difficult to justify. The CLG guidance is that the use of benchmarks should not be treated in isolation and to assess the overtrading position adequately there would need to be detailed evidence collected in respect of the trading performance of each store. This data would typically include regular surveys of queues and checkouts, levels of parking availability, the level of stock in the store, the layout of the store and the amount of store space. Consequently, it is only possible to draw broad conclusions on the overtrading by borough as follows:
- **LB Ealing:** Other than the Tesco Metro on Ealing Broadway, all of the main foodstores show a trading performance of between 46% and 60% above company averages. Any opportunities to relieve this overtrading and encourage an improved level of linked trips with town centres should be taken.
 - **LB Hounslow:** The stores in the west of the borough (surrounding Feltham) appear to be under trading, particularly the Asda in Feltham. This indicates that there is broadly an oversupply of foodstore floorspace. But this is balanced by some sharp overtrading centrally and in the east of the borough, principally in Chiswick and the two large Tesco Extra stores (Syon Lane and Mogden Lane). There thus appears to be a qualitative opportunity for improved foodstore provision in the west of the borough.
 - **LB Hammersmith and Fulham:** The turnovers of the stores in Shepherd's Bush/Westfield are broadly consistent with company averages. But there is evidence of overtrading in the stores in both Hammersmith and Fulham. Although we expect that this is in part due to the high accommodation costs and the high levels of per capita expenditure, there remains evidence of a qualitative need to improve the foodstore offer to relieve overtrading.
- 9.52 Although this evidence is necessarily broad, opportunities should be taken to relieve any evidence of overtrading within the three boroughs to improve choice and maintain the vitality and viability of town centres. In particular, it is important to ensure that there is an appropriate balance between larger foodstores and smaller outlets and independents. This matter is addressed in the recommendations at **Section 12**.

Index of multiple deprivation

- 9.53 CLG's practice guidance refers to location specific needs and specifically states that the Indices of Multiple Deprivation (IMD) provide useful measures of deprivation.

Furthermore, PPS4 affords more weight to qualitative deficiencies in deprived areas. It is important to understand the IMD for the local geography and its relationship with any qualitative deficiencies, such as a lack of access to certain shops or services.

9.54 The IMD 2007 is based on the small area geography known as Lower Super Output Areas (LSOAs) and is the most recent dataset available. Each LSOA has between 1,000 and 3,000 people living in it with an average population of 1,500 people. There are 32,482 LSOAs in England. The LSOA ranked 1 by the IMD 2007 is the most deprived, and that ranked 32,482 is the least deprived. Within each LSOA deprivation is measured by seven measures or indicators known as domains. These comprise:

- **Income deprivation:** this domain looks at, amongst other things, the proportion of people in Income Support Households or Child Tax Credit Households.
- **Employment deprivation:** this domain measures the involuntary exclusion of the working age population from the world of work.
- **Health deprivation and disability:** this domain identifies areas with relatively high rates of people who die prematurely or whose quality of life is impaired by poor health or who are disabled.
- **Education, skills and training deprivation:** this domain measures deprivation in educational attainment, skills and training for children, young people and the working age population.
- **Barriers to housing and services:** this domain measures 'geographical barriers' to housing and services, as well as 'wider barriers' which includes issues such as affordability.
- **Living environment deprivation:** this domain focuses on deprivation with respect to the characteristics of the local environment, both within and beyond the home.
- **Crime:** this domain measures the incidence of recorded crime for four major crime themes, thus representing the occurrence of personal and material victimization at a small area level.

9.55 These seven indicators are then weighted and aggregated into summary measures of deprivation. This data enables an assessment of both the borough-wide and zonal position.

Borough position

9.56 **Table 9.1** below shows the IMD score for each indicator and in total, and the average IMD rank of the three boroughs. Also shown are the national and London averages. This is graphically presented at **Appendix 11**.

Table 9.1 Borough-wide IMD position

	Income Score	Employment Score	Health Score	Education Score	Housing Score	Crime Score	Living Score	IMD Score	Average IMD Rank
LBE	0.2	0.1	0.0	10.5	33.7	0.5	33.8	25.0	12,435
LBHF	0.2	0.1	0.3	12.0	30.2	0.6	49.4	27.9	10,388

LBH	0.2	0.1	0.1	14.2	29.8	0.5	26.6	23.2	12,924
England Average	0.2	0.1	0.0	21.7	21.7	0.0	21.7	21.7	16,241
London Average	0.2	0.1	0.0	14.5	31.7	0.4	33.7	26.0	12,710

Source: The English Indices of Deprivation 2007

LB Ealing

- 9.57 The LB Ealing has an IMD score of 25 and is ranked 12,435th. England's average IMD score is 21.7 with an average ranking of 16,241 and therefore the LB Ealing, as a whole, is more deprived than the rest of the country but not by a significant amount. The LB Ealing score and ranking also makes it slightly more deprived than the rest of London which has an average IMD score of 26 and an average ranking of 12,710th.

LB Hounslow

- 9.58 The LB Hounslow's IMD score of 23.2 and ranking of 12,924th shows that it is slightly more deprived than the national average. However, the LB Hounslow is less deprived than the rest of London.

LB Hammersmith & Fulham

- 9.59 The LB Hammersmith & Fulham has an IMD score of 27.9 and a ranking of 10,388th. This means that the borough performs poorly in comparison with the national average and also shows higher level of deprivation than the rest of London.

Zonal position

- 9.60 **Table 9.2** below shows both the IMD scores and the IMD ranking for each of the survey zones in the study area. Also shown is the London average and the UK average.

Table 9.2 Zonal IMD scores and ranking

Zone	Income Score	Employment Score	Health Score	Education Score	Housing Score	Crime Score	Living Score	IMD Score	Average IMD Rank
Zone 1	0.2	0.1	0.0	10.5	27.5	0.7	48.0	23.1	12,903
Zone 2	0.2	0.1	0.2	10.5	31.2	0.3	51.4	26.1	10,888
Zone 3	0.3	0.1	0.6	16.4	32.5	0.7	47.9	35.9	6,650
Zone 4	0.2	0.1	0.2	8.0	33.5	0.6	39.1	27.1	10,881
Zone 5	0.1	0.1	-0.3	2.9	31.3	0.2	32.2	15.7	18,451
Zone 6	0.2	0.1	0.0	7.6	31.4	0.5	31.2	23.9	12,972
Zone 7	0.2	0.1	-0.3	8.3	35.2	0.2	24.5	19.5	15,127
Zone 8	0.3	0.1	0.1	21.3	36.0	0.7	42.0	32.8	8,218
Zone 9	0.2	0.1	0.2	12.6	32.9	0.4	29.9	25.8	10,783
Zone 10	0.3	0.1	0.6	18.1	37.5	0.6	32.4	35.1	6,822
Zone 11	0.2	0.1	0.3	13.3	32.4	0.4	24.7	26.4	10,498
Zone 12	0.2	0.1	0.2	29.0	26.5	0.4	25.6	25.6	10,727
Zone 13	0.2	0.1	0.2	31.0	29.1	0.6	24.8	28.1	10,323
Zone 14	0.2	0.1	0.0	7.1	28.9	0.4	28.7	20.6	14,245

Zone 15	0.2	0.1	-0.1	7.9	30.2	0.2	23.9	19.4	15,816
Zone 16	0.2	0.1	0.4	15.8	30.6	0.8	27.2	29.3	9,518
Zone 17	0.1	0.1	-0.4	4.3	28.0	0.5	31.7	16.0	18,091
Zone 18	0.1	0.1	-0.8	6.5	18.8	0.2	30.8	13.5	21,110
Zone 19	0.1	0.0	-1.4	2.1	14.5	-0.1	32.0	8.9	25,416
Zone 20	0.1	0.1	-1.3	4.3	15.0	-0.2	27.5	9.4	25,337
Zone 21	0.1	0.1	-1.1	8.0	15.3	-0.3	21.3	11.3	23,391
Zone 22	0.1	0.1	-0.9	17.9	20.5	0.0	19.4	12.1	21,974
Zone 23	0.2	0.1	-0.2	30.2	27.0	0.6	25.2	23.8	11,727
Zone 24	0.2	0.1	0.0	22.1	26.2	0.2	26.0	24.1	11,351
Zone 25	0.2	0.1	0.1	22.9	25.9	0.6	20.6	25.5	11,412
Zone 26	0.2	0.1	-0.5	8.4	23.3	0.0	19.4	15.5	18,783
Zone 27	0.3	0.1	0.2	14.8	41.6	0.7	36.5	33.7	7,730
Zone 28	0.3	0.1	0.0	12.1	43.0	0.6	53.4	35.0	7,687
Zone 29	0.1	0.1	-1.4	6.6	41.9	0.0	53.0	19.1	15,795
Zone 30	0.1	0.1	0.0	9.1	22.4	0.2	40.7	19.1	16,557
England Average	0.2	0.1	0.0	21.7	21.7	0.0	21.7	21.7	16,241
London Average	0.2	0.1	0.0	14.5	31.7	0.4	33.7	26.0	12,710

Source: The English Indices of Deprivation 2007

Deprived areas and access to services

LB Ealing

- 9.61 Zone 10 (Southall) has an IMD score of 35.1 and a ranking of 6,822. This compares poorly with the rest of country which has an average score of 21.7 and a ranking of 16,241. This evidence, coupled with the poor access to shopping services in Southall (as evidenced in Section 4) means there is a clear location specific qualitative need in Southall and sites in this areas should be given priority.

