

*Winchester City Council*

*Assessment of Retail Floorspace  
Requirements*

*in Winchester*

*1996-2011*

[NOTE: SOME FORMATTING AND OTHER DETAIL HAS BEEN  
LOST OR ALTERED IN THE COMPILATION OF THIS  
DOCUMENT FROM THE ORIGINAL SOURCES]

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## ***1 Introduction***

- 1.1 Llewelyn-Davies were appointed by Winchester City Council on 21 August 1997 to review and update the *1992 Winchester Shopping Study*, previously compiled by Chesterton Consulting.
- 1.2 This study provides a quantitative and qualitative assessment of retail floorspace requirements in Winchester for the years 1996, 2001 and 2011.
- 1.3 The study is in nine sections as follows:
  - in **Section 2** we set out the key sources, methods and assumptions adopted through out the assessment;
  - in **Section 3** we review the existing market profile and characteristics of Winchester City centre;
  - **Section 4** reviews population and expenditure trends up to 2011;
  - **Section 5** examines existing shopping patterns;
  - in **Section 6** we calculate the baseline case for additional comparison and convenience floorspace in 1996, 2001 and 2011, based on expenditure projections and turnover;
  - **Section 7** introduces a sensitivity test to the baseline projections contained within Section 6, recognising the possibility of fluctuations over time in several key assumptions that underpin the capacity assessment;
  - **Section 8** pulls together the quantitative and qualitative findings of the study; and
  - **Section 9** sets out recommendations as to how an appropriate retail strategy could be established and sets out conclusions to the study.

## ***2 Key Sources, methods and assumptions***

### ***General Approach***

- 2.1 The objective of this capacity study is to consider the quantitative and qualitative floorspace requirements for further convenience and comparison retailing in Winchester. In effect, the quantitative measure of capacity is the difference in the turnover of Winchester City Centre compared against the total available expenditure upon which Winchester traders can draw.

### ***Design Year***

- 2.2 1996, 2001 and 2011 have been adopted.

### ***2.3 Price Base***

All monetary values are expressed at constant 1994 prices. This year has been selected since it is the latest price year for which local area consumer retail expenditure data is available.

### ***Price Conversion***

- 2.4 This has used the price index in Information Brief 97/2 published by the Unit for Retail Planning Information (URPI).

### ***Goods Type***

- 2.5 The assessment relates to consumer expenditure and retail turnover on comparison (non-food) goods and convenience (food) goods, as defined by URPI. Data on consumer expenditure per head has been drawn from the 1994 Hampshire Structure Plan Review 'Retail Analysis' and projections of the growth in expenditure have been obtained from URPI Brief 97/2.

### *Study Area and Isochrones*

- 2.6 The study area is shown in Figure 1. It comprises the area within a 15 minute drive time from Winchester. The area is divided into 0-10 and 10-15 minute drive time bands using isochrones defined by the 1992 Winchester Shopping Study.
- 2.7 We have considered the effect of the M3 improvements south of Winchester on drive-times. We do not consider these improvements to be of such importance in this study to alter the catchment area established by the 1992 Chesterton Study. Whilst it may be easier to get, for example from Winchester to Southampton or Hedge End, the implications for Winchester are marginal, because:
- the fact that Winchester might be a minute or so closer to people living in Southampton or Hedge End would not make Winchester significantly more attractive than it otherwise might have been, because facilities in these areas remain considerably closer for residents of these areas; and
  - the Winchester market shares of both comparison and convenience expenditure at the fringes of the Winchester catchment around Southampton and Hedge End are very small and thus any adjustment brought about by increased accessibility is likely to be negligible within the overall context of this Study.

### *Expenditure Zones*

- 2.8 In order to facilitate the calculation of capacity data, the drive-time bands are divided into seven expenditure zones (Tables 4.1 and 4.2 below refer). The boundaries of these zones were defined by the 1993 Winchester Shopping Survey, undertaken by Research & Marketing Ltd.

### *Population*

- 2.9 The population within the catchment area in 1991 has been calculated from the 1991 Census, provided by the Office of Population Censuses and Surveys (OPCS).
- 2.10 The estimated population of each zone in 2001 is derived from local authority ward-based population projections. For 2011, projected County-wide growth rates were applied uniformly throughout the catchment area.

### *Expenditure per Capita*

- 2.11 Per Capita comparison and convenience expenditure for the base year, 1991, was estimated by the 1994 Structure Plan 'Retail Analysis' and we have applied these figures to each drive-time band. These figures were applied to the individual Ward areas within each band.
- 2.12 Expenditure per Capita in the years 2001 and 2011, is projected by applying the growth rates set out in Tables 2 and 3 of Appendix A [Missing].

### *Available Expenditure*

- 2.13 For each isochrone in each year, estimated expenditure per head is multiplied by the population to provide an estimate of available expenditure.

### 3 Profile of Winchester

3.1 We summarise below the principal characteristics, strengths, weaknesses, opportunities and threats facing Winchester City Centre.

<i>Quantitative Indicators</i>	
Comparison Floorspace (sq.ft. net) (1997)	323,036sq.ft
Convenience Floorspace (sq.ft. net) (1997)	27,535sq.ft
Prime Zone A Rentals (£) (1997)	£120 per sq.ft
Hillier Parker Ranking (1996)	110 <sup>th</sup>
Trend (1984-1996)	Rising
Prime Yield (%)	4.75%
Department Stores	3
Vacancy Rate	10.6%

<i>Indicators Qualitative</i>	
Retailer Representation	+
Retailer Quality	+
Diversity of Uses	+/-
Accessibility (Private)	+/-
Accessibility (Public)	+/-
Linkages	+
Environmental Quality	+
Identity	+

<i>SWOT Analysis</i>
<h3><i>Strengths</i></h3> <ul style="list-style-type: none"> <li>• County Town and major tourist attraction</li> <li>• quality environment /attractive townscape</li> <li>• sub regional retail centre</li> <li>• extensively pedestrianised primary frontage</li> <li>• significant speciality comparison retail offer</li> <li>• strong multiple representation</li> <li>• easily accessible from the motorway network</li> <li>• park and ride scheme</li> </ul>
<h3><i>Weaknesses</i></h3> <ul style="list-style-type: none"> <li>• restrictive urban form</li> <li>• limited supply of suitable large-scale town centre retail accommodation</li> </ul>
<h3><i>Opportunities</i></h3> <ul style="list-style-type: none"> <li>• Bus station site</li> <li>• units available in the Brooks Centre</li> <li>• improve pedestrian linkage between primary and secondary retail areas</li> <li>• increase length of stay of shoppers</li> </ul>
<h3><i>Threats</i></h3> <ul style="list-style-type: none"> <li>• evidence of some under-trading</li> <li>• increasing competition for retail trade, particularly from Andover, Basingstoke, Eastleigh and Southampton</li> </ul>

- 3.2 Prospects for further Town Centre comparison development are limited by the constrictive nature of the urban fabric. The potential development of the Bus Station, Marks & Spencer warehouse and car park and Post Office/Kings Walk represents the only significant opportunity to strengthen the quantitative offer of the town centre.
- 3.3 Winchester is not a prominent centre for food shoppers resident elsewhere in Hampshire. Significant improvements to the food retail offer are not anticipated to be required in the foreseeable future. However, in the period 2001-2011, the City is a suitable location for mainstream comparison expansion options aimed at retaining expenditure in the Winchester catchment. The partial vacancy of the Brooks Centre, together with the opportunities presented by the Bus Station and Post Office/Kings Walk, provides scope for absorbing the projected growth in comparison expenditure.

## ***4 Population and Expenditure Trends***

### ***Introduction***

- 4.1 This section reviews the projected changes in population and retail expenditure in Winchester in 1996, 2001 and 2011. We look in turn at the spending by the resident population, by tourist visitors, and by those who commute into the City to work.

