TOWN AND COUNTRY PLANNING ACT 1990
PLANNING AND COMPULSORY PURCHASE ACT 2004

UPDATED RETAIL AND LEISURE STATEMENT

FORMER BAE SITE
ELETTRA AVENUE
WATERLOOVILLE

PREPARED ON BEHALF
OF

HARGREAVES

4th December 2018

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1.0 INTRODUCTION

1.1 MWA has accepted an instruction from Hargreaves Properties Ltd in support of a planning application seeking permission for a mixed-use scheme[1] on part of the former BAE systems site at Elettra Avenue, Waterlooville.

1.2 Planning permission was granted on 21st April 2016 (App. No. APP/15/00770) for the use of Block E for leisure (Class D2) and/or non-food retail purposes. This permission is not capable of being implemented following demolition of Block E. In granting planning permission in April 2016 we nonetheless note that there was no objection to the scheme on policy grounds. Indeed, it was acknowledged that following the development of the Sainsbury's store, the site is logically placed in relation to the town centre and Waterlooville's other retail offer.

1.3 The Council also accepted that the uses accorded with Policy WA52 (BD54) of the Local Plan (Allocations) DPD[2]. We do not believe that the policy position has materially changed following the publication of the NPPF in July 2018. The development plan policies remain unchanged. Paragraph 89 of the NPPF advises that for main town centre uses outside of existing centres which accord with an up-to-date development plan, no impact assessment is required.

1.4 Our statement examines the likely trading effects associated with the Class A1 (non-food) and Class D2 uses proposed within the development[3]. The maximum floorspace devoted to these uses is 4,000 sq. m. A flexible use of this space is therefore required to enable either occupation by a single use or a combination of both uses. This would provide the opportunity to attract a range of potential occupiers.

1.5 Our assessment addresses the following matters:

Section 2: This provides an overview of relevant local and national policies relating to main town centres uses.

[1] Involving Class A1 (retail), Class A3 (café/restaurant), Class A4 (public house), Class A5 (takeaway food shops), C1 (hotel), D2 (leisure) and Classes B1(c), B2, B8 and B8 (trade counter) uses.
[2] Response of Planning Policy dated 15th September 2015.
[3] These comprise town centre uses within the definition at Annex 2: Glossary to the NPPF (2018).

Section 3: This section analyses the capacity for additional leisure uses[4] and their likely impact on Waterlooville town centre.

Section 4: A standard approach to assessing the impact of the non-food floorspace is provided in relation to Waterlooville Town Centre and Cowplain District Centre.

Section 5: This section responds to issues raised by the response by Planning Policy (Jade Ellis).

Section 6: This summarises our overall conclusions.

[4] Cinema screens, tenpin bowling lanes and health and fitness clubs/gyms.

2.0 RELEVANT PLANNING POLICY RELATING TO TOWN CENTRE USES

1. The development plan

2.1 For the purpose of section 38(6) of the Planning and Compulsory Purchase Act 2004 the development plan comprises the Havant Borough Core Strategy (March 2011)and the Havant Borough Local Plan (Allocations)(July 2014).

2.2 **Policy CS4** of the **Core Strategy** relates to Town, District and Local Centres. It states that the Council will seek to accommodate approximately 13,000 sq. m. (net) of new comparison goods retail floorspace within town and district centres to 2016.

2.3 The policy also states that planning permission will be granted for appropriate town centre development proposals that promote and enhance the hierarchy of identified centres. Havant and Waterlooville are identified as the two Town Centres within the borough. Paragraph 3.40 refers to the Town Centres, Retail and Leisure Study (2009) prepared by Nathaniel Lichfield and Partners. That study advised that committed retail developments could absorb the capacity for comparison goods retail space to 2011, but that by 2016 there was a projected need for 13,288 sq.m. net of additional space.

2.4 Paragraph 3.49 of the Core Strategy advises that approximately 4,000 sq.m. net of new comparison goods floorspace should be located in the west of the borough with approximately 9,000 sq.m. net in the east. It advises that sites will be allocated in the Allocations Plan to meet these needs. We note from the Council's Annual Monitoring Report (December 2017) that 7,617 sq.m. of comparison goods floorspace has been provided within Havant Town Centre on the Solent Retail Park[5]. However only 650 sq.m. of A3-A5 uses has been provided in Waterlooville (a McDonalds drive thru along Elettra Avenue as part of the redevelopment of the former BAE site). Table 5.11 of the AMR identifies a remaining requirement for 923 sq.m. net of comparison goods space in the Western part of the borough. We note however that this is not intended to provide a cap on new development since in the Eastern parts of the borough the requirement for 9,000 sq.m. net of comparison goods space has been exceeded by over 14,000 sq.m. Moreover the requirement under Policy CS4 is to 2016 only.

