

# **Carter Jonas**

**Babergh & Mid Suffolk District Councils:**

**Joint Town Centres & Retail Study**

**FINAL REPORT**

**September 2015**



## **Babergh & Mid Suffolk Districts: Joint Town Centres & Retail Study**

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**Date:**

September 2015

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## CONTENTS

<b>1.0</b>	<b>INTRODUCTION</b>	<b>1</b>
<b>2.0</b>	<b>PLANNING POLICY CONTEXT</b>	<b>4</b>
	<b>NATIONAL PLANNING POLICY FRAMEWORK (NPPF)</b>	<b>4</b>
	<b>LOCAL PLANNING POLICY CONTEXT</b>	<b>8</b>
	<b>Babergh Local Plan</b>	<b>9</b>
	<b>Mid Suffolk Local Plan</b>	<b>10</b>
	<b>SUMMARY</b>	<b>12</b>
<b>3.0</b>	<b>NATIONAL RETAIL TRENDS &amp; TOWN CENTRE FUTURES</b>	<b>13</b>
	<b>RETAIL TRENDS</b>	<b>13</b>
	<b>Retail Expenditure Growth</b>	<b>13</b>
	<b>Special Forms of Trading and Internet Shopping</b>	<b>14</b>
	<b>Floorspace 'Productivity' Growth</b>	<b>15</b>
	<b>RETAIL DEVELOPMENT PIPELINE</b>	<b>16</b>
	<b>RETAILER REQUIREMENTS</b>	<b>17</b>
	<b>TOWN CENTRE FUTURES</b>	<b>19</b>
<b>4.0</b>	<b>SHOPPING PATTERNS &amp; MARKET SHARE ANALYSIS</b>	<b>24</b>
	<b>STUDY AREA &amp; ZONES</b>	<b>24</b>
	<b>SHOPPING PATTERNS</b>	<b>24</b>
	<b>SUMMARY</b>	<b>33</b>
<b>5.0</b>	<b>SUDBURY TOWN CENTRE: HEALTH CHECK</b>	<b>35</b>
	<b>HEALTH CHECK METHODOLOGY</b>	<b>35</b>
	<b>RETAIL CONTEXT</b>	<b>36</b>
	<b>RETAIL COMPOSITION AND DIVERSITY</b>	<b>38</b>
	<b>VACANCY LEVELS</b>	<b>41</b>
	<b>RETAILER REQUIREMENTS</b>	<b>42</b>

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<b>PRIME ZONE A RENTS</b>	<b>43</b>
<b>ACCESSIBILITY &amp; PEDESTRIAN FLOWS</b>	<b>43</b>
<b>CUSTOMER VIEWS AND PERCEPTIONS</b>	<b>44</b>
<b>ENVIRONMENTAL QUALITY</b>	<b>46</b>
<b>OUT-OF-CENTRE PROVISION</b>	<b>46</b>
<b>NEW INVESTMENT AND POTENTIAL DEVELOPMENT</b>	<b>47</b>
<b>SUMMARY</b>	<b>47</b>
<b>6.0 HADLEIGH TOWN CENTRE: HEALTH CHECK</b>	<b>49</b>
<b>RETAIL COMPOSITION AND DIVERSITY</b>	<b>50</b>
<b>VACANCY LEVELS</b>	<b>52</b>
<b>PRIME ZONE A RETAIL RENTS</b>	<b>53</b>
<b>ACCESSIBILITY &amp; PEDESTRIAN FLOWS</b>	<b>54</b>
<b>CUSTOMER VIEWS AND PERCEPTIONS</b>	<b>54</b>
<b>ENVIRONMENTAL QUALITY</b>	<b>55</b>
<b>NEW INVESTMENT AND DEVELOPMENT</b>	<b>56</b>
<b>OUT OF CENTRE</b>	<b>56</b>
<b>SUMMARY</b>	<b>57</b>
<b>7.0 STOWMARKET TOWN CENTRE: HEALTH CHECK</b>	<b>58</b>
<b>RETAIL COMPOSITION AND DIVERSITY</b>	<b>60</b>
<b>VACANCY LEVELS</b>	<b>62</b>
<b>RETAILER REQUIREMENTS</b>	<b>63</b>
<b>PRIME ZONE A RETAIL RENTS</b>	<b>64</b>
<b>ACCESSIBILITY &amp; PEDESTRIAN FLOWS</b>	<b>64</b>
<b>CUSTOMER VIEWS AND PERCEPTIONS</b>	<b>65</b>
<b>ENVIRONMENTAL QUALITY</b>	<b>66</b>
<b>NEW INVESTMENT AND POTENTIAL DEVELOPMENT</b>	<b>67</b>
<b>OUT OF CENTRE</b>	<b>67</b>

<b>SUMMARY</b>	<b>68</b>
<b>8.0 DISTRICT CENTRES AND CORE VILLAGES</b>	<b>70</b>
<b>MID SUFFOLK - DISTRICT CENTRES</b>	<b>70</b>
Needham Market	70
Eye and Debenham	71
<b>BABERGH DISTRICT - CORE VILLAGES</b>	<b>71</b>
<b>9.0 QUANTITATIVE RETAIL NEEDS ASSESSMENT</b>	<b>73</b>
<b>THE CREATE MODEL: KEY ASSUMPTIONS &amp; FORECASTS</b>	<b>73</b>
<b>POPULATION AND EXPENDITURE FORECASTS</b>	<b>75</b>
<b>MARKET SHARE ANALYSIS</b>	<b>76</b>
<b>'INFLOW' AND BASE YEAR TURNOVER ESTIMATES</b>	<b>77</b>
<b>RETAIL COMMITMENTS</b>	<b>78</b>
<b>BABERGH DISTRICT: CAPACITY FORECASTS</b>	<b>79</b>
<b>MID SUFFOLK: CAPACITY FORECASTS</b>	<b>83</b>
<b>SUMMARY</b>	<b>86</b>
<b>10.0 COMMERCIAL LEISURE NEEDS/'GAP' ASSESSMENT</b>	<b>88</b>
<b>LEISURE EXPENDITURE GROWTH</b>	<b>89</b>
<b>CINEMA PROVISION</b>	<b>91</b>
<b>FOOD AND BEVERAGE USES</b>	<b>94</b>
<b>HEALTH &amp; FITNESS NEED</b>	<b>100</b>
<b>BINGO &amp; GAMBLING</b>	<b>103</b>
<b>TEN-PIN BOWLING</b>	<b>104</b>
<b>SUMMARY</b>	<b>105</b>
<b>11.0 OTHER MAIN TOWN CENTRE USES</b>	<b>108</b>
<b>MUSEUMS, GALLERIES, THEATRES AND MUSIC VENUES</b>	<b>108</b>
<b>OFFICE PROVISION</b>	<b>110</b>
<b>HOTEL PROVISION</b>	<b>112</b>

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<b>COMMUNITY &amp; HEALTHCARE USES</b>	<b>113</b>
<b>12.0 SHOPPING FRONTAGES AND IMPACT THRESHOLDS</b>	<b>116</b>
<b>SHOPPING FRONTAGES AND PRIMARY SHOPPING AREA DEFINITIONS</b>	<b>116</b>
Sudbury Town Centre	116
Hadleigh Town Centre	118
Stowmarket Town Centre	119
<b>IMPACT ASSESSMENT: LOCAL FLOORSPACE THRESHOLD</b>	<b>120</b>
<b>13.0 EXECUTIVE SUMMARY AND KEY FINDINGS</b>	<b>123</b>
<b>SHOPPING PATTERNS &amp; MARKET SHARE ANALYSIS</b>	<b>123</b>
<b>RETAIL CAPACITY ASSESSMENT</b>	<b>125</b>
<b>LEISURE NEEDS/'GAP' ASSESSMENT</b>	<b>128</b>
<b>MEETING NEEDS IN THE DISTRICTS' TOWN CENTRES</b>	<b>129</b>
Sudbury Town Centre	130
Hadleigh Town Centre	131
Stowmarket Town Centre	133
<b>POLICY RECOMMENDATIONS</b>	<b>134</b>
<b>14.0 GLOSSARY &amp; ABBREVIATIONS</b>	<b>137</b>
<b>APPENDIX 1: STUDY AREA</b>	
<b>APPENDIX 2: HOUSEHOLD SURVEY METHODOLOGY</b>	
<b>APPENDIX 3: HOUSEHOLD SURVEY RESULTS (WEIGHTED)</b>	
<b>APPENDIX 4: CONVENIENCE GOODS - MARKET SHARES</b>	
<b>APPENDIX 5: COMPARISON GOODS - MARKET SHARES</b>	
<b>APPENDIX 6: EXPERIAN GOAD CATEGORY REPORTS</b>	
<b>APPENDIX 7: CONVENIENCE GOODS CAPACITY ASSESSMENT</b>	
<b>APPENDIX 8: COMPARISON GOODS CAPACITY ASSESSMENT</b>	







## 1.0 INTRODUCTION

- 1.1 Carter Jonas (CJ) was jointly commissioned by Babergh and Mid Suffolk District Councils to update their respective retail, commercial leisure and town centre evidence based studies<sup>1</sup> to help inform current plan-making and decision-taking across the two Districts.
- 1.2 In terms of the scope of work, the Council's Brief set out the following main requirements:
- i. A refresh of the household telephone survey to update market shares for convenience (food) and comparison (non-food) shopping habits, and how these may have changed over time.
  - ii. An assessment of the potential residual retail and other town centre uses expenditure and floorspace capacity available for new retailing up to 2031, broken down into five year periods (i.e. 2015-2020, 2021-2025 and 2026-2031).
  - iii. A high level update of the health checks of the main town centres in the Districts (namely Stowmarket, Sudbury and Hadleigh).
  - iv. Advice on the strengths and weaknesses of each centre and their capacity to accommodate additional retail, leisure and other town centre uses, including the identification of potential suitable sites to meet these needs over the lifetime of the development plan.
  - v. Advice on the level and type of retail, leisure and other town centre uses development which would be appropriate for the Districts over the development plan period, taking into account national and local economic trends.
  - vi. Recommendations on the definition of a hierarchy of town centres and on the definition of primary and secondary frontages, and primary shopping areas for the centres.
- 1.3 The study has been prepared in the context of current national and development plan policy guidance, as well as other key material considerations; principally the National Planning Policy Framework (NPPF) published in March 2012. Where relevant the study also draws on advice set out in the National Planning Practice Guidance (NPPG), published in March 2014, which places significant weight on the development of positive plan-led visions and strategies to help ensure the vitality of town centres. The sequential and impact 'tests' are also key to both plan-making and decision-taking at the local level.

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<sup>1</sup> The existing evidence includes the 2008 Babergh Retail Study and the 2007 Stowmarket Retail Study, which both identified District-wide needs for the period to 2021. A report was also prepared by Ingham Pinnock Associates in May 2014 which covered key sectors and the market towns.

- 1.4 For the purpose of this study the assessment of the need (or 'capacity') for new retail (convenience and comparison goods) floorspace has been carried out at the strategic District-wide level to help inform the likely scale, type, location and phasing of new retail development over the short (0-5 years), medium (6-10 years) and long term (11+ years).
- 1.5 The study area defined for the purpose of this retail assessment principally covers Babergh and Mid Suffolk Districts, but also a slightly wider area incorporating neighbouring local planning authorities. This area has been further sub-divided into eleven zones that broadly reflect the prime catchments of the Districts' three main centres; Stowmarket, Sudbury and Hadleigh (see **Appendix 1**). The defined study area and zones provide the framework for the new telephone interview survey of some 1,100 households conducted by *NEMS Market Research* (NEMS). The survey approach adopted by NEMS is explained in some detail in **Appendix 2**, along with the questionnaire. The full (weighted) survey results are set out in **Appendix 3**.
- 1.6 This survey provides the most up-to-date and robust evidence on shopping patterns and leisure preferences within the study area. The updated market share assessments for convenience and comparison goods expenditure are set out in **Appendix 4** and **Appendix 5** respectively. This updated survey evidence has also informed the high level health check assessments for the main centres.
- 1.7 For ease of reference this report is structured as follows:
- **Section 2** reviews the national, regional and local planning policy context material to retail planning and town centres.
  - **Section 3** highlights some of the key trends that are driving the dynamic changes in the retail sector at the national and local level, and how this has shaped (and is likely to shape) the urban and retail landscape both nationally and locally over the short, medium and longer term.
  - **Section 4** sets out the results of the market share analysis for convenience and comparison goods retailing across the study area and sub-zones, as derived from the results of the household telephone interview survey. The market share tabulations for convenience and comparison goods are set out in **Appendix 4** and **Appendix 5** respectively.
  - **Sections 5-8** provide high-level reviews of the vitality and viability of the Districts' three main town centres, as well the smaller centres and villages. These assessments draw on a range of research and evidence, including the most recent *Experian Good Centre Category* Reports for Stowmarket, Hadleigh and Sudbury (**Appendix 6**). This analysis has also been informed by site visits and audits, information provided by Babergh and Mid Suffolk Councils and consultations with key stakeholders.

- **Section 9** sets out the retail (economic) capacity assessments for comparison and convenience goods retailing for the Babergh and Mid Suffolk Districts and the main centres based on our in-house **CREAT<sup>e</sup>** Model. The full tabulations are set out in **Appendix 7** for convenience goods and **Appendix 8** for comparison goods.
  - **Section 10** sets out the findings of the commercial leisure needs and 'gap' assessment for the main commercial leisure uses in accordance with the NPPF, including food and beverage, cinema and health and fitness provision. This section also provides an overview of current provision and identifies any potential 'gaps'.
  - **Section 11** provides a brief overview of the current provision of other main town centre uses in the Districts (i.e. cultural, office, hotel and community facilities).
  - **Section 12** draws together the key findings of the household survey, healthchecks, need/capacity assessments, and other strands of research to provide robust advice on the potential definition of primary and secondary shopping frontages in the main town centres, and a locally-set retail impact threshold in accordance with the NPPF.
  - Finally, **Section 13** provides a summary of the key findings of the town centres and retail study. Where a need for new floorspace and/or uses is identified over the development plan period, high level advice is provided on where this need could be provided in each District and their main centres in accordance with the main aims of national and local plan policy.
- 1.8 Finally, it is important to state at the outset that, in our experience, capacity forecasts beyond a five year time period should be interpreted with caution as they are subject to increasing margins of error. We therefore advise the Councils that although this updated study provides the robust evidence base required to help inform plan-making, site allocations and the determination of planning applications at the local level, the forecasts should be constantly monitored and updated to take into account any significant new retail development and changes in the retail expenditure and population growth forecasts over time, as well as any potential impacts arising from other key trends in the retail and commercial leisure sectors (such as, for example, the growth in internet shopping).

## 2.0 PLANNING POLICY CONTEXT

2.1 This section provides a high level overview of the relevant national and local development plan planning policy pertaining to retail and town centre uses, along with other material considerations.

### NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

2.2 The NPPF was published in March 2012 and sets out the planning policies for England and how these are expected to be applied. It reinforces the importance of up-to-date plans and strengthens local decision making. The NPPF must be taken into account in the preparation of Local Plans<sup>2</sup> and Neighbourhood Plans<sup>3</sup>. At the heart of the NPPF is a **presumption in favour of sustainable development**<sup>4</sup>, which is seen as "*a golden thread running through both plan-making and decision-taking*" (paragraph 14). The NPPF (paragraph 14) sets out the Government's view of what sustainable development means in practice for both plan-making and decision-taking at the local level.

2.3 For plan-making the Framework states that local planning authorities should positively seek opportunities to meet the development needs of their area. Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits. The Framework (paragraph 15) states that policies in Local Plans should follow the approach of the presumption in favour of sustainable development so that "*...it is clear that development which is sustainable can be approved without delay*".

2.4 The NPPF (paragraph 17) also sets out twelve **core planning principles** that underpin both plan-making and decision-taking. Amongst other objectives these principles confirm that planning should be genuinely plan-led; proactively drive and support sustainable economic development to deliver thriving local places; promote mixed use developments; focus significant development in locations which are or can be made sustainable; and deliver sufficient community and cultural facilities and services to meet local needs.

2.5 The Framework (paragraph 150) emphasises that **Local Plans** are "*...the key to delivering sustainable development that reflects the vision and aspirations of local communities*". They should be "*aspirational but realistic*" and should set out the

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<sup>2</sup> Defined by NPPF (Annex 2) as the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current Core Strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

<sup>3</sup> A plan prepared by a Parish Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

<sup>4</sup> Sustainable development is defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs.

opportunities for development and clear policies on “...*what will or will not be permitted and where*” (paragraph 154). Only those policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan. Any additional DPDs should only be used where clearly justified (paragraph 153).

2.6 The NPPF (paragraph 156) requires **strategic priorities** for the area covered by the Local Plan to deliver the homes and jobs needed in the area; the provision of retail, leisure and other commercial development; and the provision of health, security, community and cultural infrastructure and other local facilities; etc. Crucially the NPPF (paragraph 157) indicates that Local Plans should, amongst other key requirements:

- plan positively for the development and infrastructure required in the area;
- be drawn up over an appropriate time scale (preferably 15 years), take account of longer term requirements and be kept up to date;
- indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;
- allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate; and
- identify land where development would be inappropriate, for instance because of its environmental or historic significance.

2.7 In terms of the **evidence-based approach to planning**, the Framework states LPAs should ensure that the Local Plan is based on “...*adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area*” (paragraph 158). Furthermore the assessment of, and strategies for housing, employment and other uses should be integrated, and take full account of relevant market and economic signals. LPAs should use this evidence base to:

- assess the needs for land or floorspace for economic development, including for retail and leisure development;
- examine the role and function of town centres and the relationship between them;
- assess the capacity of existing centres to accommodate new town centre development; and
- identify locations of deprivation which may benefit from planned remedial action.

2.8 The NPPF is clear that pursuing sustainable development requires “...*careful attention to viability and costs in plan-making and decision-taking*” (paragraph 173). Plans should be deliverable and, in this context, sites and the scale of development identified

in the plan should "...not be subject to such a scale of obligations and policy burdens that their ability to be delivered viably is threatened" (paragraph 173).

2.9 The Framework (paragraphs 18-149) sets out thirteen key 'principles' for **delivering sustainable development**, including building a strong, competitive economy; ensuring the vitality of town centres; promoting sustainable transport; delivering a wide choice of high quality homes; requiring good design; promoting healthy communities; protecting Green Belt land; and conserving and enhancing the natural and historic environment.

2.10 In terms of '**ensuring the vitality of town centres**' the NPPF (paragraph 23) states that planning policies should be positive and promote competitive town centre<sup>5</sup> environments, as well as setting out policies for the management and growth of centres over the plan period. When drawing up Local Plans, LPAs should:

- recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
- define a network and hierarchy of centres that is resilient to anticipated future economic changes;
- define the extent of town centres and primary shopping areas<sup>6</sup>, based on a clear definition of primary and secondary frontages<sup>7</sup> in designated centres, and set policies that make clear which uses will be permitted in such locations;
- promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
- retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
- allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres;
- ensure that the needs for retail, leisure, office and other main town centre uses are "*met in full*" and "*not compromised by limited site availability*". Assessments should therefore be undertaken of the need to expand town centres to ensure a sufficient supply of suitable sites;

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<sup>5</sup> The NPPF (Annex 2) states that references to town centres or centres apply to city centres, town centres, district centres and local centres, but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

<sup>6</sup> Primary shopping area is defined by the NPPF (Annex 2) as the defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage).

<sup>7</sup> The NPPF (Annex 2) states that 'primary frontages' are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. 'Secondary frontages' provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.



- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

2.11 When assessing and determining applications for main town centre uses<sup>8</sup> that are not in an existing centre and not in accordance with an up-to-date Local Plan, the Framework requires that LPAs should:

- Apply a **sequential test**<sup>9</sup>, which requires applications for main town centre uses to be located in town centres first, then in edge-of-centre locations and only consider out-of-centre locations if suitable sequentially more preferable sites are not available. When considering edge and out of centre proposals, *"...preference should be given to accessible sites that are well connected to the town centre"* (paragraph 24). Applicants and LPAs should demonstrate flexibility on issues such as format and scale.
- Require an **impact assessment** if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500m<sup>2</sup>). The NPPF (paragraph 26) states that this should *"include"* assessment of the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, *"...the impact should also be assessed up to ten years from the time the application is made"*.

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<sup>8</sup> NPPF (Annex 2) defines 'main town centre uses' as retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

<sup>9</sup> This sequential approach should not be applied to applications for small scale rural offices or other small scale rural development.

- 2.12 The NPPF (paragraph 27) states that "*...where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused*".
- 2.13 As previously stated in Section 1, this study also draws on advice set out in the *National Planning Practice Guidance* (NPPG), published in March 2014. The NPPG has streamlined and replaced the advice previously set out in *PPS4 Practice Guidance on Need, Impact and the Sequential Approach*. The revised NPPG still places significant weight on the development of positive plan-led visions and strategies for town centres, and has retained the key sequential and 'impact tests'. Of relevance to this study the NPPG (para 003) states that the assessment of the potential for centres to accommodate new development and different types of development should cover a "*three-five year period*" but should "*also take the lifetime of the Local Plan into account and be regularly reviewed*".

#### **LOCAL PLANNING POLICY CONTEXT**

- 2.14 The relevant development plans for the two Districts are:
- the ***Babergh Local Plan Alteration No.2***, adopted in June 2006, which sets out the detailed policies and proposals for the control of development across the district up to the year 2016; and
  - the ***Mid Suffolk Core Strategy***, adopted in September 2008.
- 2.15 In addition the ***Babergh Core Strategy and Policies Document*** (*Part 1 of the new Babergh Local Plan*) was adopted in February 2014 and contains policies for development and some major development sites.
- 2.16 The ***Stowmarket Area Action Plan*** (SAAP) was also adopted by Mid Suffolk District Council in February 2013 and is a formal planning policy document that sets out relevant planning policies to guide future development in Stowmarket and its immediate surrounding villages, including policies for retail in the town centre.
- 2.17 Work is currently underway on the ***Babergh & Mid Suffolk Joint Local Plan***, which will eventually replace the two adopted Local Plans. The new joint Local Plan will also add detail to strategies outlined in the Core Strategy for each District; identify suitable sites for strategic development and prepare detailed Development Management Policies. The first round of public consultation on the new plan took place between January and March 2015.

### Babergh Local Plan

2.18 Until such time as all Development Plan Documents within the Local Development Framework are completed and adopted, 'saved' policies from the Babergh and Mid Suffolk Local Plans will continue to form part of the policy context for decision-taking.