LB Hounslow

- 9.62 Zones 16 and zone 13 have an IMD score of 29.3 and 28.1 and a ranking of 9,518 and 10,323 respectively. Compared to the national average and the rest of London, these two centres have a high level of deprivation and this is also the case when compared to the rest of London.
- 9.63 Brentford district centre is located in zone 16 and as evidenced in Section 4 there is an apparent gap in retail provision in this centre and a high amount of expenditure leakage. Consequently, there is a qualitative need for an improved retail offer in Brentford to meet the needs of the local population.
- 9.64 Feltham district centre is located in zone 13 and benefits from a recent redevelopment in the form of 'The Centre'. Consequently, there is no clear quantitative need connected with the access to services in this centre.

LB Hammersmith & Fulham

- 9.65 Zone 3 has a score of 35.9 and a ranking of 6,650 and compared to the national and London wide perspective, this area suffers high levels of deprivation. The dilemma with Shepherd's Bush is that the new Westfield shopping centre provides an excellent range of shops and facilities. However, as explained above, the survey reveals that Westfield performs a more sub-regional/regional shopping role and consequently the needs of the local population have not necessarily been met.
- 9.66 Furthermore, there is also evidence that would support additional foodstore provision in the centre. For these reasons, there is a qualitative need to meet more typical day to day shopping services (i.e. low and mid ranking comparison operators and potentially a new larger foodstore) to meet the needs to this relatively deprived area.

Assessment of qualitative considerations

- 9.67 The qualitative assessment is necessarily limited to the extent of available information. Since it is such a subjective concept, there is potentially further data that the individual boroughs could collect in order to supplement this assessment. However, based on the data that is available and that has been analysed, there are some interesting qualitative factors evident. The qualitative considerations are now examined separately for each borough.

LB Ealing

- 9.68 The qualitative analysis reveals the following:
- i) There is an opportunity to improve the retail offer in Ealing metropolitan centre responding to competition and to relieve the high trading performance of the existing floorspace.
 - ii) There is a clear qualitative opportunity for a retail led development in Southall that reduces expenditure leakage (comparison and convenience expenditure), yet ensures that the role and function of specialist retailers is maintained.
 - iii) The comparison and convenience offer in Hanwell is not fulfilling its district centre role and consequently there is a qualitative opportunity for growth in both sectors.
 - iv) There is evidence of a qualitative opportunity for improved competition between foodstores, relieving overtrading and encouraging a higher level of linked trips in the Ealing Broadway part of Ealing metropolitan centre and Greenford and Acton.

LB Hounslow

- 9.69 The qualitative analysis reveals the following:
- i) There is an opportunity to improve the quality of the retail offer in Hounslow metropolitan centre in order to respond to longer term competition and to claw back some of the expenditure lost to out of centre destinations.
 - ii) There is a qualitative opportunity to relieve the overtrading of foodstores in the east of the borough in order to encourage competition and linked trips.

- iii) There has already been a recent marked improvement to Feltham district through the redevelopment of 'The Centre' but there is also a qualitative opportunity to improve the offer at the periphery of the town centre.
- iv) There is a clear qualitative need for an improved retail offer in Brentford and it is noted that this has already been planned for in the Brentford AAP that aims to improve the range of retail outlets and intensifying the retail uses in the centre.

LB Hammersmith and Fulham

9.70 The qualitative analysis reveals the following:

- i) The Westfield shopping centre has substantially improved the retail offer in the borough and has met a higher order regional/sub-regional need.
- ii) There remains a qualitative need for improved comparison retail offer than provides investment across the borough geared towards accommodating mid-low ranking typical high street floorspace to respond to competition and relieve the high trading performance of the existing floorspace.
- iii) In respect of foodstores, there is an opportunity for an extended or new larger foodstore in Shepherd's Bush in order to relieve overtrading elsewhere in the borough and reduce expenditure leakage.
- iv) The outdoor markets in Fulham and Shepherd's Bush provide an important local shopping function for these areas and are a clear qualitative benefit of the centres.

10 ASSESSMENT OF FOOD AND DRINK USES

Quantitative methodology

- 10.1 In assessing food and drink uses (including the evening economy) and specifically spending in A3, A4 and A5 outlets. The spending growth on food and drink is presented at Section 3, whilst the 2009 spending patterns are presented at Section 4. The methodology adopts a similar approach to the retail exercise. However, less data is available on levels of expenditure growth or the turnover of outlets, partly because the range of A3, A4 and A5 uses account for a number of different formats from high quality restaurants to take-away outlets. Therefore, the quantitative outputs are thus necessarily indicative.
- 10.2 The step by step approach is as follows:
- **Steps 1-3:** assess the scale of expenditure growth in the study area up to 2031 (described in detail at **Section 3**);
 - **Step 4:** assess spending patterns (described in detail at **Section 4**) in order to understand the turnover performance of the centres in the study area;
 - **Step 5:** make allowance for 'claims' on the growth in retained expenditure as a result of:
 - commitments to new floorspace (either schemes under construction or extant permissions that would result in additional retail floorspace);
 - sales density growth (that is the growth in turnover for existing retailers within existing floorspace);
 - **Step 6:** calculate the initial residual expenditure pot which is potentially available for new A3-A5 floorspace;
 - **Step 7:** apply an estimated sales density (turnover per sqm gross) to convert this expenditure to a quantitative need for additional floorspace.
- 10.3 In the same way that an allowance is made in the retail sector for existing operators to improve their sales density, it is reasonable to assume that some of the growth in available food & drink expenditure should be directed to existing operators (to allow them to grow their business, re-fit their premises, and so on). Unlike in the retail sector, however, there is a dearth of published advice on what proportion of expenditure growth in the food & drink sector should be ring-fenced for existing operators. In the absence of firm guidance, half of the growth in food and drink expenditure has been allocated to existing restaurants and pubs/bars.
- 10.4 To convert residual expenditure to an indicative floorspace requirement, the average turnover of all A3, A4 and A5 floorspace in the three boroughs is used. This is a gross figure and equates to £8,065 per sqm in 2009 and is subsequently increased by 50% of the expenditure growth rate used to the forecast years (as explained in the above paragraph).

Quantitative outputs

- 10.5 The quantitative outputs can be found at Tables 83 to 89, **Appendix 12**.

Three boroughs combined

- 10.6 The indicative level of quantitative need (gross floorspace) for the three boroughs and each borough individually is presented in **Table 10.1**.

Table 10.1 Borough wide quantitative need for A3, A4 and A5 uses

	2011	2016	2021	2026	2031
LBE (gross sqm)	745	4,783	10,873	17,190	24,540
LBH (gross sqm)	610	3,630	8,621	13,799	19,823
LBHF (gross sqm)	790	6,089	12,546	19,243	27,035
Total (gross sqm)	2,145	14,502	32,039	50,232	71,398

Source: Table 87 Appendix 12 (all figures presented are cumulative)

- 10.7 This demonstrates that across the three boroughs, there is scope by 2021 for over 32,000 sqm gross of additional A3, A4 and A5 floorspace. In normal circumstances, it is expected that this floorspace would be developed alongside a retail led scheme to form a mix of uses. However, there may be scope for a small amount of this growth to be achieved through the change of use of existing premises.
- 10.8 The indicative A3, A4 and A5 quantitative need for individual centres are now set out, based on constant market shares. Consequently a degree of caution should be noted since the centres with the largest existing provision will attract the highest quantitative need.

LB Ealing centres

- 10.9 The quantitative need for individual centres in LB Ealing is presented in **Table 10.2**.

Table 10.2 Quantitative need for A3, A4 and A5 uses in LBE centres

	2011	2016	2021	2026	2031
Ealing (gross sqm)	383	916	4,048	7,298	11,078
Southall (gross sqm)	65	503	1,037	1,590	2,234
Acton (gross sqm)	97	746	1,538	2,359	3,314
Hanwell (gross sqm)	24	185	382	586	823
Greenford (gross sqm)	62	481	991	1,519	2,135

Source: Table 88, Appendix 12 (all figures presented are cumulative)

- 10.10 Ealing has the highest quantitative need with over 4,000 sqm of gross A3, A4 and A5 uses by 2021. There are also notable levels of need for Acton and Southall due to the existing provision attracting further expenditure growth.

LB Hounslow centres

- 10.11 The quantitative need for individual centres in LB Hounslow is presented in **Table 10.3**.

Table 10.3 Quantitative need for A3, A4 and A5 uses in LBH centres

	2011	2016	2021	2026	2031
Hounslow (gross sqm)	147	1,134	2,336	3,582	5,033
Feltham (gross sqm)	66	509	1,048	1,607	2,258
Chiswick (gross sqm)	240	1,848	3,807	5,839	8,204
Brentford (gross sqm)	31	-842	-591	-331	-29

Source: Table 90, Appendix 12 (all figures presented are cumulative)

- 10.12 This shows Chiswick as the centre with the highest quantitative need in LB Hounslow, achieving a quantitative need of over 3,800 sqm gross of A3, A4 and A5 uses by 2021. This is due to the considerable offer already within Chiswick driving its high market share. It is notable that Brentford shows a negative quantity due to an existing commitment absorbing the growth of expenditure available. However, for Brentford we anticipate further growth in A3, A4 and A5 uses could be achieved alongside other retail uses.