[5] M&S and Next.

2.5 Paragraph 3.50 notes that the provision of leisure, entertainment and cultural facilities within the borough is limited reflecting the size of the catchment and the range of facilities in Portsmouth and Chichester. The 2009 study suggested there was scope for a small cinema, a bingo club and health and fitness facilities.

2.6 Paragraph 3.42 refers to Waterlooville Town Centre which was developed to support expanding post-war residential areas west of the A3(M). It contains two small pedestrian precincts and Dukes Walk Shopping Centre. It serves the western side of the borough.

2.7 **Policy AL3** of the **Local Plan (Allocations)**, refers to Town, District and Local Centres. It supports town centre uses which contribute to their vitality and viability and supports enhancement of their primary shopping areas.

2.8 Policy WA2 Waterlooville Mixed Use Allocations identifies 5 sites which are allocated for mixed-uses. Site W109 Asda/Clock Tower extends to 3.22ha and supports housing and main town centre uses. Site BD54 which includes the application site supports economic development[6], a hotel and leisure uses. The site is defined as out of centre for retail uses and edge of centre for main town centre uses, the policy acknowledges that there is scope to provide a bowling alley or cinema that could not be accommodated in the town centre. The site is judged to be within walking distance of the town centre.

2. National guidance

2.9 The **National Planning Policy Framework** (NPPF) was published in July 2018 and sets out the Government's overarching planning policies.

2.10 There is no requirement to demonstrate that there is a need for a retail proposal set out in the NPPF.

2.11 Paragraph 86 states that LPAs should apply a sequential test to planning applications for main town centre uses that are not in an existing centre nor in accordance with an up-to-date plan. Suitable sites include those which are likely to become available within a reasonable period although the latter is not defined.

2.12 Paragraph 89 of the NPPF sets out the circumstances under which an Impact Assessment should be undertaken to accompany proposals for retail, leisure and office development outside of town centres, which are not in accordance with an up to- date Local Plan.

[6] The NPPF includes retail uses as economic development.

Planning authorities should require an Impact Assessment if the development is over a proportionate locally-set floorspace threshold. Paragraph 89 goes on to state that where there is no locally-set threshold, the default threshold is 2,500 sq. m. There is no locally adopted threshold and the A1/D2 space scheme exceeds 2,500 sq.m. gross. However, it does accord with an up-to=date development plan and on the basis of paragraph 89 of the NPPF, no impact assessment should be required.

2.13 Where an Impact Assessment is required, paragraph 89 states that this should include an assessment of:

- The impact of the proposal on existing, committed and planned public and private investment in the centre or centres in the catchment area of the proposal; and

- The impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area.

Conclusions

2.14 From the above we draw the following conclusions:

- The Town Centres, Retail and Leisure Study (2009) identified a requirement for approximately 4,000 sq.m. net of comparison goods floorspace by 2016. There is a residual capacity at this date of 923 sq.m. net (c1,150 sq.m. gross)[7].

- The TCRLS estimated that there was scope for additional comparison goods floorspace after 2016 and identified the following levels of surplus expenditure (see Table 2.1):

[7] Based on 80% net to gross.

Table 2.1: Comparison goods expenditure capacity 2016-21 (£ms)

Geographic area	2016	2021
Havant Borough East	£52.70	£106.93
Havant Borough West	£22.15	£41.78
Total	£74.84	£148.71

- The site is allocated for mixed use development in an up-to-date development plan for economic development (which includes retail development) and leisure uses (Class D2).
- The allocations in Waterlooville Town Centre under Policy AL7 have not been developed.

3.0 LEISURE ASSESSMENT

(i) Introduction

3.1 For the purposes of our assessment we have examined:

- A cinema
- A bowling alley
- A health and fitness club/gym

(ii) Existing provision

(a) Cinemas

3.2 The TCRLS (paragraph 5.37) noted that within the study area 55% of respondents stated that either they or their family visit the cinema. This was judged to be slightly higher than the UK average (51%). The most popular destinations were cinemas outside the borough in Portsmouth (80.5%) followed by Chichester (13.4%). As a consequence NLP concluded that the borough had a very low retention rate of cinema trips with only 0.7% saying they used the Havant Arts Centre.