2.19 The most relevant 'saved' policies in the **2006 Local Plan Alteration No. 2** include:

- **Policy SD01-10 (Sudbury):** sets out the policies for Sudbury Town Centre. Policies seek to protect and promote retail uses at ground floor level in the primary shopping frontage (SD01), with some business and service activities, and also residential uses, permitted in *Mixed Use Areas* (SD02-04). The key development opportunity sites identified include:
    - The land adjacent to the railway station for a bus-rail interchange (SD05);
    - Land around the bus station for mixed use redevelopment (SD06);
    - Land to the rear of Market Hill and Gaol Lane for small-scale retail development/ extensions (SD07);
    - Land at the junction of North Street and Gainsborough Road for mixed use development including retail, office, residential and/ or hotel uses (SD08); and
    - additional car parking is identified for the Station Road car park and also further north along this road (SD09-10).
  - **Policies HD01 - HD03 (Hadleigh):** set out the policies for Hadleigh Town Centre, as follows:
    - Land at Pound Lane and Bridge Street is identified as being suitable for a Class A1 supermarket (HD01);
    - Traffic calming measures are identified for High Street, Magdalen Road, Station Road and Angel Street (HD02);
    - The protection and promotion of retail uses at ground floor level in the '*protected shopping frontage*' (HD03); and
    - Residential development will also be permitted in some instances in the Town Centre (HD04).
  - **SP03 (Retail Development Outside Town Centres)** states that significant new retail and leisure developments that cannot be located in defined town centres will be considered against a number of criteria; including the availability of alternative town centre sites, accessibility and, in the case of retail proposals, these should be mainly bulky goods.
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- **SP04 (*Shopping in Local Centres and Villages*)** which states that shopping provision in local centres and villages will be retained and proposals that result in the loss of such facilities will not be permitted unless it can be shown that the facility is no longer needed or viable. New proposals in these locations will be required to show that they are appropriately sized, accessible and have no adverse environmental or retail impacts.
  - **SP05 (*Farm Shops*)** states that proposals for farm shops will be permitted provided that there is no material adverse impact in relation to nearby retail provision, environmental, visual, amenity or transport impacts.
- 2.20 The adopted **Babergh Core Strategy (Part 1 of the new Local Plan)** sets out the overall strategy and vision for the District over a 20 year period, from 2011 to 2031. **Policy CS16 (*Town, Village and Local Centres*)** specifically guides the Council's approach to retail development and the maintenance of existing services. This policy confirms that future development of retail, leisure, tourism, cultural and office uses will continue to focus on the main settlements of Sudbury and Hadleigh, and in village and local centres. The Policy states that the Council will make provision for up to 11,000m<sup>2</sup> of comparison retail goods by 2021 in Sudbury, but extension to the retail uses adjacent to the Copdock Interchange will not be supported.

### Mid Suffolk Local Plan

- 2.21 The **Mid Suffolk Core Strategy** sets out the spatial strategy for the District for the period up to 2025. Following a review by the Council the **Core Strategy Focused Review** was adopted by the Council in December 2012.
- 2.22 **Policy CS12: Retail Provision** provides guidance on the scale and location of new retail, commercial and service provision that the Council intend to support in the District. Proposals will be supported where they protect and enhance existing town centre and cultural assets. The following detailed policy provision is set out for each of the District's identified centres in Policy CS12:
- **Stowmarket:** Identified as the *Principal Service Centre*, with Class A1-A3 uses allowed only within the Primary Shopping Frontage, and Class A1-A5 uses within the Secondary Shopping Frontage. It is anticipated that there is capacity for 1,200m<sup>2</sup> of new retail floorspace up to 2011 and 6,100m<sup>2</sup> by 2021.
  - **Needham Market, Eye and Debenham:** Identified as District Centres, with acceptable uses including A1-A5 only. In all of these centres, broad guidance is to maintain and increase retail floorspace in the period to 2021.
- 2.23 The **Stowmarket Area Action Plan** (SAAP, adopted February 2013) includes policies for retail in the town centre and also allocates specific sites to ensure that there is sufficient land for future growth in employment, housing, retail, and recreation. These

allocations are for employment and residential uses which could accommodate approximately 1,925 new dwellings. Some of the more relevant policies include:

- **Policy 5.1 General Retail Policies** for all of the Stowmarket AAP area states that the Council will maintain and increase the Class A1 provision in the Principal Shopping Area (PSA), provided that this is not based on the sub-division of larger units into smaller units. The development/ refurbishment of Ipswich Street is considered vital to the continued vitality and viability of the Town Centre. Retail proposals will be expected to enhance the public realm and not create adverse environmental, transport or retail impacts. The change of use from residential to Class A1-A3 uses will be supported in appropriate locations. The vitality and viability of the centre will be assisted by the promotion of complementary uses (for instance offices, residential or leisure), which increase footfall and boost the evening economy.
- **Policy 5.2 Principal Shopping Area (Primary and Secondary Shopping Frontages)** states that new retail floorspace will only be permitted if the proposals do not damage the vitality and viability of the PSA. Change of use from Class A1-A5 to non-retail uses will not be permitted in the PSA. Mixed use development will be permitted where the level of retail floorspace is maintained. A target of 75% Class A1 retail use within the primary shopping frontages is sought at ground floor level. Capacity for 6,650m<sup>2</sup> net of new comparison goods floorspace and 650m<sup>2</sup> net of convenience floorspace is forecast by 2021 (in line with the *Stowmarket Retail Study*). Within the Secondary Shopping Frontages only Class A1-A5 and D1 uses will be considered appropriate at ground floor level, although B1, D2 and Sui Generis uses may also be acceptable provided they do not undermine the vitality and viability of the locality.
- **Policy 5.3 Ipswich Street** states that the Council will promote the regeneration of Ipswich Street, particularly for retail uses. Servicing and access will be restricted on market days (although this could be extended) in order to discourage vehicular congestion in the centre.
- **Policy 5.4 Complementary uses** sets out the Council's policy for Stowmarket with regard to markets and Class A3-A5 uses. The Council will continue to encourage markets within the town centre, but will also monitor the impact on traffic of extending the markets. Restaurants and cafes (Class A3) will be encouraged, within the limits indicated by Policies 5.1, 5.2 and 5.3. Drinking establishments (Class A4) and nightclubs (Sui Generis) will generally only be protected in Secondary Shopping Frontages or the Station Quarter. Hot food takeaways (Class A5) will generally only be permitted in Secondary Shopping Frontages. Outside of the town centre, new Class A5 provision will be resisted within 400m of existing school, leisure or recreational facility.

- **Policy 5.5 Retail in the Surrounding Villages and Local Shopping Centres** states that the Council will seek to improve the viability of these local centres and promote a mix of complementary uses. Retail, post offices, pubs, garages and other service facilities will be protected and promoted where appropriate and viable. Applications for change of use from Classes A1-A5 to non-retail uses will be approved only if it can be demonstrated that there is no local need for the service and there will not be a detrimental impact on the vitality and viability of the centre.

2.24 Finally, **Policies 5.6 to 5.8** guide the future development of the Station Quarter, an allocated development site within Stowmarket Town Centre. The allocation is for mixed use development, to include residential retail and employment uses and significant transport improvements.

## **SUMMARY**

2.25 In summary, the underlying objective of policy at all levels is to maintain and enhance the vitality and viability of town centres, and to promote new sustainable development and economic growth in town centre locations "first" in accordance with the sequential approach. This policy objective is crucial as town centres are facing increasing economic challenges associated with alternative forms of retailing; in particular online shopping and competition from major out-of-centre developments (discussed further in Section 3).

## 3.0 NATIONAL RETAIL TRENDS & TOWN CENTRE FUTURES

3.1 This section summarises some of the key trends that have fuelled the changes in the retail sector over the last three decades, and the impact of these trends on the UK's town centres. It provides a commentary on the impact of the downturn in the economy since 2007 and the growth of internet ('multi-channel') retailing on consumer spending, retail development and retailers' business strategies. Drawing on the latest research it also describes how these trends may continue to shape changes in the future, and whether and how town centres can respond to help maintain and enhance their overall vitality and viability.

### RETAIL TRENDS

#### Retail Expenditure Growth

3.2 Following an unprecedented period of growth in consumer spending since the mid-1990s, the onset of the economic recession in 2007/08 had a dramatic impact on consumer spending and market demand. Business and consumer confidence was further weakened by public sector cuts, the rise in VAT, increasing unemployment, less expansionary consumer credit and the rising cost of living (including higher energy costs, petrol and housing prices). This has effectively reduced disposable income and retailers' margins are being squeezed further.

3.3 The table below shows the actual and forecast growth in retail (convenience and comparison goods) spending per head identified by Experian Business Strategies in their latest *Retail Planner Briefing Note 12* (October 2014).

**Table 3.1 Forecast year-on-year growth in retail expenditure per capita**

Volume Growth per head (%):	-----ACTUAL GROWTH-----						FORECASTS		TRENDS	
	2008	2009	2010	2011	2012	2013	2014	2015-2025	1973-2013	1993-2013
Total Retail Spend	1.7	-3.1	0.3	-0.8	1.2	2.3	3.3	2.4	2.7	3.6
Convenience Goods:	-4.9	-5.0	-0.8	-2.7	-0.5	-1.3	-0.5	0.6	0.2	-0.2
Comparison Goods:	4.7	-2.4	0.9	0.5	2.6	4.6	5.6	3.3	4.5	5.9

Source: Experian Retail Planner Briefing Note 12.1 (October 2014); Figures 1a and 1b.

Notes: The table also shows historic growth rates for the period 1973-2013 (the 'ultra long-term' trend) and for 1993-2013 (the 'medium-term' trend).

3.4 Although there has been negative annual growth in convenience goods expenditure per capita levels since 2008, the forecasts for 2015-25 show positive growth of +0.6% per annum on average. This is above previous historic long term trends of around +0.2% per annum.

- 3.5 For comparison goods Experian forecast that annual growth rates are recovering from a low of -2.4% in 2009, to +4.6% in 2013 and a stronger annual growth of +5.6% for 2014. Experian forecast that growth will average +3.3% per annum for the period 2015-2025, although this is well below historic trends of between 4.5% and 5.9% per annum.
- 3.6 In summary there are positive signs of improvement in the UK economy and consumer and business confidence in 2014. Notwithstanding this, it is clear that the retail sector is highly vulnerable to changes in the UK economy (and how it responds in the future to changes in the Eurozone and global economies) and the fact that the forecast growth in retail sales volumes will be much lower and slower than in recent history.

### **Special Forms of Trading and Internet Shopping**

- 3.7 *Special Forms of Trading* (SFT) comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).
- 3.8 Based on ONS data, Experian Business Strategies (EBS) estimate that the current (2014) value of internet sales is £37.2bn (current prices) and other (non-internet) SFT sales stand at approximately £8.3bn. This results in total SFT sales of £45.5bn in 2013, which represents a circa 165% increase from £17.1bn recorded in 2006. Overall the market share of SFT as a proportion of total retail sales has increased from 5.6% in 2006 to 13% in 2014. This significant growth has been fuelled by internet shopping, which had increased its share of total retail sales from 4.7% in 2008 to 10.6% in mid-2014.
- 3.9 Up to now, the impact of Internet shopping has been mainly concentrated on certain retail products and services (such as, for example, electrical goods, books, music and travel). In turn, this has resulted in a reduction in the number of retailers selling these types of products and services on the high street (the most recent examples being HMV and Blockbusters). However this does not mean that other comparison goods categories are immune to the impact of the internet, including clothing and footwear.
- 3.10 The table below sets out Experian's latest forecasts of the growth in the total market share of SFT between 2014 and 2031, based on retail spending growth assumptions and predictions as to the future take-up and expansion of internet shopping<sup>10</sup>.

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<sup>10</sup> Please note that although no official data is available for convenience and comparison goods, EBS have provided their own market share estimates.



**Table 3.2 Forecast growth in SFT's market share of total retail sales**

	2015	2020	2025	2031
<b>TOTAL:</b>	<b>14.1%</b>	<b>18.5%</b>	<b>19.7%</b>	<b>20.1%</b>
Comparison	16.6%	21.0%	21.2%	20.7%
Convenience	9.4%	13.5%	16.3%	18.5%

Source: Appendix 3 of Experian Retail Planner Briefing Note 12 (October 2014)

- 3.11 EBS forecast that non-store retailing will continue to grow rapidly over the short to medium term, outpacing traditional forms of spending. They predict that this growth will be sustained by new technology (such as browsing and purchasing through mobile phones) and the development of interactive TV shopping, but will slow after 2020.
- 3.12 However such forecasts need to be treated with caution, as according to Experian approximately 25% of all SFT sales for comparison goods and some 70% for convenience goods are still sourced through traditional (*'bricks-and-mortar'*) retail space, rather than from *'virtual'* stores and/or distribution warehouses. On this basis Experian has adjusted the SFT market shares to reflect the proportion of internet sales sourced from existing stores.

**Table 3.3 Revised forecast growth in SFT's market share of total retail sales**

	2015	2020	2025	2030
<b>TOTAL:</b>	<b>9.0%</b>	<b>11.9%</b>	<b>12.6%</b>	<b>12.8%</b>
Comparison	12.5%	15.7%	15.9%	15.5%
Convenience	2.8%	4.0%	4.9%	5.6%

Source: Appendix 3 of Experian Retail Planner Briefing Note 12 (October 2014)

- 3.13 Although the growth in online sales will inevitably continue to impact on the need for traditional shops, some commentators believe that the development of multi-channelling as part of retailers' business models will result in internet shopping actually driving demand for *'bricks-and-mortar'* stores. This may be due to the need for *'click-and-collect'* facilities in easily accessible locations (for example, on the high street, in existing out-of-centre stores or at important transport nodes), or for *'showrooms'* where customers can view and test products in store before purchasing online. This co-ordinated multi-channel strategy should therefore help to support demand for retail space over time.

### Floorspace 'Productivity' Growth

- 3.14 Floorspace 'productivity' (or turnover 'efficiency') growth represents the ability of retailers to absorb higher than inflation increases in their costs over time (such as rents, rates and service charges) to help maintain their profitability and viability. It is standard practice for retail planning assessments to make an allowance for the year-

on-year growth in the average sales densities of existing comparison and convenience goods retail floorspace.

- 3.15 However there is limited evidence detailing actual changes in the turnover and profitability of retailers over time. Furthermore analysis of past data and trends is complicated by the fact that sales density increases have been affected by changes in the use of retail floorspace over the last 20 years; such as, for example, the growth in out-of-centre retailing; Sunday-trading; longer opening hours; and the very strong growth of retail expenditure relative to the growth in floorspace. However following the recession many retailers struggled to increase or even maintain sales density levels and, together with other financial problems, this resulted in some retailers going out of business.
- 3.16 The table below sets out the latest sales density growth forecasts for comparison and convenience goods floorspace published by Experian Business Strategies (EBS), based on predicted changes in retail floorspace over time and after making an allowance for non-store retailing.

**Table 3.4 Forecast 'productivity' growth rates**

	2013	2014	2015	2016	2017-21	2022-35
Convenience	-1.8	-1.4	-0.3	-0.4	-0.2	+0.1
Comparison	+4.3	+5.3	+3.8	+2.3	+2.0	+2.2

Source: Figures 4a and 4b, Experian *Retail Planner Briefing Note 12: Addendum* (October 2014)

- 3.17 The forecasts show that the scope for sales density growth is very limited for convenience goods retailing. This is mainly due to slow growth in sales volumes and limited additions to the floorspace stock. For comparison goods retailing, the trends towards more modern, higher density stores and the demolition of older inefficient space is forecast to continue, resulting in average growth rates of close to +2.5% per annum over the next two decades. However, this is still well below the rate seen during the boom of the early years of this century<sup>11</sup>.

## RETAIL DEVELOPMENT PIPELINE

- 3.18 The retail development pipeline slowed dramatically during the economic downturn compared with the shopping centre 'boom' experienced in the ten year period up to 2007. One of the key impacts has been to 'weed out' some of the more expensive and unviable development schemes that were in the pipeline before the economic downturn.

<sup>11</sup> Please note that the floorspace 'productivity' growth rates forecast by EBS have been used to inform the retail capacity assessment set out in Section 9 of this study.

- 3.19 The latest *Shopping Centre Development Pipeline Report* published by the British Council of Shopping Centres (BCSC) in 2013 confirms that the quantum of completed new shopping centre floorspace in the UK is currently at its lowest level since the 1990s. Following the development of circa 260,000m<sup>2</sup> in 2009, 232,000m<sup>2</sup> in 2010 and 280,000m<sup>2</sup> in 2011, no new floorspace opened in 2012. The quantum of retail development in the pipeline is also continuing to decline, with shopping centre proposal levels falling by 37% from a peak of 30 million m<sup>2</sup> in March 2009 to 19 million m<sup>2</sup> in June 2013 (CBRE data<sup>12</sup>). This trend is anticipated to continue over the short term at least to 2015/16.
- 3.20 Notwithstanding this, the BCSC research also identified the first significant signs of new development activity in 2013 following the opening of circa 140,000m<sup>2</sup> of new retail floorspace (including Trinity Leeds). This is set to continue with a number of major schemes opening in 2015, including Grand Central in Birmingham and Old Market in Hereford. There are also positive signs that new investment is returning to the shopping centre market from UK-based and international funds seeking assets in prime and secondary locations that offer the potential for growth.
- 3.21 Given that it takes on average over ten years for a town centre scheme to be planned and developed, and can take even longer to deliver more complicated sites, then it follows that it will take a number of years for centres to benefit from the economic upturn and renewed investment and development confidence. Furthermore, the more challenging retail environment means that those shopping locations outside the 'top 100' centres that missed the previous (pre-recession) development cycle may face a long wait for new town centre development, or require a new approach if they are to secure new shopping centre development in the future. Even then, the scale and type of new retail investment that will emerge in the post-recessionary period could be very different to the last "golden decade" of shopping centre development between 1997 and 2007.

## **RETAILER REQUIREMENTS**

- 3.22 The economic downturn, in combination with other trends (such as changes in customer requirements, planning legislation and the growth in internet shopping), has created a need for retailers to review and rapidly adapt their business strategies, requirements and store formats. In general terms those retailers with strong brands and loyal customers, trading from the right stores in the right locations, and with a good online facility have managed to weather the economic storm. The following highlights some of the key trends that are occurring in the convenience and comparison goods retail sectors.

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<sup>12</sup> CBRE (June 2013) UK Shopping Centres in the Pipeline

## **Convenience Goods Retailing**

3.23 The changes in the food and grocery sector over the last decade illustrate the dynamic changes in the retail industry. Some of the key trends include:

- The move by all the major national grocery retailers into the smaller convenience store sector in order to increase market share further, including for example the Tesco 'Express', Sainsbury's 'Local' and 'Little Waitrose' formats.
- The growth of European 'deep discount' food operators (such as Aldi and Lidl) has also continued during the economic downturn. In response, this has resulted in the expansion of own-brand 'value' ranges by the established grocers.
- An increase in the non-food sale areas of larger superstores over the last decade, including the development of own-label clothing. In some of the stores operated by Tesco (i.e. the 'Extra' format) and Asda, for example, a significant proportion of sales area (over 50%) is often set aside for non-food retailing.
- The 'race for more space' and new store openings over the last decade has also resulted in extensions to existing stores and/or new mezzanine space, and the growth of online shopping.

3.24 Over the last 12-18 months, however, the focus for the main foodstore operators has shifted to opening more convenience store formats, and growing their market shares of online sales. At the same time applications for large store formats have slowed significantly and many extant permissions are not being delivered. For example Tesco and Morrisons are disposing of some of their under-performing superstores, and Tesco is in the process of selling some 49 sites with permissions for new foodstores, including sites in Manningtree, Basingstoke and Dartford. This will inevitably have implications for the scale and type of new floorspace required by foodstore operators across the UK in the future.

## **Comparison Goods Retailing**

3.25 In the non-food sector, those retailers that experienced significant growth up to 2007 have had to adapt to the very different market conditions. The retailers that have not been flexible enough to respond to changing consumer needs, or are being squeezed in the increasingly competitive 'middle ground' between high-end and value retailing, have largely struggled to maintain market share over recent years. In some cases, this has resulted in a series of high profile 'casualties' and a number of key retailers have either disappeared from our high streets altogether (e.g. Woolworths, TJ Hughes, Jessops and Jane Norman), or have gone into administration and been forced to reduce their representation in centres across the UK (e.g. HMV, Blockbusters, etc.).

3.26 Within town centres, some traditional high street multiple operators are also changing their formats and requirements. For example, key anchor retailers such as Boots,

Next, Mothercare, TK Maxx, John Lewis and Marks & Spencer are actively looking for larger format new-build or existing stores in out-of-centre locations to accommodate new retail formats (such as John Lewis at Home) and display their full range of products. These changes in retailer requirements and market demand will continue to have a significant impact on the UK's town centres and high streets, particularly in those cases where retailers make the decision to relocate from town centres to out-of-centre locations, or even out of the area altogether.

- 3.27 Research also shows that there is an increasing polarisation of development activity and investment interest in the larger regional and sub-regional centres (i.e. the 'top 100' centres). This is because these centres usually have large and established catchment areas, and therefore represent less 'risky' investments in the current uncertain economic climate. These larger centres have also generally benefitted from recent new shopping centre development and investment over the last decade, and are therefore better placed than smaller and medium sized centres to accommodate retailers' requirements for modern larger format units. The continuation of these trends will impact on future operator requirements, with retailers looking to satisfy their demand for larger modern premises in prime shopping locations, with strong catchment areas and a good supply of appropriate retail space.
- 3.28 The out-of-centre sector has also not been immune to change. Since 2007 there has been a notable downturn in the demand from traditional 'bulky goods' retailers for new space. For example, during the late 1990s both B&Q ('Warehouse') and Homebase were rolling out very large out-of-centre retail warehouses (some exceeding 10,000m<sup>2</sup> gross) in an attempt to dominate market share. However, these same operators are now looking to close or scale down their under-performing stores in certain areas. Other 'bulky goods' operators have simply gone out of business (such as Focus DIY). Notwithstanding this, out-of-centre retailing still accounts for a significant proportion of existing and new retail floorspace and sales in the UK. For example recent research has highlighted the fact that of the new retail developments approved since the NPPF was published in March 2012, 72% were in out of town locations, 16% were edge of centre and just 12% were in town centres<sup>13</sup>.

## **TOWN CENTRE FUTURES**

- 3.29 A number of high profile research reports have been commissioned over recent years that set out recommendations and guidance on how to maintain and enhance the future vitality and viability of the UK's town centres. These include:

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<sup>13</sup> <http://www.acs.org.uk/en/research/planning.cfm> referenced in Why Our High Streets Still Matter: A Think Piece by Mary Portas, 30<sup>th</sup> May 2014.

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- **The Portas Review** (2011) reports on the findings and recommendations of research led by Mary Portas into the future of the High Streets. The report presented 28 key recommendations for government, local authorities and businesses to help high streets respond to the current challenges facing them and to prevent further decline.
- **The Grimsey Review** (2013) addresses the continuing decline of many local high streets. The review highlights the dramatic impact that recent technological changes have had on consumer behaviour and the knock-on effects for high streets. It suggests that the Portas recommendations failed to adequately account for this.
- **The Distressed Town Centre Property Taskforce** (DTCP) report (November 2013) was produced by an industry-led cross sector taskforce, assembled in response to the Portas Review. The report specifically focuses on the role that property ownership, investment, development and occupation can have on town centre viability, and provides recommendations on how the property sector can act to leverage in investment for town centres and support their ongoing viability.

3.30 The table below provides an overview of some of the common themes and recommendations identified by the different research in support of town centre revitalisation, including the Portas Review.