### ***Population***

- 4.2 In 1996, the population of the study area was just over 194,000. It is projected by Hampshire County Council to increase to 195,600 in 2001 and over 204,000 in 2011. (Table 4.1 below refers). Table 1 of Appendix A illustrates that the greatest concentration of population is in the Winchester Urban Area (defined as comprising the six Wards of St. Barnabas, St. Bartholomew, St. John & All Saints, St. Luke, St. Michael and St. Paul), Eastleigh District and the northern part of Southampton.

Table 4.1 **Projected Population Change (1996-2011)**

<b>Drive-time band</b>	<b>1996 population</b>	<b>Projected change (%) (1996-2001)</b>	<b>2001 population</b>	<b>Projected change (%) (2001-2011)</b>	<b>2011 population</b>
0-10 minutes	95,238	0.2	95,450	6.1	101,276
10-15 minutes	99,057	1.1	100,153	2.9	103,103
<b>Total</b>	<b>194,295</b>	<b>0.7</b>	<b>195,603</b>	<b>4.5</b>	<b>204,379</b>

### ***Retail Expenditure (by the Resident Population)***

- 4.3 The projected average comparison expenditure per capita relating to the catchment population is shown in Table 2 of Appendix A (based on locally adjusted URPI data), projected forward to 1996, 2001 and 2011 by applying national trends. These trends derive from conservative ultra long-term growth rates published by URPI. Even so, the projected growth is substantial. Table 3 of Appendix A shows the distribution of projected convenience expenditure.

- 4.4 In some cases, individual words or areas which we have used to obtain population data, do not fall entirely within a single isochrone band. In this context, it should be noted that the differences in expenditure per capita between the two drive-time bands on both comparison and convenience goods are not very large. (Tables 2 and 3 of Appendix A refer). In the case of comparison expenditure, the difference occurring between the 0-10 and 10-15 minute bands is only around 1.3%. Similarly, the difference in convenience expenditure between the two bands is around 0.6%. These facts add confidence to the validity of applying expenditure per capita data to areas within the catchment which do not entirely fall within a single isochrone band.
- 4.5 UK retail expenditure growth projections for convenience and comparison goods are each very different from 1996-2011. The key feature is that per capita **convenience** growth projections are only +0.31% per annum over the period, while a substantial growth in **comparison** expenditure per capita is projected (+3.57% per annum). Tables 2 and 3 of Appendix A explain the methodology as applied to the Winchester catchment area.
- 4.6 Winchester is also a popular visitor and employment centre. Shops in Winchester benefit from expenditure generated both by visitors and also from commuters resident outside the defined 15 minute catchment area. Tables 4.2 and 4.3 below quantify the extent of this expenditure.

### *Visitor Expenditure*

- 4.7 We have analysed the results of a Southern Tourist Board survey, carried out in 1996 for Winchester City Council. The principal findings of the survey (as applied to the retail sector) are summarised at Table 4.2 below. We calculate that expenditure on comparison goods in 1996 was £15.33 million, and this is projected to rise to £25.95 million in 2011. (1994 prices). Similarly convenience expenditure generated by visitors in 1996 is calculated at £3.72 million, rising to £4.29 million in 2011.

Table 4.2 **Tourist Expenditure in Winchester, 1996, 2001 and 2011 (1994 prices)**

	Day Visitors from Home (1996)	Day Visitors from Holiday Destinations (1996)	Day Visitors from Holiday Destinations (1996) Staying in Winchester	Total (1996)	Total (2001) <sup>1</sup>	Total (2011) <sup>2</sup>
Of which, originating outside Winchester catchment	166,774	540,335	216,160	923,289	/	/
Expenditure per person visit (£,1996 prices)	21.53	21.53	21.53	21.53	/	/
% Spent on Comparison Goods <sup>3</sup>	80	80	80	80	/	/
% Spent on Convenience Goods	20	20	20	20	/	/
Resultant comparison Expenditure Inflow (£m, 1994 prices)	2.77	8.97	3.59	<b>15.33</b>	<b>18.27</b>	<b>25.95</b>
Resultant Convenience Expenditure Inflow (£m, 1994 prices)	0.67	2.17	0.87	<b>3.72</b>	<b>4.16</b>	<b>4.29</b>

Source: Southern Tourist Board (1996)

### *Commuter Expenditure*

- 4.8 Winchester is also a significant administrative centre. Employment projections provided by Hampshire County Council indicate that there were 34,451 employees in employment in the Winchester urban area in 1996. Retail expenditure generated by these employees is calculated at Table 4.3 below. We calculate that comparison expenditure amounts to £1.68 million in 1996, rising to £3.10 million in 2011. Convenience expenditure sums to £1.24 million in 1996, increasing to £1.40 million in 2011.

<sup>1</sup> Projected from a 1996 base in accordance with URPI Brief 97/2, Table 1, ultra long term trends

<sup>2</sup> Ibid.

<sup>3</sup> Llewelyn-Davies assumption

Table 4.3 **Commuter Expenditure in Winchester, 1996, 2001 and 2011**  
(1994 prices)

	1996	2001	2011
Employees in Employment <sup>1</sup>	34,451	33,153	37,111
Proportion of Employees in Employment residential outside 15 minute catchment <sup>2</sup>	7,056	6,790	7,601
Proportion Combining warm and shopping trips (15%)	1,058	1,019	1,140
Comparison Expenditure per person (£) <sup>3</sup>	1,422	1,896	2,692
Convenience Expenditure per person (£) <sup>4</sup>	1,170	1,188	1,225
Resultant Comparison Expenditure Inflow (£m)	<b>1.68</b>	<b>1.93</b>	<b>3.10</b>
Resultant Convenience Expenditure Inflow (£m)	<b>1.24</b>	<b>1.21</b>	<b>1.40</b>

Source : Southern Tourist Board (1996)

### *Summary*

- 4.9 Total convenience and comparison retail expenditure within the Winchester catchment is projected to 1996, 2001 and 2011 at Tables 4.4 and 4.5 below. These calculations combine the population with the per capita expenditure growth estimates (Tables 1,2, and 3 of Appendix A) and the expenditure inflow generated by visitors and commuters. The result is little growth in convenience expenditure between 1996-2011 (10.2%), but a 77.7% increase in comparison expenditure. Consequently, the comparison sector will offer the greatest expenditure growth-led opportunities for retail development.

<sup>1</sup> Hampshire County Council Ward based projections (1996-2001), County-wide Projections to 2011

<sup>2</sup> 1991 Census of Population, Area of Work Statistics

<sup>3</sup> URPI Brief 97/2. Table 1

<sup>4</sup> Ibid.

Table 4.4 **Comparison Expenditure by Isochrone band in 1996, 2001 and 2011**  
(1994 prices)

<b>Isochrone</b>	<b>1996 (£m)</b>	<b>2001 (£m)</b>	<b>% growth 1996-2001</b>	<b>2011 (£m)</b>	<b>% growth 2001-2011</b>	<b>% growth 1996-2011</b>
0-10 minutes	147.50	176.13	+19.4	265.43	+50.7	+80.0
10-15 minutes	148.14	178.51	+20.5	261.14	+46.3	+76.28
Visitor / employee expenditure	17.02	20.21	+18.7	29.02	+43.6	+70.5
<b>Total</b>	<b>312.66</b>	<b>374.84</b>	<b>+19.9</b>	<b>555.59</b>	<b>+48.2</b>	<b>+77.7</b>

Table 4.5 **Convenience Expenditure by Isochrone band in 1996, 2001 and 2011**  
(1994 prices)

<b>Isochrone</b>	<b>1996 (£m)</b>	<b>2001 (£m)</b>	<b>% growth 1996-2001</b>	<b>2011 (£m)</b>	<b>% growth 2001-2011</b>	<b>% growth 1996-2011</b>
0-10 minutes	113.65	115.67	+1.8	126.60	+9.5	+11.4
10-15 minutes	116.50	119.63	+2.7	127.06	+6.2	+9.1
Visitor / employee expenditure	4.96	4.99	+0.6	5.29	+6.13	+6.8
<b>Total</b>	<b>235.11</b>	<b>240.29</b>	<b>+5.18</b>	<b>258.95</b>	<b>+7.8</b>	<b>+10.2</b>

## 5 Current Shopping Patterns

### *Introduction*

- 5.1 Awareness of existing shopping patterns is important in assessing the potential of Winchester to accommodate new retail development. The Winchester Shopping Survey, prepared by Research & Marketing Ltd. in October 1993 (for Alsop Verrill) provides a basis for gauging shopping patterns.
- 5.2 The present analysis includes updated information, but retains consistency with the findings of the 1993 Telephone Survey, where still appropriate. Some adjustments are included though, to reflect current circumstances. These adjustments are elaborated upon in Table 4 and 5 of Appendix A. A new household shopping survey would have overcome the disadvantages of relying on a 1993 survey, but was not considered essential to produce reasonably robust results.