(b) Tenpin Bowling

3.3 The TCRLS (paragraph 5.44) recorded that 24.9% of respondents indicated that either they or their family visited tenpin bowling facilities. This was higher than other surveys recorded by NLP (18.1%). Respondents tended to visit Havant Retail Park (73.7%), followed by Portsmouth (17.6%) and Chichester (4.4%).

(c) Health and fitness

3.4 The TCRLS at paragraph 5.43 records that 27% of respondents visit health and fitness clubs which is also higher than NLP's average from other surveys (25.6%). Around 17.4% visited the Horizon Leisure Centre in Havant with a further 13.4% to the Horizon Centre in Waterlooville and to Fitness First also in Waterlooville (7.7%). Around 14.6% visited facilities in Portsmouth.

(iii) Projected capacity

3.5 In order to inform an assessment of the potential impact of Class D2 uses on Waterlooville Town Centre we have provided a broad overview of the capacity within the borough to 2021 and 2026.

3.6 The 2009 study divided the borough into two geographic areas:

Zones within East of the Borough

Zone 1 PO9 1

Zone 2 PO9 2

Zone 3 PO9 5

Zone 4 PO9 4

Zone 5 PO9 3

Zones within West of the Borough

Zone 7 PO7 5

Zone 8 PO7 8

Zone 9 PO7 7

Zone 10 PO8 8

3.7 Hayling Island had its own zone (Zone 22; PO 11 0 and PO11 9). This has not been included in our assessment.

3.8 The study area also includes other zones which overlapped with neighbouring local authorities. For the purposes of our assessment we have concentrated on the Zones within the East and West of the borough. However we note that the total borough population is greater than that used in our assessment, the TCRLS estimating in 2008 that it totalled approximately 117,000 people. Our estimates are therefore considered to be conservative.

3.9 The 10 zones were predicted to accommodate the following population in 2016, 2021 and 2028(Table 3.1).

Table 3.1: Projected population with East and West sectors 2016-2026

Sector	2016	2021	2026

East	45,504	45,101	44,948
West	41,676	41,624	41,720
Total	87,180	86,725	86,668

(a) Cinema screen capacity

3.9 Mintel estimate[8] that over a 12-month period, 70% of respondents visited the cinema at least once.

Base:	1,055	1,021	1,943	1,997	
All cinema-goers	58%	66%	65%	70%	+12%
Once a week or more	2%	3%	3%	2%	
Every 2-3 weeks	-	-	-	5%	
Once a month	10%	10%	13%	12%	+2%
Every 2-4 months	12%	13%	16%	19%	+7%
Every 4 months	6%	5%	-	-	
Every 6 months	10%	12%	13%	13%	+3%
Once a year	18%	23%	20%	19%	+1%
Never visit	42%	34%	35%	30%	-12%

3.10 It is possible to use this information to calculate the market penetration rate for the borough to estimate the predicted number of visits to the cinema in 2016, 2021 and 2028 based upon the market penetration rates observed in the 12-month period. The results of this analysis are attached as **Table 1** at **Appendix [1]**. This is based on a constant market share although Mintel's research indicates that the total number of all cinema-goers has increased by 12%.

3.11 On the basis of our assessment at 2016 the Borough has a theoretical capacity to support **8.35 screens**, and does not purport to confirm that there is demand from an operator for this number.

[8] Cinemas (November 2017).

3.12 The population projections based in the 2009 study indicate a declining population within the 9 zones. In 2021 based on these projections the cinema capacity (assuming constant market share and no change in the various categories) would have declined to **8.17 screens**; (see **Table 2** at **Appendix [1]**).

