Appendix 1

Comparison Retail Capacity Assessment

TONBRIDGE AND MALLING BOROUGH COUNCIL

TONBRIDGE TOWN CENTRE STUDY: COMPARISON RETAIL CAPACITY ASSESSMENT

CL/6660/DL/CT/LCJ

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APPENDICES

1.0 INTRODUCTION

1.1 This comparison capacity retail assessment has been prepared by Nathaniel Lichfield & Partners (NLP) on behalf of Tonbridge & Malling Borough Council (TMBC), in response to a study brief prepared by TMBC.

1.2 Specifically this relates to a desktop retail capacity study on the scope for additional comparison goods floorspace within Tonbridge Town Centre in the period to 2016.

1.3 This capacity assessment relates to:

- An identification of Tonbridge Town Centre's existing comparison retail catchment area;
- An assessment of the population and available comparison expenditure within this;
- An assessment of Tonbridge Town Centres market share within the defined catchment area, and arising from this an identification of the available comparison expenditure for Tonbridge town centre.
- An assessment of both the level of comparison goods floorspace within Tonbridge Town Centre (and retail warehouse facilities) and the anticipated turnover of this.
- A summary of retail commitments and proposals both in Tonbridge and the surrounding centres which may influence the future market of the catchment.
- Arising from this, an assessment of comparison goods retail capacity in Tonbridge town centre, on the basis of a constant market share, as well as a sensitivity analysis for both an increased and reduced market share.

1.4 In preparing this analysis we have had regard to the Working Paper 3: Retail Potential and Town Centres (WP3) prepared by Kent County Council and Medway Council (September 2003). This is summarised in the subsequent section and where we make different assumptions we comment on this within the analysis.

Scope of Report

1.5 This report comprises a number of sections, supported by appendices. Section 2.0 summarises the relevant planning policy background, and summarises the conclusions of WP3. Section 3.0 summarises retail provision within Tonbridge town centre and the surrounding retail hierarchy. The capacity assessment is set out at Section 4.0 and the conclusions arising from this are contained at section 5.0.

2.0 RELEVANT PLANNING POLICY

2.1 This section of the report reviews national planning and development plan policy, insofar as it is relevant to the capacity analysis undertaken.

National Planning Guidance

2.2 National Planning Guidance relating to retail planning policy is contained in PPG6: Town Centres and Retail Developments as supplemented by a number of subsequent Government Statements. The Guidance emphasises that Town and District Centres should be the preferred locations for developments that attract many trips. It further advises that Local Planning Authorities should enable town, district and local centres to meet the needs of residents of their area.

2.3 PPG6 expands on this (para 1.10) stating that, in drawing up development plans, local planning authorities should, after considering the need for new development, adopt a sequential approach to selecting sites for new retail development.

2.4 Annex B (para 8) states the development plan should be based on up to date information. It emphasises that retail policies and proposals should be based on a factual assessment and retail development trends.

2.5 The April 2003 McNulty Statement sets out the latest guidance on the assessment of need:

> *"The First Secretary of State accepts that need can be expressed in quantitative and qualitative terms but considers that evidence*

> *presented on need is becoming increasingly and unnecessarily complicated. He therefore places greater weight on quantitative need for new retail provision to be defined in terms of additional floorspace for the types of retail development distinguished in PPG6, which are comparison and convenience shopping"*.

2.6 Draft PPS6: Planning for Town Centres was published in consultation form in December 2003, and when published in final form, which is scheduled for later this year, will replace PPG6. This reflects many of the themes of PPG6, i.e. focussing development in existing centres.

2.7 In advising on the preparation of development plan documents, it states that Local Planning Authorities should plan positively for growth (para 1.5). It further states (para 2.28) that LPA's should

> *"assess the likely future demand for additional retail and leisure floorspace, based on existing and forecast population levels and expenditure in relation to the classes of goods to be sold, within the broad categories of 'convenience' and 'comparison' goods".*

2.8 It continues (para 2.33) that for retail and other uses, local planning authorities should set out the maximum gross floorspace which will be acceptable in different types of centres.

2.9 Paragraph 2.7 refers to the network of existing centres. It emphasises that, at both regional and local levels, LPA's should plan the distribution of growth, using it to rebalance the network of centres to ensure it is not overly dominated by the largest centres.

2.10 It continues that LPAs should seek to *"use growth to strengthen the lower tier centres, including those town centres needing regeneration"*.

Development Plan Policy

2.11 The Kent Structure Plan was adopted in 1996. The emerging replacement Kent and Medway Structure Plan (which is informed by WP3, summarised below) is at an early stage. These plans are of relevance insofar as they define the retail hierarchy around Tonbridge (which is summarised in the subsequent section).