### *Comparison shopping patterns*

- 5.3 Comparison shopping patterns tend to be of greater strategic significance than those relating to convenience retailing. The 1993 Winchester Shopping Survey covers non-food shopping trips relating to clothing, furniture, floorcoverings, electrical goods and hardware/DIY. The format of the survey allows identification of expenditure relationships between individual shopping centres. Estimates of expenditure leakage and retention can then be deduced.
- 5.4 Table 4 of Appendix A shows the comparison shopping patterns within the catchment area. The telephone survey disaggregated the Winchester catchment into a total of seven different sectors. Table 5.1 below is a summary of the expenditure patterns for comparison shopping, derived from Table 4 of Appendix A. This is a critical aspect of the assessment. The Winchester catchment area as defined by the 1992 Chesterton study has been retained and market shares allocated to each Ward within the catchment area according to the findings of the 1993 telephone survey (updated to reflect current circumstances).

Table 5.1 Expenditure patterns for comparison goods, 1996 (%)

Sector	Sector location	Winchester market share (% retention)	Leakage outside of Winchester (%)
Sector 1	Eastern Winchester, Kings Worthy	59.2	40.8
Sector 2	South-Western Winchester, including Badger Farm and Oliver's Battery	49.8	50.2
Sector 3	0-10 minute isochrone, north	52.3	47.7
Sector 4	0-10 minute isochrone, south	31.6	68.4
Sector 5	10-15 minute isochrone, central	46.3	53.7
Sector 6	10-15 minute isochrone, south	11.9	88.1
Sector 7	10-15 minute isochrone, north	6.2	93.8

Source: Appendix A, Table 4

5.5 What emerges from the 1993 Telephone Survey is the relative detachment of the southern parts of the Winchester catchment. There is evidence of trade leakage to higher order centres, mainly to Southampton throughout sector 6, where Eastleigh also features strongly. Basingstoke is dominant in Sector 7, where only 6.2% of residents use Winchester as a non-food shopping destination.

### *Convenience shopping*

5.6 The approach taken in determining convenience shopping patterns within the catchment area also relies on the findings of the 1993 Telephone Survey as applied to the catchment area identified by the 1992 Chesterton Study. We are also able to update the 1993 Survey to reflect current circumstances by way of reference to the retail study prepared by Alsop Verrill in 1993 in respect of the Tesco foodstore at Beech Walk, Winnall.

5.7 Most of the central Winchester catchment is fairly self-sufficient in food shopping, as indicated by the percentage of convenience trips retained (Table 5.2 below). Unsurprisingly, the table illustrates the rather localised nature of food shopping.

Table 5.2 Expenditure patterns for convenience goods, 1996 (%)

Sector	<i>Sector location</i>	Winchester market share (% retained)	Leakage outside of Winchester (%)
Sector 1	Eastern Winchester, Kings Worthy	98.7	1.3
Sector 2	South-Western Winchester, including Badger Farm and Oliver's Battery	97.6	2.4
Sector 3	0-10 minute isochrone, north	95.5	4.5
Sector 4	0-10 minute isochrone, south	45.7	54.3
Sector 5	10-15 minute isochrone, central	48.1	51.9
Sector 6	10-15 minute isochrone, south	9.6	90.4
Sector 7	10-15 minute isochrone, north	1.8	98.2

## 6 Floorspace Potential: The Baseline Case

### *Introduction*

- 6.1 This section examines both comparison and convenience retail expenditure in relation to the turnover of shops in Winchester. The aim is to investigate the extent to which 'surplus' expenditure exists, which in turn may be capable of conversion to retail floorspace, and thus to explore what extra retail floorspace might be needed or justifiable.
- 6.2 Our assessment of the capacity for further retail floorspace in Winchester is based on two scenarios. Firstly, (Scenario 1) we base available expenditure estimates on the current (1996) trading position (market shares). This section sets out the results of this exercise. Secondly, (Scenario 2 – in section 7) we assume that new floorspace in Winchester can improve on the current trading position and increase its share of available retail expenditure, by 'clawing back' expenditure which is currently (1996) leaking to centres outwith the Winchester catchment.
- 6.3 There are two elements to review: existing capacity (1996); and projected surplus capacity to the years 2001 and 2011.

*Total comparison and convenience expenditure available to Winchester's shops, 1996*

### *Comparison expenditure*

- 6.4 Table 1 of Appendix B distributes the comparison expenditure available within each zone (as set out in Table 4.4 above) according to the market share percentages set out above in Table 5.1. The results of this exercise indicate that in 1996, £87.29 million of comparison expenditure was available to comparison retailers.

### *Convenience expenditure*

- 6.5 Table 2 of Appendix B distributes the total convenience expenditure within the Winchester catchment (as established by Table 4.5 above), by applying the market share values set out in Table 5.2. The results indicate that in 1996, £82.93 million of expenditure was available.

## *Retail floorspace and turnover (1996)*

### *Comparison facilities*

- 6.6 Table 3 of Appendix B [Missing] illustrates that Winchester City Centre accommodates over 323,000 sq.ft. gross (30,007 sq.m.) of comparison floorspace. Winchester also has a number of comparison shops within local centres, providing an estimated sales floorspace of 8,000 sq.ft. (743 sq.m.). In addition, there are other dispersed stores which sell comparison goods. These are estimated to have a net sales floorspace of 11,840 sq.ft. (1,100 sq.m.). Finally, the J Sainsbury Homebase store at Winnall is recorded as having a net trading area of 30,400 sq.ft. (2,824 sq.m.).
- 6.7 The expected turnover of current comparison sales floorspace is also calculated at Table 3 of Appendix B. The table highlights a wide variation in turnover efficiency amongst retailers, and establishes the average 1996 turnover per sq.ft. of Winchester City Centre traders to be £261.71 (£2,817 per sq.m.) (1994 prices).

### *Convenience facilities*

- 6.8 Convenience floorspace provision in Winchester is set out at Table 4 of Appendix B [Missing]. Total City Centre sales floorspace is estimated at 27,535 sq.ft. (2,558 sq.m.). Outside the central area, the J Sainsbury foodstore at Badger Farm has a sales area of 29,741 sq.ft. (2,763 sq.m.) and the Tesco store at Winnall provides a further 36,000 sq.ft. net (3,345 sq.m.). Local Centres and other small shops provide an additional 15,850 sq.ft. net (1,472 sq.m.) of trading floorspace. Table 4 of Appendix B also calculates the expected turnover of convenience goods floorspace.

### *Current surplus expenditure*

- 6.9 In order to estimate the gap between actual spending in Winchester shops and the turnover that might be expected if they were trading at national average floorspace efficiency rates, Table 6.1 below shows the difference between the average turnover (of current retailers) and expenditure in 1996 for the Winchester catchment area. The expenditure relates to the resident population, and also takes account of expenditure from beyond the 15-minute isochrone by considering the role of both visitors and commuters. Negative surplus comparison expenditure potential is evident within the catchment area at the base

year of 1996. Limited surplus convenience expenditure is however available (£6.4 million).