3.13 In order to provide a cross-check to the analysis, we have used information from CACI Ltd in respect of the average level of expenditure per household on cinema admissions in the UK. We have then compared that to the average revenue generated by cinema screens as provided by Mintel. A summary of my analysis is set out below:

At 2016

Average number of households:	41,514
Average spend per household per week:	£0.86 (2004 prices)
Total spend per annum:	£1.86m
Average sales per screen:	£0.30m
Average sales per screen excluding concessions	£0.22m
Number of screens supported:	6-7

3.14 Nonetheless there are no cinema screens within Waterlooville Town Centre and the impact of a new cinema were there to be any demand from an operator, can only add to the overall attractiveness of the town and borough as a whole. Indeed the Borough benefits from only 1 screen within the Havant Art Centre with a capacity for 130 people. Other facilities lie outside the borough with the Odeon at Port Solent and Vue at Gunwharf Quays, Portsmouth. Cineworld also provide 10 screens at Chichester.

3.15 Our analysis confirms the conclusions of NLP in 2009 that there is potential to improve the quality and quantity of cinema screens in the Borough. We believe however that NLP's analysis is too conservative in scope and is dependent on only retaining 35% of all cinema trips. Our assessment by examining cohorts of the population and the number of times they visit cinemas on a disaggregated basis is more realistic and up to date. Nonetheless, if a 25% retention rate was applied to our assessment it would be consistent with NLP's estimate of 3 screens. To be viable most national operators would require a minimum of 4-6 screens to ensure that at least one screen could accommodate 'blockbuster' releases with smaller screens for other films.

(b) Tenpin bowling capacity

3.16 We attach as **Appendix [2]** our assessment of the capacity for tenpin bowling with East and West parts of the Borough in 2021. As explained in **Table 1** at **Appendix [2]**, this is also based on Mintel research.

3.17 The analysis indicates a theoretical capacity to support 20 lanes by 2021. The only facility within the borough (AMF Bowling) closed in 2014.

3.18 Since there are no bowling alleys in Waterlooville Town Centre this leisure use will not have any direct effects on its vitality or viability. Indeed since in terms of commercial leisure the site is judged to be edge of centre, there is scope to stimulate linked trips, thereby enhancing the town centre turnover and vitality.

(c) Health and fitness/gym

3.19 With regard to a possible gym on the application site, Mintel estimate that the participation rate for private health and fitness clubs at April 2013 was 15%. In 2007 this sector had a market value of £2.5bn which had increased to £2.66bn by 2012. The number of health and fitness club members also increased from 5.18 to 5.34m despite the recession. There is an increasing popularity of budget gyms including EasyGym, Pure Gym, Anytime Fitness and DW Sports. A recent report by Cardylitics in 2016 suggested a 66% rise in monthly expenditure by the 5.5 million people across the UK who were members of gyms.

3.20 **Table 1** at **Appendix [3]** provides a broad estimate of the number of gyms and health and fitness centres for East and West Havant Borough This is a broad brush estimate of the number of facilities which could be supported by 2026. It assumes that currently residents in the Borough participate at the UK average i.e. 15% of residents actively participate in gyms and health and fitness clubs. We note that this is well below the 27% of respondents in the 2009 study which indicated that they regularly attended a gym. Our assessment uses 15% as a base increasing to 25% by 2026.

3.21 On the basis of our projections we predict that the number of health and fitness clubs/gyms potentially supported by 2021 is 10 assuming a slight uplift in participation rates. Nationally people are becoming increasingly health conscious particularly as a consequence of the use of wearable devices and phone apps which enable them to monitor their activity and performance levels. By 2026 we estimate a theoretical capacity for **12 health and fitness clubs/gyms** in the Borough.

3.22 Our analysis indicates that there will be considerable scope to provide and support new gyms and health and well-being centres were there to be any demand from operstors, across the borough. Such growth will enable existing clubs to thrive and we do not therefore predict any diminution in the quality and distribution of existing facilities nor any adverse impact on the Horizon Centre in Waterlooville.

3.23 NLP in 2009 estimated that there was scope to improve health and fitness facilities across the borough. It was estimated that of the seven private/public gyms with an assumed average membership of 1,375 per club,, these could accommodate 9,625 members. However, they estimated a demand for 14,040 public and private membership places based on a national average of 12% (we have used 15% in 2016). An increase in membership rates to 15.6%, would generate an increased demand for 5,800 spaces by 2016, NLP concluded (paragraph 10.23).

4.0 RETAIL ASSESSMENT

(i) Introduction

4.1 In order to assist the Council we have provided an Impact Assessment using data contained within the Town Centres, Retail and Leisure Study (TCRLS) prepared by NLP in 2009. This report remains part of the evidence-based underpinning both the Core Strategy (2011) and Local Plan Allocations (2014). The Council also uses the study as part of its annual monitoring of the provision of retail space across the borough.