LB Hammersmith and Fulham centres

- 10.13 The quantitative need for individual centres in LB Hammersmith and Fulham is presented in **Table 10.4**.

Table 10.4 Quantitative need for A3, A4 and A5 floorspace in LBHF centres

	2011	2016	2021	2026	2031
Shepherd's Bush (gross sqm)	249	1,917	3,950	6,059	8,512
Hammersmith (gross sqm)	178	1,376	2,835	4,349	6,110
Fulham (gross sqm)	257	1,984	4,088	6,270	8,808

Source: Table 89, Appendix 12 (all figures presented are cumulative)

- 10.14 Broadly speaking, the quantitative need for A3, A4 and A5 uses is distributed equally between the three centres in the borough. Fulham achieves the highest quantitative need in 2021 of just over 4,000 sqm gross, which is likely to be due to the good existing offer in and around the centre.

Qualitative outputs

- 10.15 Using the assessment in **Section 9**, we have identified the key qualitative factors in food and drink sectors (i.e. the evening economy). In particular, we note that:
- i) The provision of food and drink outlets in the three boroughs is generally good, especially in the larger centres.
 - ii) In recent years, the sector has strengthened with new provision in the Westfield shopping centre (Shepherd's Bush), the Blenheim Centre Phase 1 (Hounslow) although no units have been let, 'The Centre' (Feltham) and the Brentford Lock development.

iii) In Hanwell (LBE), several units have been converted from A2 uses such as banks to restaurants and bars, meaning that it now has a much more limited services offer.

10.16 These comments show that although, technically, there is a substantial quantitative requirement for additional A3, A4 and A5 floorspace, there is already a good offer in the main centres. Consequently we anticipate that the majority of additional 'food and drink' development will be alongside new retail development to form mixed use developments. In addition, there is also scope to use some of the quantitative need identified to improve the quality of the existing offer, in particular in relatively deprived areas.

11 NEIGHBOURHOOD CENTRES ASSESSMENT

- 11.1 The terms of reference for this study require an assessment of the role and function of smaller centres in the hierarchy and to provide a policy basis to support a future policy approach for smaller centres. This study does not undertake a detailed assessment of each centre individually but considers the role of all centres in aggregate and highlights areas where each borough may wish to undertake their own more detailed research.

Existing policy position and research

- 11.2 There are 34 neighbourhood centres across the three boroughs, listed in **Table 11.1**.

Table 11.1 Neighbourhood centres in West London

Borough	Centre name	Borough	Centre name
Ealing	East Acton*	LBHF	East Acton*
	Northfields		Bloemfontein Road
	Northolt		Uxbridge Road West
	Perivale		Uxbridge Road East
	Pitshanger		Edwards Wood Estate
	South Ealing		Askew Road
	Sudbury Hill		Goldhawk Road
	Park Royal		Shepherds Bush Road
	West Way Cross		Blythe Road
	Hounslow		Hounslow West
Bedfont		North End Road (West Ken)	
Old Isleworth		Greyhound Road	
Heston		Munster Road	
Cranford		Fulham Palace Road Central	
Hanworth		Fulham Road West	
Isleworth		Fulham Road	
		Parsons Green	
		Wandsworth Bridge Road North	
		Wandsworth Bridge Road South	

*East Acton centre is split by the Borough boundary, with half falling in LBHF and half in LBE

- 11.3 The role and function of the neighbourhood centres is controlled by existing policies in the adopted UDPs for each borough. For LBE, the Ealing UDP (2004) includes policies that:
- Restrict new shopping or town centre uses to the centres identified in the shopping hierarchy. (Policy 7.2)

- Resist changes to a non-shopping use unless there would be no adverse effects on nearby housing, the local environment or traffic. (Policy 7.7)
- Resist the loss of A1 floorspace within Designated Shopping Frontages. (Policy 7.4)
- Seek to resist the loss of shops serving their area alone (Policy 7.5)

11.4 For LBH, the Hounslow UDP (2003) includes policies that:

- Resist changes of use from retail within primary frontages. (Policy S.1.2)
- Resist changes from retail within secondary frontages which would harm the character of the centre. (Policy S.1.3)
- Allow changes from retail within the main shopping areas but outside primary and secondary frontages. (Policy S.1.4)
- Protect shops and services within minor neighbourhood centres. (Policy S.2.1) and potentially allow non retail uses where the impact of the loss of retail units is considered acceptable, a shop window display is provided and amenity and accessibility is considered suitable.
- Direct new retail floorspace to town centres, then edge of centre sites and then minor and major neighbourhood centres (Policy S.3.1)

11.5 For LBHF, the Hammersmith & Fulham UDP (2003; amended 2007) includes policies that:

- Retain and improve accommodation suitable for A class uses. (Policy SH1)
- Restricts non-retail frontage, especially A3 class, within Key Local Shopping Centres. (Policy SH3)

Methodology for collecting data

11.6 In order to assess the neighbourhood centres, data specifying the occupants of each unit was collected within each centre as defined by the boroughs' respective development plans. The data for the LB Hammersmith & Fulham was provided by the Council from their Local Centre Frontage Monitoring (November 2008). The data for the LB Hounslow was also provided by the Council - mainly from surveys carried out spring / summer 2008, although that for Bedfont and West Hounslow was from 2009. The data for Ealing was collected through site visits.

11.7 Using this data enables each neighbourhood centre occupant to be assigned a Use Class. This includes dividing A1 uses into convenience, comparison and service uses. This formed the basis of our analysis on the diversity of uses as set out below. Certain units were identified as providing key retail and service facilities. These formed the basis of the analysis to present an audit of services as set out below. The floorspace was obtained using our own internal GIS system and measured units based on the addresses and uses provided.

Diversity of uses

- 11.8 Lists of the existing businesses within the neighbourhood centres in each of the three boroughs were compiled. These are based on a combination of data held by the boroughs and by means of site visits. This data was then collated and interrogated in order to produce a diversity of uses table for each neighbourhood centre (attached at **Appendix 13**) and for each borough.
- 11.9 As one would expect, A1 uses dominate the neighbourhood centres throughout the study area. Over the three boroughs there are a total of 1,424 businesses in neighbourhood centres and 53% are in the A1 use class, of which comparison retailing makes up 21%, convenience 18% and services 14%. This demonstrates that comparison retailing is a slightly more dominant than other uses. A2 class units make up 11% and A3 class 10%, again a surprisingly high proportion although it is worth noting that these are mainly cafés rather than restaurants.
- 11.10 Comparison uses are only 'more important' in terms of the number of units and floorspace. However, they are not necessarily more important in terms of footfall, turnover, rents and vitality and viability in the wider sense.
- 11.11 When looked at in terms of floorspace, the dominance of A1 is even clearer - 75% of the total. Comparison shopping makes up 57%, representing a high proportion for neighbourhood centres, with convenience making up 12% and services 6%. A2 and A3 both make up 6% of the total floorspace.
- 11.12 The level of vacancy in the study area is around 6% of units, half the UK average of 12%, or 3% of floorspace - compared to the UK average of 10% (Source: Experian 2009 Navteq 2008). Most vacant units are small, with a couple of exceptions - the average size of a vacant unit is 84 sqm - and generally they are individual units in a row of shops, rather than clusters.

LB Ealing

- 11.13 **Table 11.2** below shows the diversity of uses in the neighbourhood centres in the LB Ealing, a total of 487 businesses.

Table 11.2 Diversity of uses of neighbourhood centres in LB Ealing

Use Class	Units	Percentage	Floorspace (sqm)	Percentage
A1 Convenience	75	15.4%	10,684	16.8%
A1 Comparison	111	22.8%	22,945	36.2%
A1 Service	82	16.8%	6,844	10.8%
A2	59	12.1%	6,803	10.7%
A3	45	9.2%	3,075	4.8%
A4	9	1.8%	1,081	1.7%
A5	42	8.6%	2,609	4.1%

B1	3	0.6%	226	0.4%
D1	20	4.1%	3,465	5.5%
D2	3	0.6%	2,367	3.7%
Sui Generis	20	4.1%	2,084	3.3%
Vacant	18	3.7%	1,279	2.0%
TOTAL	487	100.0%	63,460	100.0%

Source: RTP site visits 2009

- 11.14 This shows that the majority, 55%, are A1 class. Within this, the proportion of comparison units (22%) is similar to that of the study area as a whole (21%) and convenience is slightly less than the study area (15%). A1 service uses are above the study area average at 17%. A2 services make up 12% of businesses, similar to the study area average.
- 11.15 Viewed in terms of floorspace, the picture in Ealing is noticeably different. A1 uses make up 64% of floorspace, comparison accounting for 36%, and services lower at 11%. Another notable difference is D2 uses, which makes up only 0.6% of the number of units (three in total) but 4% of floorspace - this is due largely to the Boots Wellbeing Centre in Westway, which has 1,776 sqm of floorspace).
- 11.16 The vacancy rate is only 4% of units (2% of floorspace). They are all small units, average size 71 sqm, and mainly isolated, with the exception of one row of four on South Ealing Road.