Strategy	Description
Reforming the management of town centres	<b>Improving the ways in which town centres are managed</b> was a key recommendation made by the Portas Review. In response, the Government has set up 27 'Portas Pilots' and 333 Town Teams, which bring together local councils, retailers and businesses to try out new ideas to drive their local economy. Strategies to deliver change are formulated in recognition of the particular strengths of each local area. It may be too early in the process to comment on the success of these, however a recent thought piece published by Portas (May 2014) has suggested that progress has been slow. There is also <b>increasing financial support for Business Improvement Districts (BIDs)</b> , which enable local businesses to take on responsibility for realising improvements in their local area. The Government has launched a BID Loan Fund to help those wishing to set up a BID in their area. <b>Support for local (street) markets</b> is also increasing, as a way to increase footfall and enhance the vibrancy of local centres. This was also a key recommendation in the Portas Review.
Making use of the planning system to protect and enhance town centres	<b>The planning system is being used</b> in various ways to enhance and protect local centres where possible. This includes maintaining use of <b>'town centres first'</b> policies (as set out in the NPPF) in order to protect town centres from unnecessary competition from out-of-town developments. Where BIDs are in place, the improved planning conditions may also facilitate development. More stringent protection has been advocated by some sources. The Portas Review included a recommendation to introduce 'exceptional sign off' for all new out-of-centre retail development in order to protect existing centres. However, this was one of the few Portas recommendations that was not taken on by the Government. <b>LPAs are also being encouraged to make use of CPOs</b> in order to address issues of fragmented ownership and to facilitate comprehensive development across a centre.
Engaging communities	<b>Encouraging communities to support their local high streets</b> and town centres is essential and was a key recommendation in the Portas Review. Recent strategies to promote community participation in the development of local centres have included government support for communities wishing to take on the responsibility for ownership and management of assets of community value, such as their local pub or shop. A £19 million fund has been set up and more than 300 assets have already been listed under the Community Right to Bid.

Strategy	Description
Leveraging investment and funding	There are a number of <b>new sources of public sector investment</b> now available to facilitate improvements to local centres. These include £3.6m of funding via the Town Teams, a High Street Innovation Fund worth £10m and High Street renewal awards to date worth £1m. The DTCP suggestion that a workable <b>Tax Increment Finance (TIF)</b> model be put in place has since been actioned by the government. This will allow LPAs to raise finance to fund development and infrastructure based on the projected future increase in business rates resulting from investment. The DTCP report has also recommended <b>greater engagement between LPAs and the private sector</b> in order to tackle the challenges faced by town centres proactively. They support the use of joint venture partnerships between the public and private sector to facilitate development. A recent report by Peter Brett <sup>14</sup> suggested a new method that would involve the selection of a Property Company Partner (possibly private sector) who will then fund future investment in the centre. The Property Company would be assisted by the LPA through use of CPOs and restricting leases to de-fragment the ownership of the high street.
Adapting to take on the threat from increasing internet sales	Recent research has highlighted the importance of <b>recognising the threat from increasing internet retailing</b> as an important trend that will continue over the short term. Some centres are adapting better than others for example, the incorporation of Click & Collect (delivery and returns) points into centres. Other more general strategies include ensuring adequate parking and accessibility to improve the general accessibility of the centre. The Grimsey Review recommends that <b>town centres focus on their role as a community hub</b> , where retail is just one element, creating a diverse offer which will help local centres to compete more effectively with online retailers. The DTCP recommends adapting retail capacity models in order to account for the erosion of the physical retail space requirement in the face of competition from online retail. LPAs in many secondary town centres will need to <b>actively plan for this future loss of retail space requirement</b> , particularly from the larger retailers.
Encouraging a mix of uses	A recent trend has been the growing presence and proportion of food and beverage (F&B) units within shopping centres and high streets. A BCSC report <sup>15</sup> suggests that there are various benefits that may result from this, and recommends that <b>shopping centre development include a mix of retail, F&amp;B and leisure which are generally mutually supportive</b> . However, there are also warnings that this is not the whole solution to filling current vacancies left by retail decline. The BCSC recommends that F&B units in retail centres should be targeted appropriately according to the likely consumer profile. <b>Conversion from shops to residential uses</b> is also becoming one way for LPAs to make better use of underused retail space and prevent unwanted vacancy. Increased residential populations living in or near to the town centre will also improve footfall and potentially spend in these areas. However, with high levels of pressure due to national housing shortages, there is a danger that the influx of residential development into town centres could undermine the retail and leisure functions of the centre.

3.31 Although there are positive signs that the UK is finally beginning to emerge from the economic downturn, it is clear that our town centres and high streets post-recession will be very different to the 'boom' years of the last decade. Over the short to medium term at least the economy is forecast to experience a sustained period of lower growth in consumer spending, reduced bank lending, limited access to credit and cuts in public sector expenditure. This presents significant challenges for all those involved in town centre management, development and investment.

3.32 The growth of online shopping is also impacting on the vitality and viability of many of Britain's centres and high streets. This is placing pressures on rental growth and market demand in many centres; particularly the smaller secondary centres and market towns outside the 'top 100' shopping locations. This has been further

14 Peter Brett (2013): Investing in the High Street: Town Centre Investment Management & its role in delivering change

15 BCSC (2014), Food and Beverage: A solution for shopping centres?

compounded by rising vacancy levels and the loss of key retailers. As a result, the share of non-food retail sales conducted through town centre shops has declined; from 64% in 2002 to just over 40% by 2013. In our opinion, a far more uncertain future awaits the next wave of new retail investment and development. The evidence suggests that high quality schemes in the strongest prime shopping locations will continue to prosper. In contrast, the weaker secondary centres and shopping locations with a more limited offer, smaller catchments and negligible market demand will struggle to attract market interest and investment.

- 3.33 Notwithstanding the threat of online shopping, industry experts still predict that the demand from major retailers for new space will continue as it remains the primary mechanism for retailers to 'reach' their customers and grow their businesses. Over the short to medium term any increased demand for space from retailers will have to be met by the current retail stock (i.e. existing shopping centres, the high street and out-of-centre facilities), as there is limited new retail floorspace in the pipeline in town centres. With increased demand and the lack of supply over the short to medium term, research for the British Council of Shopping Centres (BCSC) predicts that this will effectively 'push up' rental levels for the larger modern desirable units until a significant amount of new development reaches completion. As a result, over the medium term, retailers will be competing for limited available space. Therefore those centres that are able to accommodate and deliver new developments over the next 5-10 years should be in a good position to attract operator interest. However, this will depend on the new retail floorspace being in the right location (i.e. preferably prime shopping locations) and having the right size, format and specification to meet the needs of modern retailers.
- 3.34 Research by the BCSC has also identified an increased emphasis on asset management, as owners and developers invest in the expansion or refurbishment of existing shopping centres to increase their investment value and turnover. In the current economic climate this investment in existing assets is less risky and financially onerous than new build projects. However, as the supply of suitable units "dry up" in prime locations, so retailers will also look at alternative options for delivering growth, such as through new out-of-centre openings, increasing sales through the internet, and/or expanding internationally.
- 3.35 Finally, although the NPPF reinforces the longstanding policy objective of promoting development and investment in town centres first, the market appetite for new and extended shopping facilities in out-of-centre locations shows no signs of slowing. The lack of available, suitable and viable sites in town centres to meet the demands of modern retailers and commercial leisure operators for larger format units will inevitably result in an increase in new out-of-centre applications and/or applications to widen 'bulky conditions' conditions on existing retail parks.



- 3.36 In this context, it is clear that the 'top 50-100' prime centres and shopping locations in Britain should continue to flourish once the economy recovers. The greatest challenge facing local planning authorities will be how to revitalise the fortunes of struggling small and medium sized centres and market towns that do not have the critical mass of retail, leisure and other uses to compete for more limited investment and development; including the centres in Babergh and Mid Suffolk Districts.

## 4.0 SHOPPING PATTERNS & MARKET SHARE ANALYSIS

4.1 This section first defines the catchment/study area that provides the basis for the quantitative and qualitative needs assessment. It then describes the household telephone interview survey and summarises the key headlines of the survey-derived market share analysis for convenience and comparison goods retailing.

### STUDY AREA & ZONES

4.2 The definition of an appropriate study (catchment) area is an important starting point for any retail and town centre assessment. In this case the Study Area has been defined using postcode geography and covers both Babergh and Mid Suffolk Districts in full, as well as some outlying areas (see Plan 1, **Appendix 1**).

4.3 The Study Area has been sub-divided into eleven zones based on postcode geography, and taking into account the location of the main centres and shopping facilities in each District. These zones provide the sampling framework for the household telephone interview survey (see Table 4.1). This zone-by-zone approach also enables more detailed analysis of shopping patterns and expenditure flows both within and outside the Study Area for the purpose of the retail capacity assessment, in accordance with good practice.

**Table 4.1 Study Area – Zones, Postcode Sectors, Catchments and Population**

Zones	Postcode Sectors	Broad Geographic/ Catchment Areas	2015 Population
1	CO6 2, CO6 3, CO8 5, CO9 2, CO10 7, CO10 8	Sudbury	33,817
2	IP29 4, IP30 0	Bury St Edmunds	8,804
3	CO6 4, CO10 5, CO10 0, CO10 9	Sudbury	28,282
4	CO10 1, CO10 2	Sudbury	13,000
5	CO6 5, IP7 5, IP7 6, IP7 7	Hadleigh	17,772
6	CO7 6, CO11 1, IP8 3, IP9 1, IP9 2	Hadleigh/Ipswich/Felixstowe	29,864
7	IP6 0, IP6 8, IP6 9, IP8 4, IP14 6	Stowmarket/Ipswich	28,037
8	IP14 1, IP14 2, IP14 3, IP14 4, IP14 5	Stowmarket/Needham Market	36,004
9	IP30 9, IP31 3	Stowmarket/Bury St Edmunds	16,565
10	IP22 1, IP23 7, IP23 8	Eye/Diss	12,826
11	IP13 7, IP13 8, IP20 0, IP20 9, IP21 4, IP21 5	Diss	21,753
TOTAL:			246,724

Source: 2015 population estimates derived from CJ's in-house *Experian MMG3 Geographic Information System* (GIS). Also see retail capacity assessments for convenience goods (Appendix 7) and comparison goods (Appendix 8), Table 1.

### SHOPPING PATTERNS

4.4 NEMS Market Research was commissioned to carry out a household telephone interview survey (HTIS) across the defined Study Area and zones between 5<sup>th</sup> and 16<sup>th</sup>

February 2015. The questionnaire was designed by Carter Jonas (CJ) in collaboration with Babergh and Mid Suffolk Councils. The questionnaire is reproduced in **Appendix 2** along with the survey methodology and the full 'weighted' survey results are set out in **Appendix 3**.

- 4.5 In total, some 1,100 interviews were conducted across eleven zones (i.e. a minimum of 100 surveys per zone in accordance with accepted good practice). NEMS carried out structured interviews by telephone with the person responsible for the main household shop. A number of measures were put in place by NEMS to ensure each sample was representative of the profile of the person responsible for shopping in the household. Responses across the Study Area were weighted by the population in each zone to ensure that the results of respondents in more sparsely or heavily populated areas were not under or over represented in terms of the market share assessment. This is a standard approach that helps to ensure the survey results provide a robust and realistic picture of shopping and leisure patterns.
- 4.6 The survey results detailing shopping patterns and preferences for different types of convenience and comparison goods shopping are used to inform the market share analysis<sup>16</sup> and turnover estimates for the main study centres, foodstores and out of centre facilities at 2015.

### **Convenience Goods – Market Share Analysis**

- 4.7 Convenience goods<sup>17</sup> retailing is generally defined as comprising everyday essential items (including food, drinks, newspapers/magazines and confectionery), as well as an element of non-durable housing goods (such as washing up liquid, kitchen roll, bin bags, etc.). In order to determine and assess current food shopping patterns across the Study Area, the household survey comprised standard questions on:
- what store households "*normally*" carry out their main 'bulk' (trolley) food purchases (questions 1), what they like about this store/centre (question 2), and how they normally travel there (question 3);
  - whether they link their main food shopping trip with any other activities (question 4) and where they go for this (question 5);
  - whether households also regularly visited any other stores for main 'bulk' convenience goods purchases (question 6);

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<sup>16</sup> It is common practice in retail assessments to deduct special forms of trading (i.e. purchases over the internet, mail order shopping and market stalls) from average expenditure per capita figures at the outset according to national forecasts derived from Experian Business Strategies. Internet shopping and special forms of trading have therefore been filtered out from the survey results before undertaking the market share assessment.

<sup>17</sup> For the purpose of this retail assessment 'convenience goods' and 'food' shopping have the same meaning.

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- where households carry out more frequent 'top up' (basket) purchases (question 7) and whether they visit any other stores for this form of shopping (question 9); and
  - what proportion of their spend on food and household groceries is spend on main food shopping (question 8).
- 4.8 The results for main, secondary and top up shopping are then merged through the application of a weighting based on judgements as to the proportion of household expenditure normally accounted for by each type of convenience goods shopping. In this case we have assumed a standard weighting of 65% for main 'bulk' shopping, 10% for secondary main 'bulk' shopping, 15% for primary top-up shopping, and 10% for secondary top-up shopping. This weighting produces a composite pattern of convenience goods spending and has been applied to identify market shares, expenditure and turnover throughout the remainder of this study.
- 4.9 The market shares for the different types of food shopping identified are set out in Tables 1-4 of **Appendix 4**. It should be noted that at this stage we have included expenditure on Special Forms of Trading (SFT<sup>18</sup>, including internet sales) in the market share analysis, but have removed 'null' responses (including 'don't knows', etc.) in accordance with good practice.
- 4.10 The key headline trends identified by the market share analysis show that 5.7% of all respondents across the Study Area purchase all their food shopping online (see Table 1, **Appendix 4**). SFT's market share is slightly lower for Babergh District (5%) than for Mid Suffolk District (6.2%). In comparison, Experian's latest *Retail Planning Briefing Note 12.1* (October 2014) shows that the national average market share for non-store (SFT) convenience goods retail sales is higher, at 9.4% in 2015 (see **Section 3**). Given that SFT currently accounts for a smaller market share across the wider Study Area and District areas, this suggests that there could be potential for SFT, and specifically Internet shopping, to increase its market penetration in the future. If this was to occur, then it would potentially reduce the need ('capacity') for new floorspace in the future (see Section 9).
- 4.11 Turning to the market share analysis for the main centres and stores in the two Districts, the headline results are briefly described below.
- Babergh District's centres and stores are achieving a total market share (or 'retention level') for all food shopping across the defined Study Area of 33.4%, which is higher than Mid Suffolk's share of 19.0%.
  - Babergh District is also achieving a higher 'retention level' of 64.5% within those zones that broadly make up the local planning authority area (i.e. Zones 2-6),

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<sup>18</sup> A more detailed explanation of SFT is set out in Section 3.

than Mid Suffolk is achieving (38.7%) within its broad local authority area (i.e. Zones 7-10).

- In Babergh District only, Sudbury's food stores and convenience shops are achieving a market share of 14.9% for all food shopping<sup>19</sup>. This is higher than for Hadleigh (5.6%), and all other shops in the District's local centres/villages combined (8.0%), and reflect the scale and quality of provision in Sudbury at the present time.
- In Mid Suffolk District only, Stowmarket is achieving a market share of 17.2% for all food shopping. This is higher than for Needham Market (0.9%), the key villages of Eye and Debenham (3.2%) and all other shops in the District's local centres/villages (4.0%).
- The main out-of-centre stores in Babergh District identified by the market share analysis are:
  - Sainsbury's (Cornard Road) and Tesco (Woodhall Business Park, Springlands Way) in Sudbury. These stores are achieving market shares of 3.5% and 7.6% respectively for all food shopping across the wider Study Area (increasing to 6.6% and 12.8% from within Babergh District);
  - Morrisons in Hadleigh is achieving a market share of 3.9% across the Study Area and 9.8% within the District area; and
  - Tesco Extra at Copdock Interchange (A12/ A14) is achieving a market share of 3.0% across the Study Area and 6.2% within District. Although this superstore is within Babergh District, it is located on the edge of the Ipswich urban area and a significant proportion of its custom and trade is drawn from outside the District.
- Together these out-of-centre stores are achieving a substantial 36.1% market share of all food shopping purchases in the zones that broadly cover Babergh District (i.e. Zones 2-6) and 18.5% within the wider Study Area (i.e. Zones 1-11). This is higher than the combined market shares for all the District's main towns, local centres and villages within the local authority area (28.5%) and wider study area (14.8%).
- The main out-of-centre stores in Mid Suffolk District are:
  - Tesco (Cedars Link Road) in Stowmarket, which recorded a 4.7% market share within the Study Area and 10.0% in the District; and

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<sup>19</sup> The Co-Op on East Street was open at the time of the household survey in February 2015, but subsequently closed in Summer 2015. It has necessarily been assumed for the purpose of this retail assessment that the store's shoppers and trade has been redistributed to other shops and stores in the town centre, without any impact on the town's overall market share of 14.9%.

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- Lidl (Bury Road) also in Stowmarket, which achieved a 1.8% market share in the wider Study Area and 3.4% in the District.
  - These stores are achieving a more limited combined market share (13.5%) of all food shopping purchases in Mid Suffolk (Zones 7-11) and the Study Area as a whole (6.5%) compared with greater scale and choice of out-of-centre provision in Babergh District. As a result Mid Suffolk's main towns, local centres and villages are achieving a higher market share of all food shopping in Zones 7-11 (25.3%), and 12.5% across the wider Study Area (12.5%).
  - The market share analysis also confirms the relative attraction of the larger competing superstores trading on the edge of the defined Study Area. For example, Table 1 (Appendix 4) shows that stores in Bury St Edmunds (8.2%), Colchester (4.0%), Diss (8.8%), Ipswich (12.5%) and elsewhere (8.5%) are achieving a total combined market share of 41.9% from within the Study Area.
  - The 'leakage' of expenditure to the competing centres and stores is higher from Mid Suffolk District (53.2%) than it is from Babergh District (27.9%). This reflects the relative scale and choice of foodstore provision in Babergh District compared with Mid Suffolk.
  - A more detailed analysis of the main superstore competition indicates that the Asda (Goddard Road), Sainsbury's (Hadleigh Road) and Morrisons (Sproughton Road) superstores in Ipswich are all achieving relatively strong market shares across the Study Area, and within Mid Suffolk and Babergh Districts. Elsewhere, Morrisons and Tesco in Diss, and Sainsbury's (Bedingfield Way), Tesco (St Saviours Interchange) and Waitrose (Robert Boby Way) in Bury St Edmunds are also achieving a relatively good market penetration within the Study Area.
- 4.12 In summary, the survey-derived market shares indicate that Mid Suffolk is currently achieving a lower 'retention level' (38.7%) of food shopping trips and expenditure within its District area than Babergh (64.5%). This partly reflects the fact that Mid Suffolk has a more limited provision of modern foodstores than its neighbouring authority; for example, Waitrose, Sainsbury's and Aldi do not have stores in the District. Furthermore, the market share analysis confirms that both Districts are competing with large superstores in neighbouring authorities and centres (including Ipswich, Diss, Colchester and Bury St Edmunds) that are, in some cases, highly accessible to residents in the Study Area.

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### Comparison Goods – Market Share Analysis

4.13 Comparison goods<sup>20</sup> are generally defined as items not obtained on a frequent basis and include clothing, footwear, household and recreational goods (also see Glossary of Terms). The household survey comprised of questions on the following main non-food expenditure categories, as defined by Experian Business Strategies:

- 'clothing and footwear' (question 10);
- 'recording media for pictures and sound' (such as records, pre-recorded and unrecorded CDs & DVDs, unexposed films for photographic use, etc.) (question 12);
- 'audio visual, photographic, computer items' (such as stereos, radios, TVs, software, cameras, kindles, iPads, telephones, etc.) (question 13);
- 'all other electrical goods including domestic electrical appliances' (such as irons, kettles, fans, coffee makers, food mixers), white goods (fridges, freezers, dishwashers) and smaller etc.), (question 14);
- 'shopping for books (incl. dictionaries, encyclopaedias, text books, guidebooks and musical scores) and stationary (incl. writing pads, envelopes pens, diaries, etc.) and drawing materials', (question 15);
- 'games & toys; pets and pet products; hobby items; sport, camping goods and bicycles; and musical instruments', (question 16);
- 'furniture, carpets, other floor coverings and household textiles' (includes beds, sofas, tables, etc.), (question 17);
- 'DIY goods, decorating supplies and garden products' (such as drills, lawn mowers, hammers, hedge cutters, garden tools, plants, shrubs etc.), (question 18);
- 'personal care, including electric and non-electrical appliances, cosmetics, perfume, toothpaste, aftershave, sun tan lotions, etc.', (question 19);
- 'medical goods, other pharmaceutical products and therapeutic appliances / equipment' (e.g. medical drugs, spectacles, contact lenses, hearing aids, wheelchairs, etc.), (question 20); and
- 'all other goods including jewellery & watches; glassware, china, tableware and household utensils; and other personal effects', (question 21).

4.14 Table 1 (**Appendix 5**) shows the market shares (%) for all comparison goods shopping purchases made both within and outside the Study Area. These total market shares have been informed by the shopping patterns for the different types of

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<sup>20</sup> Please note that comparison goods and non-food shopping have the same meanings.

comparison goods expenditure set out in Tables 2-12. It should be noted that the market share analysis (%) takes account of the distribution and weight of spend (£) by households on the different comparison goods categories. This ensures that the resultant shares are not skewed by any particular comparison goods expenditure category. This is a standard approach for retail assessments.

- 4.15 As for the analysis of convenience goods, the comparison goods market share analysis includes expenditure on Special Forms of Trading (SFT) at this stage. The headline patterns and trends identified by the survey show that SFT accounts for an 18.6% market share of all comparison goods purchases across the Study Area; ranging from 14.2% in Zone 4 (Sudbury) up to 22.9% in Zone 10 (Diss). SFT accounts for 19% of purchases in Babergh District (Zones 2-6) and 18.7% in Mid Suffolk (Zones 7-11). Experian's latest *Retail Planning Briefing Note 12.1* (October 2014) shows that the national average market share for non-store (SFT) comparison goods retail sales was 16.6% in 2015 (see **Section 3**). The SFT averages for the Study Area and Districts are therefore above the national average figure.
- 4.16 Some of the key headlines of the market share analysis for all comparison goods shopping are as follows:
- Babergh and Mid Suffolk's non-food shops and stores are achieving a combined retention level of 24.4% in the Study Area as a whole (Zones 1-11). Of this total, Babergh is achieving a higher market share (17.1%) than Mid Suffolk (7.3%).
  - In Babergh, Sudbury Town Centre (8.5%) is achieving the highest market share from within the Study Area, followed by Hadleigh (1.7%) and the other local centres/village stores (0.8%).
  - Babergh District's out-of-centre floorspace is achieving a 6.1% market share in the Study Area and 10.7% within the District. The main attractions within the District are Copdock Mill Retail Park (3.6% market share within the District) and Tesco Extra at Copdock Interchange (1.9%), along with Shawlands Retail Park (1.6%).
  - Stowmarket Town Centre is the main comparison goods shopping destination in Mid Suffolk with a market share of 6.1%. Needham Market (0.4%), Debenham (0.1%), Eye (0.2%) and the other local centres/village stores (0.5%) have much lower market shares across the Study Area. This reflects their relative roles and functions, predominantly serving the day-to-day convenience and service needs of their local catchment populations.
  - In contrast, the four larger higher order centres of Bury St Edmunds, Colchester, Diss, Ipswich and Norwich are achieving a total combined market share of 51.1% from within the Study Area; with a further 5.9% market share claimed by all other centres and stores outside the Study Area.