4.2 Paragraphs 2b-016 of the NPPG provides advice on the assessment of the effect on planned investment. Confirmation of how the retail impact test should be used in decision taking is set out in paragraphs 16 of the 'Ensuring the Vitality of Town Centres' section. The guidance states that the impact test should be undertaken in a proportionate and locally appropriate way, drawing on existing information where possible.

4.3 Paragraph 17 notes that as a guiding principle impact should be assessed on a like-for-like basis in respect of that particular sector. Retail uses tend to compete with their most comparable competitive facilities. It also notes that where wider town centre developments or investments are in progress, it will be appropriate to assess the impact of relevant applications on that investment. Key considerations are identified as including:

- The policy status of the investment (i.e. whether it is outlined in the Development Plan).
- The progress made towards securing the investment (for example if contracts are established).
- The extent to which an application is likely to undermine planned development or investments based on the effect on current/forecast turnovers, operator demand and investor confidence.

4.4 Paragraph 2b 017-018 of the NPPG prescribe a step by step approach to assessing and measuring impacts arising from a proposed retail development.

4.5 When assessing the potential trading effects, it is important to note that the NPPF (paragraph 90) advises that permission should be denied only where there is a 'significant adverse impact' on one of more of the considerations set out in paragraph 89 i.e.

a) The impact of a proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of a proposal; and
b) The impact of the proposal on town centre vitality and viability, including local consumer

choice and trade in the town centre and the wider retail catchment.

4.6 In assessing whether a scheme is likely to have a significant adverse effect it is necessary for such a decision, to be based on evidence. In relation to an appeal in Derby (APP/C1055/A/11/2161815), the Inspector at paragraph 116 of the DL opined that:

"To justify an objection to the proposal it is not sufficient to simply suggest that there will be an impact. There is no persuasive evidence of such a significant impact that would be likely to undermine the vitality and vitality of the city centre trade/turnover and trade in the wider area, arising from the appeal proposal."

4.7 In relation to impact on **planned investment**, the Secretary of State for Communities and Local Government ('SoS') allowed an appeal for an out-of-centre retail proposal that he called in for his determination[9]. Paragraph 8.60 of the Inspector's report stated:

"NPPF [26] requires an assessment of the impact (if any) of the proposal on 'existing, committed and planned public and private sector investment' in a centre. That requirement is quite straightforward, only investment that has been made, and been committed or is planned warrants considerations. There appears to be general agreement that 'existing' investment is to be taken as a reference to investment that has already been made and that 'committed' investment is that which is contractually committed (private) or subject to resolution (public)'.

(ii) Impact methodology

Step 1: Establish the scope of the assessment

4.8 For the purposes of our assessment we have adopted the following assumptions:

Primary Catchment Area (PCA):	Havant Borough West as defined in the TCRLS (2009)
Population and expenditure:	Sourced from TCRLS (2009)
Base year:	2016
Design year:	2021 which equates to five years post base date and assumes opening in 2020 with settled trading by 2021
Price base:	At constant 2007 prices consistent with TCRLS (2009)
Gross floorspace:	4,000 sq.m.

[9] Appeal Reference APP/G2815/V/12/2190175

Net floorspace:	2,800 (70% of gross)
Assumed sales density in 2021:	£4,500 sq.m.
Estimated design year turnover 2021:	£15.05m
Centres assessed for health:	Waterlooville Town Centre

Step 2: Examine 'no development' Scenario: Comparison goods

4.9 **Table 2** at **Appendix [4]** outlines our assessment of the capacity for additional comparison goods in the period 2016-2026 as derived from the TCRLS (2009). With the committed developments in place and after allowing for the Sainsbury's at Waterlooville, we estimate under a no further development scenario that there will be a surplus of £29.28m by 2021 increasing to £55.06m by 2026. This along would be sufficient to accommodate the appeal scheme and provide additional expenditure to support further development.

4.10 **Table 3** at **Appendix [4]**, provides our estimate of the turnover of Waterlooville Town Centre and Cowplain District centre in 2016 and 2021. This assumes taking into account the committed retail schemes (including Sainsbury's) and other retail floorspace being consented which is not included in the 2009 study (as confirmed in the AMR, 2017), that the town centre will pro-rata accommodate a proportion of the growth.