LB Hounslow

- 11.17 **Table 11.3** below shows the diversity of uses in the neighbourhood centres in the LB Hounslow, a total of 321 businesses.

Table 11.3 Diversity of uses of neighbourhood centres in LB Hounslow

Use Class	Number	Percentage	Floorspace (sqm)	Percentage
A1 Convenience	73	22.7%	10,096	28.5%
A1 Comparison	48	15.0%	6,265	17.7%
A1 Service	41	12.8%	2,841	8.0%
A2	47	14.6%	4,347	12.3%
A3	27	8.4%	2,974	8.4%
A4	6	1.9%	1,070	3.0%
A5	19	5.9%	1,437	4.1%
C1	1	0.3%	125	0.4%
C3	13	4.0%	971	2.7%

D1	14	4.4%	1,686	4.8%
Sui Generis	15	4.7%	1,765	5.0%
Vacant	17	5.3%	1,791	5.1%
TOTAL	321	100.0%	35,371	100.0%

Source: LBH surveys 2008

- 11.18 This shows the diversity of uses in Hounslow neighbourhood centres. Slightly over half of these, 51%, are A1 class, of which convenience retailing makes up 23%, comparison 15% and A1 services 13%. This shows a pattern consistent with what one would expect from neighbourhood centres, with convenience shopping dominating over comparison. The next most common use class after A1 is A2, representing 15%.
- 11.19 When viewed in terms of floorspace the figures tell a similar story; the only difference of note is that both comparison and convenience shopping make up a greater proportion (18% and 29% respectively), although A1 services are lower at 8%, meaning total A1 space makes up a similar proportion at 54%.
- 11.20 Vacancy stands at 5% of all units, or 6% of floorspace. The average vacant unit size is 105 sqm, easily the largest of the three Boroughs; however this figure is distorted by one unit, the 471 sqm 328-330 Bath Road in Hounslow west. Without this unit, the average unit size is 83 sqm, much closer to the study area average. Although mainly isolated units, Hanworth neighbourhood centre has a very high vacancy rate - a small centre of only thirty-four units, six of which are vacant. Of those six, three are over 100 sqm of floorspace and stand in a row - 14, 16 and 18a Hampton Road West. Overall, Hanworth has 20% vacant floorspace.

LB Hammersmith & Fulham

- 11.21 **Table 11.4** below shows the diversity of uses in the neighbourhood centres in the LB Hammersmith and Fulham, a total of 616 businesses.

Table 11.4 Diversity of uses of neighbourhood centres in LBHF

Use Class	Number	Percentage	Floorspace (sqm)	Percentage
A1 Convenience	115	18.7%	12,061	21.9%
A1 Comparison	134	21.8%	11,607	21.1%
A1 Service	79	12.8%	6,355	11.5%
A2	47	7.6%	4,505	8.2%
A3	76	12.3%	6,063	11.0%
A4	11	1.8%	1,801	3.3%
A5	33	5.4%	2,364	4.3%
B1	14	2.3%	1,102	2.0%

D1	20	3.2%	2,528	4.6%
Sui Generis	35	5.7%	2,530	4.6%
Vacant	51	8.3%	4,192	7.6%
TOTAL	616	100.0%	55,109	100.0%

Source: LBHF Local Centre Frontage Monitoring 2008

- 11.22 This shows the diversity of uses in the LB Hammersmith and Fulham neighbourhood centres. Again more than half are A1 class, 53%, of which comparison retailing makes up 22%, the highest proportion of all the boroughs, convenience 19% and A1 services 13%. The next most common use class after A1 is A3, making up 11%, again the highest proportion of all the boroughs. LB Hammersmith & Fulham also has a notably lower proportion of A2 professional services than the other two boroughs (8%); viewed in terms of floorspace the data tells a similar story.
- 11.23 The LB Hammersmith & Fulham has the highest vacancy rate of the three boroughs, although still better than the UK average, at 9% of units or 8% of floorspace. The vacant units are overwhelmingly small ones, with an average size of 82 sqm, although there are two notable exceptions - the former Queen Adelaide pub in Uxbridge Road West (268 sqm); and 63-65 Goldhawk Road (177 sqm), a triple unit formerly an opticians. Vacancies are spread fairly evenly throughout the centres, although three centres have a particularly high rate, namely Fulham Palace Road (16% of floorspace); Goldhawk Road (15% of floorspace) and Uxbridge Road West (14% of floorspace).

Turnover of neighbourhood centres

- 11.24 To assess the level of spending in neighbourhood centres, a straightforward three-step process was undertaken. The detail of this exercise is presented in Tables 90 to 96 at **Appendix 14**. The process is summarised as follows:
- **Step 1:** Establish spending according to the survey for comparison and convenience goods, and food and drink spending in A3, A4 and A5 outlets.
 - **Step 2:** Obtain floorspace data for the neighbourhood centres, disaggregated into A1 comparison and convenience and A3-A5 uses.
 - **Step 3:** Apply a benchmark sales density to the floorspace to establish a benchmark turnover.
- 11.25 It is unlikely that spending on neighbourhood centres will be accurately captured by a household survey. Therefore, we have used the outputs of the household survey alongside a benchmark turnover exercise to assess spending to neighbourhood centres. The output of this exercise for each borough is presented in **Table 11.5**.

Table 11.5 Spending in neighbourhood centres

Borough	Comparison - survey derived (£m)	Comparison - benchmark (£m)	Convenience - survey derived (£m)	Convenience - benchmark (£m)	A3-A5 - survey derived (£m)	A3-A5 - benchmark
LBE	37.1	48.7	30.8	24.5	66.9	56.2
LBH	8.8	13.4	22.3	30.8	57.9	44.2
LBHF	24.1	23.6	36.9	22.5	57.3	80.4

Source: Table 96, Appendix 14

11.26 This data is shown in aggregate as the survey derived data is less reliable when individual centres are assessed. This exercise demonstrates the following:

- For comparison spending, the survey derived turnover appears to be an under-estimate compared to a benchmark turnover for all boroughs other than the LB Hammersmith and Fulham.
- For convenience spending, the survey derived turnover appears to be an over-estimate compared to benchmarks for the LB Ealing and the LB Hammersmith and Fulham, but an under-estimate for the LB Hounslow.
- For the spending in A3-A5 outlets, the turnover derived from the survey is an over-estimate for all boroughs other than the LB Hammersmith and Fulham.

11.27 Given number of local characteristics surrounding each neighbourhood centre, it is not possible to assess whether the level of spending is appropriate for each individual centre. It is only possible to assess this position on an aggregate basis for the boroughs based on the proportion of spending compared to the overall survey derived turnover of the centres and stores in each borough.

- **LB Ealing:** of the expenditure spent in Ealing centres, spending in neighbourhood centres represents some 6.7% of the comparison expenditure, 7.5% of convenience expenditure and 18.6% of A3-A5 expenditure.
- **LB Hounslow:** of the expenditure spent in Hounslow centres, spending in neighbourhood centres represents some 1.3% of the comparison expenditure, 5.7% of the convenience expenditure and 16.0% of A3-A5 expenditure.
- **LB Hammersmith & Fulham:** of the expenditure spent in Hammersmith and Fulham centres, spending in neighbourhood centres represents some 3.5% of the comparison expenditure, 5.6% of convenience expenditure and 16.2% of A3-A5 expenditure.

11.28 In most of the categories, the proportion of expenditure spent in smaller centres is broadly similar. This indicates that the neighbourhood centres are fulfilling their role. The one exception is the LB Hounslow where the proportion of comparison expenditure (either survey derived or benchmark) is particularly low. Comparison goods floorspace typically is directed to larger centres due to the critical mass and the desire for choice. However, some local comparison floorspace is desirable to contribute to vital and viable neighbourhood centres, such as health and beauty shops, hardware shops, gifts shops and other service orientated retail outlets.

- 11.29 On this basis, it is recommended that the LB Hounslow resists further changes of key uses in the neighbourhood centres and actively promotes small scale retail growth in neighbourhood centres to meet locally derived needs.

Audit of services

Approach

- 11.30 To assist with the consideration of neighbourhood centres, an audit of the key services has been undertaken. This assists by providing a snap shot of the 'score' in respect access to local services.
- 11.31 The first step in assessing local provision is to consider access to key local retail and service facilities. Whilst there is no clear definition of such facilities in Annex B of PPS4, we consider that in order to meet the needs of local residents, each of the neighbourhood centres should contain at least most of the following:
- a food or convenience store;
 - a bank;
 - a Post Office;
 - a newsagent;
 - an off licence;
 - a takeaway;
 - a café or restaurant;
 - a public house;
 - a bookmakers;
 - a launderette;
 - a hairdressers; and
 - a chemist or pharmacy.