Table 6.1 **Surplus expenditure 1996** (1994 prices)

<b>Expenditure category</b>	<b>Expenditure (£m)</b>	<b>Average (national) turnover (£m)</b>	<b>Surplus expenditure (£m)</b>	<b>Turnover performance (level of over-trading) (%)</b>
Comparison	87.29	107.99	-20.70	-19.17
Convenience	82.93	76.53	+6.4	+8.3

### *Distribution of retained expenditure growth, 2001 and 2011*

6.10 The case presented above represents current surplus comparison and convenience expenditure in Winchester, on the basis of currently available data. However, our assessment of capacity to 2001 and 2011 recognises the possibility of fluctuations in several key assumptions that underpin the capacity assessment. Firstly, we consider the potential for the take-up of vacant floorspace. Secondly, we assess the implications raised by current retail planning consents. Thirdly, we recognise the notion of growth in floorspace efficiency per annum, to 2011. Fourthly, we acknowledge known potential change outwith, rather than within the Winchester catchment. Lastly, we consider the possibility of additional growth in the resident population over and above the Hampshire County Council forecasts.

### *Take up of Vacant Floorspace*

6.11 We calculate that vacant shop units in Winchester City Centre could provide up to 37,100 sq.ft gross (3,450 sq.m.) of additional floorspace, of which 39% is currently located in the Brooks Shopping Centre. For the purposes of analysis, we have assumed that this vacant space is suited to comparison goods sales. We have further assumed that 40% of this floorspace will be taken up by 2001, in view of the proposed internal alterations to the Brooks Shopping Centre.

6.12 Given that the current vacancy rate among City Centre retail units is currently below the national town centre average, at 10.6%, we have similarly assumed that 40% of currently vacant floorspace will have been taken up by 2011. We consider this assumption to represent a cautious approach to assessment because:

- a proportion of currently vacant units may be judged as unsuited to the requirements of modern retailing; and
- a frictional vacancy rate is common in most town centres and often provides the opportunity for small scale service or financial and professional traders to assume town centres locations (subject to Local Plan policy).

6.13 Table 6.2 below illustrates that this additional sales floorspace is expected to have a turnover of £3.24 million in 2001 and £3.58 million in 2011. (1994 prices).

Table 6.2 Assumed turnover of currently (1997) vacant floorspace in Winchester, 2001 & 2011 (1994 prices)

<i>Year</i>	<b>Vacant Floorspace (sq.ft.Gross)</b>	<b>Vacant Floorspace (sq.ft.net)<sup>8</sup></b>	<b>40% uptake of vacant Floorspace (sq.ft.net)</b>	<b>Assumed Turnover Efficiency Per sq.ft. (£)<sup>9</sup></b>	<b>Turnover of Vacant Floorspace (£m)</b>
2001	37,138	29,710	11,884	272	3.24
2011	37,138	29,710	11,884	301	3.58

<sup>8</sup> Assumes net: Gross ratio of 80:100

<sup>9</sup> City Centre average turnover statistics derived from Appendix B, Table 3

### *Implementation of proposed retail developments and commitments*

- 6.14 The figures presented so far in our assessment of surplus expenditure capacity in 1996 do not include consideration of existing retail planning commitments. We now introduce consideration of the volume of these outstanding comparison and convenience consents in projecting the levels of surplus comparison and convenience expenditure from 1996 to 2001 and 2011. In summary, the effect of introducing existing consents into the assessment at this stage is to increase the average retail turnover of the City, and thus reduce surplus retail expenditure and hence floorspace requirements.
- 6.15 However, in doing so, our use of statistics pertaining to outstanding consents should be viewed within the context of a key assumption that underpins the assessment. We have assumed that all of the outstanding consents that we have identified will be implemented by 2001.
- 6.16 There are two significant current consents involving comparison retailing within Winchester. These are summarised below.

#### *Comparison consents*

- i. Land to the rear of J Sainsbury Homebase, Winnall (11,097 sq.ft. gross (1,031 sq.m.) of non-food retail); and
- ii. Land at Moorside Road, Winnall (34,401 sq.ft. gross (3,196 sq.m.) of non-food retail).

#### *Convenience consents*

- i. Expansion to existing J Sainsbury store, Badger Farm (7,470 sq.ft. gross (6,945 sq.m.) of convenience retail).

#### *Growth in turnover efficiency*

- 6.17 The effect of growth in comparison and convenience expenditure is considered in our assessment within the context of the requirement for retailers to achieve some growth in turnover. For example, this may be necessary so as to generate sufficient funds for reinvestment (i.e., store refurbishment). Such reinvestment may be crucial for the maintenance of a town centre's health and vitality. The effect of making an

allowance for growth in floorspace turnover is to reduce the projected growth potential. Recent advice from URPI is that turnover/efficiency ratios among comparison and mixed use businesses have yet to settle down to a steady trend.

- 6.18 Among convenience retailers, the pattern is similarly unpredictable. A number of convenience retailers have managed to increase floorspace efficiency over recent years such as ASDA (increasing from £596 per sq.ft. in 1993/94, to £643 per sq.ft. in 1994/95, and £698 per sq.ft. in 1995/96).<sup>10</sup> Other retailers such as Safeway, Aldi and Tesco have also experienced similar growth. However, examples of declining floorspace efficiency include Kwik Save, J Sainsbury and Somerfield (Somerfield achieved £601 per sq.ft in 1993/4, £515 per sq.ft. in 1994/95 and £509 per sq.ft in 1995/96).
- 6.19 In summary, it is our view that over the period 1996-2011, it will become increasingly difficult for convenience and comparison retailers to achieve significant real increases in sales per square foot. Consequently, we have only inflated the turnover of existing comparison and convenience retailers over the period 1997-2011 by a marginal 1% per annum.

### *Improvements to Competing City Centres*

- 6.20 We have afforded consideration to (competing) comparison and convenience floorspace growth outside the Winchester catchment area. Known potential change is likely outwith the Winchester catchment. It would therefore be sensible to make some allowance for increased competition elsewhere; e.g. the proposed Whiteleigh Factory Outlet Centre, improvements to the comparison retail offer in Basingstoke, the West Quay Centre in Southampton, the potential for further retail warehousing at Southampton Road and London Road; Eastleigh. To reflect this, we downgrade the retained comparison expenditure growth by 25%, as indicated in Table 1 of Appendix B. This is an arbitrary adjustment.

### *Additional growth in the resident population*

- 6.21 Our projections to 2001 and 2011 also recalculate the resident population of the study area on the basis of an additional housing allocation considered by the Hampshire Structure Plan Examination In

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<sup>10</sup> All turnover ratios in this section are expressed at constant 1994 prices and incorporate a deduction for petrol sales.

Public (EIP). In summary, whilst the strategic options remain under consideration by Hampshire County Council, there would appear to be three preliminary options:

- little or no additional housing in the Winchester catchment area;
- an additional housing allocation to the north of Winchester; and
- a new town near Micheldever railway station.

6.22 The quantum of additional housing to be provided (if any) is similarly undetermined. However, following discussions with Hampshire County Council, the likely range of additional housing to be provided falls (should the EIP Inspectors' recommendations be accepted) within the order of 44,000-56,000 dwellings throughout the County. Following discussions with Winchester City Council, we have identified the following core options for testing:

- no additional Structure Plan housing allocation within the Winchester catchment; and
- a possible degree of growth of 3,000 additional houses, arising from the EIP.