2.12 The Tonbridge and Malling Borough Local Plan was adopted in December 1998. This identifies (para. 2.7.1) that Tonbridge Town Centre is the main location for retail and commercial development in the Borough. It identifies a number of opportunities within the Town Centre (para. 2.7.4) to promote a range of new developments appropriate to the scale and needs of the town. These relate to retail, businesses and leisure opportunities, some of which have subsequently been developed.

Kent and Medway Structure Plan: WP3 – Retail Potential and Town Centres (September 2003)

2.13 This document has been prepared by Kent County Council and Medway Council to inform the emerging Kent and Medway Structure Plan (KMSP).

2.14 It comprises three parts:

- Part 1 addresses shopping centre turnover and forecasts of future expenditure;
- Part 2 assesses the vitality and viability of existing centres; and
- Part 3 establishes the shopping hierarchy.

2.15 There is therefore a degree of overlap between the capacity analysis undertaken within WP3 and NLP's analysis. However, there are also a number of important differences in the methodology.

- WP3 undertakes a county-wide assessment relating to a number of centres in the County, rather than a capacity analysis which specifically relates to Tonbridge town centre. Its approach is therefore more broad-brush.
- WP3 is undertaken on the basis that each retail destination derives turnover from a number of constituent zones across the County. The NLP analysis is undertaken on the basis of identifying a primary and secondary catchment area serving Tonbridge Town Centre and making an allowance for an element of inflow of expenditure beyond this. The two analyses do not therefore relate to the same catchment area.
- The WP3 analysis assesses the scope for additional floorspace within each Borough, rather than each town.
- WP3 makes separate assessments of the scope for core comparison and bulky goods retailing. The NLP analysis, reflecting recent government guidance, does not differentiate between these two types of floorspace.
- WP3 relies heavily on the survey results, whereas the NLP analysis uses them to inform judgements.
- There are some differences in the empirical assumption (i.e. growth rates and efficiency allowances).

2.16 As a result of these differences in both methodology and empirical assumption both analyses give rise to slightly different results.

WP3 Summary of Conclusions relating to Tonbridge Town Centre

2.17 WP3 reviewed shopping patterns and capacity relating to three types of expenditure:

- Core (non bulky) comparison goods;

- Bulky goods (e.g. DIY, electrical, furniture and carpets); and
- Convenience goods.

2.18 In respect of core comparison goods (i.e. the type most closely associated with town centres), the survey identified (para 2.2) that Tonbridge amongst other centres in Kent (e.g. Faversham, Herne Bay and Whitstable) are secondary destination even within their own zone. This indicates that they form lower order comparison destinations.

2.19 The base figures (i.e. prior to any sensitivity testing) identifies the following floorspace requirements for additional Core Comparison and Bulky Goods floorspace within Tonbridge and Malling Borough. It is important to recognise that these figures relate to the Borough as a whole rather than the town specifically (albeit that Tonbridge forms the major town centre destination in the Borough).

Table 2.1 : Summary of WP3 Capacity Analysis for Tonbridge

	Floorspace Requirement (Sq.m gross)	
	Core Comparison	Bulky Goods
2011	5,490	9,722
2021	13,232	17,083

Source: WP3: Annex 17

3.0 RETAIL HIERARCHY AROUND TONBRIDGE

3.1 This section of the report summarises the retail function of Tonbridge Town Centre. It also considers the role of Tonbridge within the retail hierarchy of the wider area.

Tonbridge Town Centre

3.2 Tonbridge Town Centre is the major retail centre within the Tonbridge and Malling Borough. In the retail hierarchy within the emerging Kent and Medway Structure Plan Tonbridge falls within the third tier in the hierarchy. It is classified as one of eight Principal Town Centres in the County beneath Bluewater as the regional centre and five sub-regional centres.

3.3 The main shopping function with Tonbridge is based along the High Street, Angel Walk, Pavilions and Botany. Multiple retailers present within Tonbridge are concentrated within this area and these include Woolworths, WH Smiths, Boots, Poundstretcher, Peacocks and Dixons. There is also a Sainsbury's food store (5,357 sq.m gross) and a new Waitrose store, as well as a Beales Department Store.

3.4 Table 3.1 below identifies that, compared to all centres surveyed by GOAD, Tonbridge has a below average number of vacancies. It also has a below average proportion of convenience and comparison retailers and an above average number of service uses.