- 11.32 The above list of uses derives, in part, from the typology of centres contained in Annex B of PPS4. Informed by the land use audits of 34 neighbourhood centres (and Park Royal [LBE] and BBC Media Village [LBHF]), we have recorded the frequency for which each use occurs in each of the centres and then weighted them as follows, according to our own judgment of their value in catering for local needs:

Category 1 - Services least important to the function of neighbourhood centres.

- Hairdresser / beauty salon
- Bookmakers
- Takeaway
- Opticians
- Gift shop / florists

Category 2 - Services with mid-level importance to the function of neighbourhood centres

- Bank
- Off licence
- Launderette / dry cleaners
- Café / restaurant
- Public house
- Specialist convenience stores (e.g. health food stores, delicatessens)
- DIY / Hardware store
- Dentists
- Doctor's surgery

Category 3 - Services most important to the function of a neighbourhood centres.

- Foodstore
- Butchers, bakers, greengrocers etc. (independent or chain)
- Newsagent
- Chemist / Pharmacy
- Post office

11.33 Thus, we consider that the five uses in the category one should score 1 point, the nine uses in category two 3 points and the five uses in category three 5 points each. A centre will also score higher if there is more than one occurrence of each use.

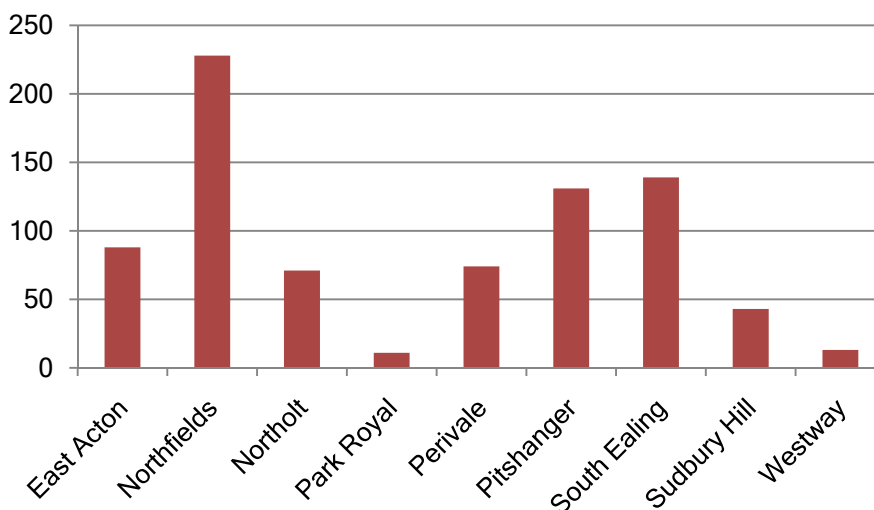
11.34 In order to prevent some centres achieving disproportionately high scores as a result of the proliferation of uses such as takeaways, hairdressers and specialist convenience outlets, these three use categories have been weighted, so that the maximum achievable score is 10. The full analysis is contained at **Appendix 15**.

Findings

LB Ealing

11.35 The analysis of local provision is presented in **Figure 11.1**.

Figure 11.1 Ealing neighbourhood centres



11.36 The centres most meeting local needs are Northfields and South Ealing, with scores of 228 and 139 respectively. Although the highest scorer overall, in Northfields there is a notable lack of some of the key services (no Post Office; no bank; only one newsagent) made up for by large numbers of Category 2 services, most notably 20 cafés / restaurants. South Ealing, by comparison, scores lower but includes a broader balance of services (including a Post Office and a bank), although it lacks either a doctor’s surgery or a dentist.

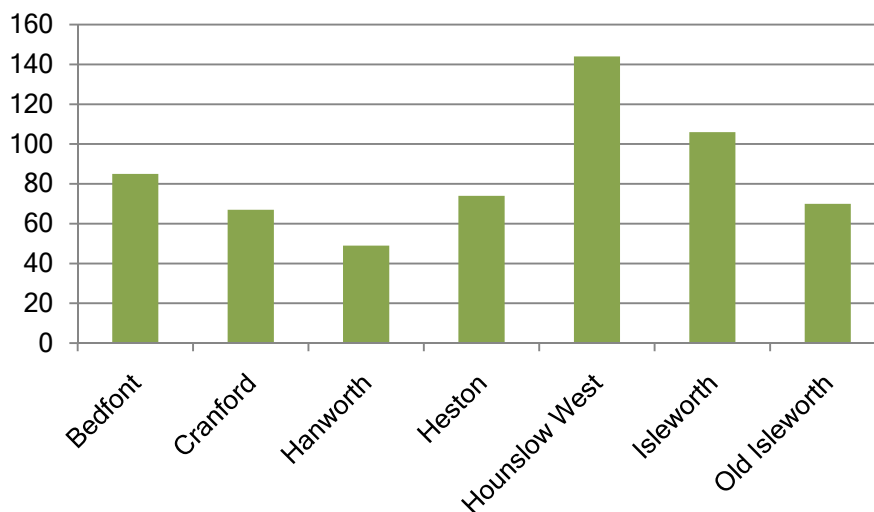
11.37 At the other end of the scale, those centres which we consider are weakest in meeting local needs are Park Royal and Westway with scores of 12 and 13 respectively. However:

- Park Royal's low score is misleading because it is anchored by an Asda superstore, which although only counting for one foodstore in terms of the audit would in fact provide a range of other uses, as well as acting as an anchor to attract other businesses to the centre in the future.
- Westway's low score is no surprise since it is effectively a retail park rather than a neighbourhood centre in the accepted sense - namely a centre catering to the everyday shopping and services needs of local residents compared to Westway that is predominantly a comparison goods shopping destination.

LB Hounslow

11.38 The analysis of local provision is presented in **Figure 11.2**

Figure 11.2 Hounslow neighbourhood centres



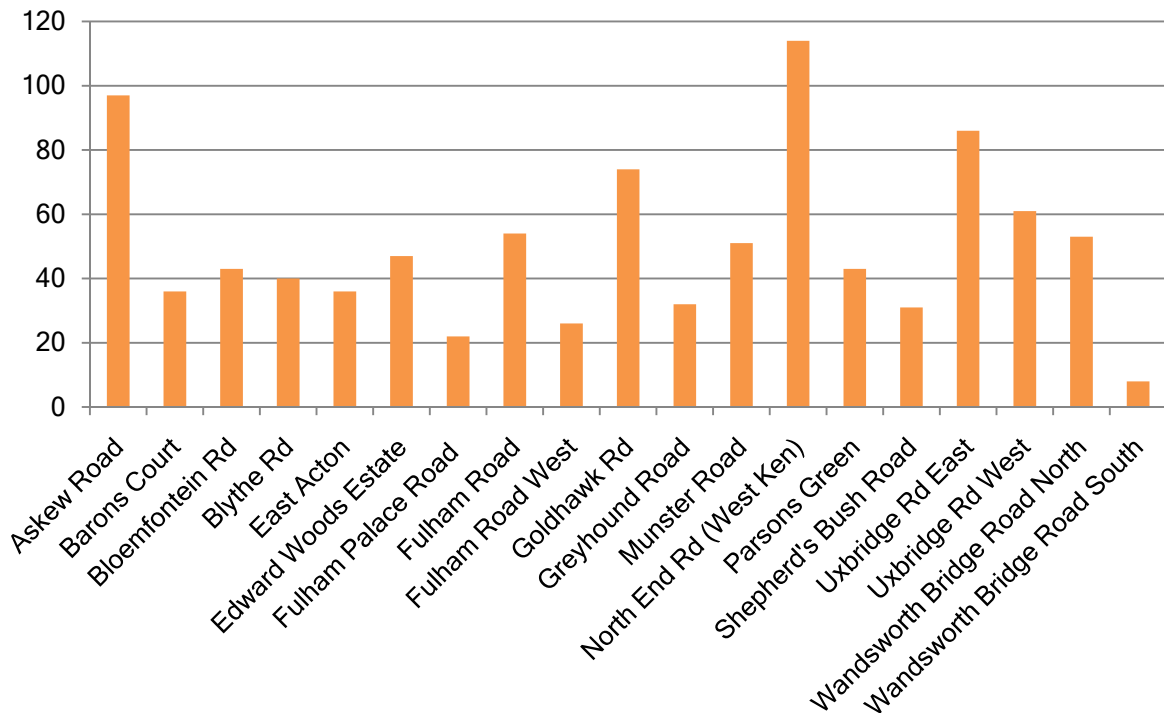
11.39 This shows that the centres best meeting local needs are Hounslow West and Isleworth, achieving scores of 144 and 106 respectively. Hounslow West, although performing well, does however lack some important services, most notably a Post Office or a doctor's surgery. Isleworth has a broader balance of services, but again lacks a doctor's surgery. In fact there is only one surgery in all of Hounslow's neighbourhood centres.

11.40 The centre which we consider is least meeting local needs is Hanworth with a score of 49. As discussed above, Hanworth is a small centre with 20% vacant floorspace - clearly it is not performing in terms of vitality and viability, nor is it serving local needs as a neighbourhood centre should. It should be noted, however, that Hanworth contains the only doctor's surgery in Hounslow's neighbourhood centres.