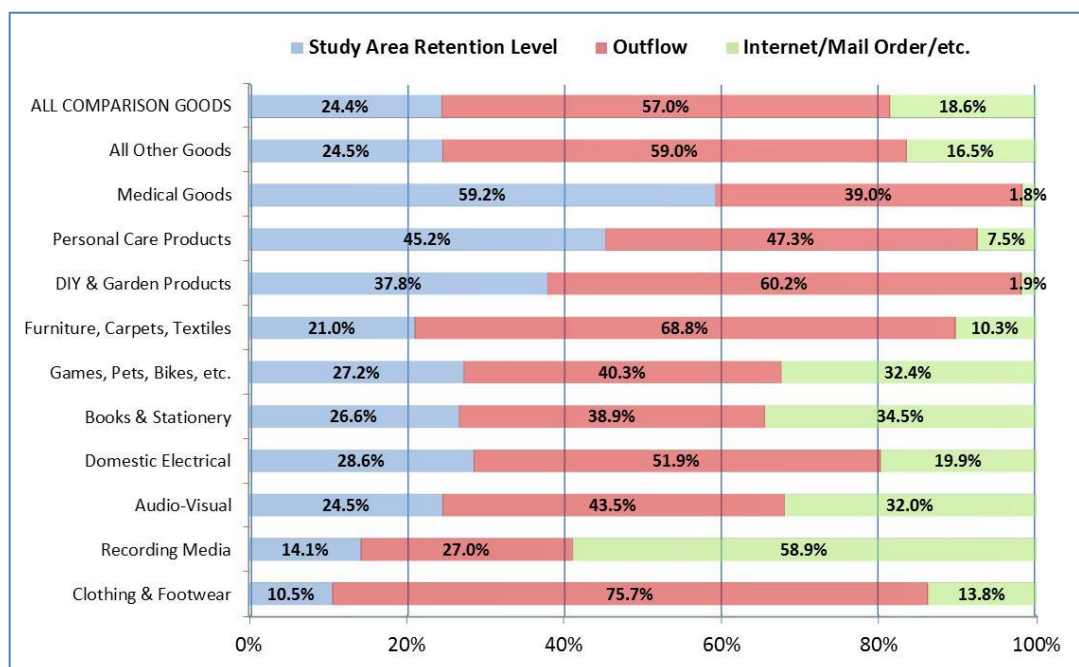


- Within their own District areas, Babergh and Mid Suffolk have market shares ('retention levels') of 29.8% and 15.0% respectively. In other words 50.2% of expenditure is 'leaking' from the Babergh District area (Zones 2-6) to competing centres and shopping facilities, and 63.1% is 'leaking' from Mid Suffolk (Zones 7-11).

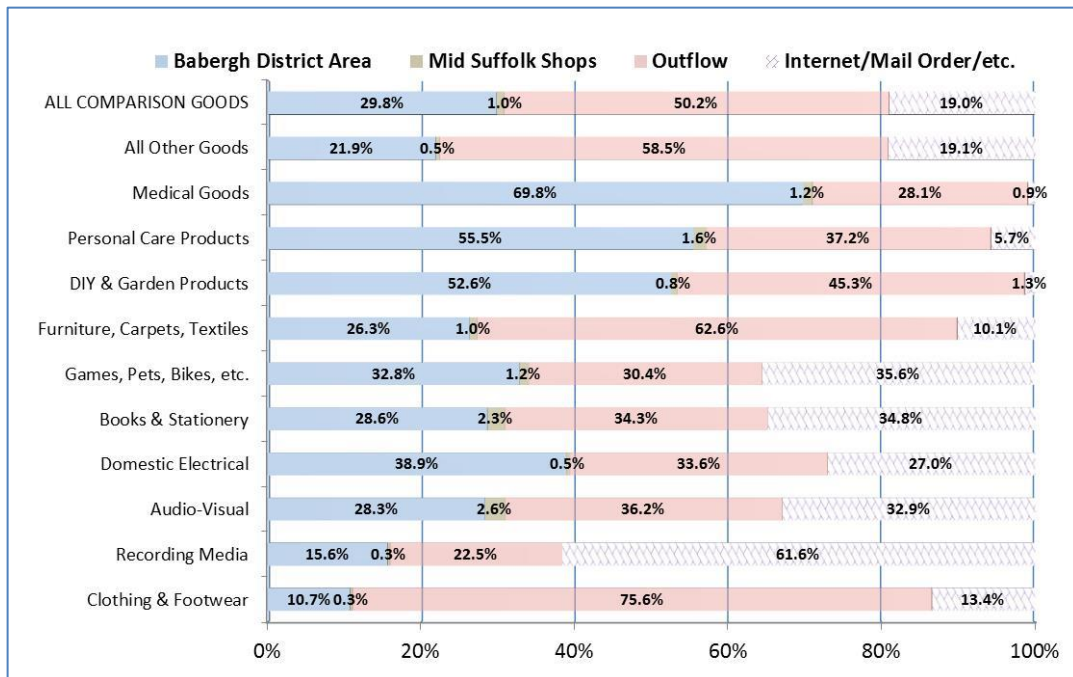
4.17 The figures below summarise the market shares ('retention levels') for the different categories of comparison goods retailing and SFT/internet shopping across the Study Area as a whole, and for the two District areas (see Tables 1-12, Appendix 5).

4.18 For the Study Area as a whole, Figure 4.1 confirms the high 'leakage' of comparison goods expenditure to main competing centres and shopping locations in the region (including Ipswich, Colchester, Diss, Bury St Edmunds and Norwich). The relative scale, quality and wider offer in these competing locations is reflected by the fact that, for example, over 75% of available expenditure on clothing and footwear is being spent in centres and stores outside of the Study Area. After accounting for the market share of SFT (including the internet) of 13.5%, this effectively means that the main centres and stores in Babergh and Mid Suffolk Districts combined are only retaining some 10.5% of available clothing and footwear expenditure in the wider Study Area.

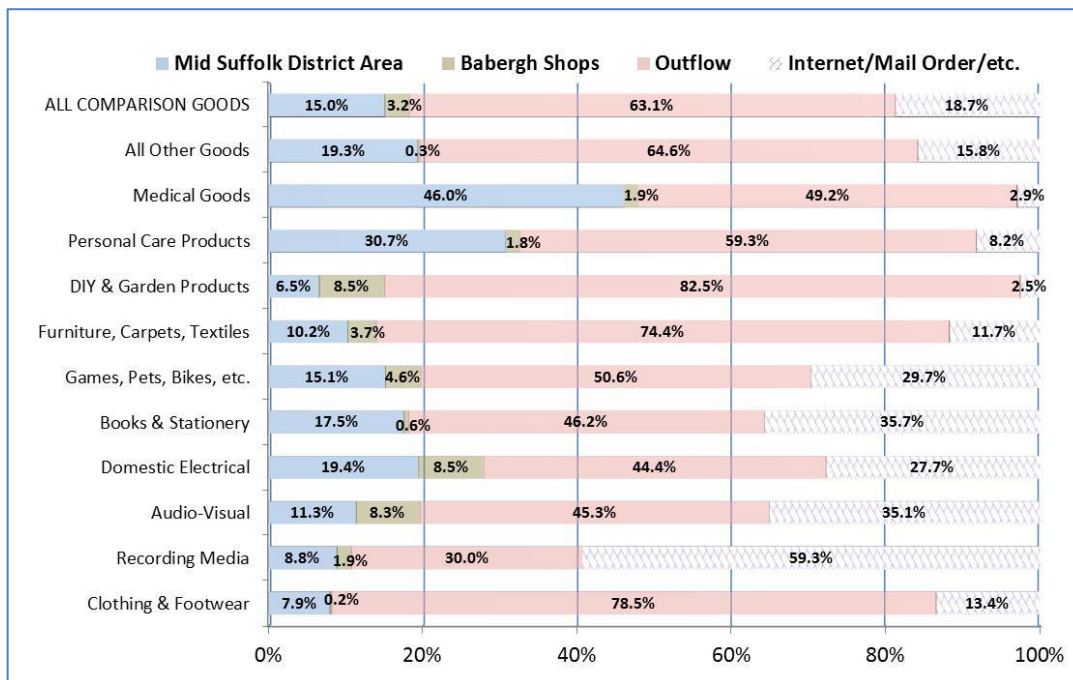
**Figure 4.1 Study Area (Zones 1-11): Market Shares for Different Categories of Non-Food Retail**



**Figure 4.2 Babergh District (Zones 2-6): Market Shares for Different Categories of Non-Food Retail**



**Figure 4.3 Mid Suffolk District (Zones 2-6): Market Shares for Different Categories of Non-Food Retail**



- 4.19 Figure 4.1 confirms the strong market share of SFT, and principally internet shopping, on certain categories of comparison good expenditure, including recording media (58.9%); books and stationery (34.5%); toys, games, bikes, pet products, etc. (32.4%) and audio-visual (32.0%). In contrast, the market share of certain non-food categories is more limited, including medical goods (1.8%); DIY (1.9%); personal care products (7.4%); furniture and carpets (10.3%); and clothing and footwear (13.8%). However, this does not mean that these specific sectors will be 'immune' from the growth in internet shopping over the medium to long term.
- 4.20 The market shares for Babergh (Figure 4.2) and Mid Suffolk (Figure 4.3) broadly follow the same patterns as for the Study Area as a whole. However it is notable that the main centres and non-food stores in Babergh District are achieving a higher market share ('retention level') across all the main expenditure categories in the Babergh area (Zones 2-6) than Mid Suffolk's centres and stores are achieving in their District area (Zones 7-11). For example, for all comparison goods shopping Babergh District is achieving a retention level of 29.8%, which contrasts with Mid Suffolk's share of 15%. This difference is particularly marked for DIY and gardening; with Babergh's centres and stores achieving a 52.6% retention level within their District area (Zones 2-6), which is substantially greater than the 6.5% market share achieved by Mid Suffolk's centres and stores within their own District (Zones 7-11). This difference reflects the relative scale, quality and choice of comparison goods shopping in the two Districts, both in-town and out-of-centre. We review this trend in more detail in the following sections.

## **SUMMARY**

- 4.21 In summary, the survey-derived market shares show that the main centres and stores in both Babergh and Mid Suffolk Districts are facing significant competition from higher order centres in neighbouring authorities, as well as larger out-of-centre stores and shopping parks; principally Ipswich, Diss, Bury St Edmunds and Colchester. At the same time the market shares of the District's main centres and stores are facing intense and growing competition from Internet shopping.
- 4.22 The challenge for both Districts and their main centres over the development plan period will be to maintain and strengthen their market shares of convenience and comparison goods retailing in the face of this competition for shoppers and expenditure.
- 4.23 Increasing the range, quality and choice of convenience and comparison goods shops in their main centres to help 'fight back' against the loss of significant market share in the future could be an option, but this will depend on whether market demand can be generated and satisfied in the Districts' main centres (in particular Sudbury and

Stowmarket) through new investment and development in the scale and quality of their retail and commercial leisure floorspace.

4.24 We explore this issue in more detail throughout the remainder of this study.

## 5.0 SADBURY TOWN CENTRE: HEALTH CHECK

5.1 Sections 5-7 of this study provide high-level health check updates for the three main centres in Babergh and Mid Suffolk; namely Sudbury, Hadleigh and Stowmarket Town Centres. Section 8 also provides an overview of the offer in the smaller centres and key villages in the two Districts.

### HEALTH CHECK METHODOLOGY

5.2 Health checks are recognised as important planning 'tools' for appraising and monitoring the changes in the overall vitality and viability of town centres, and informing both plan-making and decision-taking at the local level.

5.3 The NPPG (paragraph 005) identifies the following *Key Performance Indicators* (KPIs) that can be used (where the information exists) to help assess and monitor the overall health and performance of centres.

- the scale and diversity of uses (e.g. retail and services offer);
- retailer representation and demand;
- commercial property indicators (such as Prime Zone A Rents);
- changes in vacancy levels;
- accessibility and parking provision;
- the quality of the town centre environment;
- pedestrian footfall; and
- customers' views and behaviour.

5.4 In this case the health check assessments have been informed by Experian Goad Reports for each Town Centre and supplemented by relevant information collected by the District Councils. The town centre uses have been broken down by specific retail and service categories to help identify any potential 'gaps' in provision, benchmarked against national averages that draw on approximately 1,950 UK centres and shopping locations audited by Experian Goad (see **Appendix 6**).

5.5 In addition we have also referred to other datasets and research to help assess the relative vitality and viability of the Districts' main town centres (including EGi and CoStar's published data on retailer requirements and Prime Zone A rental levels). This has been further supplemented by site visits and audits of the main town centres carried out by Carter Jonas in March 2015.

**RETAIL CONTEXT**

- 5.6 Sudbury is a compact historic market town with an attractive retail offer. It is the largest centre in Babergh District and performs an important role, acting as a hub for the settlements of Sudbury and Great Cornard, as well as other local rural communities.
- 5.7 The main retail offer is located along traditional shopping streets and the units occupy predominantly attractive, historic buildings that lend a distinctive character to the centre. The town centre is also the focus for a number of key visitor attractions including the twice weekly markets, seasonal events and fairs that are managed by the Steering Group in partnership with the Town Team.
- 5.8 The Primary Shopping Frontage (PSF) and Secondary Shopping Frontage (SSF) for Sudbury have not been defined in the Local Plan. Further analysis of this is set out in Section 12 of this report. However, broadly speaking, the main shopping frontage is centred on Market Hill and the southern part of North Street:
- **Market Hill** is a focal point for the Town Centre, and includes a large space in front of St Peter's Church where markets are held twice weekly. The markets take up much of the frontage along Market Hill (which is partially closed on Market Day) and sell a wide range of goods, from food items to clothing. The site visit was conducted on a market day and it was observed to be popular and busy. The Church itself is in Churches Conservation Trust ownership and is used by various organisations for events and fairs including a monthly Farmers Market. Market Hill forms a circular route around the church at the centre of the town where it links with Kings Street and North Street, which helps to boost pedestrian flow in this area.
  - **North Street** is the other primary shopping street and, together with Market Hill, is a focus for national multiple retailers. The street acts as a linear high street, with smaller units and traditional, uniform shop frontages. The Town Hall is located in a large, attractive building at the southern end of North Street. Recently, some change of use to offices has been permitted for a unit in the primary frontage as it was identified as being too small and inflexible to attract large A1 retailers.
- 5.9 Mixed use and retail units in the Town Centre are also located along Gaol Lane, Gainsborough Street, Friars Street, East Street, King Street, Borehamgate Precinct and Great Eastern Road. These 'secondary' streets (not defined in the current Local Plan) are predominantly traditional shopping streets, characterised by smaller units with a distinctive historic character. The exception to this is Borehamgate Precinct, a modern building containing stores fronting out onto the street and an internal walkway.

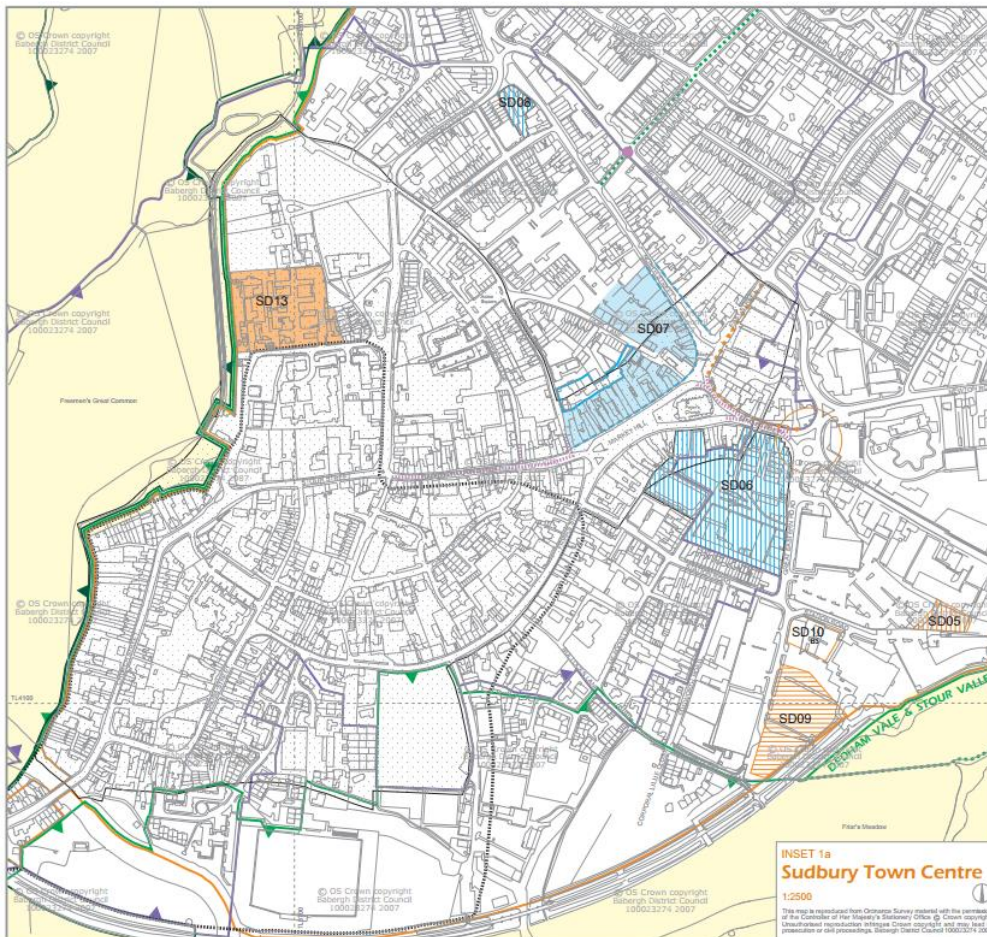
5.10 Although they are not defined in the Local Plan, broadly speaking the secondary shopping streets referred to in this study are:

- **King Street** runs parallel to Market Hill and has a number of banks, a public library (including the Tourist Information Centre) in a large, prestigious building, and an independent department store. Further along King Street, past the church, the offer is mainly characterised by lower value independent stores. The Borehamgate Shopping Precinct is generally of low quality and in need of modernisation, although there was only one vacancy at the time of our audit. This may be explained by the fact that the Precinct benefits from competitively priced rents.
- **Friars Street** leads from the western end of King Street and has a number of banks and national multiple retailers. Moving further away from King Street, however, the offer quickly declines into lower quality independents and interspersed residential units.
- **Gaol Lane** is a narrow, pedestrianised alleyway accessed via North Street and has a number of small independent stores and serves pedestrian access to the Town Hall which houses a small Town Museum. Access to rear service parking and a large public car park (North Street Car Park) is via Gaol Lane.
- **Gainsborough Street** leads into Market Hill from the west and predominantly consists of small, independent stores and cafes, interspersed with residential uses. Gainsborough's House Museum and art Gallery is located on this road and has recently publicised aspirations to expand to include an adjoining property.
- **East Street** contains only a few retail and service uses at the western end which leads onto Market Hill. Footfall does not appear to be very high in this area and will have been further impacted by the closure of the Co-Op.
- **Great Eastern Road** leads from the core of the centre out to the edge-of-centre Waitrose, the rail station and to the Kingfisher Leisure Centre. There is some retail along this street, including the large regional variety store Roys.

5.11 As Section 4 highlighted, Sudbury Town Centre faces competition for shoppers from higher order centres (such as Bury St Edmunds, Colchester and Ipswich), and from out-of-centre shopping destinations. There are signs that the centre has lost out to competition from these larger centres in recent years; for example, it has slipped down the Javelin Venuescore national rankings from 310<sup>th</sup> in 2010, to 367<sup>th</sup> in 2014. Due to the relative size and proximity of these surrounding centres, the survey-based market share analysis has confirmed that the catchment for Sudbury Town Centre is somewhat constrained and is likely to remain so in future. This situation may be exacerbated by plans to extend retail provision in competing centres. A map of the Town Centre boundary is set out in **Figure 5-1** below. The primary frontage along

Market Hill and North Street are identified by a blue dotted line and the town centre boundary is indicated with a grey dotted line.

Figure 5-1 **Sudbury Town Centre**



Source: Babergh Local Plan 2006

## RETAIL COMPOSITION AND DIVERSITY

- 5.12 The assessment of the current retail and service provision in Sudbury (measured by outlets and floorspace) has been informed by the latest Experian Goad Town Centre Category Report published in 2014 (**Appendix 6**)<sup>21</sup>. This has also been supplemented by the Council’s own detailed Town Centre audit and our site visits.
- 5.13 The table below shows the distribution of retail units and floorspace, benchmarked against the national average for all centres and shopping locations surveyed by Experian Goad.

<sup>21</sup> It should be noted that Experian Goad’s definition of the town centre boundary used for the purpose of their surveys and reports may differ from other definitions including, for example, the boundary identified by the local planning authority in the Local Plan Proposals Map.



**Table 5.1 Sudbury: Retail Composition by Units and Floorspace, 2014**

Category	Units			Floorspace		
	Units	% of total	UK average %	sq ft	% of total	UK average %
Comparison	86	33.3%	32.5%	192,500	37.4%	36.1%
Convenience	17	6.6%	8.4%	76,100	14.8%	15.0%
Total Service:	135	52.4%	47.4%	225,300	43.8%	38.8%
Retail Service	44	17.1%	14.1%	55,800	10.8%	7.4%
Leisure service	57	22.1%	22.4%	123,900	24.1%	23.2%
Finance and business	34	13.2%	10.9%	45,600	8.9%	8.2%
Vacant	20	7.8%	11.4%	21,100	4.1%	9.3%
<b>Total</b>	<b>258</b>	<b>100.0%</b>	<b>100.0%</b>	<b>515,000</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Experian Goad, March 2014

- 5.14 There are currently 258 units in Sudbury Town Centre, which is higher than for Hadleigh (63 units) and Stowmarket (145 units). Sudbury's total retail and service floorspace of 47,845m<sup>2</sup> (515,000 sq ft), as recorded by Experian Goad<sup>22</sup>, is also significantly higher than for Hadleigh of 7,832m<sup>2</sup> (84,300 sq ft) and Stowmarket 26,868m<sup>2</sup> (289,200 sq ft). Sudbury's average unit size of 185m<sup>2</sup> (c.2,000 sq ft) is the same as recorded for Stowmarket 185m<sup>2</sup> (1,995 sq ft) and higher than Hadleigh 124m<sup>2</sup> (1,340 sq ft).
- 5.15 Sudbury has a good representation of comparison units and floorspace, and provision is marginally above the UK average. Within this overall figure, the representation of charity shops is higher than the UK average (3.9% compared to 2.6% of units). The 10 charity shops in the town also represent the highest proportion of any category of comparison goods retailing. The site visit also identified a high concentration of these along the northern end of North Street (outside of the Primary Frontage) and also new charity stores opening in previously vacant units in the primary frontage along Market Hill.
- 5.16 Overall, convenience provision is below the UK average in Sudbury (6.6% compared to 8.4%). The Goad data identified 17 convenience stores in Sudbury in total, including: three bakers and confectioners, two butchers and two health food shops.
- 5.17 In terms of supermarket provision, the centre is served by Aldi, Iceland and a large Waitrose supermarket on Station Road (the Co-Op on East Street closed when this study was being finalised). This provision is also supplemented by two large out of

<sup>22</sup> The floorspace figures are derived from the relevant Goad Plan and only show the footprint floorspace and the site area without the building lines. They should not therefore be read as a definitive report of floorspace in centres, although they do provide a useful means of comparison between centres, as all outlets are measured in a consistent manner.

centre stores: a Sainsbury's Superstore opened in 2012 located just outside of the Town Centre on Cornard Road; and a Tesco Superstore on Springlands Way, in close proximity to the Town Centre.