Step 3: Turnover

4.11 **Table 1** at **Appendix [4]** sets out the design year turnover based on a generic sales density. This assesses a worse-case in the absence of defined retailers.

Step 4: Assess trade draw from centres/stores

4.12 **Table 4** sets out the trade draw based on existing shopping patterns and taking into account the following factors:

- Havant West fails to retain a significant proportion of comparison goods expenditure generated in Zones, 7, 8, 9 and 10. This expenditure is 'lost' annually (see Table 4.1).

- the committee retail schemes will not address the outflow or leakage because they are small scale and in the case of Sainsbury's it relates to comparison goods expenditure in a grocery store as opposed to dedicated comparison goods retailers.

- there is considerably capacity to increase the market share over and above that which is predicted to arise in Table 2.

- The scheme will draw expenditure back into Havant West the majority being derived from centres/facilities outside the borough. The 'Havant and Waterlooville Town Centres Study' (October 2017) confirmed that in 2014 the town retained 46.5% of the expenditure generated within its catchment.

4.13 We estimate that 25% would be drawn from Waterlooville Town Centre with a very limited proportion from Cowplain District Centre. Sainsbury's at Waterlooville can be expected to lose some trade but this is an out of centre store. The majority of the trade will be drawn from outside the borough particularly from Portsmouth and Chichester.

Table 4.1: Comparison goods expenditure 'lost' from Havant West.

Zone	Retention 2016 (%)	Expenditure lost from West 2016 (£ms)	Expenditure lost from West 2021 (£ms)
7	31	£35.1	£42.6
8	29	£25.4	£30.2
9	41	£21.0	£25.2
10	44	£23.7	£28.2
Total		£105.2	£126.3

(Source: TCRLS, 2009, Appendix C)

Step 5: Assess impact

(a) Impact on existing, committed or planned investment

4.14 As far as we are aware there is no planned or committed development within Waterlooville Town Centre. The former Curzon Rooms (Site W56) has not come forward for development and in any event involves a primarily residential led development with the potential for small scale units at ground floor.

(b) Impact on vitality and viability

4.15 The Council published in October 2017 'Havant and Waterlooville Town Centres Study'. This document has been prepared to support the Havant Borough Local Plan 2036. Its key findings are as follows:

- Class A1 space within the centre has significantly increased and the number of units have increased since 2008 from 101 to 117 in 2015.

- The number of shops within the primary frontages has increased due in part to including units within the Wellington retail Park.

- The number of charity shops has doubled from 7 in 2008 to 13 in 2015.

-Vacant units have increased from 10.6% in 2014 (20 units) to almost 14% in 2017 (27 units). This is marginally above the GOAD average at around 12%.

- Rents have started to improve to between £12 and £15 per foot in 2016/17.

- The levels of pedestrian flows have varied but overall for all streets examined there have been a significant increase since 2015.

4.16 In terms of strengths and weaknesses the Town Centres Study (2017) concluded as follows:

Strengths	Weaknesses
• Very high occupation at the Wellington Retail Park and Dukes Walk. • The crime rate around the town centre is considered "low". • The presence of a retail park in the town centre is unique and provides a range of additional large A1 floorspace to complement the smaller high street and precinct stores. Development of further A1 uses in retail parks within a town centre is also permissible under the NPPF. • Wide range of stores across the town centre including independents and multiples. • Highly accessible by car from the A3(M) and bus from the A3 Zip Corridor, as well as free parking at Wellington Retail Park and at Asda. • Many car parking spaces available at car parks around the rest of the town centre, all within easy walking distance from the shops.	• Noticeably high concentrations of vacant units within certain parts of the centre (Wellington Way and the Boulevard). • Public realm weak across the town centre, with poor signposting and lack of public or civic open space or a square; however, new furniture was recently erected along some parts of London Road to try and remedy this. • The town centre is mostly accessible primarily by car and bus. • The topography and highway network make connecting the different parts of the town centre difficult. • Crime and antisocial behaviour still fairly high relative to some other parts of Hampshire. • The overall vacancy rate for the town centre as a whole is above the national average. • Although no Air Quality Management Areas (AQMAs) have been designated in the borough, the roundabout at Hulbert Road and London Road has shown nitrogen dioxide levels above those stated in National Air Quality Standards. This poses a threat to public health. The Council is working as part of PUSH to produce an assessment on Air Quality

