



Local Development Framework

Retail and Town Centre Capacity Study

Position Statement

November 2010

1.0: Introduction

- 1.1: The London Borough of Merton has appointed Nathaniel Lichfield and Partners (NLP) to complete a Retail and Town Centre Capacity Study update.
- 1.2: The purpose of this study is to consolidate Merton's existing retail and town centres evidence and studies, which have been used to inform policies in the emerging Local Development Framework (LDF). It is also intended to update capacity forecasts taking account of the current economic climate.
- 1.3: The following summary sets out details of work on the forthcoming Retail and Town Centre Capacity Study undertaken in 2010 on the emerging findings at this point in the study.
- 1.4: This position statement does not set out final conclusions or recommendations as the study has yet to be finalised.

2.0: Background

- 2.1: There is a considerable amount of existing regional and local research (including primary research) which supports Merton's Local Development Framework, including:
- 2.2: *Regional evidence:*
 - GLA Town Centre Health Check (2009);
 - Mayor of London – London Office Policy Review (2009);
 - Mayor of London – The Consumer Expenditure and Comparison Goods Retail Floorspace Need in London (2009);
 - Mayor of London – Managing the Night Time Economy Best Practice Guidance (2007).
- 2.3: Please use the following link to access these regional evidence base documents: <http://www.london.gov.uk/priorities/planning/research-reports/technical-research-reports>.
- 2.4: *Local evidence:*
 - Merton's Economic and Employment Land Study (2010): incorporates non-B uses;
 - Merton's Annual Monitoring Report (2010) – updated on an annual basis;
 - Merton's Town Centre Capacity Study (2005) and update (2008);
 - Wimbledon's Competitiveness Study (2007);
 - The Volterra Economic Assessment (2008).
- 2.5: Please use the following link to access these local evidence base documents: <http://www.merton.gov.uk/living/planning/planningpolicy/ldf/planningresearch.htm>

3.0: Objectives of Retail and Town Centre Study

- 3.1: The emerging Retail and Town Centre Capacity Study (2010) will include an assessment of and forecasting for retail, leisure, tourism, arts, culture, entertainment facilities and other town centre type uses as set out in PPS4: Planning for Sustainable Economic Growth and accompanying guidance (2009).
- 3.2: The aims of the study is to consolidate all of Merton's existing commercial evidence bases and to provide an up-to-date assessment of retail and other town centre type uses in the borough including:
- an assessment of existing facilities;
 - project future demand to 2026; and,
 - the capacity of sites to accommodate any additional floorspace required for retail and other town centre type uses.
- 3.3: The main objectives of the study are detailed in Figure 1 below:

| Figure 1: Objectives of Merton's emerging Retail and Town Centre Capacity Study | |
|---|--|
| Sub-heading | Explanation |
| Literature Review: | A literature review of national, regional and local policies, guidance and evidence bases; |
| Existing facilities: | An assessment of existing retail and 'other town centre type uses' in the borough; |
| Future needs & demands: | To identify the capacity of Merton's town centres to meet demand through the identification of sites; |
| Impact of Regeneration Plans: | To analyse the potential impact on retail demand and capacity should the regeneration plans be adopted and implemented for Merton such as the 'moreMorden Area Action Plan, Colliers Wood MasterPlan and Mitcham SPD; |
| Consumer Choice: | To promote consumer choice and competition whilst protecting the vitality and viability of town centres including out-of-centre retailing, street markets, encouraging consumer choice and competition and the provision of affordable retail units/ supplementing business rates; |
| Conclusion and Recommendations: | To provide conclusions and informed recommendations that should be taken into consideration. |

4.0: Emerging findings

- 4.1: NLP produced Merton's Town Centre and Capacity Study in 2005 and a subsequent update of the study in 2008. The 2008 update provided revised retail capacity projections, which informed the preparation of LDF.

- 4.2: Key changes since the 2008 study was produced including the publication of PPS4: Planning for Sustainable Economic Growth in December 2009 to replace PPS6: Planning for Town Centres (2005), and the availability of more up-to-date expenditure estimates, taking into account the current economic situation.
- 4.3: The 2008 update identified the total available expenditure within the catchment area as follows (these figures are based on 2006 prices):

Figure 2: Town Centre Capacity Study 2008 Available Expenditure (2006 prices)

| Type of Retail | 2011 | 2016 | 2021 |
|--------------------------------|-------------|-------------|-------------|
| Convenience Goods ¹ | £727.77 m | £764.88 m | £804.81 m |
| Comparison Goods ² | £1,412.92 m | £1,679.60 m | £2,006.99 m |

- 4.4: The most recent data available from Experian and Greater London Authority (GLA) population projections identifies the total available expenditure within the catchment area as follows (these figures are based on 2009 prices):

Figure 3: Experian and GLA most recent Available Expenditure data (2009 prices)

| Type of Retail | 2011 | 2016 | 2021 |
|-------------------|-------------|-------------|-------------|
| Convenience Goods | £776.84 m | £807.57 m | £845.14 m |
| Comparison Goods | £1,202.10 m | £1,499.00 m | £1,934.47 m |

- 4.5: The differences between the above figures are due to inflation/deflation (as different price bases have been used) and changes to forecast growth rates which have been adjusted to take into account the recession.
- 4.6: For convenience goods, the 2008 study update identified an increase in available expenditure of £37.11 million between 2011 and 2016, and £77.04 million between 2011 and 2021. This compares with the 2010 figures, which, despite the recession, still identify an increase of £30.73 million of convenience goods expenditure between 2011 and 2016, and an increase of £68.30 million between 2011 and 2021. Although the overall level of convenience goods expenditure appears to have increased between the 2010 and 2008 studies, this is mainly due to the change in price base, for example, inflation.
- 4.7: For comparison goods, the 2008 study update identified an increase in available expenditure of £266.68 million between 2011 and 2016, and £594.07 million between 2011 and 2021. This compares with the 2010 figures, which identify an increase of £296.90 million of comparison goods expenditure between 2011 and 2016, and an increase of £732.37 million between 2011 and 2021.
- 4.8: Although the overall level of projected comparison goods expenditure growth has reduced between the 2010 and 2008 studies, this is mainly due to the change in price base, for example, deflation.

¹ Convenience Goods: “Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/ magazines and confectionery.” (PPS4, Appendix B: Definitions, 2009).

² Comparison Goods: “Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.” (ibid).

5.0: Conclusion

- 5.1: The emerging early findings indicate that the overall outcomes will not require significant changes to Merton's draft Core Strategy.
- 5.2: Despite changes in the expenditure growth projections in the catchment area, NLP's initial view is that there would not need to be significant changes to the draft Core Strategy, as the direction of the policy is in line with PPS4 guidance, in promoting retail and other town centre uses in the appropriate centres.
- 5.3 The phasing and amount of growth in retail floorspace will need to be monitored and amended accordingly. The 2010 study will provide a review of this, and the strategy should seek to accommodate growth.