- 5.18 The mix of large supermarkets supplemented by smaller convenience stores provides a good level of choice for shoppers, although there may be scope for further provision or extensions to existing stores depending on economic capacity and market demand.
- 5.19 The representation of service retailers in Sudbury Town Centre is above national average levels (52.4% compared to 47.4%). This category includes:
- 26 Health and Beauty outlets, which is equivalent to 10.1% of total outlets and is above the national average of 8.6%.
  - Leisure service provision is broadly in line with UK averages, and includes 19 Fast Food & Takeaway units, 15 cafes and 4 Betting Offices; all of which are represented at levels above the UK average.
  - There are also five pubs, five restaurants and two Sport and Leisure facilities, although provision is below UK levels.
- 5.20 Sudbury has one theatre – Sudbury Quay Theatre – which is located just outside of the town. There are no cinemas or concert halls in the town centre, which indicates that there is potential to improve the centre's leisure provision to the benefit of the town's daytime and evening economy.
- 5.21 The provision of finance and business services in the centre is above UK averages. There are ten Property Services, eight Retail Banks and seven Financial Services. Major banks represented in the centre include the Co-Op, Barclays, Natwest, HSBC and Lloyds TSB.
- 5.22 In terms of 'Major Retailers' present in the centre (as defined by Goad), Sudbury has:
- Two major clothing retailers (Dorothy Perkins and New Look) following the closure of Burton in early 2015;
  - Three mixed good retailers (Argos, Boots and W H Smith);
  - Majestic Wine (Northern Road);
  - One major supermarket (Waitrose); and
  - Five other major retailers (Carphone Warehouse, Clarks, Clintons, Superdrug and Phones 4 U).
- 5.23 The centre has a total of 85 total 'multiple' retailers, of which 48.2% are comparison retailers (compared to a UK average of 42.9%), including Fat Face, New Look, M&Co and Clarks shoes. The centre falls marginally below UK averages for multiple retailer representation for convenience, retail service and financial and business services. For

leisure services, the centre falls below the UK average for multiple retailers (16.5% compared to 20%). Across most categories therefore, the representation of major and national multiple retailers is below the UK average, with the exception of comparison retailers.

- 5.24 Babergh District Council has also carried out regular six monthly audits of Sudbury Town Centre since 2009. The data collected identifies the name, type and size of each unit in the town, and the representation of independent retailers. Although this data is not based on the same geographically defined Town Centre area as the Goad data, it nevertheless provides a useful narrative on the changes in provision over the last five years. The audits shows that there are some 143 independent retailers currently located in Sudbury, which is further evidence that the centre has a good balance between national multiple occupiers and independent retailers.
- 5.25 The Council's audits also show that the proportion of units across the different use classes has remained fairly consistent across the period. Notwithstanding this the proportion of A1 uses has fallen since 2009, whereas the proportion of A2 uses has increased.

### VACANCY LEVELS

- 5.26 Vacancy levels provide one of the key performance indicators (KPIs) for assessing the relative health of centres, and measuring how their attraction and performance may be changing over time. In this case we have drawn on the vacancy levels shown in the Goad data. We have also drawn on the Council's more detailed Town Centre Audit in order to inform an analysis of vacancy 'hot spots' and also trends over time.
- 5.27 However, simple assessments of the number and proportion of vacant units in centres should be interpreted with caution, as there is a natural 'churn' of units closing and opening in centres at any one time. For example, some shops may be vacant because they are undergoing refurbishment for immediate occupation, or they may be subject to redevelopment plans. Conversely, although low vacancy levels are often interpreted as a sign that a centre is performing strongly, it may also mask the fact that there is a limited supply of new floorspace to meet the needs of retailers and businesses seeking representation in the town centre.
- 5.28 As the table below shows, Experian identified some 20 vacant units in the town centre in March 2014. This is equivalent to a vacancy level of 7.8%, which is below the national average for all centres recorded by Experian of 11.4%. The number of vacant outlets has increased from 12 in 2011 (according to the 2011 Retail Study Update), equivalent to a vacancy level of 5.24%. The national vacancy rate has also increased between 2008 and 2014, from 10.95% to 11.4%, mainly due to the impact of the economic recession (see **Section 3**). In terms of floorspace, the vacancy level of 4.1% is significantly lower than the national average of 9.3%.
-

**Table 5.2 Vacancy Rates in Sudbury by Units and Floorspace**

Vacant Units	% of Total Units	National Average (%)	Vacant Floorspace (m <sup>2</sup> )	% of Total Floorspace	National Average (%)
20	7.8%	11.4%	21,100	4.1%	9.3%

Source: Experian Category Report 2014.

- 5.29 The Council's Town Centre Audits show that since 2009, the number of vacant units in the town centre has fluctuated; reaching a peak in June 2013, following a dip in 2011. This level has since reduced, although the latest figures from the October 2014 audit were higher than those recorded in May 2014. The main clusters of vacancy were found on North Street and King Street, with one or two vacancies located along Gaol Lane, Market Hill, Friars Street and Borehamgate. Only one of the vacant units recorded by the Council's survey was located along the primary shopping frontage, which is a positive sign of vitality for this Town Centre.
- 5.30 The 2015 site visit found that many of the vacant units have become available due to the relocation of retailers within the town centre to a more prominent location, or a more suitable unit. However M&S Simply Food and Burton have closed their stores in the town centre, which is a concern as they were key drivers of footfall. Co-Op has also vacated the centre following the closure of its store on East Street.

## RETAILER REQUIREMENTS

- 5.31 Retailer demand for representation in a shopping location normally provides a good indication of a centre's overall attraction, health and viability. The *CoStar Focus* national retailer requirements database is a standard published dataset used to inform retail assessments and provides consistently sourced evidence detailing the changes in retailer requirements over a period of time.
- 5.32 In March 2015, there were seven retailer requirements for Sudbury Town Centre. Of these, the majority were from retailers, with one leisure occupier requirement from Costa. Of the retail requirements, most were national multiples either for comparison or retail service uses.

**Table 5.3 Sudbury: Retailer Requirements**

Category	Name	Max floorspace (m <sup>2</sup> )
Retail	Phase Eight	186
	Steamer Trading Ltd	427
	Card Factory - UK	232
	The Wool Room	139
	Sue Ryder Care	186
	Screwfix Direct	1,022
Leisure	Costa	2,000

Source: Costar FOUCS March 2015

- 5.33 Those operators with a stated interest include a number of national multiple retailers and food and beverage operators. However it should be noted that the majority of the retailers identified will be seeking larger format units.
- 5.34 Notwithstanding this high level assessment of current market demand, many retailers prefer not to publish their requirements as it could damage their negotiating position where they are seeking representation in new locations. Moreover, such databases can only identify the current level of market demand and do not reflect how demand might change in the future following new development and investment. For example experience shows that a new scheme that offers retailers modern, well-configured floorspace adjacent to like-minded tenants in a prominent location will generally generate a significant uplift in market interest and demand.

## **PRIME ZONE A RENTS**

- 5.35 The level of rent that businesses are prepared to pay for retail space in a centre provides a further indication of the relative strength of the centre and its prime retail pitch as a shopping location.
- 5.36 The 2008 Retail Study found that prime retail rental values in the centre had decreased by 3% in the period from 2002 to 2008. Carter Jonas market research indicates that current rents achieved for units in the prime retail area are around £430 to £485 per m<sup>2</sup>. Data shows that this is a significant reduction based on historic values achieved. However, such levels are not considered to be particularly low based on the current retail market.

## **ACCESSIBILITY & PEDESTRIAN FLOWS**

- 5.37 Sudbury rail station is located just outside of the town centre and provides regular services to Marks Tey and to Colchester, from which trains to other larger towns and through to London run. There is a large bus station within the town centre, although there is currently an SPD in place to redevelop this site (see below). The current location and setup of the station does not facilitate legibility for pedestrians, however it acts as an important interchange with the rail station. Development of the Hamilton Road Quarter (see below) would provide an opportunity to resolve the current problems with legibility and create a pedestrian-friendly route through to the station.
- 5.38 Within the centre itself there is on-street parking along key shopping streets including North Street and much of Market Hill. In most cases, this parking is provided free of charge. There are 7 Council-run car parks in Sudbury, most of which are in close proximity to or within the town centre. The majority of these are also free of charge for short stays.

- 5.39 The Town Centre is accessible via the A131, which runs in a triangle around the centre and provides access to the north (connecting to Bury St Edmunds) and to the south (connecting to Braintree). There is some traffic congestion caused by buses and lorries that use King Street and Gainsborough Street to pass through the town, as they have some difficulty navigating the narrow streets and smaller junctions. This also causes obstructions to pedestrian flows moving through the town. The car park adjacent to the Leisure Centre is currently partly used as a non-designated lorry park, suggesting that access and sufficient parking spaces for these vehicles needs to be directed to edge and out of centre locations.
- 5.40 The complex junction at Belle Vue roundabout is also considered to be difficult to navigate for both traffic passing through and for pedestrians attempting to cross over. Legibility from the core of the centre out towards Belle Vue roundabout is currently poor, due to the difficulty for pedestrians of crossing these junctions. This means that visitors are less likely to visit Belle Vue Park, a substantial and well-maintained public open space.
- 5.41 There has been some consideration of the possibility of building a bypass in Sudbury in the future in order to relieve some of the current pressures on the road network. A route for a By Pass is shown in the 2006 Local Plan and is protected from development.
- 5.42 In terms of footfall, the pedestrian flowcount analysis conducted in support of the *2008 Retail Study* found that peak flow was on Saturdays along North Street, followed by comparatively high flows along Market Hill. On market days, the pedestrian flow around the markets (on Market Hill) is particularly high.
- 5.43 Observations made during the 2015 site visit confirmed that pedestrian flows are concentrated around the primary frontages, which was particularly the case on market day. Footfall declines rapidly away from these main streets along secondary frontages.

## **CUSTOMER VIEWS AND PERCEPTIONS**

- 5.44 The household telephone interview survey asked specific questions on respondents' views and perceptions of Sudbury Town Centre as a place to shop and visit for a wide range of uses and attractions. This included identifying key improvements residents would like to see that might encourage them to visit Sudbury Town Centre more often for shopping and other purposes.
- 5.45 The survey results showed that respondents liked the following features of Sudbury Town Centre. The top 15 results are shown in the table below.

**Table 5.4 Feature respondents liked about Sudbury Town Centre**

Response	Study Area
Close to home	23.3%
Nothing / very little	17.6%
Good range of non-food shops	15.9%
Attractive environment / nice place	11.6%
Easy to park	11.4%
Free car parking	10.1%
Compact	8.3%
The market	5.4%
Other	4.1%
Close to work	3.3%
(Don't know)	3.2%
Traditional	2.9%
Makes a change from other places	2.5%
Easy to get to by car	2.3%
A specific shop	2.2%

Source: HTIS 2015

- 5.46 A key factor for respondents who visit Sudbury Town Centre is its proximity to their home. This correlates with the finding that the majority of respondents who live in Zone 4 (which includes Sudbury) visited the centre on a relatively frequent basis. A proportion also indicated '*Nothing/very little*', which is a common response in such surveys. Respondents also liked Sudbury's range of non-food shops, the attractive environment and the ease and price of car parking. This confirms the findings of the health check site visit. The market was also identified as a positive feature for Sudbury.
- 5.47 Respondents were also asked what, if anything, they would improve in Sudbury Town Centre that would encourage them to visit more. The table below provides a summary of the top 15 frequently raised suggested improvements for the town centre.

**Table 5.5 Key Improvements for Sudbury Town Centre**

Response	Study Area
Nothing	37.2%
(Don't know)	31.6%
More national multiple shops / High Street shops	9.3%
More / better comparison retailers (i.e. non-food shops)	4.8%
More / better parking	3.8%
Other	3.4%
Better access by road	2.9%
Less traffic congestion	2.1%
Less charity shops	1.8%
More / better food shops	1.7%
If it was nearer	1.6%
Free car parking	1.6%
Better public transport	1.3%
Fill vacant shops	1.1%
Cleaner streets	0.7%

Source: HTIS 2015

- 5.48 The majority in each zone stated '*nothing or very little*' or '*don't know*' (68.7% across the whole Study Area). Key improvements that were identified include provision for

more high street branded shops, including better comparison retailers. Access by road and resolving issues with congestion were also identified, which was confirmed in the 2015 site visit when heavy congestion along King Street was observed. Respondents also highlighted a desire for free car parking or more/ better car parking in the Town Centre.

## **ENVIRONMENTAL QUALITY**

- 5.49 The quality of the public realm along the main streets (Market Hill and North Street) is generally good, with public planting on show and well maintained street furniture. The historic character of the buildings, most of which lie within the conservation area, also lend to an attractive shopping environment.
- 5.50 The secondary streets are generally characterised by narrow pavements and historic street scenes. Some of the more modern development is of lower quality and in need of modernisation, including the façade of the Borehamgate Shopping Precinct and the modern Co-op foodstore.
- 5.51 There are few green open spaces within the town centre. The Belle Vue Park presents the largest such area of open space and is generally well maintained. However, links from the town centre into the park could be improved, and currently the site is not visible due to a high surrounding wall.

## **OUT-OF-CENTRE PROVISION**

- 5.52 Out of town provision consists of one dedicated retail park and a number of key out of town stores.
- 5.53 Shawlands Retail Park is the main out-of-centre shopping destination located on the A134, connecting the Park to Sudbury and Great Cornard in addition to Colchester and Bury St Edmunds. Current occupiers are Topps Tiles, Pets at Home, Halfords, Carpetright and Farmfoods. The former Currys store has recently reopened as a 99p Store. There is also a KFC located within the Retail Park.
- 5.54 There are also a number of standalone stores located in this area, including:
- B&Q, Springlands Way (Woodhall Business Park);
  - Homebase, Waldingfield Road;
  - Tesco Superstore, Springlands Way (Woodhall Business Park); and
  - Sainsbury's Superstore, Cornard Road.
- 5.55 It should be noted that provision of employment and some retail to serve the local centre / neighbourhood area is anticipated to increase if the strategic Chilton Woods development comes forward.



- 5.56 There is also a new health centre facility located a short distance from the business park, and as a result a number of the facilities previously located in the town centre have been or are being moved.

## **NEW INVESTMENT AND POTENTIAL DEVELOPMENT**

- 5.57 The key new developments and investments planned for Sudbury Town Centre include:

- The **Hamilton Road Quarter**, for which there is an SPD. The vision for the development of this site is set out in 2006 Adopted Local Plan **Policy Area SD06**, which is proposed to be kept in the forthcoming new joint Local Plan. The wider site is planned for mixed use development featuring retail, leisure or other commercial uses. The development of this site would open up this area of the centre, which currently experiences low footfall and is the site of the existing bus station. There is a large and currently vacant plot within the site that was cleared of its former use and is awaiting redevelopment.
- Belle Vue House, the large manor house located adjacent to **Belle Vue Park** has recently been marketed together with the adjoining former swimming pool site, with a view to considering their long term future regeneration opportunities and redevelopment potential. A final decision in respect of the house and swimming pool site is yet to be made.
- There are currently plans to develop a 131ha site, known as '**Chilton Woods**', which lies to the north of Sudbury. The site could provide over 1,000 new homes and a new village centre to be located in the parish of Chilton. It is also intended to create new employment uses at Woodhall Business Park. Pre-application Consultation on a new proposed masterplan for the site was carried out in January 2015.

## **SUMMARY**

- 5.58 Our updated health check has identified that Sudbury Town Centre has a number of key strengths and opportunities:

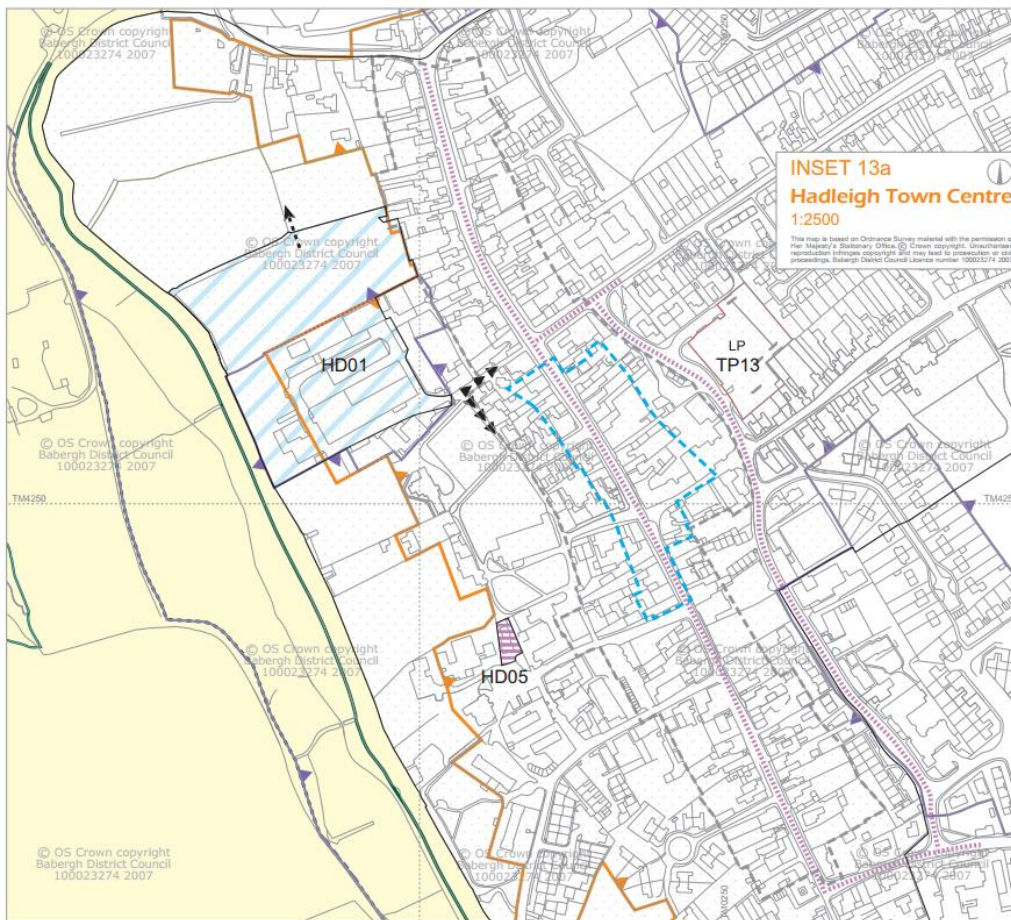
- Market Hill and St Peter's Church provide an attractive focal point for the town centre, and the centre as a whole is an attractive shopping location with a distinctive historic character.
- The market is performing well and should be supported as a key draw for visitors to the town centre.

- The centre has a good range of high quality independent retailers, including larger occupiers and independent department stores. These occupiers should be supported to maintain and expand their offer where this is viable.
- However, the centre would also benefit from attracting more high street comparison brands, which would enable it to combat leakage of expenditure to other larger town centres.
- The town has a particularly strong convenience offer, with three large branded stores in or close to the town centre. Any increase in this offer should seek to widen the range in order to further improve choice for visitors; for example with a discount operator or smaller format stores.
- There are low vacancy levels in the town centre, falling well below the national average. However, there are clusters of vacant units along the secondary frontage of North Street and King Street. Where these vacancies become long-term, alternative uses for such units should be considered; for example office or residential.
- The loss of M&S Simply Food, Burton and Co-Op from the town centre over recent years is a concern, and will have inevitably impacted on business and investment confidence in Sudbury, as well as footfall.
- The shop units along the historic frontages on North Street and Market Street may not be ideal for modern retailer requirements. In order to prevent vacancy or a rise in charity shops, some units in the primary frontage may require increased flexibility of uses; for example to office use, where this can be shown to provide a viable option without affecting the centre's vibrancy. This may also help to prevent further increases in the number of charity shops along the primary frontages.
- Development of the Hamilton Road quarter should be facilitated in order to ensure that this large town centre site does not remain empty. The delivery of a development here should aim to improve the legibility of the town centre through to the southern part of the centre, which includes the Waitrose foodstore, car parking, the railway station and the Leisure Centre.
- The frontage of Borehamgate Shopping Precinct would benefit from improvements in order to encourage footfall in this part of the town centre.
- Improvements to the Belle Vue roundabout and junctions would improve navigation for both pedestrians and road users and provide better links through to the park. In addition, opening the entrance to the park to make it visible from King Street would have a positive impact in drawing visitors through the centre.

## 6.0 HADLEIGH TOWN CENTRE: HEALTH CHECK

- 6.1 Hadleigh is the second largest town in Babergh District, after Sudbury. The centre provides an important role as an employment and a local service centre for the surrounding settlements in the area. It offers an attractive, compact shopping area, with a range of (mostly independent) retailers and a strong historic character. The River Brett runs to the west of the centre and provides an attractive backdrop; although links from this green walkway into the centre could be improved.
- 6.2 Hadleigh town centre has a relatively up-market offer, including a majority of independent and locally owned stores. The centre serves daily 'top-up' needs, with larger stores occupied by antique dealers and independently owned department type stores. It is not however covered by Javelin Venuescore's ranking of centres.
- 6.3 Hadleigh has a twice weekly market, but it is relatively small and limited in its offering, generally restricted to food goods. There could therefore be potential to expand this market and widen its appeal, as Stowmarket and Sudbury have both successfully done.
- 6.4 The centre faces strong competition from Tesco Extra at Copdock Interchange and Copdock Mill Retail Park, which are located on the periphery of Ipswich's urban area but within Babergh District,. The out-of-centre shopping facilities, along with the attraction of Ipswich Town Centre and other high order centres, has dampened the requirement for new comparison goods floorspace in the District and Hadleigh. In addition, listed buildings and the conservation area within the centre places limitations on the scale of any future development.
- 6.5 The Town Centre's retail provision is focussed on a linear High Street, with traditional shop frontages and small units throughout the main shopping area. Retail units are also located on the smaller streets leading into the High Street; including Church Street, George Street, Maiden Way and Market Place. A cluster of larger buildings, including the Town Hall and White Lion Hotel (now converted to residential) are located at the junction between High Street and Market Place. At either end of High Street, residential uses become increasingly interspersed with retail uses and the frontage becomes less defined.
- 6.6 A map of the Town Centre boundary is set out in Figure **6-1** below. The Primary Shopping Area (PSA) along High Street is identified by a blue dotted line and the town centre boundary is indicated with a grey dotted line.
-

Figure 6-1 **Hadleigh Town Centre**



Source: Babergh Local Plan 2006

## RETAIL COMPOSITION AND DIVERSITY

- 6.7 The assessment of the current retail and service provision in Hadleigh (measured by outlets and floorspace) has been informed by the latest Experian Goad Town Centre Category Report (**Appendix 6**)<sup>23</sup>. This has also been supplemented by the Council's own detailed Town Centre audit and our site visits in 2015.
- 6.8 The table below shows the distribution of retail units and floorspace, benchmarked against the national average for all centres and shopping locations surveyed by Experian Goad.