Table 3.1 : Summary of units within Tonbridge Town Centre

Type of Use	No. of Units	% of Units	National Average (%)
Convenience	17	7.6	9.3
Comparison	100	44.8	48.2
Service	86	38.6	30.5
Vacant	18	8.1	10.5

Source: GOAD (April 2003)

3.5 Tonbridge is classified as a Major District Centre within the Management Horizons Index 2003-2004 and is ranked 266th. This is an increase from its ranking of 303rd in 2000-01 and 283rd in 1998-99 but a slight fall from 252nd in 1995/6. However the index, which is based on a weighted assessment of multiple retailers is sensitive to the action of just one retailer and small changes in rank are not very significant. Comparable centres of the same level include Brentwood, Dover and Erdington (Birmingham).

Other Centres within the retail hierarchy

3.6 Tonbridge's retail function is constrained by a number of competing surrounding centres, which fulfil a role higher up the retail hierarchy, a number of which have particularly strong comparison floorspace elements.

3.7 As identified in Table 3.2 below, these centres include Tunbridge Wells, Maidstone and to a lesser extent Sevenoaks, as well as the regional centre of Bluewater. These centres are summarised in greater detail below.

Table 3.2 : Competing centres around Tonbridge

Centre	MHE Ranking 2003-2004	Retail Total Floorspace (sq m gross)	No. of core comparison units	Approx. Distance from Tonbridge Town Centre (km)
Bluewater	18th	140,000	N/K	27
Tunbridge	45th	90,857	282	8

Wells				
Maidstone	54th	106,594	221	18
Tonbridge	266th	31,517	63	N/A
Sevenoaks	404th	19,252	74	10

Source; Management Horizons 2004
Bluewater Shopping Centre (gross lettable area)
WP3 (Annexes 33 and 36)
NLP

Bluewater

3.8 Bluewater shopping centre opened in 1999, and forms the regional shopping facility within Kent. It has around 140,000 sq m of retail floorspace with about 330 retail units (anchored by John Lewis, Marks and Spencer and House of Fraser). It also has a substantial leisure element.

3.9 Bluewater draws trade from a substantial area. WP3 acknowledges (para. 81) that much of its trade is derived from outside the survey area (i.e. beyond Kent and part of south east London). It represents an attractive higher order destination for residents in Tonbridge's natural catchment.

Tunbridge Wells

3.10 Tunbridge Wells is located approximately 8 km south of Tonbridge Town Centre. It is ranked as the 59th largest centre within the Management Horizons Index and the level of floorspace in the centre and its location therefore serve to both limit Tonbridge's catchment to the south, as well as exert a significant draw on expenditure within Tonbridge natural catchment.

3.11 Tunbridge Wells is defined within the Second Deposit Local Plan (para 5.21) as the main town centre and also the largest shopping area within the Borough. It is considered that the range, scale and quality of facilities make it an important sub-regional centre and destination (consistent with the emerging Structure Plan). The Local Plan notes that the comparison goods offer appeals to a much wider catchment area than the convenience offer.

Maidstone

3.12 Maidstone is located approximately 18 km to the north east of Tonbridge. The adopted Local Plan (2002) states that Maidstone town centre is a major retail location and that it was for many years the largest retail centre in Kent, but has recently been supplanted by Tunbridge Wells following the completion of Royal Victoria Place.

3.13 Within the deposit Kent and Medway Structure Plan Maidstone falls within the second tier of the retail hierarchy and is designated as a Sub Regional Town or City Centre.

3.14 Maidstone is ranked 54th out of all retail centres in the country within the Management Horizons Shopping Index and is classified as a Regional Centre.

3.15 Maidstone therefore forms a major retail destination and is likely to draw expenditure from both residents of Tonbridge and those on the eastern part of its hinterland. Its influence is however likely to be less than that of Tunbridge Wells.

Sevenoaks

3.16 Sevenoaks is approximately 10 km north west of Tonbridge. Within the Kent Structure Plan Retail Hierarchy it is defined within the same third tier category as Tonbridge (a Principal Town Centre).

3.17 Sevenoaks is classified as a District Centre within the Management Horizons Index and is ranked 404th, significantly below both Tonbridge and Tunbridge Wells.

3.18 Sevenoaks therefore operates marginally below Tonbridge in the retail hierarchy, but will serve to constrain its catchment area to the north.

Commitments and Proposals

3.19 The Fremlin Walk Shopping Centre development within Maidstone Town Centre is currently under construction. We understand that this is due to open in March 2005 and will provide around 32,516 sq.m of retail floorspace. Planning permission has recently been granted following a call-in by the Secretary of State for a retail warehousing development at Dowding Way, Tunbridge Wells. The development comprises 7,750 sq.m of retail warehousing in five units, plus A3 floorspace.