6.23 Firstly though, it is important to outline the methodology used to quantify the contribution of the additional housing component to the assessment of retail capacity. We have assumed that all residential development will occur within the 10-15 minute isochrone. We have further assumed that net additional residents will exhibit identical spending characteristics (upon both comparison and convenience goods) as those existing residents within the central part of the 10-15 minute isochrone. It will be recalled from Section 4 above that these spending characteristics pertain to a 46.3% market share for Winchester City Centre in terms of comparison expenditure and a 48.1% share for convenience expenditure.

6.24 Whilst Winchester City Council have surmised, for the purposes of this study that (say) a possible growth of 3,000 additional dwellings may be provided in the Winchester catchment, it is also necessary to make an assumption about the likely phasing of such development. We have assumed that any additional housing will be phased incrementally on an annual basis between 2006 and 2011 (i.e. 500 houses per annum).

6.25 It is also clear that whilst any new housing to the north of Winchester will add to the local population, some of the occupiers are likely to be relocations from within the Winchester catchment and others will be incomers. We have treated all new housing as a net gain, since in

anything other than the short run, vacant housing will be filled by either local moves or incomers.

6.26 The resident population associated with additional dwellings has been calculated by applying a standard household person-size ratio to each new dwelling built. The average household size figures adopted are 2.284 people in 2006, declining to 2.227 people in 2011. These ratios are derived from projections in Annex G of the 1996 Government White Paper ‘*Household Growth: Where Shall We Live?*’.

### *Projected surplus expenditure, 2001 and 2011*

6.27 Looking forward to the year 2001, little comparison expenditure growth is projected from 1996. In determining how retained expenditure is distributed within the Winchester catchment, we repeat the exercise undertaken to arrive at the estimated surplus in 1996, but we also include consideration of the five additional factors set out in paragraph 6.10 above;

- Take up of vacant floorspace;
- implementation of current retail planning consents;
- 1% growth in turnover efficiency per annum;
- a 25% reduction in retained expenditure growth to compensate for known potential change outwith the Winchester catchment; and
- additional houses located to the north of Winchester.

6.28 Table 6.3 indicates retained expenditure growth within the Winchester catchment. Assuming no changes to existing shopping patterns, this implies no additional comparison turnover potential. The convenience sector is still marginally over-performing, by £0.28 million.

Table 6.3 **Surplus expenditure 2001** (1994 prices)

<b>Expenditure category</b>	<b>Expenditure (£m)</b>	<b>Average (national) turnover (£m)</b>	<b>Surplus expenditure (£m)</b>	<b>Turnover performance (level of over-trading) (%)</b>
Comparison	100.67	126.34	-25.66	-20.3
Convenience	84.02	83.75	+0.28	+0.3

6.29 Table 6.4 summarises the expenditure analysis for 2011. Projected growth in comparison expenditure provides a modest backdrop against which new retail developments could be considered. This implies total additional comparison turnover potential of between £5.36 and £13.62 million. Projected total surplus convenience capacity retained within

the Winchester catchment is estimated at up to £3.74 million, (should a degree of growth of 3,000 additional houses result from the EIP recommendations). However, there is always uncertainty associated with projected expenditure growth rates, especially as the length of the projection increases. The 2011 base year is fourteen years ahead, so we recommend caution in interpreting the consequent expenditure projections.

Table 6.4 **Surplus expenditure 2011 (1994 prices)**

<b>Expenditure category</b>	<b>Expenditure (£m)</b>	<b>Average turnover (£m)</b>	<b>Surplus expenditure (£m)</b>	<b>Turnover performance (level of over-trading) (%)</b>
<i>Comparison</i> (with EIP housing addition):				
• Nil	144.91	139.56	+5.36	+3.8
• 3,000	153.18	139.56	+13.62	+12.7
<i>Convenience</i> (with EIP housing addition):				
• Nil	92.09	92.51	-0.42	-0.45
• 3,000	96.25	92.51	+3.74	+4.0

### *Floorspace Potential, 2001 and 2011*

- 6.30 All of the foregoing expenditure analyses have provided estimates of potential spare turnover capacity. There is no projected total surplus comparison capacity in Winchester in 2001. There is however minor projected capacity for further convenience retail development (£0.28 million).
- 6.31 The foregoing expenditure analyses are summarised in Tables 6.5 and 6.6 below to provide an estimate of potential spare turnover capacity by 2001 and 2011, and of gross equivalent floorspace. Since city centre comparison floorspace and retail warehousing exhibit very different trading intensities (per sq.ft.), (this being the mechanism by which we translate surplus expenditure into a floorspace requirement) Tables 6.5

and 6.6 provide an indication of the respective floorspace capacities for both city centre comparison floorspace, and also for retail warehousing.

Table 6.5 **Projected overtrading in Winchester, 2001 and gross floorspace equivalent** (1994 prices)

Expenditure category	Expenditure (£m)	Surplus expenditure (£m)	Gross City Centre floorspace equivalent (sq.ft.)	OR Retail Warehousing (sq.ft.Gross)
Comparison	100.67	-25.66	0	0
Convenience	84.02	+0.28	463-547	N/A

6.32 Projected surplus comparison expenditure capacity for up to 54,332 sq.ft. gross of City centre floorspace is forecast at 2011. Retained surplus convenience expenditure growth could amount up to £3.74 million, equivalent to between 5,661 and 6,670 sq.ft. gross of convenience floorspace.

Table 6.6 **Projected overtrading in Winchester, 2011 and gross floorspace equivalent** (1994 prices)

Expenditure category	Expenditure (£m)	Surplus expenditure (£m)	Gross City Centre floorspace equivalent (sq.ft.)	OR Retail Warehousing (sq.ft.Gross)
<i>Comparison</i> (with EIP housing addition):				
• Nil	144.91	+5.36	21,368	23,637
• 3,000	153.18	+13.62	54,332	60,313
<b>Convenience</b> (with EIP housing addition):				
• Nil	92.09	-0.41	0	N/A
• 3,000	96.25	+3.74	5,661-6,670	N/A

## 7 Scenario 2 – Sensitivity Test

### *Introduction*

- 7.1 Section 6 quantified the surplus comparison and convenience retail expenditure in relation to the turnover of shops in Winchester. This surplus expenditure was then translated into a gross floorspace requirement.
- 7.2 Section 6 therefore constitutes the ‘baseline’ case, which included several key assumptions:
- comparison and convenience retailers will achieve some (1% per annum) growth in turnover efficiency;
  - an allowance for between 0-3,000 additional dwellings, implemented to the north of Winchester between 2006 and 2011;
  - currently outstanding retail planning commitments will be fully implemented by 2001;
  - 40% take-up of currently (1997) vacant floorspace by 2001; and
  - consideration of known potential change outwith the Winchester catchment.
- 7.3 The Scenario 1 case presented in section 6 above represents our best estimate of floorspace potential, on the basis of available data and the assumptions implicit to our analysis. However, we recognise the possibility of fluctuations over time in several factors, any of which could markedly influence the outcome of the capacity assessment. In this section, we therefore revisit the “baseline” capacity Scenario explored in Section 6. We recalculate available expenditure for 2001 and 2011, based on three new assumptions, outlined below. All other factors underpinning the baseline capacity assessment remain constant.
- an assumption that *new* comparison retail development (extant planning consents listed at section 6 above) will enhance the opportunity to retain expenditure leakage from the catchment area. Therefore, we assume that 50% of the turnover of this new comparison development (i.e. planned consents and any further floorspace developed in response to surplus expenditure capacity) will derive from clawback of leakage to Centres outwith the Winchester catchment area. This is an arbitrary judgement;

- an assumption that new convenience retail development will derive one third of total turnover from clawback of leakage to centres outwith the Winchester catchment. The clawback of convenience goods expenditure leakage is considered to be less than that anticipated for comparison facilities, because of the very localised nature of most food shopping trips, as established by Table 5.2 above; and
- testing a higher number of net additional houses to be developed to the north of Winchester between 2006 and 2011 (6,000 as opposed to between 0-3,000 houses envisaged by Scenario 1 above). This higher assumption has been agreed with Winchester City Council as representing a ‘maximum’ potential allocation.