<sup>23</sup> It should be noted that Experian Goad's definition of the town centre boundary used for the purpose of their surveys and reports may differ from other definitions including, for example, the boundary identified by the local planning authority in the Local Plan Proposals Map.

**Table 6.1 Hadleigh: Retail Composition by Units and Floorspace, 2013**

Category	Units			Floorspace		
	Units	% of total	UK average %	Sq ft	% of total	UK average %
Comparison	16	25.4%	32.5%	24,100	28.6%	36.1%
Convenience	8	12.7%	8.4%	19,600	23.3%	15.0%
Total Service:	34	54.1%	47.4%	35900	42.6%	38.8%
Retail Service	11	17.5%	14.1%	7,300	8.7%	7.4%
Leisure service	12	19.1%	22.4%	13,100	15.5%	23.2%
Finance and business	11	17.5%	10.9%	15,500	18.4%	8.2%
Vacant	5	7.9%	11.4%	4,700	5.6%	9.3%
<b>Total</b>	<b>63</b>	<b>100.0%</b>	<b>100.0%</b>	<b>84,300</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Experian Goad, August 2013

- 6.9 There are 63 units recorded to be in Hadleigh, compared with 258 units in Sudbury and 145 units in Stowmarket. The centre has a total Experian Goad floorspace of 7,832m<sup>2</sup> (84,300 sq ft), and is significantly smaller than Sudbury (47,845m<sup>2</sup> / 515,000 sq ft) and Stowmarket (26,868m<sup>2</sup> / 289,200 sq ft). The average size of units in Hadleigh of 124m<sup>2</sup> (1,340 sq ft) is also smaller than for Sudbury (185m<sup>2</sup> / c.2,000 sq ft) and Stowmarket (185m<sup>2</sup> / 1,995 sq ft).
- 6.10 Hadleigh has a relatively small representation of comparison units and floorspace, both of which are below the UK average (25.4% of units compared to a national average of 32.5%). Due to the relatively small size of the centre, the majority of main comparison goods categories are not represented in the town. Notable gaps include footwear, menswear and childrenswear. However, the site visit did identify a number of larger non-food stores such as the MW Partridge & Co. hardware store, which is a large and attractive store on the high street, and popular locally for its extensive range of stock.
- 6.11 Overall, convenience provision is above the UK average in Hadleigh (12.7% of units compared to 8.4% across the UK). The eight convenience stores include two bakers and confectioners, two butchers and two smaller convenience stores. In terms of supermarket provision, the centre is served by a Co-Operative food store on the High Street, in addition to a large Morrisons superstore located on the edge of the centre on Calais Street. Although convenience goods provision is above national averages, there may be scope to improve the quality and choice of food and convenience retailing in Hadleigh as a number of major grocers are not currently represented in the centre (including, for example, Waitrose and Sainsbury's). However, due to the size of the settlement, any additional provision is likely to take the form of smaller format food and convenience stores.

6.12 The representation of service retailers in Hadleigh Town Centre is above national average levels (54.1% of units compared to 47.4% across the UK). This category includes important local services that meet the needs of the surrounding rural population (such as, for example, a post office, launderers/dry cleaners and opticians). Provision also includes:

- Six Health and Beauty units, which is equivalent to 9.5% of total outlets and is above the national average of 8.6%.
- Leisure services including three fast food & takeaway units, four cafes, two restaurants, and three public houses. Although this represents a relatively good level of leisure provision for a centre of its size, there would appear to be some scope to extend the restaurant and bar provision in order to strengthen the attraction of the town's evening economy.

6.13 There are 11 finance and business services in the centre, which equates to 17.5% of total outlets in the town centre and is significantly above the UK average of 10.9%. This includes four property services and three retail banks, including Barclays and Lloyds.

6.14 Boots the Chemist is the only 'Major Retailer' present in Hadleigh Town Centre, as defined by Goad, with two stores. The centre has a total of 14 total 'multiple' retailers, of which 14.3% are comparison retailers, significantly below the UK average of 42.9%. Across most categories the representation of major and national multiple retailers is below the UK average, with the exception of 'financial and business services', of which there are six multiples in the centre representing 42.9%, compared to the UK average of 16.2%. This reflects the Town Centre's role as an important local service centre.

6.15 Babergh District Council has carried out regular six monthly audits on Hadleigh Town Centre since 2010<sup>24</sup>. The audits show that the proportion of units across the different use classes has remained fairly consistent across the period. Notwithstanding this, the proportion of A1 uses has fallen over the period, whereas the proportion of A2 uses has increased.

## VACANCY LEVELS

6.16 Vacancy levels provide one of the key performance indicators (KPIs) for assessing the relative health of centres, and measuring how their attraction and performance may be changing over time. In this case we have drawn on the vacancy levels shown in the Goad data. We have also drawn on the Council's more detailed Town Centre Audit in order to inform an analysis of vacancy 'hot spots' and also trends over time. As set

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<sup>24</sup> It should be noted that the Council's audit identified a larger number of units within the Town Centre (113 in total) due to the different definitions of the centre boundary.

out in the assessment of Sudbury's vacancy rates, this data should be treated with caution as they can represent only the current status of units and do not reflect the ongoing changes within a centre.

- 6.17 The table below shows that there were five vacant units in the town centre in August 2013. This is equivalent to a vacancy level of 8.0%, which is below the national average for all centres recorded by Experian of 11.4%. The number of vacant outlets had increased by from 4 units in 2011 (according to the *2011 Retail Study Update*). These stable vacancy rates are significantly below national averages and indicate that Hadleigh is a viable Town Centre.

**Table 6.2 Vacancy Rates in Hadleigh by Units and Floorspace**

Vacant Units	% of Total Units	National Average (%)	Vacant Floorspace (m <sup>2</sup> )	% of Total Floorspace	National Average (%)
5	7.9%	11.4%	4,700	5.6%	9.3%

Source: Experian Category August 2013.

- 6.18 The Council's Town Centre Audits gathered information on the number, type and location of vacant units in Sudbury Town Centre. As stated above, this data is not directly comparable to the Goad data as it is not based on the same geographically defined Town Centre area. However, it shows that since 2010, the number of vacant units in the town centre has fluctuated, reaching a low of four units in 2011 and peaking at nine units in May 2013, since when it has again fallen. The majority of the vacant units identified in the October 2014 survey were located on the High Street, with one on Market Place. Only two of the vacant units recorded by the Council's survey were along the primary shopping frontage, which is a further positive sign of the town centre's overall vitality and viability.

### **PRIME ZONE A RETAIL RENTS**

- 6.19 The level of rent that businesses are prepared to pay for retail space in a centre provides a further indication of the relative strength of the centre and its prime retail pitch as a shopping location. The 2008 Retail Study found that prime retail rental values in the centre had decreased by 6% in the period from 2002 to 2008. Due to the small size of this centre and the limited transactions it has not been possible to identify current Prime Zone A rental levels for Hadleigh. However, market evidence from Stowmarket and Sudbury suggests that rental levels in the area generally have begun to stabilise, following a recent period of significant decline following the economic recession.

## ACCESSIBILITY & PEDESTRIAN FLOWS

- 6.20 Hadleigh is accessed via the A1071, which bypasses the town. The spread of housing areas in the town mean that many of these now fall quite far from the centre. There are five Council-run car parks in Hadleigh, all of which are free of charge for up to three hours. Car parking is located in close proximity to the main shops, providing easy access to the centre. This is particularly important as there is no rail service into Hadleigh.
- 6.21 In terms of footfall the 2015 site visit generally confirmed the findings of the *2011 Retail Study Update*; namely that pedestrian flows are highest at the southern end of the High Street. However it should be noted that footfall typically falls during the lunch hour, as a number of the stores close during this time. Our site visit also identified relatively poor legibility and footfall between the river walkway and the Town Centre. In this context there could be potential to improve the links between the two areas if the Pound Lane development is progressed (see section below for details).

## CUSTOMER VIEWS AND PERCEPTIONS

- 6.22 The household telephone interview survey asked specific questions on respondents' views and perceptions of Hadleigh Town Centre as a place to shop and visit for a wide range of uses and attractions. This included identifying key improvements that might encourage people to visit the town centre more often for shopping and other purposes. The 'top 15' features respondents liked about Hadleigh Town Centre are listed below.

**Table 6.3 Feature respondents liked about Hadleigh Town Centre**

Response	Study Area
Attractive environment / nice place	22.4%
Good range of non-food shops	19.9%
Close to home	15.8%
Nothing / very little	12.5%
Traditional	7.8%
Easy to park	7.3%
Close to friends or relatives	7.2%
Compact	6.3%
Has MW Partridge & Co. store	5.8%
(Don't know)	5.8%
Good food stores	4.5%
Makes a change from other places	4.2%
Free car parking	3.5%
Quiet	3.1%
Good range of independent shops	2.6%

Source: HTIS 2015

- 6.23 The main feature that respondents liked about Hadleigh Town Centre was that it has an attractive environment and the fact that it is '*traditional*'. Respondents also liked Hadleigh's range of non-food shops, and specifically the MW Partridge & Co store. The foodstore provision was also identified as being good.



- 6.24 As with Sudbury, a key factor respondents liked about Hadleigh is its proximity to their home, or that it is close to friends or relatives. This is linked to the relatively small size of the centre, which indicates that it serves a more localised catchment area. This correlates with the finding that the majority of respondents who live in Zone 5 (which includes Hadleigh) visited the centre on a frequent basis.
- 6.25 The free car parking offered by the council was selected as a positive feature, which is something unique to Babergh District. Notably perhaps, the market was not identified as a feature people liked about Hadleigh. This highlights the relatively small size of Hadleigh market and suggests that more could be made of this key local offer.
- 6.26 Respondents were also asked what, if anything, respondents would improve in Hadleigh Town Centre that would encourage them to visit more. The table below provides a summary of the top 15 frequently raised suggested improvements for the town centre.

**Table 6.4 Key Improvements for Hadleigh Town Centre**

Response	Study Area
Nothing	46.2%
(Don't know)	39.5%
More / better parking	3.0%
More national multiple shops / High Street shops	2.9%
If it was nearer	2.0%
More / better comparison retailers (i.e. non-food shops)	1.8%
Cleaner streets	1.3%
Other	0.7%
Better public transport	0.6%
More independent shops	0.6%
Free car parking	0.6%
Better access by road	0.6%
Better traffic management	0.3%
More / better food shops	0.3%
Fill vacant shops	0.2%

Source: HTIS 2015

- 6.27 Over 85% of respondents either stated there was '*nothing or very little*' that could be improved, or they could not think of anything. Key improvements identified included provision for more or better car parking, more high street branded shops, including better comparison retailers. Better access by road and public transport were also identified.

## ENVIRONMENTAL QUALITY

- 6.28 The general quality of the public realm was observed in the 2015 site visit to be of a high standard. There were examples of public planting and the High Street was generally clean and well paved. As with the other centres in these Districts, the historic nature of the main shop frontages provides an attractive shopping environment.

- 6.29 There is little open space in the centre, with Market Place the only public open space in the primary shopping area. There are large areas of attractive green space within walking distance from the High Street, including the river walk. Legibility from the town centre through to the river could be improved, possibly through development of the Pound Street area (see below).

### **NEW INVESTMENT AND DEVELOPMENT**

- 6.30 The main development and investment opportunities in Hadleigh include:
- The (3.7 hectare) site at **Pound Lane** (the former Brett Works Site) was allocated for retail development in the 2006 Babergh Local Plan (Policy HD01). However an application to develop a 2,500 m<sup>2</sup> Tesco was refused in 2013 because of the harm that would be caused to the High Street and the wider economy. This followed the opening of a large new Morrisons store in 2012 in an existing retail unit a short distance from the site. The issues and options stage of the emerging new Joint Local Plan considers the options for this site including reallocation, allocation for alternative uses or de-allocation. The site and surrounding area also has a number of constraints which will inform and influence any development opportunity, including flood risk issues.
  - There is also the possibility of redevelopment of the currently vacant manor house, East House which lies on land adjacent to the leisure centre on **George Street**. Plans for the future use of this site are yet to be confirmed.
  - Out of centre, land surrounding Copdock Mill is being developed according to guidance set out in the **Wolsey Grange Masterplan**, and is anticipated to include over 300 homes, employment land and a small cinema.
  - A new Aldi store was approved at Scrivener Drive in Copdock in May 2015 (ref: 15/00124). The store will include 1,254m<sup>2</sup> net sales area of new floorspace (of which approximately 20% could be set aside for comparison goods sales).
- 6.31 In general, the conservation area in Hadleigh and strong competition from retail in and around Ipswich has inhibited further growth. It will therefore be important for the centre to enhance its existing assets, including the market, in order to draw in visitors.

### **OUT OF CENTRE**

- 6.32 There is a limited out-of-centre retail offer in Hadleigh, although a large Morrison's store has recently opened on Calais Street just outside of the Town Centre boundary. The store is located in what was previously a QD Store, which still operates from this site but from a reduced floorspace. The survey evidence shows that this store has helped to 'claw back' market share from competing out-of-centre stores, although

there is no evidence that it has benefited the town centre in terms of linked trips and expenditure.

- 6.33 The main out-of-centre provision that impacts on Hadleigh is located on the edge of Ipswich's urban area but within Babergh District at the Copdock Interchange (at the junction of the A12 and A14). This area includes a park-and-ride serving Ipswich, Suffolk Sixth Form College and a Holiday Inn. The main retail provision in the area includes a large Tesco Extra and Copdock Mill Retail Park, which has a number of multiples, including Toys R Us; Currys; Costa; B&Q; Mothercare; Multiyork and BM Bargains. Due to the competitive threat that Copdock Mill presents to Hadleigh Town Centre, any plans to intensify or expand provision here are restricted in the Babergh Core Strategy Policy.

## **SUMMARY**

- 6.34 This health check has identified that Hadleigh has a number of key strengths and opportunities:
- The Town Centre has a relatively good retail and commercial leisure offer for a centre of its size, and largely complements the larger out of town provision at Copdock Mill.
  - The mix of high end independent shops and cafes provide an offer that serves both the daily top-up shopping requirements of local residents and attracts visitors from the surrounding settlements.
  - The town centre has a strong convenience offer, with two larger stores supplemented by local independent convenience stores.
  - The comparison offer is focussed on homeware and non-fashion items for the most part, and includes a large and popular hardware store, MW Partridge & Co.
  - Vacancy rates on the High Street are low overall, particularly along the primary frontage.
  - There is scope to create better links to the River Brett walkway from the High Street, thereby facilitating movement through to the areas of attractive green space along this walkway.
  - Hadleigh has a relatively small local market, which could be expanded in future in order to draw in visitors from a wider area.
  - There is an opportunity to develop a large and currently disused site to the west of the High Street at Pound Lane.

## 7.0 STOWMARKET TOWN CENTRE: HEALTH CHECK

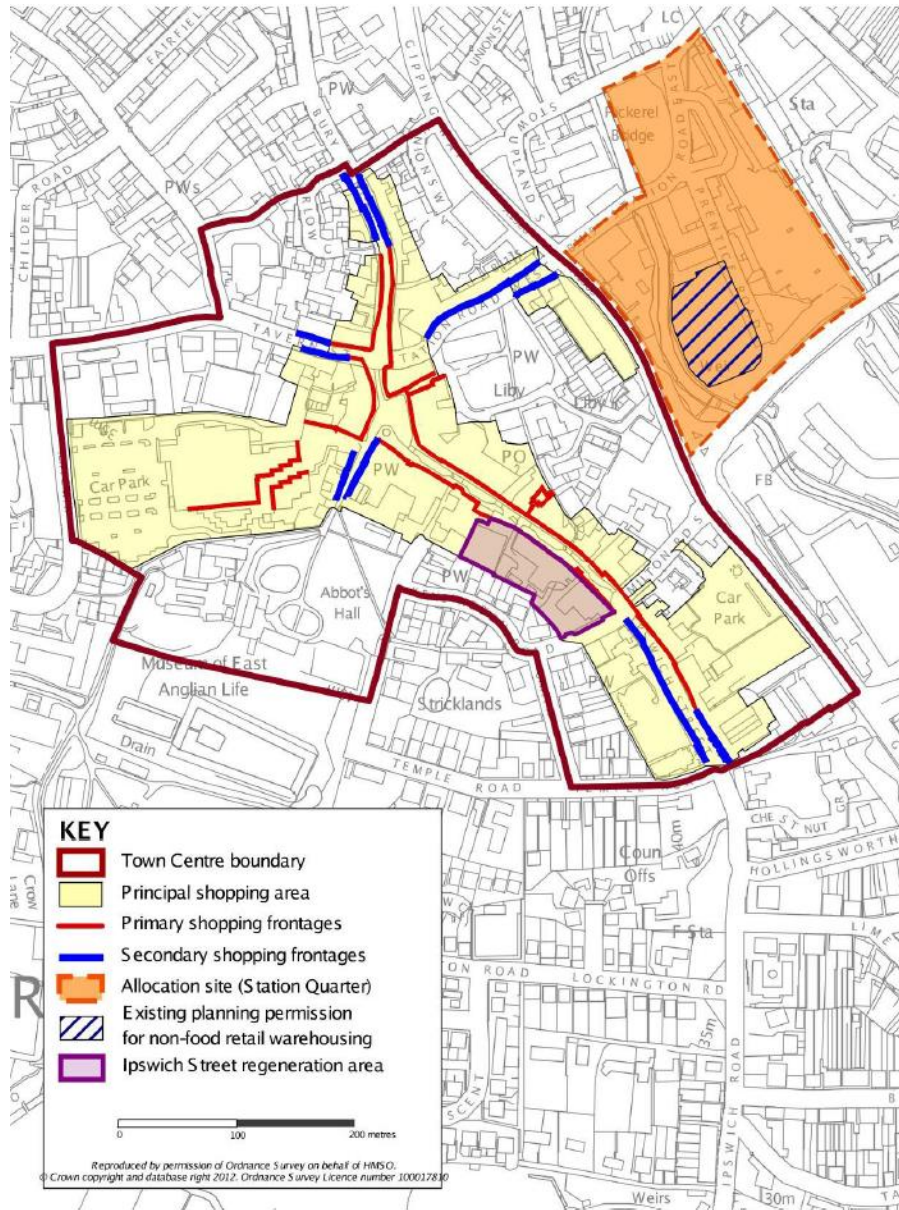
- 7.1 Stowmarket is Mid Suffolk's principal town and is surrounded by mostly rural settlements. It is a medium sized market town with a strong historic character and a compact Town Centre. The River Gipping runs to the east of the town.
- 7.2 Stowmarket is a focus for growth and development in the District and an Area Action Plan (AAP) was adopted in 2013 to help guide the scale and location of new development, and to stimulate growth and protect sensitive areas (see **Section 2**).
- 7.3 Stowmarket was ranked 616<sup>th</sup> in Javelin's 2014 Venuescore and is classified as a 'District' centre. It has slightly improved its ranking since 2006 when it was placed 628<sup>th</sup>. As Section 4 highlighted, the town faces strong competition from the larger centres of Ipswich and Bury St Edmunds, which are located in close proximity. Both Ipswich (65<sup>th</sup>) and Bury St Edmunds (130<sup>th</sup>) are placed much higher in the national rankings and are classified by Javelin as 'Regional Centres'. The role of Stowmarket town centre has been identified in the Stowmarket AAP as providing '*an intermediate level of shopping for Mid Suffolk and its surrounding rural area.*' It highlights the need for the retail offer in Stowmarket to complement, but not compete with these larger centres.
- 7.4 The centre's retail offer is focussed along two main streets – Market Place and Ipswich Street – and supplemented by the Meadow Centre. There is an Asda foodstore located in the Meadow Centre which acts as an important anchor for the town, helping to generate trips, footfall and expenditure to the benefit of other shops, services and businesses. The Town Centre boundary has been drawn to include the Museum of East Anglian Life. The AAP suggests that in future, the railway station and Gipping Way could potentially be incorporated into the Town Centre boundary. There are regular markets held in the town centre which offer a wide range of goods, including food and drink, flowers, clothing and hardware.
- 7.5 The primary frontages (set out in the Stowmarket AAP) include the central route running north to south which changes from Bury Street to Market Place to Ipswich Street, in addition to the Meadow Centre and parts of Tavern Street which link into this main route.
- **Ipswich Street** offers a mix of retail and leisure uses. Units also vary in quality, with some attractive historic shopping frontages and some lower quality more modern buildings, particularly at the southern end of the street. The street is characterised by narrow streets and pavements, which open out at the northern end into Market Place. The southern end of Ipswich Street has seen some development in recent years as part of the new Morrisons store, which is located to the rear of this frontage.

- **Market Place** forms the hub of the Town Centre, offering large areas of public open space that is set aside for the twice-weekly markets. There are a number of larger, attractive buildings that front onto Market Place, which is a focus for national multiples including banks and comparison retailers.
- **The Meadow Centre** is a large modern cluster of units in a pedestrianised area that was developed alongside the large Asda store. The units are a mix of national multiples (for example Costa) and independents. Asda has also relocated its pharmacy and other services into these units more recently.
- **Bury Street** leads from the northern end of Ipswich Street and is occupied by a number of smaller, historic units. Despite the appeal of this attractive streetscape, occupiers at this end of the town centre have a noticeably lower footfall. Some larger units stood vacant at the time of the site visit, and we understand there is some pressure for the conversion of such units to residential uses.

7.6 The secondary frontages include the more peripheral sections of Ipswich Street, Bury Street, Market Place, and Tavern Street, in addition to Crowe Street and Station Road West. The Museum is located via the Meadow Centre and is a key visitor attraction, offering access to exhibitions and gardens at Abbots Hall, in addition to a number of re-assembled historic buildings located on large and attractive site.

7.7 A map of the Town Centre boundary is set out in Figure **6-2** below.

Figure 6-2 **Stowmarket Town Centre**



Source: Stowmarket AAP 2013

**RETAIL COMPOSITION AND DIVERSITY**

7.8 The assessment of the current retail and service provision in Stowmarket (measured by outlets and floorspace) has been informed by the latest Experian Goad Town Centre Category Report (**Appendix 6**)<sup>25</sup>.

<sup>25</sup> It should be noted that Experian Goad’s definition of the town centre boundary used for the purpose of their surveys and reports may differ from other definitions including, for example, the boundary identified by the local planning authority in the Local Plan Proposals Map.