Hammersmith & Fulham

11.41 The analysis of local provision is presented in **Figure 11.3**.

Figure 11.3 LB Hammersmith & Fulham neighbourhood centres



11.42 This shows that the centres best meeting local needs are North End Road and Askew Road, with scores of 114 and 97 respectively. North End Road in particular is a good example of a functioning neighbourhood centre, although it does lack a Post Office and a Doctor's surgery. If East Acton is analysed as one centre it scores 124, however the part within Hammersmith & Fulham scores only 36.

11.43 Those centres which this exercise shows as least meeting local needs are Wandsworth Bridge Road South and Fulham Palace Road with scores of 8 and 22 respectively. Wandsworth Road South especially does not seem to merit neighbourhood centre status, containing only two units falling into the three categories; it does however include a Post Office, which very few of even the best performing centres do.

Study area

11.44 Overall, the centres most meeting local needs in West London are Northfields, Hounslow West and South Ealing with scores of 188, 144 and 139 respectively. Those centres least meeting local needs are Wandsworth Bridge Road South, Park Royal and Westway with scores of 8, 11 and 13 respectively. However it is important to note that Westway, although designated a neighbourhood centre, is a retail park and thus does not (and is not expected to) provide key retail and service facilities to local residents.

11.45 On average, the LB Hounslow is the best performing borough with an average score of 85.0 - marginally better than the LB Ealing's average of 84.2. The LB Hammersmith and Fulham perform significantly worse, averaging 47.6. The average score over the study area as a whole is 63.6.

- 11.46 It is acknowledged that this or any local provision audit can be a somewhat rudimentary measure of local provision, since there are a number of other factors which must be taken into consideration when assessing the adequacy of such facilities. In particular:
- i) the physical size of a neighbourhood centre will restrict the scale and nature of the shops and services which can be offered by a particular centre;
 - ii) the local provision index does not take into account the proximity of nearby centres or freestanding shops and services which may be located outside the neighbourhood centre boundary, but still within walking distance for local residents;
 - iii) the audit does not take into account how a centre is perceived by residents and the overall quality of shops and services and the quality of the environment; and that
 - iv) the relative accessibility of each centre will be an important factor in determining how people use local shops and services.

Conclusions on neighbourhood centres

Study Area

- 11.47 Across the study area there is generally more comparison than convenience units in neighbourhood centres. This is a slightly unusual finding in that the prime purpose of most neighbourhood centres is to serve local convenience needs. Vacancy rates are very low, about half the national average, which is good news for the performance of the centres especially in the current climate where vacancy is increasing.

LB Ealing

- 11.48 Overall the LB Ealing centres are performing well, especially Northfields, South Ealing and East Acton (when taken as one centre, is also one of the best performing). There may be reason to consider promoting one or more of these in the hierarchy of centres; however East Acton could prove difficult due to its location spread across two boroughs.
- 11.49 Park Royal and Westway are the two most notable badly performing centres. However both can be considered 'exceptions' since Park Royal is anchored by an Asda superstore; and Westway is a retail park with a different function from the usual neighbourhood centre.
- 11.50 Generally, Policy 7.2 (restricting town centre uses to the centres identified in the hierarchy) and Policy 7.7 (resisting changes to a non-shopping use) appear to be working - the neighbourhood centres are performing well and appear to serve their local areas effectively.

LB Hounslow

- 11.51 LB Hounslow is performing well, in terms of the centre audit it is the strongest of the three and the neighbourhood centres are performing consistently well. However, on the other hand there is evidence that the amount of comparison spending in the neighbourhood centres is low and service orientated retail uses in the comparison sector should be promoted or protected.
- 11.52 There are no obvious candidates for either promotion up the hierarchy or removal. However, Hanworth does not appear to be adequately serving its local area. Other than

the limited comparison offer, the performances of the centres suggest the current policies are working to maintain centres that serve a local need.

LB Hammersmith and Fulham

- 11.53 The LB Hammersmith & Fulham is the worst performing of the three boroughs. Despite the strong performances of North End Road and Askew Road, the performance of the neighbourhood centres in LBHF is mixed. There are strong performances for North End Road and Askew Road, but less well performing centres at Wandsworth Bridge Road South and Fulham Palace Road. LB Hammersmith and Fulham is the only borough with more convenience than comparison shopping in its neighbourhood centres.
- 11.54 The LB Hammersmith & Fulham has many more designated neighbourhood centres (identified as key local shopping centres in the UDP) than the other two boroughs. It is understood that as part of the LDF process the hierarchy is being reviewed and some centres are being redesignated as lower tier 'neighbourhood parades' and others as 'satellite parades' linked to the town centres.

12 CONCLUSIONS

- 12.1 This section draws together the key quantitative and qualitative needs for each borough and our work on neighbourhood centres. The approach taken advises on how each borough should consider the study findings when preparing documents within their respective Local Development Framework (LDF).

Context

- 12.2 In Section 2 above, the policies for local authorities in PPS4 are outlined in respect of planning for centres, promoting competitive town centres and selecting sites for new town centre uses. PPS4 provides detailed policies and guidance on the approach local planning authorities should adopt for each of these issues. In the context of this study's findings, the following steps are set out:

- Define a hierarchy of centres and outline choices about which centres could accommodate any identified need for growth in town centre uses (Policy EC3.1b.i).
- Plan for a strong retail mix so that the range and quality of the comparison and convenience offer meet the requirements of the local catchment area, recognising that smaller shops can significantly enhance the character and vibrancy of a centre (Policy EC4.1b).
- Identify a range of sites to meet the need for additional town centre uses and allocate sufficient sites in DPDs to meet at least the first five years of identified need (Policies EC5.1 and EC5.5).

- 12.3 Close attention to PPS12 is also required. PPS12 includes the test of soundness by which each Council must demonstrate that (a) its chosen strategy is the most appropriate when considered against reasonable alternatives and (b) the chosen strategy is effective and deliverable.

Need for additional floorspace

- 12.4 PPS4 requires local authorities to take account of both the quantitative and qualitative need for retail and leisure development. From a quantitative perspective, this study has tested a number of different scenarios. In each case there is an acknowledgement of the difference in presentation of floorspace need figures between the Experian GLA data which is based on gross floorspace figures and the WLRNS 2006 data which provides net floorspace figures. There are also variations on the different sales densities applied to residual expenditure.
- 12.5 Planning policy cannot usefully respond to a number of different outputs or monetary values. Thus we recommend that a single scenario is used when formulating policy, but with cross reference to the detail and flexibility in the evidence base. Our suggested courses of action for both comparison and convenience floorspace use the aspirational market shares (scenario C for both assessments) and the single food and drink commercial leisure scenario. The convenience assessment relies on the quantitative need for the supermarket outputs. We consider this approach to be fully justified since it results

in the boroughs planning positively for economic growth in the plan period. However, should any one of boroughs wish to use alternative outputs, then there is no reason why the policy neutral constant market shares approach or even the declining market share approach under adjusted market shares could not be used. However, in our view the latter of these options is inconsistent with the spirit of PPS4. In respect of the overtrading scenario for convenience goods, this should be treated with caution.

- 12.6 As explained above, the outputs for comparison and convenience goods floorspace for some of the centres are based on a 'front loading' process that increase the market share earlier in the study timeframe than under constant market shares and reduce expenditure leakage. To achieve this increase in market share, a development of a sufficient scale will need to be planned for in order to achieve a step change in shopping patterns to reduce expenditure leakage.
- 12.7 The estimated need for additional floorspace set out below is presented to 2021 since beyond this date the quantitative outputs are necessarily indicative. PPS4 requires local authorities to allocate sites to meet at least the first five years of need. However, in our experience, major town centre developments (particularly comparison led schemes) can take up to 10 years to come to fruition and consequently it is likely to be necessary to rely on 10 years worth of expenditure growth to provide a critical mass of floorspace to enable developments to be delivered. Therefore our conclusions are based on a quantitative need to 2021, but there is no reason schemes cannot come forward if there are strong qualitative factors in support of proposals in the plan.
- 12.8 The quantitative need figures for 2021 for each borough are set out in Table 12.1 below. These figures allow for firm development commitments within the three boroughs.

Table 12.1 Summary of quantitative need to 2021 (sqm gross floorspace)

Borough	A1 comparison	A1 convenience	A3, A4, A5 uses (indicative)
LBE	70,000	10,700	10,900
LBH	67,700	9,000	8,600
LBHF	79,600	7,600	12,500

- 12.9 This quantitative need is for additional floorspace. As explained throughout the study, more weight is afforded to the projections to 2021 rather than later dates. However, indicative quantitative need figures up to 2031 are available within the appendices.
- 12.10 In respect of qualitative factors that are now awarded the same weight as quantitative need in PPS4. Specifically, the assessment has found the following:
- i) There is an opportunity to improve the retail offer in Ealing metropolitan centre responding to competition and to relieve the high trading performance of the existing floorspace.
 - ii) There is a clear qualitative opportunity for a retail led development in Southall that reduces expenditure leakage (comparison and convenience expenditure), yet ensures that the role and function of specialist retailers is maintained.