3.20 In addition, as detailed in section 4.0 there is a planning permission at Cannons Lane, which we understand has been started (and therefore remains implementable) for retail warehousing totalling 4,887 sq m. This is the subject of a current planning application seeking both the reconfiguration of the units, and enabling the sale of clothing and office supplies.

3.21 Overall therefore, whilst Tonbridge fulfils a relatively a healthy retail role and function, this is relative to its role in the retail hierarchy. In particular the proximity of the competing centres as well as the level of comparison floorspace makes them attractive retail destinations to residents around Tonbridge including those living within Tonbridge's natural catchment area.

3.22 This is consistent with the observations within WP3 (para. 101) that *"within Tonbridge and Malling, there is significant leakage of spending to the major centres of Tunbridge Wells and Maidstone"*.

3.23 In addition, Tonbridge's position within the retail hierarchy is likely to have declined slightly in recent years with the completion of surrounding developments (e.g Bluewater). Furthermore the imminent development of other facilities (including the Fremlin Centre in Maidstone) is likely to put Tonbridge's market share under further pressure.

3.24 These factors influence both the current retention rate of comparison expenditure within Tonbridge's catchment area, as well as any potential increases which may be achievable. This is examined in the subsequent section.

4.0 CAPACITY ANALYSIS

4.1 This section of the report assesses the quantitative need for further comparison retail floorspace within Tonbridge in the period to 2016. This is initially assessed on the basis of its current market share, and subsequently a sensitivity analysis is undertaken of both an increased and reduced market share.

4.2 The quantitative tables accompanying this analysis are contained at Appendix 1.

Methodology

4.3 The following steps have been undertaken to provide an assessment of the capacity for further comparison floorspace. These are summarised in greater detail below;

1) A primary and secondary catchment area has been defined from which expenditure to Tonbridge's comparison floorspace would be primarily drawn.

2) The population and total comparison expenditure available within the primary and secondary catchment areas has been assessed.

3) The benchmark turnover of the existing comparison facilities has been identified. This has been derived from the company average levels for the retail warehouse operators, and the WP3 figure for Tonbridge Town Centre floorspace. An efficiency allowance of 1% per annum has been made for the turnover of floorspace within Tonbridge Town Centre (in effect, to allow for this existing floorspace to improve its performance each year), prior to the scope for additional floorspace being considered.

4) The retention levels (or penetration rates) for Tonbridge have been assessed within the primary and secondary catchment area. This stage of the analysis identifies the pool of available expenditure for Tonbridge (assuming both that there is no oversupply or undersupply in the provision of floorspace in 2004, and that a significantly greater proportion of trade is drawn from the primary catchment area than the secondary catchment area).

5) Finally, capacity for additional floorspace in the period to 2016 is assessed. This is the difference between available expenditure and the turnover of the existing floorspace. We have also undertaken a sensitivity analysis in the event that Tonbridge either reduces or increases its market share over this period.

Catchment Area

4.4 A primary and secondary catchment area for comparison retailing within Tonbridge has been identified and this is shown on the Plan at Appendix 2. This catchment area has been based on judgement and not on detailed shopper or household surveys. While we have looked at the results that flow from the surveys carried out for KCC for WP3 we have reservations about some of the conclusions that flow from that survey and do not consider they assist greatly in actually defining a catchment area for Tonbridge.

4.5 As identified in Section 3.0 the comparison catchment area of Tonbridge is constrained by the competing facilities, particularly Tunbridge Wells to the south and Maidstone to the east, and this is reflected in the defined catchment areas. The primary catchment area comprises the area from which it would be expected that Tonbridge would draw a substantial proportion of its comparison trade from. This includes all of Tonbridge itself, as well as Hadlow to the east, Shipbourne to the north and Hildenborough to the west. The primary catchment area has been truncated to the south to exclude

Southborough, which despite its proximity to Tonbridge Town Centre falls within the natural catchment area of Tunbridge Wells.

4.6 The secondary catchment area identifies the population which, whilst likely to spend a proportion of their comparison expenditure within Tonbridge, would also be attracted by the competing centres to a greater extent than those in the primary catchment area. This includes Southborough, Bidborough and Leigh.

Population within Primary and Secondary Catchment Areas

4.7 Table 1 identifies the population within the primary and secondary catchment area in the period 2004 to 2016. This identifies that the population of the primary catchment area is over twice as large as the population within the secondary catchment area.

4.8 The primary catchment area comprises almost entirely residents of Tonbridge and Malling BC, with only a very small proportion of residents from Tunbridge Wells Borough. The secondary catchment area, in addition to residents in Tonbridge and Malling BC includes a larger proportion of residents from Tunbridge Wells, as well as residents within Sevenoaks.