7.9 The table below shows the distribution of retail units and floorspace, benchmarked against the national average for all centres and shopping locations surveyed by Experian Goad.

**Table 7.1 Stowmarket: Retail Composition by Units and Floorspace, 2014**

Category	Units			Floorspace		
	Units	% of total	UK average %	sq ft	% of total	UK average %
Comparison	57	39.3%	32.5%	110,000	38.0%	36.1%
Convenience	10	6.9%	8.4%	73,000	25.2%	15.0%
Total Service:	70	48.3%	47.4%	97,000	33.5%	38.8%
Retail Service	24	16.6%	14.1%	26,500	9.2%	7.4%
Leisure service	24	16.6%	22.4%	39,600	13.7%	23.2%
Finance and business	22	15.2%	10.9%	30,900	10.7%	8.2%
Vacant	8	5.5%	11.4%	9,200	3.2%	9.3%
<b>Total</b>	<b>145</b>	<b>100%</b>	<b>100%</b>	<b>289,200</b>	<b>100%</b>	<b>100%</b>

Source: Experian Goad, October 2014

7.10 There are 145 units in Stowmarket Town Centre, which is higher than for Hadleigh (63 units), but lower than in Sudbury (258 units). Stowmarket's total retail and service floorspace of 26,868m<sup>2</sup> (289,200 sq ft), as recorded by Experian Goad<sup>26</sup>, is lower than for Sudbury (47,845m<sup>2</sup> / 515,000 sq ft), but significantly higher than for Hadleigh (7,832m<sup>2</sup> / 84,300 sq ft). Stowmarket's average unit size of 185m<sup>2</sup> (1,995 sq ft) is the same as recorded for Sudbury (185m<sup>2</sup> / c.2,000 sq ft) and higher than Hadleigh 124m<sup>2</sup> (1,340 sq ft).

7.11 Stowmarket has a good provision of comparison units and floorspace. Within this overall figure, the representation of charity shops (nine outlets) is significantly above the UK average (6.2% compared to 2.6% of units), but the proportion of ladies and men's wear outlets is below the national average (there is just one menswear shop). The proportion of national multiple comparison retailers is broadly in line with the national average, although the centre has a limited representation of national high street fashion retailers.

7.12 Although the number of convenience units in Stowmarket is below the national average figure, the large Asda and Morrisons superstores mean that its total floorspace provision (25.2%) is significantly above the national average (15.0%). These two stores are located at either end of the centre; the new Morrisons and

<sup>26</sup> The floorspace figures are derived from the relevant Goad Plan and only show the footprint floorspace and the site area without the building lines. They should not therefore be read as a definitive report of floorspace in centres, although they do provide a useful means of comparison between centres, as all outlets are measured in a consistent manner.

related facilities are located off Ipswich Street to the south of the Town Centre, and the Asda Superstore lies to the north. The Asda has recently expanded to accommodate related services and Costa café within the adjacent buildings in the Meadow Centre. The presence of these two large foodstores in the Town Centre may limit the scope for additional convenience provision in the centre. We understand, for example, that the Aldi store located in the current Family Bargains premises has closed due to a lack of trade. However, there may nevertheless be some scope for the development of smaller, more specialist convenience stores to provide a wider range and choice for customers.

- 7.13 The representation of service retailers in Stowmarket Town Centre is above national average levels (48.3% of units compared to 47.4%). This category includes 11 Health and Beauty units, which represents 7.6% of total outlets and is marginally below the national average of 8.6%.
- 7.14 Leisure service provision is also below UK averages – 16.6% of units compared to 22.5% nationally. Key gaps include sports and leisure facilities, hotels, night clubs and bingo halls, none of which are represented in Stowmarket Town Centre. The new John Peel Centre provides the centre with a modern and well-used cultural facility located at the heart of the town, on Church Walk. Further information is provided under cultural facilities in Section 11 of this report.
- 7.15 Food and beverage provision is below the national average recorded by Experian Goad and currently includes five cafes, eight fast food takeaways and one restaurant. There are also five public houses. This suggests that the centre's provision could be improved to help support the daytime and evening economies.
- 7.16 The provision of finance and business services in the centre is above UK averages and includes ten property services, seven retail banks and two financial services.
- 7.17 In terms of 'Major Retailers' present in the centre (as defined by Goad), there are two 'mixed good' retailers (Argos and Boots) and three 'other major retailers' (Carphone Warehouse, Clintons and Superdrug).

### **VACANCY LEVELS**

- 7.18 Vacancy levels provide one of the key performance indicators (KPIs) for assessing the relative health of centres, and measuring how their attraction and performance may be changing over time. In this case we have drawn on the vacancy levels shown in the Goad data. Vacancy data should be treated with caution as they can represent only the current status of units and do not reflect the ongoing changes within a centre.
- 7.19 We have also drawn on the Council's Springboard analysis of vacancy rates in the centre which give an indication of trends over time. However, this data is not



considered to be directly comparable with the Goad data as they each use a slightly different town centre boundary.

- 7.20 The table below shows that Experian recorded eight vacant units in the town centre in October 2014. This is equivalent to a vacancy level of 5.5%, which is significantly below the national average for all centres recorded by Experian of 11.4%.

**Table 7.2 Vacancy Rate in Stowmarket by Unit and Floorspace**

Vacant Units	% of Total Units	National Average (%)	Vacant Floorspace (m <sup>2</sup> )	% of Total Floorspace	National Average (%)
8	5.5%	11.4%	9,200	3.2	9.3%

Source: Experian Category October 2014.

- 7.21 Our site visit identified a higher concentration of vacancies on the periphery of the town centre, along the secondary frontages. These included a number of units along Bury Street, where small locally owned businesses tend to locate. An initiative set up to tackle this has used government funding in order to let a vacant store out to local companies for them to 'test' their products on the market. The store is currently being run by a local cooperative. Further along the street, where residential uses are interspersed with retail occupiers, it may be necessary for change of use to residential to be permitted where units are standing vacant for long periods of time.

## RETAILER REQUIREMENTS

- 7.22 Retailer demand for representation in a shopping location normally provides a good indication of a centre's overall attraction, health and viability. The *CoStar Focus* national retailer requirements database is a standard published dataset used to inform retail assessments and provides consistently sourced evidence detailing the changes in retailer requirements over a period of time. As the table below shows, in March 2015, there were six requirements for Stowmarket Town Centre.

**Table 7.3 Stowmarket: Retailer Requirements**

Category	Name	Max floorspace (m <sup>2</sup> )
Retail	St Elizabeth Hospice	325
	Bargain Book Time	186
	Iceland	743
	Sue Ryder Care	186
	Screwfix Direct	1,022
Leisure	Café Nero	139

Source: Costar FOUCS (March 2015)

- 7.23 The majority of requirements are from retailers; including Iceland and two charities. There is also a requirement for Café Nero. Notwithstanding this relatively limited

demand, many retailers prefer not to publish their requirements as it can damage their negotiating position where seeking representation in new locations. Moreover, such databases can only identify the current level of market demand and do not reflect how demand might change in the future following new development and investment. For example experience shows that a new scheme that offers retailers and commercial leisure operators modern, well-configured floorspace adjacent to like-minded tenants in a prominent location will generally generate a significant uplift in market interest and demand.

## **PRIME ZONE A RETAIL RENTS**

- 7.24 The level of rent that businesses are prepared to pay for retail space in a centre provides a further indication of the relative strength of the centre and its prime retail pitch as a shopping location. Carter Jonas market research indicates that current Prime Zone A rents stand at between £430 and £485 per m<sup>2</sup> in the centre. Comparable market data indicates that rental levels in the area have begun to stabilise, following a recent period of significant decline following the economic recession.

## **ACCESSIBILITY & PEDESTRIAN FLOWS**

- 7.25 Stowmarket Town Centre is well connected by road and by public transport routes. The railway station provides regular services between London, Ipswich and Norwich, in addition to services to Cambridge and Peterborough.
- 7.26 By road, the B1115 relief road provides links to the A14 to the east of the centre, and also to the Cedars Park housing development (around 2,000 homes). The relief road was built in order to relieve traffic congestion in 2010.
- 7.27 There is also a frequent bus service running between Stowmarket, Needham Market and Ipswich. However, the AAP identifies the need for improvements to bus, bicycle and pedestrian link to the new housing developments like Cedars Park and also the adjacent employment areas and outlying villages beyond. The area of land in front of Stowmarket station has been identified for development as a possible transport interchange for bus and rail links.
- 7.28 The Stowmarket AAP notes that there are issues with traffic congestion in the Town Centre, particularly along Ipswich Street. SAAP Policy 5.3 identifies a need to restrict access on market days to this area of the centre, with a view to considering full pedestrianisation in the future. At the 2015 site visit it was observed that lorries servicing the occupiers on the western side of Ipswich Street (for which it is understood there is no or little rear servicing) are the primary cause of congestion along the street, where there is a limited number of parking and loading bays.

- 7.29 In terms of footfall, the Stowmarket Masterplan noted that the highest flows were recorded around Market Place and Wilkes Way, but declined significantly beyond these areas into Ipswich Street. This trend was confirmed by our 2015 site visit, with pedestrian flows peaking at Market Place.
- 7.30 Pedestrian footfall to the southern end of Ipswich Street is understood to be improving following the opening of the Morrisons supermarket and related development, including a Wetherspoons pub/restaurant. Pedestrians also used the routes through the Meadow Centre to the car parking beyond. However, the access from here into the Museum was not legible and there is scope for improvements. We noted on our site visit that footfall declined rapidly along the secondary frontages, with particularly low levels of activity along Tavern Street and Bury Street.

## CUSTOMER VIEWS AND PERCEPTIONS

- 7.31 The household telephone interview survey asked specific questions on respondents' views and perceptions of Stowmarket Town Centre as a place to shop and visit for a wide range of uses and attractions. This included identifying key improvements that might encourage people to visit the town more often for shopping and other purposes.
- 7.32 The survey results identified the 'top 15' features that people like about Stowmarket Town Centre.

**Table 7.4 Features respondents liked about Stowmarket Town Centre**

Response	Study Area
Nothing / very little	30.7%
Close to home	27.1%
Good range of non-food shops	11.1%
Attractive environment / nice place	7.9%
Compact	7.3%
(Don't know)	4.3%
Easy to park	3.9%
Cheap car parking	3.2%
Good food stores	3.1%
Close to friends or relatives	2.9%
Easy to get to by car	2.5%
Makes a change from other places	2.4%
Other	2.0%
Close to work	2.0%
Good facilities	1.9%

Source: HTIS 2015

- 7.33 As with the other two centres, a key attraction for respondents who visit Stowmarket Town Centre is its proximity to their home, or to friends and relatives. This correlates with the household survey finding which confirms that the majority of respondents who live in Zone 8 (which includes Stowmarket) visit the centre on a relatively frequent basis. Respondents also liked Stowmarket's range of food and non-food shops, the attractive environment and the compact nature of the centre. Respondents also identified the good provision of car parking and cheap parking. These responses

confirm the findings of the health check and site visits, and highlight some of the key features that can help Stowmarket to differentiate itself from the larger centres outside of the District.

- 7.34 Respondents were also asked what, if anything, respondents would improve in the town centre that would encourage them to visit more often and the 'top 15' responses were as follows:

**Table 7.5 Key Improvements for Stowmarket Town Centre**

Response	Study Area
Nothing	36.9%
(Don't know)	35.4%
More / better comparison retailers (i.e. non-food shops)	10.5%
More national multiple shops / High Street shops	6.0%
More / better parking	4.2%
More / better food shops	2.8%
Free car parking	2.8%
Other	1.9%
Less charity shops	1.3%
If it was nearer	1.1%
Cleaner streets	1.0%
Better public transport	0.8%
A complete refurbishment	0.7%
More / better entertainment / eating places	0.7%
Better access by road	0.6%

Source: HTIS 2015

- 7.35 The majority in each zone stated '*nothing or very little*' or '*don't know*' (72.4% across the whole Study Area). Key improvements included provision of more high street branded shops and better comparison retailers. This 'gap' in high street brands was also identified by the health check and site visits. Respondents also identified improvements to the foodstore provision; and on this point the closure of the Aldi store (which is now a Family Bargains) has reduced the range and choice of provision in the centre. Respondents also wanted fewer charity shops and a need for more free car parking spaces, or more/ better car parking in the Town Centre.

## ENVIRONMENTAL QUALITY

- 7.36 Market Place is an attractive setting for the core of the town centre activity. The centre is generally well maintained, and the recent modern developments at the southern end of Ipswich Street are of a good standard. There are also attractive alleyways and courtyard leading off the main streets which provide areas of interest for visitors.
- 7.37 The level of visible green space in the town centre is low, despite the Museum being situated on a large open green site. This site is obscured from view of the main town centre areas and legibility between the two could be improved. The River Gipping, which runs to the east of the Town Centre, offers another area of attractive green space. The Station Quarter Development Brief suggests that this area could be enhanced in order to provide opportunities for improved public access and recreation.

7.38 There is also a large area of well-maintained green open space enclosed by Church Walk surrounding the Church. This is accessed from Market Place via the pedestrianized Buttermarket, which is an attractive and historic side street.

7.39 The western side of Ipswich Street, from the URC Church to Stricklands Road, is considered in need of public realm improvements with potential for some redevelopment. The church itself occupies a large site and does not fit well with the wider urban vernacular of the area.

### **NEW INVESTMENT AND POTENTIAL DEVELOPMENT**

7.40 There have been various new investments planned and/or developed in Stowmarket Town Centre over recent years, including:

- The development of land to the rear of **Sheringham Court**, has delivered a new supermarket (Morrisons) in the town centre, to the rear of units along the eastern side of Ipswich Street. This resulted in a net gain in retail space of 1,010m<sup>2</sup>.
- The '**Station Quarter**' is a strategic site to the north of the centre which has been identified in the AAP for mixed use development. It could potentially help to enhance the town's retail offer with up to 2,600m<sup>2</sup> of mixed-use floorspace identified by the 2009 Development Brief. In December 2013 it was announced that that Retail Development Partnership had plans for Prentice Road in Stowmarket, including 33 new homes a circa 100m<sup>2</sup> café and a 55 bedroom hotel. If additional mixed use development is achieved, then there may be potential to include this area within the town centre boundary.
- The refurbishment/redevelopment of **Ipswich Street** is identified by the AAP as critical to the '*vitality and viability of Stowmarket's town centre*'. The vision is to regenerate a particular section of Ipswich Street (see Stowmarket AAP map) and to create a focal point for the centre. Plans for this section of the street have long been in place, but setbacks to past redevelopment have included the difficulty in relocating vital services, such as the church and post office.
- There is currently planning permission to redevelop vacant offices on **Buttermarket** as a restaurant with apartments above.

### **OUT OF CENTRE**

7.41 In terms of out of centre provision there are three foodstores that serve Stowmarket, namely a 1,200m<sup>2</sup> (gross) Lidl on Bury Road to the north of the centre; a Tesco Superstore on Cedars Link Road to the south of the centre; and an Asda Superstore located off the A14 in Ipswich (outside of the District boundary).

7.42 Mid Suffolk District Council also granted permission in September 2015 for a new Wickes (Class A1) DIY store (2,323m<sup>2</sup> gross), a *sui generis* builder's merchants (1,306m<sup>2</sup> gross) with open storage, an extension to the existing access road, parking, servicing and landscaping on land at Suffolk Works (former Bosch) site, Gipping Way in Stowmarket (ref: 0885/15).

7.43 Apart from these existing and planned stores there is relatively little out-of-centre provision in Stowmarket. The closest larger format stores are located on the outskirts of Ipswich at Copdock Interchange and the surrounding area, within Babergh District.

## **SUMMARY**

7.44 Our updated health check has identified that Stowmarket Town Centre has a number of key strengths and opportunities:

- There is a good mix of units, including smaller units along the traditional shopping streets, in addition to more modern units located at the Meadow Centre.
- Comparison retail is currently underrepresented in the Town Centre, with few high street multiple brands represented in the town. This is particularly the case for fashion goods and accessories.
- The centre has generally low vacancy rates, although there is a concentration of vacant units along the Bury Street secondary frontage. Peripheral areas are already interspersed with residential uses and it may be beneficial to consider change of use for some of the long term vacant units.
- The centre has a strong convenience store offer, with two large supermarkets anchoring the town centre at either end (Morrisons and Asda). There may however be scope to improve the range of provision; for example with smaller format stores on the main high street or discounter supermarket stores.
- Pedestrian links through to the museum should be facilitated, enhancing pedestrian flows through to this area of the town.
- The new development around the Morrisons foodstore has increased footfall at this end of the town centre and is helping to facilitate more development and investment in this area.
- The delivery of strategic developments - including Station Quarter and lower Ipswich Street - should be promoted in order to regenerate these areas of the town centre. It may also be possible as part of these developments to provide larger, modern units that can help the centre to attract more high street brands.
- There are continuing issues with traffic and congestion along Ipswich Street where lorries are travelling through the centre to service the shops. Possible measures

that could alleviate this include a lorry ban (as is in force in Needham Market) or expanding the pedestrianised areas of the town centre.

- The street markets have been shown to be successful in drawing in trade to the area, and the quality of their offer should be strengthened and promoted to help differentiate the town from competing centres and out-of-centre shopping locations.

## 8.0 DISTRICT CENTRES AND CORE VILLAGES

- 8.1 Babergh and Mid Suffolk Districts are both predominantly rural in nature. Outside of the main town centres, there are some larger District Centres (Needham Market, Debenham and Eye) and Core Villages that perform an important role and function meeting the day-to-day service and top-up food/convenience needs of their local resident populations. As the survey evidence confirms, these smaller centres and villages have a limited market share of comparison goods shopping purchases.
- 8.2 Although it was not within the scope of this study to provide a detailed healthcheck of these smaller centres, this section provides a brief overview of the relative attraction, offer and performance of some of largest centres.

### MID SUFFOLK - DISTRICT CENTRES

- 8.3 The *Mid-Suffolk 2009 Retail Monitoring Report* identifies Needham Market, Debenham and Eye as District Centres. There is also a District Centre in West Stowmarket at Wolsey Road. These District Centres mainly meet the day-to-day needs of their local resident populations and generally consist of a small high street offering key services (bank, post office) and small independent convenience and comparison stores. These centres also provide important community hubs and local services for their local catchment areas, consisting generally of sparse rural settlements.

#### Needham Market

- 8.4 Needham Market, located in close proximity to Stowmarket and easily accessible from key employment areas, has been a focus for growth. Key services including the fire station, post office, doctors' surgery and also the Mid Suffolk Council offices.
- 8.5 A development of 35 new homes has recently been completed on an old factory site to the south of the District Centre. Further to the south of the centre, on an old chalk quarry site, a planning application has recently been approved for a further 70 homes. The Lion Barn Industrial Estate which houses a range of logistics and car repair businesses lies to the south of Needham Market and was observed to be mostly occupied (around 90%). It is understood that outline approval has been given for 16 smaller units to extend this employment area.
- 8.6 The 2015 site visit conducted as part of this study included a walk-through of the Needham Market area. The centre is formed along a linear High Street onto which small, traditional shop units front, interspersed with a number of larger historic buildings and also residential properties at the periphery of the main areas of activity.



- 8.7 The centre is characterised by high quality, independent stores and cafes and has a number of successful antique dealerships. The District Centre was observed to be performing well, with few vacancies and a number of high-end boutiques and cafes.
- 8.8 Convenience provision includes two Co-op food stores at either end of the High Street, supplemented by smaller independent stores including a local butcher. There was also little congestion, due to a ban on lorry traffic coming through this centre.

## Eye and Debenham

- 8.9 **Eye** is defined as a 'Town' in the Mid Suffolk Core Strategy, along with Stowmarket and Needham Market, despite its relatively small population. Towns are defined as the main focus for development in the District. Eye mainly serves the needs of its local resident population, and is supplemented by facilities and shops at the larger centre of Diss in South Norfolk District, which is located nearby. It has a relatively limited range of retail and services; its main provision comprises a Co-op food store, a McColls newsagents and cafés along Broad Street and Church Street. Important local services, such as the post office, are also located here. The town also has a large employment area (the Mid Suffolk Business Park).
- 8.10 **Debenham** is defined as a 'Key Service Centre' in the Mid Suffolk Core Strategy. Key service centres are identified as the main focus for development outside of the towns in the District. Provision is similar to that found in Eye – with a number of independent comparison shops and cafes, a post office and a Co-op food store. Provision is focussed along a traditional High Street.

## BABERGH DISTRICT - CORE VILLAGES

- 8.11 The Babergh Core Strategy identifies a number of Core Villages, which are referred to as providing local shops, services and facilities. The core villages are:
- Bildeston
  - Boxford
  - Bures St Mary<sup>27</sup>
  - Capel St Mary
  - East Bergholt
  - Glemsford
  - Holbrook
  - Lavenham
  - Long Melford
  - Nayland
- 8.12 These larger villages act as 'functional clusters', providing day-to-day services and facilities for the wider rural areas around them.
- 8.13 The villages in the areas surrounding the Core Villages are referred to in the Core Strategy as 'Hinterland Villages'.

<sup>27</sup> Bures St Mary is a special case as half the village is in Essex and its growth and development will be planned and co-ordinated with Braintree Council and others

- 8.14 The '*Core*' and '*Hinterland*' Villages perform an important role and function in Babergh District's network and hierarchy centres, and predominantly meet the day-to-day food shopping and service needs of their local resident populations. It is therefore important that their vitality and viability is maintained and enhanced, particularly in the face of increasing competition from other centres, out-of-centre foodstores and convenience shops (including those provided as part of petrol filling stations), and the growth in internet shopping.

## 9.0 QUANTITATIVE RETAIL NEEDS ASSESSMENT

9.1 This section sets out the results of the quantitative need (capacity) assessment for new retail (comparison and convenience goods) floorspace in Babergh and Mid Suffolk Districts over the development plan period; from 2015 (the 'base year') to 2031 (the 'design year'), broken down into five year periods (i.e. 2015-2020, 2021-2025 and 2026-2031). This assessment updates and supersedes the findings of the previous evidence-based studies prepared for each planning authority to help inform plan-making and decision-taking at the local level.

### THE CREATE MODEL: KEY ASSUMPTIONS & FORECASTS

9.2 The **CREATE**<sup>e</sup> model has been specifically developed over a number of years to assess the capacity for, and impact of new retail (convenience and comparison goods) development and investment. The (Excel-based) model adopts a transparent 'step-by-step' approach in which all the key assumptions and forecasts can be easily tested, in accordance with good practice advice. The model draws on the market share analysis derived from the household telephone interview to help inform the assessment of the current turnover and trading performance of existing centres, shops and stores at the base year.

9.3 In simple terms the quantitative capacity for new retail floorspace is broadly derived from the forecast growth in population and expenditure, after making an allowance for new commitments, and the increased 'productivity' (or 'efficiency') of all existing and new floorspace. In certain cases capacity can also occur where there is a clearly identified "imbalance" (or "over-trading") between the turnover of existing facilities at the base year, and the total available expenditure in the defined study/catchment area.