- iii) The comparison and convenience offer in Hanwell is not fulfilling its district centre role and consequently there is a qualitative opportunity for growth in both sectors.
 - iv) There is evidence of a qualitative opportunity for improved competition between foodstores, relieving overtrading and encouraging a higher level of linked trips in the Ealing Broadway part of Ealing metropolitan centre and Greenford and Acton.
 - v) There is an opportunity to improve the quality of the retail offer in Hounslow metropolitan centre in order to respond to longer term competition and to claw back some of the expenditure lost to out of centre destinations.
 - vi) There is a qualitative opportunity to relieve the overtrading of foodstores in the east of the borough (LBH) in order to encourage competition and linked trips. There has already been a recent marked improvement to Feltham district through the redevelopment of 'The Centre' but there is also a qualitative opportunity to improve the offer at the periphery of the town centre.
 - vii) There is a clear qualitative need for an improved retail offer in Brentford and it is noted that this has already been planned for in the Brentford AAP that aims to improve the range of retail outlets and intensifying the retail uses in the centre.
 - viii) The Westfield shopping centre has substantially improved the retail offer in the borough (LBHF) and has particularly met a higher order regional/sub-regional need.
 - ix) In the LBHF there is a qualitative need for improved comparison retail offer that provides investment across the borough geared towards accommodating mid-low ranking typical town centre format floorspace to respond to competition and relieve the high trading performance of the existing floorspace.
 - x) In respect of foodstores, it is possible to consider an opportunity for an extended or new larger foodstore in Shepherd's Bush in order to relieve overtrading elsewhere in the borough and reduce expenditure leakage.
 - xi) The outdoor markets in Fulham and Shepherd's Bush provide an important local shopping function for these areas and are a clear qualitative benefit of the centres.
- 12.11 It will be down to the LDF process to consider the most appropriate destination for the quantitative and qualitative need for additional floorspace. It is our preference to provide floorspace outputs on a macro basis (i.e. borough-wide) and then consider holistically the most appropriate destination for growth taking into account the existing provision, accessibility and the availability of sites. Importantly, PPS4 provides further flexibility in selecting sites by allowing material considerations to be considered such as physical regeneration or employment benefits. As a guide, the quantitative need has been disaggregated by centre.

Hierarchy of centres

- 12.12 The London Plan (and the emerging London Plan in the case of Shepherd's Bush) establishes the hierarchy of the larger centres for the three boroughs. Importantly, other than international centres, metropolitan centres are at the top of the hierarchy in Greater London. This is as follows:
- Metropolitan centres: Ealing, Hounslow and Shepherd's Bush

- Major centres: Southall, Chiswick, Hammersmith and Fulham
 - District centres: Acton, Greenford, Hanwell, Feltham and Brentford
- 12.13 The proposed elevation of Shepherd's Bush to a metropolitan centre is entirely justified since the Westfield development has changed shopping patterns significantly within and beyond the borough. Shepherd's Bush is now a major higher order shopping destination serving the West London sub-region.
- 12.14 Southall (LBE) is a major centre in the hierarchy, yet it is performing very poorly and there is a clear quantitative and qualitative need. Furthermore, the evidence of deprivation in this area means that more weight should be afforded the need for new retail floorspace in this centre. This has in part been recognised and the LDF Development Strategy for the LB Ealing has introduced the potential for a town centre boundary change to facilitate development. Should no successful redevelopment take place during the plan period, then LB Ealing may wish to consider its re-designation. This matter is elaborated on further within the recommendations for each of the individual boroughs.
- 12.15 This study has not undertaken a comprehensive assessment of the role and function of the centres of the hierarchy. But using the findings and especially the trade draws in this study, the boroughs may wish to consider the district centre status of the following centres:
- Feltham: does the development of 'the Centre' justify an elevation of the centre in the hierarchy?
 - Hanwell: does the limited trade draw of this centre justify the relegation of this centre in the hierarchy?
- 12.16 Further detailed work on the role and function of these two centres is necessary before these two questions can be answered fully. For example, we are conscious of the potential boundary changes for Hanwell in the LDF Development Strategy for the LB Ealing
- 12.17 In respect of other centres in the hierarchy, based on the material collected we consider that Ealing and Hounslow fulfil the role of metropolitan centres, that Chiswick, Hammersmith and Fulham all fulfil the roles of major centres and Acton and Greenford both fulfil the roles of district centres. Although we have expressed concern over the role of Brentford as a district centre, the adopted Area Action Plan directs growth to the centre and we see no reason why it should not adequately fulfil its district centre role once the AAP is implemented.
- 12.18 Our assessment of neighbourhood centres points to the following:
- LB Ealing: consider the elevation of Northfields, South Ealing or East Acton in the hierarchy and consider whether Park Royal and Westway properly fulfil the role of neighbourhood centres.
 - LB Hounslow: consider in further detail whether Hanworth is properly fulfilling its role as a neighbourhood centre and promote and protect service orientated comparison outlets (i.e. health and beauty, hardware stores etc...)

- LB Hammersmith and Fulham: consider whether the number of designated neighbourhood centres is appropriate and potentially re-designate some of the poorer performing centres. (NB It is understood that this is taking place in the LDF process)

12.19 The suggestions for neighbourhood centres are necessarily broad since no detailed assessment of the role and function of these centres has been undertaken. Our conclusions are based on a broad brush audit. Where we suggest an elevation in the hierarchy, we are not necessarily advocating that the centres are elevated to a district centre level in the London-wide hierarchy. Rather, the boroughs in question may wish to undertake further work that considers the individual circumstances for the centres in their borough and whether a two tier approach is appropriate for smaller centres.

Emerging LDF policy

12.20 The LDF progress for each borough is as follows:

- LB Ealing: The issues and options and initial proposals consultation has been undertaken on the Core Strategy. There is currently a commitment to regenerate and provide further retail floorspace in Ealing, Acton and Southall.
- LB Hounslow: The Brentford AAP already exists and supports growth in the centre. The issues and options consultation has been undertaken on the Core Strategy with a consideration of retail floorspace growth in Hounslow consistent with its metropolitan status
- LB Hammersmith and Fulham: The preferred options consultation has been undertaken on the Core Strategy, with retail provision considered appropriate in locations such as the wider White City Opportunity Area, in Hammersmith town centre and in the West Kensington, Earls Court and the North Fulham regeneration area (focused on regenerating the town centre).

12.21 This retail needs update study has been prepared part way through the preparation of development plan documents for all boroughs, albeit that LB Hounslow has an adopted DPD for Brentford in the form of an Area Action Plan. Consequently, when framing recommendations, we have limited our consideration to how further detail can be introduced into DPDs which are actively under progress and to provide data and other evidence for other DPDs that have yet to be commenced.

LDF implications

12.22 In general terms, there remains a significant quantitative need and specific qualitative factors that support policy for additional town centre floorspace to 2021 and beyond. The risk of not taking positive policy action in West London is that competition from nearby centres will contribute to polarisation - i.e. large centres get larger and small centres decline.

12.23 Whilst the opening of the Westfield shopping centre has significantly increased the higher order shopping facilities, there remains a quantitative and qualitative need to improve the shopping facilities throughout the study area. The network of centres should provide a

range of town centre floorspace to meet the needs of the local communities in the three boroughs.

- 12.24 Clearly any options for redevelopment are dependent, amongst other matters, on site availability. There are two approaches that can be considered for future DPDs:
- i) Site redevelopment: If there are suitable sites available, opportunities should be supported and actively pursued to provide modern floorspace and thus facilitate investment in town centres.
 - ii) Qualitative improvements: If, following an exhaustive search, it is evident that no suitable sites, or an insufficient number, exist, then qualitative improvements should actively be considered. Such measures would include making improvements to the environment, taking advantage of historic assets, providing visitors with a safe and accessible town centre environment and ensuring a mix of uses to serve the boroughs' residents. Such measures can encourage local residents to use their local town centre more often. Mechanisms could include Business Improvement Districts (as used successfully in Ealing and Kingston-upon-Thames), Local Development Orders and measures to improve street furniture and appearances.
- 12.25 Even if option (i) above is feasible, we consider that option (ii) should also be actively promoted for all centres and we are aware of a number of different local initiatives that emerged from the WLRNS 2006. Promoting successful town centres is a key facet of PPS4 and local authorities should plan positively to protect and enhance the vitality and viability of centres.
- 12.26 The following paragraphs draw out the key quantitative and qualitative implications which arise from the study and which each borough should particularly consider as they prepare their LDF documents. As the preferred options for centres and development sites evolve, more detailed impact testing of growth might be necessary to ensure that any impact on existing centres is appropriate.

LB Ealing

- 12.27 The LDF process for LB Ealing should:
- i) Ensure that development plan documents respond positively to a quantitative need for 70,000 sqm gross of comparison floorspace and 10,700 sqm gross of convenience floorspace in the borough by 2021 and thus improve the borough's market shares.
 - ii) Consider the scope for accommodating up to 10,900 sqm gross of A3, A4 and A5 floorspace, either individually or as part of mixed used developments, or improve the existing A3, A4 and A5 offer.
 - iii) Thoroughly assess the town centre sites available to support the scale of floorspace identified at (i and ii) including measures to ensure that:
 - a. Higher order comparison goods floorspace is provided in Ealing to meet its qualitative deficiencies (including the absence of a department store) and to ensure that the centre responds to competition from Westfield and an extension to Brent Cross.