4.9 Overall, only around 38% of the residents of Tonbridge and Malling are within either the primary and secondary catchment areas of Tonbridge. This is consistent with the observations in WP3 (para. 101) that the town centre is not well located to serve the eastern areas of the Borough. The expenditure of these would primarily be spent at other centres, in particular Maidstone.

4.10 The population has been projected forward to 2016 on the basis that each constituent local authority area within the catchment changes at the rate of that local authority overall.

4.11 Overall, the primary catchment area is projected to grow by around 5% (2,080 people) over the 12 year period from 2004, with much a lower growth of 1.6% (300 people) in the secondary catchment area.

Available Comparison Expenditure

4.12 Experian's local consumer expenditure estimates for comparison goods within the primary and secondary catchment area for the year 2002 have been obtained.

4.13 Experian's latest national expenditure projections between at 2002 and 2016 have been used to forecast expenditure within the catchment area. Unlike previous expenditure growth rates provided by the Data Consultancy (formally URPI) which is based on past trends, Experian's projections are based on an econometric model of disaggregated consumer spending. This model takes a number of a macro-economic forecasts (chiefly consumer spending, incomes and inflation and uses them to produce forecasts of disaggregated consumer spending volumes, prices and value. The model incorporates assumptions about income and price elasticities.

4.14 Experian provides three recommended growth rates for comparison goods for the period 2002 to 2016. The recommended growth rates for the period 2002 to 2007 is 4.8% per annum. Trend line adjusted growth rates of 3.4% per annum have been adopted to project the expenditure between 2007 and 2012 and 4.1% between 2013 and 2016.

4.15 This results in expenditure head in both the primary and secondary catchments of around £2,698 in 2004 increasing to £2,964 in 2006, £3,550 in 2011 and £4,312 in 2016.

4.16 Table 3 identifies that the total comparison expenditure within both catchment area is forecast to increase by £108.13 million over the 12 year period from 2004. It increases from £163.61 million in 2004, to £181.20 million in 2006, to £220.64 million in 2011 and £271.74 million in 2016.

4.17 However all of this expenditure will not be available to Tonbridge Town Centre. As identified in Section 3.0, there are a number of competing destinations, in addition to Tonbridge for this available expenditure.

4.18 We have therefore undertaken an assessment of the proportion of this expenditure which is available for Tonbridge. This has regard to the estimated benchmark turnover of Tonbridge as well as the main conclusions of the household survey which underpins WP3 in addition to our assumptions arising from the accessibility to and level and quality of floorspace within the competing centres.

Turnover of Existing Facilities

4.19 The first step in assessing the current retention rate is to identify the benchmark turnover of the existing and proposed facilities within Tonbridge in 2004. This is set out at Table 4.

4.20 The analysis assesses both facilities within Tonbridge town centre as well as the retail warehouses at Cannon Lane. Whilst the latter facilities are out-of-centre, they form a retail destination within Tonbridge and act as a draw on expenditure. For these reasons they are included within the analysis.

4.21 In addition to the town centre and retail warehouse facilities, there are other small scale comparison facilities within both primary and secondary catchment area. These are not included within the analysis as turnover of these will be derived from the expenditure not currently spent in either Tonbridge town centre or the Cannon Lane retail warehouses (i.e. the residual expenditure).

4.22 The analysis assumes that the existing facilities will achieve a company average or benchmark turnover level (i.e. typical turnover levels for this type of floorspace). This reflects the anticipated turnover of these facilities at *"average"* rather than *"actual"* levels.

4.23 This has regard to both the identified turnover of the retail warehouse units operators within Retail Rankings (2004), and, in respect of Tonbridge Town Centre the turnover assumed within WP3.

4.24 This analysis assumes therefore that the comparison floorspace within Tonbridge town centre achieves a turnover of around £41.35 million in 2004 and the existing retail warehouse floorspace achieves a turnover of around £15.03 million. The total turnover of the existing comparison floorspace in the town centre and retail warehouses is therefore assumed to be £56.38 million. As set out above, the benchmark turnover of Tonbridge Town Centre has been projected to grow at 1% per annum.

4.25 This equates with a penetration rate into both the primary and secondary catchment areas of around 34%, ie. these main retail facilities would draw 34% of the available spending in the catchment area if no turnover was derived from outside the catchment area. However, it is recognised that trade draw to Tonbridge is likely to be significantly greater from the primary rather than the secondary catchment area and that some trade will be drawn from beyond the overall catchment area.