### *Surplus expenditure, 2001 and 2011*

7.4 On the basis of these “Scenario 2” assumptions, we estimate that retained comparison expenditure within the catchment area would increase from £100.67 million (Table 6.3) to £106.04 million in 2001 (Table 7.1). The turnover of Winchester traders amounts to £126.34 million, representing significant under-trading. In terms of convenience floorspace capacity, available convenience expenditure is increased to £85.39 million, of which £1.65 million is absorbed in the form of over-trading.

Table 7.1 **Surplus expenditure 2001** (1994 prices)

<b>Expenditure category</b>	<b>Expenditure (£m)</b>	<b>Average (national) turnover (£m)</b>	<b>Surplus expenditure (£m) (with Clawback)</b>	<b>Turnover performance (level of over-trading) (%)</b>
Comparison	106.04	126.34	-20.30	-16.1
Convenience	85.39	83.75	+1.65	+2.0

7.5 Looking to 2011, total comparison expenditure is projected to amount to between £159.10-£167.38 million, compared with an average City Centre turnover of £139.56 million. Surplus expenditure amounts to between £19.54-£27.82 million. Enhanced over-trading is also evident in the convenience sector. Available convenience expenditure amounts to between £97.76-£102.32 million, of which £5.26-£9.81 million can be identified as surplus to national average levels of trading. (Table 7.2 below refers).

Table 7.2 **Surplus expenditure 2011 (1994 prices)**

<b>Expenditure category</b>	<b>Expenditure (£m)</b>	<b>Average turnover (£m)</b>	<b>Surplus expenditure (£m) (with clawback)</b>	<b>Turnover performance (level of overtrading) (%)</b>
<i>Comparison</i>				
<i>Housing addition:</i>				
3,000	159.10	139.56	19.54	+14.0
6,000	167.38	139.56	27.82	+19.93
<b>Convenience</b>				
<i>Housing addition</i>				
3,000	97.76	92.51	5.26	+5.7
6,000	102.32	92.51	9.81	+10.6

*Future floorspace potential, 2001-2011*

7.6 Based on the surplus expenditure identified above, the following additional floorspace could be supported in Winchester under Scenario 2.

Table 7.3 **Projected overtrading in Winchester, 2001 and gross floorspace equivalent (1994 prices)**

<b>Expenditure category</b>	<b>Expenditure (£m)</b>	<b>Surplus expenditure (£m) (with Clawback)</b>	<b>Gross City Centre floorspace equivalent (sq.ft.)</b>	<b>OR Retail Warehousing (sq.ft.Gross)</b>
<i>Comparison</i>	106.04	-20.30	0	0
<i>Convenience</i>	85.39	+1.65	2,356-2,777	N/A

Table 7.4 Projected overtrading in Winchester, 2011 and gross floorspace equivalent (1994 prices)

Expenditure category	Expenditure (£m)	Surplus expenditure (£m) (with Clawback)	Gross City Centre floorspace equivalent (sq.ft.)	OR Retail Warehousing (sq.ft.Gross)
<i>Comparison</i> <i>Housing addition</i>	159.10	19.54	77,917	86,224
	167.38	27.82	110,920	122,746
3,000				
6,000				
<i>Convenience</i> <i>Housing addition</i>	97.77	5.26	7,949-9,364	N/A
	102.32	9.81	14,830-17,471	N/A
3,000				
6,000				

## 8 Strategy Development

### *Introduction*

- 8.1 In this section, we pull together our review of the scenarios outlined in Section 6 and 7 and consider the prospects for accommodating further retail floorspace in Winchester.

### *Prospects for Winchester*

- 8.2 Comparison and convenience retailing in Winchester has radically improved in recent years (in quantitative and qualitative terms). Current comparison commitments could extend the retail offer by approximately 45,500 sq.ft. gross, and convenience commitments extend to 7,470 sq.ft. gross. As a consequence, we have found prospects in these sectors to be limited in the period to 2001 (even under high-growth scenario conditions).

### *Convenience offer*

- 8.3 The existing foodstores in Winchester (including the planned extension to the J Sainsbury store at Badger Farm) adequately satisfy foreseeable convenience prospects to 2001. The development of the out-of-town Tesco store at Winnall in 1994 has addressed the quantitative deficiency previously identified by the 1992 Winchester Shopping Study. Our high-growth scenario has identified a requirement for only 2,356-2,777 sq.ft. gross in this period.
- 8.4 In qualitative terms, we do not consider that a local policy stance that resisted further convenience development in the period to 2001 would represent a failure to meet qualitative 'need', or that the shopping public would be deprived of a full range of convenience goods. The items commonly carried by superstores are fully available in Winchester, with City Centre traders providing an important 'basket' function, and the out-of-town Tesco and J Sainsbury stores at Winnall and Badger Farm performing a bulk food shopping function.
- 8.5 Our judgement of the qualitative adequacy of convenience retailing in Winchester is reaffirmed in a recent publication by Tesco. In common with a number of food retailers, Tesco have promoted 'flexible store formats' as being key to their expansion programme (Annual Report and Accounts, 1996). The current Tesco formats are summarised as follows:

Table 8.1: Tesco 'Flexible Store' Formats

Tesco Name	Format	Number of lines <sup>1</sup>	Sales area (sq.ft. net)
Superstore	Increasingly being called a 'neighbourhood store'	18,000	Over 30,000
Compact stores	<b>Full superstore range of goods*</b> . A unit with 200-250 parking spaces requires as little as 2 acres (3 acres if it includes a PFS) <sup>2</sup>	14,000	<b>15-25,000</b>
Tesco Metro	Mainly City Centre locations, with a high concentration of office workers, shoppers or local residents. Recently, market town centre locations have been targeted (e.g., Ledbury, Worcestershire)	9,000	10,000
Tesco Express	Petrol forecourt convenience store	2,000	2,000

\*(Our emphasis)

- 8.6 In the longer term to 2011, Scenario 1 suggests that surplus expenditure could justify extending convenience floorspace by between 5,661-6,670 sq.ft. gross. Should Scenario 2 conditions arise, the capacity for further convenience development could be extended to between 14,830-17,471 sq.ft. gross.

<sup>1</sup> Tesco, quoted in *Verdict* (January 1996)

<sup>2</sup> Barclays de Zoete Wede Research (April 1995)

## *Comparison Offer*

- 8.7 Winchester currently (1996) has an oversupply of comparison floorspace. Our assessment of the quantitative position to 2001 has also identified no potential for further development, even under Scenario 2 conditions.
- 8.8 Expenditure projections to 2011 show that there is scope for additional comparison retail development. On the basis of our 'baseline' assessment of capacity (Section 6), surplus expenditure capacity exists to support up to 54,332 sq.ft. gross of City Centre floorspace. Under Scenario 2, the requirement for further development increases significantly, to around 110,920 sq.ft. gross.
- 8.9 This projected surplus expenditure capacity for further comparison development in Winchester raises important issues for the City in considering the possibilities for further development, namely:
- the qualitative need for further comparison floorspace; and
  - the opportunities for further comparison development of an appropriate size and scale.
- 8.10 We consider these two issues in turn below.