- b. Investment is secured in Southall (and the Gas Works scheme implemented) to provide adequate access to additional comparison and convenience floorspace in this deprived area (according to IMD data) and to ensure that it fulfils its function as a major centre.
- c. Encouragement is given to the development of additional comparison and convenience floorspace within the centres of Acton, Hanwell and Greenford to meet the local needs of these centres.
- iv) Actively engage with landowners in the main centres in order to assess the potential for growth to 2021 and investigate the potential use of the borough's compulsory purchase powers to bring forward town centre schemes.
- v) For Ealing metropolitan centre, investigate alternative solutions to the Arcadia Centre extension and/or alternative sites applying flexible design principles in order to:
 - a. Deliver new modern units of up to a total of 32,400 sqm gross of comparison floorspace by 2021 (under an improved market share scenario) or deliver a scheme of a sufficient critical mass to ensure a viable development and the qualitative deficiencies of the centre are addressed.
 - b. Improve and develop the retail circuit, ensuring sufficient connectivity and integration between the different elements of the centre.
- vi) For Southall major centre, secure the regeneration and future role of the centre by:
 - c. providing a mix of retail uses providing some 15,500 sqm gross of comparison floorspace and 5,800 sqm gross of convenience floorspace by 2021 (i.e. the gas works scheme) or,
 - d. should the Gas Works scheme not proceed and no other options for town centre development present themselves in the plan period, then consider re-designation of Southall to district centre.

LB Hounslow

12.28 The LDF process for LB Hounslow should:

- i) Ensure that development plan documents respond positively to a quantitative need for 67,700 sqm gross of comparison floorspace and 9,000 sqm gross of convenience floorspace in the borough by 2021 and thus improve the borough's market shares.
- ii) Consider the scope for accommodating up to 8,600 sqm gross of A3, A4 and A5 floorspace, either individually or as part of mixed used developments, or improve the existing A3, A4 and A5 offer.
- iii) Thoroughly assess the town centre sites available to support the scale of floorspace identified at (i and ii) including measures to ensure that:
 - a. Investment is secured in Hounslow to deliver modern retail floorspace and investigate a potential revision to the stalled Blenheim Stage 2 scheme to ensure that the centre fulfils its metropolitan role in light of competition.

- b. Consider town centre sites in Chiswick, in particular the scope for any intensification of land uses and modernisation of the existing stock of floorspace.
 - c. Assess the scope for Feltham to build on the success of the 'Centre' and, in particular, opportunities to regenerate and consolidate the peripheral parts of the centre through the development of new floorspace.
- iv) Resist further major out of centre floorspace due to the borough having the highest proportion of out of centre spending and identify sequentially preferable sites within or on the edge of town centres to try and claw back trade.
- v) In Hounslow metropolitan centre, investigate innovative solutions to town centre sites in order to provide an improvement to the quality of the retail offer in the centre and in order to:
- a. Deliver new modern units of up to 30,500 sqm gross of comparison floorspace by 2021 (under an improved market share scenario) or a scheme of a sufficient critical mass to ensure a viable development and the qualitative deficiencies of the centre are addressed.
 - b. Attain integration between the existing retail uses, including the Blenheim Phase 1 and improve the centre's environment quality.
- vi) Actively promote the implementation of the Brentford Area Action Plan and, if necessary, revise the Plan to ensure its deliverability to secure a sufficient scale of development consistent with its district centre status. In this respect it should be noted that the quantitative need for Brentford under the improved market share scenario supports the aspirations for growth in the AAP.

LB Hammersmith and Fulham

12.29 The LDF process for LB Hammersmith and Fulham should:

- i) Consider carefully the estimated quantitative need for 79,600 sqm gross of comparison floorspace in the borough by 2021 to maintain the borough's market share and the estimated 7,600 sqm gross of convenience floorspace by 2021 to improve the borough's market share.
- ii) Consider whether there is a need for accommodating an indicative 12,500 sqm gross of A3, A4 and A5 floorspace, either individually or as part of mixed used developments and/or improve the existing A3, A4 and A5 offer.
- iii) Assess the town centre sites available to support the scale of estimated floorspace identified at (i and ii) and consider the need for measures that:
 - a. allow Shepherd's Bush to build on the success of Westfield shopping centre and associated linked trips spending in order to regenerate and revitalise the historic element of the centre and to help address the levels of deprivation near the centre.
 - b. consider the implications of possible provision of further convenience shopping in Shepherd's Bush in order to draw trade away from out of centre locations and enhance Shepherd's Bush's function as a metropolitan centre.

- c. consider the scope, in the major centres of Hammersmith and Fulham and other designated centres in order to provide further high street floorspace at an appropriate scale and to meet locally generated needs.
- iv) For Shepherd's Bush metropolitan centre, consider the appropriate mix of town centre uses, such as lower order retail uses or leisure and office uses that complement Westfield and are commensurate with the centre's position as a metropolitan centre.
- v) Take into account the identified qualitative need for further low and mid ranking comparison floorspace to meet the needs of the local population, consider locations where additional floorspace of an appropriate scale could be accommodated and, when identifying sites, bear in mind material considerations, such as employment benefits or physical regeneration opportunities, as well as accessibility and traffic impact.

Monitoring

- 12.30 This update study provides a set of floorspace requirements for the next 21 years, albeit with the caveat that limited weight should be afforded to the final ten years of this timeframe. To establish whether the requirements for new floorspace (by type) are being met, the Councils should monitor:
- Planning permissions (amount, type and location)
 - Completions (amount, type and location)
 - Changes of use that occur without the need for express permission
- 12.31 The conclusions and suggested potential implications for LDFs set out in this report may need to be adjusted in the future due to changing market conditions, demographic changes and the impact of developments elsewhere. This is especially the case if and when an extension to Brent Cross opens. The recommendations may also need to be adjusted if the standard assumptions which have been adopted, such as those relating to expenditure growth and e-tailing, change significantly. Thus monitoring is needed not only of changes in town centre development 'on the ground' but also of the assumptions that underlie this retail needs study update.
- 12.32 Finally, we are aware that the population projections, particularly for the LB Hammersmith and Fulham and the LB Ealing are likely to be an underestimate of the true or likely position. This potentially could influence the scale and location of our zonal population projections and thus if there are substantial changes in population projections, then we suggest a review of both the quantitative outputs and the recommended strategies within this study.

GLOSSARY OF TERMS

Benchmark turnover: turnover of a store if it were to trade at the company average.

Base data: this is the expenditure and population data provided by our preferred data supplier, which for this assessment is PBBI/OE and the data is from 2007 in 2007 prices.

Base year: the start year for any quantitative analysis; normally the year a household survey is undertaken.

Catchment area: this is an area where a centre or store attracts most of its trade.

Claw back: this is a catchment area's expenditure that is currently spent outside a catchment, but is encouraged to be spent within a catchment through the development of new floorspace.

Comparison spending: spending on non-food items such as clothing, furniture and electrical goods for which some comparison is normally made before purchase.

Convenience spending: spending on everyday items such as food, newspapers and drinks, which tend to be purchased regularly.

Design year: this is a year 12 months following the opening of new retail floorspace when shopping patterns have settled down and impact can be assessed.

Forecast year(s): these are the year(s) when growth is forecast and is used to inform policy options

Gross floorspace: the gross external floorspace area of a shop, including storage space and ancillary office space

Inflow: this is expenditure generated from beyond a study area/catchment area that is spent in centres/stores within the study area/catchment area.

Linked trip: Combining a visit to a supermarket with a trip to use other shops and services in the town/district/local/village centre.

Leakage: this is expenditure within a study area/catchment area that is spent outside the study area/catchment area.

Market share: this is the proportion of study area/catchment area's expenditure spent in a centre or store, expressed as a percentage.

Net floorspace: the sales floorspace of a store, which is defined as the area where members of the public have access.

Net to gross ratio: the amount of sales floorspace vis-à-vis the total gross external floorspace of the store

Outflow: this is expenditure generated from a study area/catchment area that is spent in centres/stores beyond study area/catchment area boundary

Overtrading: the amount of turnover in excess of a company benchmark turnover

Per capita expenditure: amount of money per annum spent on a category of goods by one person

Per capita expenditure growth per annum: annualised real growth in spending (using constant prices)

Price base: the base year of the expenditure data used, which is constant at 2007 prices in this study

Quantitative need: this is need for additional floorspace based on available expenditure in a given area and growth in expenditure from per capita expenditure growth and population growth.

Qualitative need: this is a subjective concept connected with the distribution and choice of retail floorspace.

Sales density: the turnover per sqm of net floorspace achieved by retail floorspace

Sales density growth: the annualised percentage growth in turnover of existing floorspace

Special forms of trading: non-retail spending, including via the internet, mail order, stalls and markets, door-to-door and telephone sales.

Study area: this is the area where a study of shopping patterns is based upon; it is normally divided into zones.

Trade draw: this is geographical location development draws its trade from; it could be specific centres of zones depending on the methodology

Trade diversion: the amount of turnover diverted from existing floorspace to a new development

Under trading: the amount of turnover below a company benchmark turnover