Assumed Retention Rates

4.26 The WP3 household survey identifies both that the overall retention level from zones within and around Tonbridge is relatively low (with notably high outflows to Tunbridge Wells and other centres) and also that Tonbridge draws a notable (albeit relatively low) proportion of comparison goods expenditure from an area which is beyond the secondary catchment area. We suspect the survey results is an overestimate of this.

4.27 We have therefore assumed that of the turnover within Tonbridge, 70% originates within the primary catchment area, 20% within the secondary catchment area and 10% from beyond both catchment areas. This results in penetration rates (or retention levels) of around 37.6% within the primary catchment area and 16.5% within the secondary catchment area.

4.28 As identified in Table 5a, on the basis of constant retention rates, over the period 2004 to 2016, comparison goods expenditure available to Tonbridge increases by almost 68% from £56.38 million in 2004 to £94.10million in 2016. This is an increase in available expenditure of around £37.71 million over the period.

Turnover of committed facility

4.29 As set out at section 3.0, a scheme for retail warehousing at Cannon Lane (close to the existing retail warehouses) was permitted in 1996 and we understand a technical start was made on the site. This has a floorspace of

4,886 sq m gross and is restricted by condition to selling DIY, furniture, furnishings, floor coverings and electrical goods.

4.30 Not withstanding the current planning application on the site, for the purposes of this analysis we have considered the extant Cannon Lane scheme. Clearly the precise turnover level will vary on the operator's presence, and type of goods sold. In view of this, for the purposes of this analysis, we have assumed that it achieves the benchmark turnover of retail warehousing within Kent identified within WP3 (£3,600 per sq m).

4.31 We would emphasise that this benchmark figure is considerably higher than the benchmark turnover for the existing retail facilities (£1,958 sq m). This reflects the fact that electrical traders, which achieve a high turnover, are capable of being accommodated within the permitted scheme, and given that they are not currently represented within retail warehouse units, then there is a possibility of this occurring. If operators with significantly lower turnover levels were accommodated, then the capacity for additional floorspace within the town centre would increase and if operators with significantly higher turnover levels were accommodated, then the capacity would reduce.

4.32 This results in a turnover of the retail commitment of around £13.19 million, which results in a significant increase in the turnover of comparison facilities within Tonbridge (an increase of around 23%). We have assumed that this development is completed by 2006.

Residual Capacity (assuming constant retention rates)

4.33 Table 6a identifies the residual comparison expenditure (i.e. the difference between the available comparison expenditure and the turnover of the existing and committed floorspace in the period 2004 to 2016.

4.34 This identifies that there is no residual expenditure in 2006. When the Cannon Lane commitment is considered there is actually a deficit in available expenditure of around £7.91 million. In 2011 there is residual capacity of around £3.16 million and this increases to £19.28 million in 2016.

4.35 This is translated into a floorspace requirement on the basis that any new floorspace trades at the benchmark level of Tonbridge Town Centre (with an allowance for this increasing by 1% per annum), as for the existing floorspace. It also assumes a net:gross ratio of 70:100.

4.36 This leads to a floorspace requirement of around 1,615 sq m gross in 2011 and 8,108 sq.m in 2016.

4.37 We would emphasise that this provides an indication of the broad order of magnitude of additional floorspace which is capable of being accommodated.

Sensitivity Analysis with Increased and Reduced Penetration Rates

4.38 The analysis above has been undertaken on the basis that Tonbridge achieves a constant market share over the next twelve years.

4.39 However it is recognised that there is scope for this market share to either increase or decrease over this period, as a result of two converse trends.

4.40 Firstly, there is scope for Tonbridge's market share to come under pressure from increased competition from other facilities. The overall market share of the centre is likely to have reduced following the opening of Bluewater in 1999. In addition, the opening of the Fremlin Centre in Spring 2005, whilst primarily likely to increase competition with Tunbridge Wells and Bluewater, will also impact on Tonbridge. If no new floorspace is developed in Tonbridge, the reality is likely to be that Tonbridge's market share will decline. For these reasons we have undertaken an analysis in which the retention rate of Tonbridge decreases by 10% from 2006.

4.41 Conversely, the implementation of the Cannon Lane commitment, in whatever form, would increase the level of floorspace, turnover and potentially choice of operator within Tonbridge. The benchmark comparison turnover of these facilities is forecast to rise by over 20%. There is therefore scope for it to assist Tonbridge to claw back a degree of expenditure, currently spent beyond catchment area.