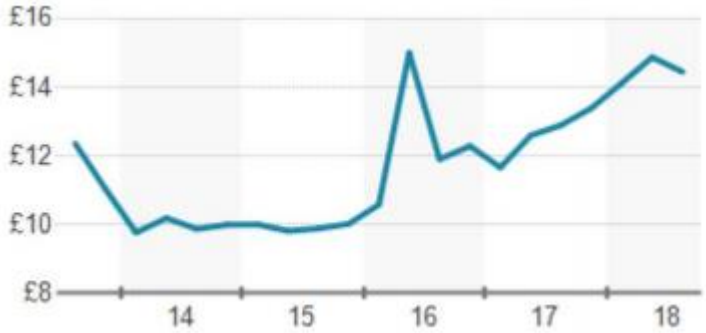
4.17 In terms of the predicted impact, of 3.7%, the town centre would remain trading in excess of £7m higher than in 2016. By 2026 further expenditure growth would ensure that the town centre was trading at around £20m higher than in 2016.The impact on the whole of the town centre including its convenience goods turnover[10] would be approximately 1.9%.

[10] The town centre is predicted to achieve a convenience goods turnover of £49.54m in 2021; (Source Table 8b of Appendix B to TCRLS, 2009).

This is the maximum impact given that a proportion of the space could be occupied by D2 uses, which would have no direct impact on the centre at all.

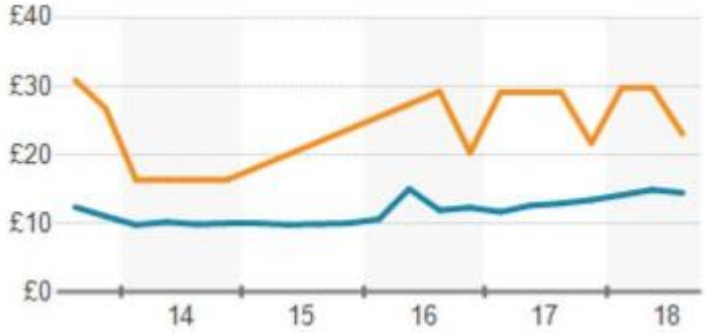
4.18 Despite the slight increase in vacant units (albeit still down from a peak in 2014). Rental level are improving as confirmed by Co-Star (see Figure 4.1).

Figure 4.1: Asking rents in Waterlooville[11]



4.19 Asking rents in parts of the centre are considerably higher than £12-15 sq. ft. In London Road (see Figure 4.2) they are above £20 sq. ft.

Figure 4.2: Asking rents London Road, Waterlooville[12]



4.20 The Council also acknowledge that there is considerable opportunities associated with the planned Berewood Development MDA which would generate significant increases in population and expenditure. The 2017 study recognises that there will be a need to improve the quality of the retail offer in order to prevent the loss of the new expenditure being lost from the borough.

4.21 Overall we do not believe that the impact on the town centre of under 2% will have a significant adverse impact on its vitality and viability.

[11] Source Co-Star Database (September 2018).
[12] Source Co-Star database (September 2018).

5.0 RESPONSE TO PLANNING POLICY COMMENTS

5.1 We have received a copy of the comments provided by the Council's Planning policy team dated 20th November 2018 and set out our response to the points raised as they relate to retail impact. In this regard we note that no objection in terms of impact is raised in respect of the proposed leisure uses. We conclude that the various uses examined in our report are therefore acceptable in terms of any possible impact on the town centre.

1. Health of Waterlooville Town Centre

5.2 We have provided information on the health of the town centre and acknowledge that the vacancy rate is above the national average. However, other indicators suggest that the centre continues to fulfil its role and function. Asking rents have increased steadily since 2016 and Class A1 units have also increased from 101 to 117 in 2015. The inclusion of the Wellington Retail Park and the Sainsbury's store within the town centre boundary has also led to a significant uplift in the centre's turnover.

2. Proposed trade counter units

5.3 The proposed trade counter units fall within Class B8 and do not comprise a main town centre use[13]. Consequently, there is no requirement for these to be included in an impact assessment.

3. Impact methodology

5.4 We accept that in our original report we did not specifically separate out Stages 3 and 4. We have corrected this in this updated assessment. Essentially Stage 3 includes estimating the anticipated turnover of the proposal. Stage 4 refers to the trade draw from existing centres/stores. Thus both stages were included in our original assessment but had been aggregated into a single step in the analysis.