### *Qualitative requirements for further comparison floorspace*

- 8.11 The notion of qualitative need has been neatly summarised in a recent call-in decision relating to a 69,940 sq.ft. gross foodstore application in West Timperley, Trafford. At paragraph 11.15 of the Inspector's decision letter, the Secretary of State specifically addresses the concept of 'need':

*"I do not accept that the inability to provide what the applicants regard as the full range of superstore facilities, including ancillary activities, would represent a failure to meet qualitative 'need'. Whilst there is obviously a demand by a certain sector of the community to shop in such a store, this demand is not universal and in my view, should not be given the same kind of weight as the word 'need' implies".*

- 8.12 A very similar interpretation of Governmental policy was recently applied by an Inspector in determining a proposal for extensions to existing Marks & Spencer & J Sainsbury schemes at Hedge End, Eastleigh. At paragraph 11.12 of the decision letter, the Inspector notes:

*" ... this begs the question of how to define 'need'. People do not need access to shops in the same sense that they need to live or a job to give them a living. With shopping it is a matter of relative convenience, relative accessibility,*

*congestion in and around shops, and the attractiveness and ambience of competing centres and stores. The quality of the shopping experience must depend largely on the efficiency and skill of retailers, and it is appropriate to define need, at least in part, in terms of what conditions retailers require in order to give customers the best service.”*

- 8.13 In the light of our qualitative analysis of the commercial health of the City Centre in Section 2 above, we consider that there is a good range of comparison shops in the Centre and a good range of national multiple retailers, particularly throughout the pedestrianised area of the High Street. Unit sizes are however small, and there is limited opportunity for ‘bulky’ goods shopping of the nature commonly provided by retail warehouses. It is this ‘bulky’ goods sector which merits further qualitative analysis.

### *The need for further retail warehousing*

- 8.14 Two previous retail studies dealing with the issue of qualitative need have been produced in connection with the emerging development plan process; the 1992 *Winchester Shopping Study* and the 1994 *Structure Plan (Review) Retail Analysis* (both undertaken by Chesterton). In summary, the 1992 study concluded that there was a qualitative deficiency in the ‘bulky’ comparison goods sector (retail warehousing). Similarly, the Structure Plan Retail Analysis acknowledged that unit sizes in Winchester are small (essentially due to the historic development pattern of the High Street) and considered that the current provision of retail warehousing is low in Winchester.
- 8.14 Quantification of the need for further ‘bulky’ comparison goods has proven to be problematic in previous retail studies commissioned by the City Council. The 1992 Study identified a qualitative capacity for comparison goods such as DIY, gardening, furniture, carpets and electrical goods. This capacity was then quantified by assuming that 5% of total available comparison expenditure in the year 2001 could accrue to retail warehousing. As a consequence, the study identified capacity for a further 64,500-75,300 sq.ft. gross (6,000-7,000 sq.m. gross) of retail warehousing (a projected capacity now exhausted by the Homebase and Moorside Road schemes).
- 8.15 Clearly, the critical variable in this calculation was the assumption that 5% of total comparison expenditure (as opposed to 5% of total surplus expenditure) would be used to support new floorspace. Market research carried out by Verdict Research in the late 1980’s estimated that retail warehousing’s national market share of comparison expenditure was around 15%. On the basis of current (1996) market shares, we calculate that the proportion of comparison expenditure within the Winchester

catchment taken by retail warehouses is approximately 4.1%. (Table 8.2 below refers).

Table 8.2 **Retail warehousing in Winchester: current market shares (1996)** (1994 prices)

<b>Retail warehousing</b>	<b>Turnover (£m)</b>	<b>Turnover (£m) adjusted for under-trading</b>	<b>Available Comparison expenditure (£m)</b>	<b>Market share (%)</b>
Homebase, Winnall	3.67	2.97	<b>87.29</b>	3.40
Others (including Garden Centres)	0.78	0.63		0.72
<b>Total</b>	<b>4.45</b>	<b>3.60</b>		<b>4.12</b>

- 8.16 In accordance with the advice given at paragraph 4.15 of PPG6, Table 8.3 below establishes the trading position in 2001<sup>1</sup> including consideration of currently outstanding planning consents for retail warehousing and floorspace efficiency growth.
- 8.17 Our Scenario 1 analysis has made explicit allowance for the fact that a proportion of comparison expenditure within the Winchester catchment is spent outside the area. This was facilitated by the use of the 1993 Telephone Survey (updated by our 1997 Study to reflect subsequent retail developments and hence shopping patterns). However, we now introduce a new element into our assessment of the need for further 'bulky' goods floorspace, this being the notion of expenditure 'clawback'.
- 8.18 Clearly, additional retail warehousing will enhance the opportunity to reduce expenditure leakage to the wider area, such as Southampton, Eastleigh and Hedge End. Therefore, we assume that 50% of the turnover of *new* retail warehousing would derive from clawback of leakage to competing centres and developments. This assumption is a matter of judgement.
- 8.19 Table 8.3 below illustrates that should current retail warehousing commitments be implemented by 2001, the market share of comparison expenditure taken by retail warehouses in Winchester will be around 12%, comparing closely with a national average of 15%, as established by Verdict Research.

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<sup>1</sup> Tesco, quoted in Verdict (January 1996)

Table 8.3 **Retail warehousing in Winchester: projected market shares (2001)**  
(1994 prices)<sup>1</sup>

<i>Retail warehousing</i>	<b>Turnover (£m)</b>	<b>Turnover (£m) adjusted for under-trading</b>	<b>Expenditure clawback (50% of turnover)</b>	<b>Available Comparison expenditure (£m)</b>	<b>Market share (%)</b>
Homebase, Winnall	3.82	3.12	/		2.98
Others (including Garden Centres)	0.81	0.66	/		0.63
<b>Current consents</b>					
<i>Rear of Home base, Winnall</i>	2.12	1.78	0.89	(100.67 + 4.39)	1.70
<i>Moorside Road</i>	8.54	6.98	4.39		6.65
<b>Total</b>	<b>15.35</b>	<b>12.56</b>	<b>4.39</b>		<b>105.06</b>

8.20 The 12% market share of expenditure that could be distributed to retail warehouses in 2001 does however require some careful interpretation:

- comparison expenditure projections to 2001 (Tables 6 and 9 of Appendix B) do not show sufficient surplus expenditure capacity to support additional floorspace and this conclusion equally applies to retail warehousing because:
- our calculation of market shares for retail warehousing in 2001 has revealed that should existing planning consents for retail warehousing be able to claw back 50% of turnover from expenditure currently leaking beyond the catchment (and we consider a 50% clawback factor to represent a ‘best-case’ scenario), there still remains insufficient surplus comparison expenditure to support the residual trade draw (£4.39m) which is projected to fall within the catchment area.

<sup>1</sup> Subject to baseline conditions established at Section 6

8.21 It is in the context of under-trading in 2001, that the qualitative ‘need’ for further retail warehousing must be considered. The advice in PPG6 clearly implies that where there is no need for further retail development, any retail proposals which come forward would have to be considered on their merits; but it does not elaborate upon, or define, the relative weight to be attached to the notions of quantitative need, as opposed to qualitative need. For this, we must return to the interpretation of ‘need’ by the Secretary of State.

8.22 It will be recalled from paragraph 8.13 above, that the notion of qualitative need was addressed by the Secretary of State in the West Timperley Case. Whilst the interpretation relates to a convenience proposal, we consider that its applicability holds true for our consideration of retail warehousing:

*“ ... Whilst there is obviously a demand by a certain sector of the community to shop in such a store, this demand is not universal and in my view, should not be given the same kind of weight as the word ‘need’ implies”.*

8.23 In view of our assessment of quantitative need, and the interpretation of the term ‘qualitative need’ by the Secretary of State, we consider that there is insufficient need for further retail warehousing in the period to 2001. The opening of the new Sainsbury Homebase, along with Sharps (bedrooms) and Harveys (fabrics) (39,827 sq.ft. gross) in 1995, in addition to the extant permission for retail warehousing at Moorside Road (34,400 sq.ft. gross, granted in June 1994, and for which we understand that Office World, Halfords and Seeboard are the probable operators) and that to the rear of Homebase, Winnall (11,097 sq.ft. gross) represent a considerable recent and committed addition to the comparison offer of Winchester.