4.42 Furthermore, if additional comparison retail opportunities were identified and subsequently developed there would be potential scope for further increases in retention rate. As identified in Section 2.0 such planning for growth within existing centres (subject to the appropriate scale of development) is supported by national planning guidance. Draft PPS6, whilst only draft policy at this stage, specifically endorses the distribution of growth to rebalance the network of centres and strengthen lower tier centres. It is also likely to reduce the need to travel, again in accordance with planning policy.

4.43 We have therefore undertaken a sensitivity test that the retention rate increases by both 10% and 20%. The latter assumes that the retention rate in the primary catchment area increases to around 45% (i.e. the residual 55% remains available for the other higher order centres).

4.44 These sensitivity tests are set out in full at Appendix 1, and the resultant floorspaces are summarised in Table 4.1 below. These identify the range of additional comparison floorspace which is capable of being accommodated in Tonbridge across the range of scenarios.

Table 4.1 : Summary of scope for additional comparison floorspace

	Scope for additional floorspace (sq m gross)		
	2006	2011	2016
Reduced Retention Levels (- 10 %)	N/A	N/A	4,150
Constant Retention Levels	N/A	1,615	8,108
Increased Retention Levels (+10 %)	N/A	4,984	12,066
Significantly Increased Retention Levels (+20 %	2,133	8,353	16, 024

Sources: Tables 6a, 6b, 6c and 6d, appendix 1.

4.45 In summary these indicate that there is no significant scope for additional comparison floorspace, beyond the Cannon Lane commitment in the period to 2006 under any of the scenarios. However, there is scope for further floorspace in the period to 2011 and 2016, and this increases if assumptions are made that it is appropriate to increase the market share of Tonbridge.

4.46 Given that Tonbridge's market share is likely to have been eroded in recent years, we consider there is merit in considering further the scope for increasing Tonbridge's market share. If PPS6 is confirmed in its current form this would lend support to such an approach. However, this should be subject to a more detailed consideration both of the availability of sites that could accommodate floorspace in a location that would support the town centre, the commercial feasibility of attracting such development, and the potential effect of the Fremlins development on trading patterns within Tonbridge's catchment.

5.0 CONCLUSIONS

5.1 This analysis has reviewed the scope for additional comparison floorspace within Tonbridge in the period to 2016. It is assessed on the basis of a constant market share as well as a reduction and increase in retention rates.

5.2 Tonbridge's current role in the retail hierarchy is constrained by the proximity and scale of a number of competing centres, in particular Tunbridge Wells to the south as well as Maidstone and Bluewater. These centres act to both constrain the catchment area of Tonbridge and also draw expenditure from within Tonbridge's natural catchment.

5.3 On this basis, it is considered that the current retention rate within the defined primary catchment area of Tonbridge and the secondary catchment area are relatively low (around 38% and 17% respectively). The residual expenditure from these areas are spent primarily at these higher order centres.

5.4 The analysis assumes that there is no oversupply or undersupply of comparison floorspace within Tonbridge in 2004. It further makes an allowance for the retail commitment at Cannon Lane to be implemented in some form. The Cannon Lane development is likely to increase the turnover of the main facilities in Tonbridge.

5.5 The scope for additional comparison floorspace arises from growth in both population and expenditure. In addition to assessing this on the basis that

Tonbridge maintains its current retention rate, we recognise two converse trends which may influence its future retention rates.

5.6 Firstly, Tonbridge's market share is likely to have declined in recent years with the development of Bluewater, and is also likely to experience a further impact with the development of the Fremlin Centre in Maidstone in Spring 2005. Conversely, the implementation of the Cannon Lane commitment is likely to increase the potential for Tonbridge to claw back an element of trade and he identification of further potential retail sites within Tonbridge would also offer the potential to increase retention

5.7 In view of this, we have undertaken a sensitivity analysis of a range of scenarios which is detailed in Table 4.1 above. In summary, this indicates in 2011 there is scope for up to 8,353 sq.m gross additional retail floorspace, and by 2016 for between 4,150 sq.m and 16,024 sq m gross. We would emphasise that these are indicators of a broad magnitude of the scope for additional comparison floorspace which could be accommodated.

Comparison of NLP Analysis with WP3

5.8 As noted in section 2.0, the WP3 analysis also identified capacity for additional core and bulky goods floorspace in the period to 2011. The WP3 analysis identifies a broadly greater capacity than the NLP analysis.

5.9 However, the extent to which the two results are comparable is limited by the following differences in their approach.