4. Comparison goods expenditure capacity

5.5 We agree that the figures set out in paragraph 4.9 are incorrect. The comparison goods expenditure capacity in 2021 is estimated in Table 2 at Appendix 4 to be £29.28m increasing to £55.06m in 2026.

5.6 We note however, that the policy officer does not disagree with these estimates which indicate sufficient capacity to accommodate the proposed development by 2021.

[13] As set out in Annex 2 to the NPPF (2018).

5. Trade draw from Sainsbury's

5.7 The Sainsbury's store is located within the town centre boundary along with the rest of the Wellington Retail Park. However, it lies some distance from the nearest part of the primary shopping area defined by the Wellington Way Centre (c450 metres) and even further from the Boulevard and Dukes Walk Shopping Centre (c 575 metres). Therefore while now included within the town centre boundary the store on the basis of the definition set out within Annex 2 of the NPPF (2018) is well in excess of the 300 metres required for it to be classed as edge of centre.

5.8 Notwithstanding the above, we have examined the Economic Development Statement (July 2010) prepared by WYG in support of the planning application (10/00793) for the Sainsbury's store. This estimated that the store would achieve a comparison goods turnover of £10.6 and a convenience goods turnover of £27.1m. in 2012. The estimated comparison goods trade diversion of £1.35m in 2021[14] set out in Table 4 at **Appendix [4]** would equate to an impact of 3.6% on this store would not give rise to closure nor materially diminish its role and function.

5,9 Adding the turnover of this store into the total town centre turnover in 2021 would be £188m. The diversion of £5.11m would equate to an overall impact of 2.7% which is not considered to represent a significant adverse impact. The town would remain trading approximately over £6m in excess of 2016 levels.

[14] Assuming no change in turnover within the Sainsbury's store.

6.0 OVERALL CONCLUSIONS

6.1 The site lies on the edge of Waterlooville Town Centre. It is allocated for a range of uses including economic development, hotel and leisure under Policy WA52 of the Local Plan (Allocations)(2014). The uses proposed in this application accord with the allocation and the Council as recently as 2016 granted planning permission for the conversion of Block E to Class D2 and Class A1 (non-food) floorspace.

6.2 Paragraph 89 of the NPPF (July 2018) requires an assessment of impact for schemes which lie outside a defined centre, only where a proposal is not in accordance with an up-to-date local plan. The scheme accords with Policy WA52 and arguably therefore there is no requirement for an impact assessment.

6.3 Nonetheless we have provided an assessment of the likely effects. We have estimated the capacity for different use as set out in Table 5.1.

Table 5.1: Leisure and comparison goods retail expenditure capacity - East and West Havant

Land use	2016	2021	2026
Cinema Screens (D2)	8.35	8.17	N.C.
Tenpin bowling lanes (D2)	-	20	N.C.
Health and fitness club/gym	-	10	12
Comparison goods retail expenditure surplus (A1)	£9.69m	£29.28m	£55.06m

6.4 There is capacity to support a range of Class D2 uses and none are predicted to have a significant adverse impact on Waterlooville Town Centre. On the contrary, they have the capacity to increase the proportion of residents who currently undertake the majority of their leisure trips outside the borough.

6.5 In relation to the retail component (Class A1), we have assumed as a worse case that the scheme would attract a comparison goods turnover of approximately £15m in 2021. The

impact on the town centre would be less than 2% which is not considered to be materially harmful to its vitality and viability.

6.6 The only means by which the considerable loss of expenditure is retained locally is by improving the range, quality and quantity of retail space. No schemes are able to deliver this in the town centre. None have planning permission and none are currently planned.

6.7 As an edge-of-centre site it has the ability to generate linked shopping and other trips and would promote a more sustainable form of development, reducing the number and length of journeys to centres/facilities further afield. To this extent it is important that the town and borough as whole addresses the competition in neighbouring local authorities particular to Portsmouth and Chichester. The application proposal presents a suitable opportunity to improve provision and ensure that the centre meets the needs of existing and future residents. In this regard the fact that the Council has expanded the town centre boundary to include the Wellington Retail Park and Sainsbury's is a recognition that these types of site can make a positive contribution to the health of the centre.