8.24 Clearly, whilst any further application should be considered on its merits, PPG6 establishes the Government’s requirement that “ ... *policies for retailing should seek to **promote** the vitality and viability of existing ... centres ...*” and that new retail development should “ ... ***safeguard and strengthen** existing local centres ...* “. (Our emphasis). It is difficult to see how further retail floorspace in the period to 2001 could strengthen the trading position of Winchester City Centre, in the context of insufficient surplus expenditure.

8.25 In the longer term to 2011, Tables 6 and 9 of Appendix B illustrate that projected surplus comparison expenditure within the catchment area could support further non-food floorspace, which could be in the format of retail warehousing. Under Scenario 1 conditions, between 23,637-60,102 sq.ft. gross of retail warehousing could be sustained, depending upon the degree of additional housing resulting from the EIP

recommendations. This figure rises dramatically, to 122,746 sq.ft. gross, under Scenario 2 conditions.

- 8.26 It is however important to note that the surplus comparison expenditure available to support further retail warehousing in the period 2001-2011 is not to be regarded as additional to the capacity identified which could sustain further City Centre floorspace. In effect, there is a choice to be made between City Centre provision or retail warehousing.
- 8.27 This study has considered the quantitative and qualitative requirements for further retail warehousing to 2001 and has concluded that there is no 'need' to divert expenditure to retail warehousing in the foreseeable future. However, in judging the suitability of further proposals for retail warehousing in the extended period 2001-2011, it will be important for the City Council to review the qualitative requirements for further retail warehousing floorspace in the context of:
- the ever changing range and quality of goods provided for by City Centre traders; and
  - the nature of further town centre comparison floorspace which may be developed within the City Centre over the coming years. One such (potential) development is that of the Bus Station and Post Office/Kings Walk and we consider the implications raised by this scheme below.

### *Winchester Bus Station and Post Office/Kings Walk*

- 8.28 A study investigating the potential for the (re)development of the Bus Station and Post Office/Kings Walk site is currently underway. The study explores the scope for retail development which is likely to be suitable for this area.
- 8.29 Whilst the potential redevelopment of the Bus Station and Post Office/Kings Walk area is not embraced within Local Plan policy, we are of the view that implementation of any potential scheme should be considered within the context of the needs identified by this study. In the period 2001 to 2011, it will be recalled that capacity for up to 54,332 sq.ft. gross of additional City Centre comparison floorspace has been projected (Scenario 1; the baseline case). Similarly, capacity for up to 5,661-6,670 sq.ft. gross of convenience floorspace is evident.
- 8.30 It is our view that the Bus Station scheme presents the only significant opportunity *within the City Centre* to enhance the retail offer of Winchester. Previous opportunities identified by the 1996 'Shopping

Opportunities' study, carried out for the City Council by Chesterton Consulting have been overtaken by the course of events relating to the Bus Station (all opportunities identified by the previous Chesterton Study are addressed by the Bus Station and Post Office/Kings Walk study).

- 8.31 Furthermore, Government guidance for new retail development remains quite explicit. Local planning authorities and developers should look for town centre sites and only if they are unable to identify such sites, should consideration be afforded to edge-of-centre and then out-of-centre sites. The (re)development of the Bus Station site provides a significant town centre opportunity for further retail development. PPG6 provides:

“In drawing up their development plans, local planning authorities should, after considering the need for new development, adopt a sequential approach to selecting new sites for retail development ...” (Paragraph 1.10, our emphasis).

“Adopting a sequential approach means that first preference should be for town centre sites, ... followed by edge-of-centre sites, district and local centres and only then, out-of-centre sites.” (Paragraph 1.11, our emphasis).

## 9 Recommendations and Conclusions

9.1 Three main sets of conclusions need to be addressed as a result of the analysis in this study:

- the quantitative requirement for retail floorspace, how to address it, and over what timescale;
- the quality of the retail offer in Winchester, and how it can respond to customer expectations; and
- the specific role of the major site within the City centre; the Bus Station, in meeting any identified needs.

### *Quantitative requirements*

9.2. Quantitative floorspace capacity in the period to 2001 and subsequently, to 2011 can be summarised as follows:

**Table 9.1: Projected floorspace capacity – Winchester, 2001**

<i>Scenario</i>	<b>City Centre Comparison Floorspace (sq.ft.Gross)</b>	<b>OR retail warehousing (sq.ft.Gross)</b>	<b>Convenience Floorspace (sq.ft.Gross)</b>
<b>Scenario 1 (Baseline Case)</b>	0	0	463-547
<b>Scenario 2 (Clawback)</b>	0	0	2,356-2,777

**Table 9.2: Projected Floorspace capacity in Winchester, 2011**

<i>Scenario</i>	<b>City Centre Comparison Floorspace (sq.ft.Gross)</b>	<b>OR retail warehousing (sq.ft.Gross)</b>	<b>Convenience Floorspace (sq.ft.Gross)</b>
<b>Scenario 1 (Baseline Case)</b> (with EIP housing addition): <ul style="list-style-type: none"> <li>• Nil</li> <li>• 3,000</li> </ul>	 21,368 54,332	 23,637 60,102	 0 5,661-6,670
Scenario 2 (Clawback) (with EIP housing addition): <ul style="list-style-type: none"> <li>• 3,000</li> <li>• 6,000</li> </ul>	 77,917 110,920	 86,224 122,746	 <b>7,949-</b> <b>9,364</b> 14,830-17,471

- The study demonstrates that existing retail floorspace plus current approvals and commitments will be sufficient to meet forecast comparison demand until the turn of the century (2001). Minor capacity exists for further convenience expansion.
- Thereafter, there will be a widening gap, as demand - particularly in comparison goods shopping - grows with wealth and spending-power in the local economy. To the year 2011, the study's trend forecast projects extra demand capable of supporting further floorspace.
- **We therefore recommend** that in the period 1996-2001, with the prospect that extant planning consents will be implemented, will let and will absorb spending power, no new comparison commitments beyond that level should be considered at present. Very minor convenience capacity is evident and this could be met by either small-scale store expansion programmes amongst existing retailers, or qualitative improvements (i.e. refurbishment programme to the existing stock).
- The priority in exploring any new potential is the period 2001-2011, beyond that in existing approvals, should focus upon City Centre opportunities. The Bus Station site is one such opportunity.

### *Qualitative Issues*

- Winchester's retail offer, in terms of range, choice and quality, is of a reasonable standard for a City of its size and standing, and is not under any marked threat, whether from pressure for changes to non-retail or tourism-related business (as in some historic towns) or from levels of congestion so severe that trade is deflected to other towns.
- The main concern is the evidence of some under-trading, which could entail consequent risks to the range and quality, and which means that proposals for new development in or out of the Centre should be handled cautiously, at least in timing terms.
- The retail environment is in general pleasant and well-managed, as part of an attractive and multi-functional town centre, but continuing improvements will be needed to stay competitive in the regional retail context, and **we recommend** that a phased programme be undertaken in parallel with a carefully-planned integration of the shopping core (see below).
- Retail warehousing in the City is currently on a limited scale, well below the national average, but there is no particular evidence of any need sufficient to override the cautious approach outlined in the context of current planning commitments for further retail warehousing development. **We recommend** that applications for new retail warehousing should be treated on their merits within a context of priority to the viability and vitality of the City Centre.

### *The Bus Station site*

- The Bus Station, as main opportunity to extend the supply in the City Centre, should be considered as an opportunity to meet future demand growth between 2001 and 2011 in a way which is consistent with Government policy.
- The City Council's objectives for the future distribution of retail development in Winchester are set out by Proposal W.13 of the District Local Plan. Whilst Proposal W.13 does not provide a policy justification for the (re)development of the Bus Station site, the site is contiguous with the retail core, (although it could benefit from heightened integration) and should retail proposals be forthcoming which are consistent with the needs identified in this study, **we recommend** that policy be amended to recognise its potential.