- the two analyses relate to different types of floorspace (ie. NLP assesses all comparison floorspace and WP3 undertakes separate assessments of core comparison and bulky goods floorspace);

- the NLP analysis relates to capacity within Tonbridge (ie. specifically the western part of the Borough), whereas the WP3 analysis relates to capacity within the entire Borough;

- the analyses make different methodological and empirical assumptions;

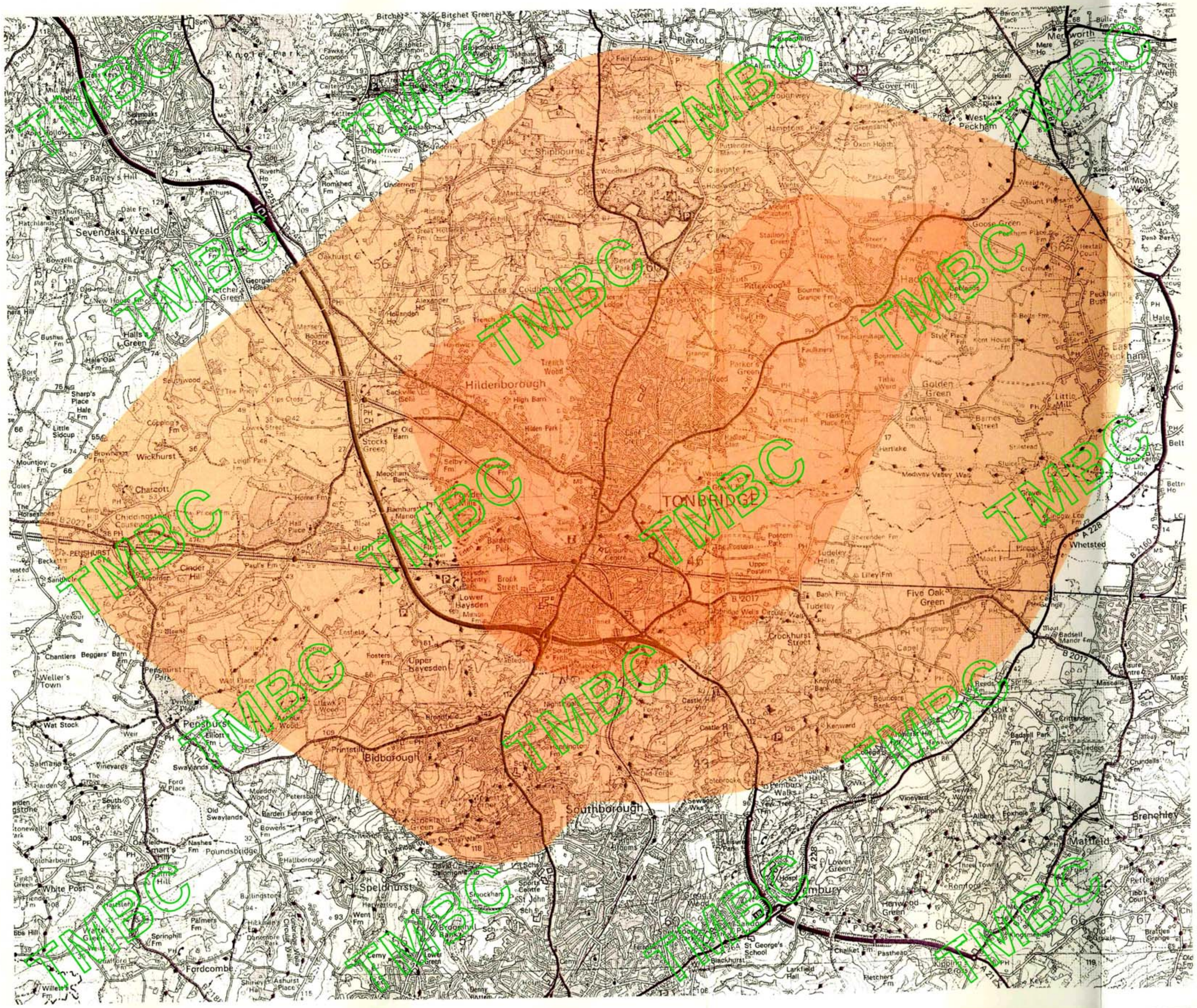
- unlike the NLP analysis, the WP3 approach does not specifically test increased and reduced penetration rates for Tonbridge Town Centre.

Appendix 1

Quantitative Tables

Appendix 2

Plan showing primary and secondary catchment areas



KEY

Primary Catchment Area	
Secondary Catchment Area	

N

Project	TONBRIDGE COMPARISION FLOORSPACE CAPACITY ASSESSMENT
Title	**PLAN 1** **Primary & Secondary Catchment Area**
Client	Tonbridge & Malling Borough Council
Date	June 2004
Scale	NTS
Drawn by	F.P.
Drg. No.	CL/6660/1

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