9.4 The assumptions and forecasts underpinning the **CREATE**<sup>e</sup> model are based on robust evidence, research and best practice (also see Section 3). For example:

- The base year (2015) population figures have been informed by the latest ONS 2012-based Sub-National Population Projections derived from our in-house Experian MMG3 Geographic Information System (GIS).
- The projections to 2031 are based on Experian's 'demographic component model', which takes into account age, gender, birth rates, ageing, net migration and death rates.
- The average retail (convenience and comparison goods) expenditure per capita levels by zone at the base year have also been derived from Experian's MMG3 GIS (please note all expenditure and turnover figures are expressed in 2013 prices).

- The annual growth forecasts for (convenience and comparison goods) expenditure per capita have been informed by Experian's October 2014 *Retail Planner Briefing Note 12.1* (see Section 3, Table 3.1).
- The survey-derived market shares for 'non-store' retail sales (otherwise referred to as Special Forms of Trading, including Internet sales) have been deducted from the expenditure per capita figures at the outset for the purpose of the retail capacity assessment. The forecast growth in SFT up to 2031 is in line with the national forecasts set out in Experian's latest Briefing Note, based on data published by the Office for National Statistics (ONS) (see Section 3, Table 3.2)
- The increased 'productivity' of existing and committed retail (convenience and comparison goods) floorspace over the forecast period informed by Experian's *Retail Planner Briefing Note 12.1: Addendum* (October 2014) (see Section 3, Table 3.4).

- 9.5 At the outset it is important to restate that long-term capacity forecasts should be treated with caution. This is principally due to the impact of economic, demographic and market trends on the key assumptions and forecasts. As a result we advise the Council that greater weight should be placed on the short term forecasts carried out over a five year period (see NPPG, para 003). Notwithstanding this, both District Councils will need to take account of the forecast capacity for new retail floorspace up to 2031 as part of their plan-making. This is because the NPPF (para 23) states that local planning authorities should meet the need for retail and town centre uses in full.
- 9.6 The capacity forecasts are therefore intended enable Babergh and Mid Suffolk District Councils to assess the broad strategic options for the spatial distribution of new retail-led development over the plan period, and make informed policy choices about where any forecast need should be met in accordance with the advice set out in the NPPF. The allocation of sites to meet any identified need over the next five years and over the lifetime of the development plan will depend on a range of key considerations, including the suitability, viability and availability of sites in or on the edge of existing centres, and the potential to expand existing centres to accommodate the forecast needs.
- 9.7 The capacity tabulations for convenience goods and comparison goods are set out in **Appendix 7** and in **Appendix 8** respectively. The key steps in the retail capacity assessment, and the main assumptions and forecasts underpinning the **CREAT<sup>e</sup>** Model are described in more detail below.

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## POPULATION AND EXPENDITURE FORECASTS

### Population Projections

- 9.8 **Table 1** (Appendix 7 & 8) sets out the base year (2015) population for the study area and eleven study zones, and the projected growth to 2031 using our in-house Experian-based demographic model. Experian's projections show a total population growth of +8.7% (+21,558) across the Study Area, from 246,724 in 2015 to 268,282 by 2031.
- 9.9 For the zones that broadly comprise Babergh District's catchment area (i.e. Zones 2-6), Table 1 shows a +6.6% projected increase in population, from 97,722 in 2015 to 104,191 by 2031. For Mid Suffolk District (i.e. Zones 7-11) there is a slightly higher projected population growth of +9.7%, from 115,185 in 2015 to 126,302 by 2031.

### Expenditure Per Capita and Special Forms of Trading (SFT)

- 9.10 Table 2 sets out the average expenditure per capita estimates for both convenience goods (**Appendix 7**) and comparison goods (**Appendix 8**) in 2015 for each of the eleven study zones, after making an allowance for *Special Forms of Trading* (SFT)<sup>28</sup>. As described above, the 2015 average expenditure per capita figures have been derived from our in-house Experian MMG3 GIS.
- 9.11 Our assessment of a robust and appropriate allowance for SFT at the local level has been informed by the results of the household survey. The 2015 survey-derived shares have necessarily been adjusted downwards to reflect the fact that a proportion of online sales are still sourced from traditional stores rather than from dedicated ('dotcom') warehouses<sup>29</sup>.
- 9.12 The adjusted market share analysis shows that SFT's current share of available expenditure in the total study area is 13% for **comparison goods**, which is slightly above the national average figure of 12.5% identified by Experian in their latest *Retail Planner Briefing Note 12.1* (October 2014). For **convenience goods** the locally adjusted SFT market share is 1.4%, which is half the national average of 2.8%.
- 9.13 Our forecasts of the potential growth in SFT's market share up to 2031 for both convenience and comparison goods retailing are in line with the year-on-year forecasts published by Experian in their latest *Briefing Note*. On this basis SFT's market share of comparison goods expenditure is forecast to increase to 16.3% in 2031, which is slightly above the Experian national average figure of 15.6%. For convenience goods our forecast market share of 2.8% is lower than Experian's figure of 5.4%.

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28 SFT comprises non-store sales via the internet, mail order, stalls and markets, door-to-door and telephone sales.

29 Drawing on Experian's latest research we have assumed that some 25% of SFT comparison goods sales and 70% of convenience goods sales are sourced from traditional ('physical') retail space.

9.14 Clearly if the growth in SFT is higher in Babergh and Mid Suffolk Districts than the national projections, then this will effectively reduce the total available expenditure to support existing and new floorspace over the forecast period.

#### Average Expenditure Growth Forecasts

9.15 The growth in average expenditure per capita levels up to 2030 has been informed by the forecasts set out in Experian's latest *Briefing Note* (see **Section 3**). Experian forecast limited year-on-year growth in **convenience goods** expenditure over the forecast period; averaging circa +0.6% per annum. For **comparison goods** the average forecast growth of +3.2% per annum up to 2031 is significantly lower than previous (pre-recession) forecasts and Experian's historic '*ultra*' long (1973-2013) and '*medium*' term (1993-2013) trends of +4.5% and +5.9% respectively.

#### Total Available Expenditure

9.16 The total available convenience and comparisons goods retail expenditure in the Study Area (Table 3; **Appendix 7 and 8**) is derived by multiplying the population (Table 1) and average expenditure per capita (Table 2) levels together.

9.17 The forecasts show a +17.8% (+£101.2m) growth in total **convenience goods** expenditure, from £568.8m in 2015 to £670.0m by 2031; and a +74.1% (+£640.6m) growth in total **comparison goods** expenditure, from £864.4m to £1,505.0m.

9.18 In terms of the growth in available expenditure within the zones that broadly cover the two District areas the tables show for:

- **Babergh District** (Zones 2-6): there is a +15.5% (+£34.4m) growth in convenience goods expenditure between 2015 and 2031; from £222.3m to £256.7m. Total available comparison goods expenditure is forecast to increase by +70.7% (+£237.9m) from £336.5m in 2015 to £574.4m by 2031.
- **Mid Suffolk District** (Zones 7-11): total available convenience goods expenditure is forecast to increase by +18.7% (+£49.2m) from £262.5m to £311.7m. Total available comparison goods expenditure is forecast to increase by +75.4% (+£300.0m) from £397.6m in 2015 to £697.6m by 2031.

9.19 The scale and growth in comparison goods expenditure significantly outstrips convenience goods spend up to 2031. This effectively means that there should be greater capacity potential for new comparison goods floorspace over the forecast period than for convenience goods retailing.

#### MARKET SHARE ANALYSIS

9.20 **Section 4** described the headline results of the survey-derived (%) market share analysis (including SFT) based on the detailed tabulations set out in **Appendix 4** for convenience goods and **Appendix 5** for comparison goods.

- 9.21 For the purpose of the retail capacity assessment (in accordance with good practice as described above<sup>30</sup>) the market shares (including SFT) have been adjusted for both convenience goods (Table 4, **Appendix 7**) and comparison goods (Table 4, **Appendix 8**) retailing to exclude SFT.
- 9.22 The next key stage in the capacity assessment involves allocating the baseline convenience and comparison expenditure (£ million) within the Study Area and zones to the identified centres, stores and floorspace based on the survey-derived market shares (%). This helps to establish the current 'baseline' (2015) trading performance for the main centres and stores across the two District area based on expenditure drawn from the Study Area (Table 5).
- 9.23 It should be noted that no allowance is made at this stage for the potential "inflow" (trade draw) of expenditure to centres and stores from outside the defined Study Area.
- 9.24 For both convenience and comparison goods the 'baseline' turnovers are projected forward to 2020 (Table 6), 2025 (Table 7) and 2031 (Table 8) assuming no changes in market shares.
- 9.25 This 'constant market share approach' is a standard approach widely used and accepted for strategic retail assessments. However, the Council will be aware that it is a highly theoretical approach as it does not, for example, take account of the potential impact of new retail investment and development (both within and outside the District) on existing shopping patterns and market shares over time.

### **'INFLOW' AND BASE YEAR TURNOVER ESTIMATES**

- 9.26 In order to provide a complete picture of the current trading (turnover) performance of the main centres and stores in Mid Suffolk and Babergh Districts we have necessarily made informed judgements with regard to the likely 'inflow' (trade draw) from outside the Study Area (see Table 9, **Appendix 7 & 8**). In the absence of detailed published turnover and trade draw information at the local level, our judgements have been informed by previous studies and retail assessments, as well as the survey and health check evidence. The 'inflow' assumptions also take account of:
- the scale, offer and location of all existing centres and stores in the Borough;
  - the likely extent of their catchment areas;
  - the competition from centres, stores and shopping facilities outside the Borough and the wider Study Area; and

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<sup>30</sup> This is in accordance with the standard approach for retail assessments, which make a deduction for SFT at the outset from the expenditure per capita figures.

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- the likely retail expenditure derived from people who live outside the Study Area (including visitors and commuters) to main centres and stores in the Borough.
- 9.27 Although the assessment of 'inflow' is not a straightforward exercise, due to the complex nature of overlapping catchments and shopping patterns, it is reasonable to assume that the main town centres of Sudbury, Hadleigh and Stowmarket currently draw a certain proportion of their shoppers and trade from outside the defined Study Area.
- 9.28 For comparison goods retailing we have assumed that Sudbury Town Centre will achieve an 'inflow' of 10% based on its location towards the southern edge of Babergh District and the defined Study Area. We have assumed a slightly lower 'inflow' of 5% for Hadleigh and Stowmarket Town Centres based on our understanding of their current trading performance and likely catchment penetration. For the other smaller villages, shops and stores we have assumed no 'inflow' of additional trade, as they predominantly serve the needs of their local catchment populations.
- 9.29 In the case of Babergh District it is clear that the Tesco Extra at Copdock Interchange and Copdock Mill Retail Park on the edge of the District predominantly serve the population in Ipswich's urban area. Although there is no available evidence on the trade draw of these major out-of-centre shopping facilities, we have assumed that Tesco and Copdock Mill Retail Park draw a significant proportion of their turnover (between 40%-60%) from outside the defined Study Area.
- 9.30 For convenience goods we have assumed no 'inflow' of trade to centres, stores and shops from outside the Study Area. This takes into the scale, quality, accessibility and level of competition from other large competing foodstores located outside the Study Area, including in Ipswich, Colchester, Bury St Edmunds, Diss and Beccles.
- 9.31 Based on the (survey-derived) market analysis and the 'inflow' assumptions, Table 9 sets out the revised 'current' convenience and comparison goods turnover estimates for the main centres and stores in the two District areas.

## RETAIL COMMITMENTS

- 9.32 Based on our discussions with both Babergh and Mid Suffolk District Councils, we understand that there are currently only two significant commitments (i.e. schemes with planning permission or under construction at the time of the household survey):
- The first is for a new **Aldi store at Scrivener Drive, Pinewood Parish**, which was approved by Babergh District Council in May 2015 (ref: 15/00124). The store will have an estimated net sales area of 1,254m<sup>2</sup>, of which approximately 20% of will be set aside for comparison goods retailing; and



- The second is for a new **Wickes store at Gipping Way, Stowmarket** (ref: 0885/15), which was granted permission by Mid Suffolk District Council in September 2015. The permission is for a Class A1 DIY store with a gross area of 2,323m<sup>2</sup> and an estimated sales area of approximately 1,858m<sup>2</sup> net.

## BABERGH DISTRICT: CAPACITY FORECASTS

- 9.33 The 'global' capacity forecasts for new retail (convenience and comparison goods) floorspace in Babergh District up to 2031 are set out in Table 11.
- 9.34 It has necessarily been assumed for the purpose of the capacity assessment that each District's retail market is in 'equilibrium' at the base year. In other words we assume that the existing centres and stores in both Districts are broadly trading in line with appropriate 'benchmark' turnover levels at the base year. This is supported by the findings of the centre audits and site visits which did not show any strong indication that stores in the main town centres are 'overtrading'<sup>31</sup>.
- 9.35 On this basis any residual expenditure available to support new retail floorspace within the Study Area over the development plan period is derived from the difference between the forecast growth in 'current' (survey-derived) turnover levels; and the growth in 'benchmark' turnovers based on applying robust year-on-year 'productivity' ('efficiency') growth rates to all existing and new retail floorspace<sup>32</sup>.

### Convenience Goods Capacity

- 9.36 Table 11 (**Appendix 7**) sets out and explains the key steps underpinning the convenience goods capacity assessment. The 'baseline' expenditure and floorspace capacity forecasts are summarised below:

**Table 9.1 Babergh District – Convenience Goods Capacity**

	2015	2020	2025	2031
Residual Expenditure (£m):	-	£4.4	£16.3	30.5
<b>FLOORSPACE CAPACITY (m<sup>2</sup> net):</b>				
Superstore Format:	-	369	1,375	2,548
Supermarket/Discounter Format:	-	632	2,358	4,369

Source: Table 11, Appendix 7

- 9.37 In order to convert the residual expenditure into a net sales figure we have assumed that new 'superstore format' floorspace will be occupied by a 'top 6' grocer (i.e. Tesco,

<sup>31</sup> Overtrading normally manifests itself at the local level in terms of pedestrian and car park congestion, long queues at checkouts, congestion in aisles, etc.

<sup>32</sup> The 'productivity' growth rates are based on Experian's latest Retail Planner Briefing Note. However, it should be noted that individual centres, stores and shopping facilities will be capable of achieving higher and/or lower annual 'productivity' growth depending on a range of trading factors (including the size, quality and type of retail floorspace).

Sainsbury's, Asda, Morrisons, Waitrose and Marks & Spencer) and will achieve an average sales density of circa £12,000 per m<sup>2</sup> in 2015 (2013 prices). On this basis the forecasts show that there is forecast capacity for 369m<sup>2</sup> net by 2020, increasing to 2,548m<sup>2</sup> net by 2031.

- 9.38 Alternatively, assuming the residual expenditure capacity is taken up by a supermarket (e.g. Co-Op, Budgens, etc.) and/or 'deep discount' retailer (e.g. Aldi, Lidl, Netto, etc.) trading at lower average sales levels of £7,000 per m<sup>2</sup> in 2015, then there is forecast capacity for 632m<sup>2</sup> net of new convenience floorspace in 2020, increasing to 4,369m<sup>2</sup> net by 2031.
- 9.39 To further help inform the Council's assessment of the potential scale and optimum location for new retail (convenience and comparison goods) floorspace in the District, we have also carried out a more refined (centre-by-centre) capacity assessment.
- 9.40 However, it should be noted at the outset that any forecast floorspace capacity identified for a specific centre/area does not necessarily mean that all the retail floorspace can and/or should be provided within that centre per se. For example, there may be a lack of suitable and viable sites available in some centres, or there may be other policy, heritage, transport and physical constraints to development. Alternatively it may be more appropriate to locate the floorspace capacity in one centre over another to encourage more sustainable travel patterns and/or help to achieve specific policy, regeneration and/or investment objectives.
- 9.41 If sufficient town centre and/or edge of centre sites are not available to meet the forecast capacity over the development plan period, then local planning authorities are required by the NPPF (paragraph 23) to set policies for meeting the identified needs in other accessible and sustainable (out of centre) locations that are well connected to the town centre and are capable of generating benefits for the centre's overall vitality and viability, such as through linked pedestrian trips and increased footfall.
- 9.42 Against this background, Tables 12-17 disaggregate the 'global' capacity for the main centres and stores in Babergh District based on their relative trading performance and market shares at the base year, and the forecast growth in available expenditure and floorspace 'productivity' up to 2031. The results are summarised in Table 18 and below for 'superstore format' floorspace only.

**Table 9.2 Babergh District: Centres & Stores – Convenience Goods Capacity**

	2015	2020	2025	2031
Sudbury Town	-	254	484	751
Hadleigh Town	-	58	110	172
Core Villages	-	107	204	317
Other Local Centres/Villages/Stores	-	15	28	43
Rest of District (Out of Centre Floorspace)	-	-66	549	1,266
<b>TOTAL DISTRICT-WIDE CAPACITY:</b>	-	369	1,375	2,548

Source: Tables 12-17, Appendix 7

- 9.43 The table shows that there is capacity for 254m<sup>2</sup> net of new convenience floorspace in Sudbury Town Centre in 2020. This is equivalent in scale to a small convenience store format (such as, for example, Tesco Express or Sainsbury's Local). By 2031 the capacity for new floorspace is forecast to increase to 751m<sup>2</sup> net. This would probably support two smaller format convenience stores, or extensions to existing stores in the town centre (where physically possible).
- 9.44 There is limited new floorspace capacity forecast for Hadleigh Town Centre (172m<sup>2</sup> net), the Core Villages (317m<sup>2</sup>) and the District's other smaller villages (43m<sup>2</sup> net). Realistically this level of floorspace could support a smaller convenience store format in Hadleigh by 2031, and potentially one smaller convenience store in the one of the Core Villages.
- 9.45 The District's existing out-of-centre stores are forecast to generate capacity for 549m<sup>2</sup> net of new convenience goods floorspace in 2025, increasing to 1,1,266m<sup>2</sup> net by 2030. There is no forecast capacity at 2020 due to the impact of the new Aldi store at Scrivener Road.
- 9.46 The capacity generated by the District's out-of-centre stores at 2025 and 2031 should be directed to the main town centres first, in accordance with national and local plan policy. However meeting this need in full over the lifetime of the development plan period will depend on whether there are any suitable and viable sites in or on the edge of the main centres that are capable of accommodating a larger quantum of convenience goods floorspace; and whether these sites are currently available and/or will become available over the lifetime of the development plan. If not, then the forecast capacity could possibly be accommodated by the extension of existing out-of-centre stores, subject to the sequential and impact tests set out in the NPPF.

## Comparison Goods Capacity

9.47 Table 11 (**Appendix 8**) sets out the detailed steps in the comparison goods capacity assessment. The results are summarised below.

**Table 9.3 Babergh District – Comparison Goods Capacity**

	2015	2020	2025	2031
Residual Expenditure (£m):	-	£8.3	£33.2	£73.2
<b>FLOORSPACE CAPACITY (m<sup>2</sup> net):</b>	-	1,507	5,384	10,432

Source: Table 11, Appendix 8 (Steps 5 & 6)

9.48 As the table shows, there is a District-wide capacity for 1,507m<sup>2</sup> net of new comparison goods floorspace in 2020, increasing to 10,432m<sup>2</sup> net by 2031.

9.49 It should be noted that the forecast residual expenditure capacity has been converted into a net retail sales area based on an assumed average sales density for all new non-food floorspace of circa £5,000 per m<sup>2</sup> at 2015. This is broadly equivalent to an average sales density for retail units in prime shopping locations. However, average sales levels inevitably vary between different locations, different formats, and different operators<sup>33</sup>. Where this is the case it will have implications for assessing the capacity for, and impact of new retail floorspace. The local planning authority will therefore need to take this into account when assessing and determining applications for different operators and different types of retail floorspace in different locations (such as, for example, 'bulky goods' retail warehousing).

9.50 This 'global' capacity has been distributed between the main centres, local centres, villages and other shopping locations in Babergh District based on their relative trading performance and market shares at the base year.

**Table 9.4 Babergh District's Centres – Comparison Goods Capacity**

	2015	2020	2025	2031
Sudbury Town		850	2,526	4,699
Hadleigh Town		134	444	856
Core Villages		41	128	241
Other Local Centres/Villages		22	72	138
Copdock Mill Retail Park & Tesco		104	1,115	2,432
Shawlands Retail Park & Other Out of Centre		356	1,098	2,067
<b>TOTAL DISTRICT-WIDE CAPACITY:</b>		1,507	5,384	10,432

Source: Table 12-17, Appendix 7

<sup>33</sup> This includes the type of goods sold by the retailer, the location and quality of the retail floorspace, and the size and affluence of the catchment population. For example, published trading figures show that 'bulky goods' retailers in the DIY, carpet and furniture sectors generally achieve lower average sales levels of between £1,500 and £4,000 per m<sup>2</sup>, whereas large format electrical goods retailers can achieve much higher average sales levels of £7,000 per m<sup>2</sup> and above.

- 9.51 As the table shows, Sudbury Town Centre has the greatest potential economic capacity for 850m<sup>2</sup> net of new comparison goods floorspace in 2020, increasing to 4,699m<sup>2</sup> net by 2031. By 2031 there is more limited capacity for new floorspace in Hadleigh (856m<sup>2</sup> net), the Core Villages (241m<sup>2</sup>) and the District's other smaller centres and villages (138m<sup>2</sup> net).
- 9.52 Of the total floorspace capacity generated by the District's out-of-centre retailing of 4,499m<sup>2</sup> net in 2031, some 2,432m<sup>2</sup> is derived from the retail warehousing at Copdock Mill, on the edge of Ipswich's urban area, and 2,067m<sup>2</sup> from Shawlands Retail Park and other out-of-centre retailing in the District.
- 9.53 In this case of Copdock Mill Retail Park, it primarily serves the catchment population of Ipswich's urban area. We therefore advise that the forecast capacity identified should be directed to Ipswich Town Centre and other centres in Ipswich Borough first, rather than to necessarily support new floorspace in Babergh District.
- 9.54 Turning to the additional 2,067m<sup>2</sup> net of new retail floorspace generated by Shawlands Retail Park and other out-of-centre retail floorspace in the District, this larger format retailing should be directed to Babergh District's main town centres, and principally Sudbury Town Centre, in accordance with national and local plan policy. However, this will depend on the identification and allocation of suitable and commercially viable sites either in or on the edge of the town centre that are capable of accommodating the identified need in full over the lifetime of the development plan. Where sites are not available and/or suitable, then the local planning authority will need to give consideration to the extension of the District's existing out-of-centre retailing, subject to the sequential and impact tests set out in the NPPF being satisfied.

### **MID SUFFOLK: CAPACITY FORECASTS**

- 9.55 The District-wide capacity forecasts for new retail (convenience and comparison goods) floorspace in Mid Suffolk up to 2031 are set out in Appendices 7 and 8. We have necessarily tested the same assumptions as for Babergh District; namely '*equilibrium*' at the base year and a '*constant market share*' approach.

#### **Convenience Goods Capacity**

- 9.56 Table 19 (**Appendix 7**) sets out the convenience goods capacity forecasts for the District as a whole. The results are summarised below:
- 9.57 The forecasts show a District-wide capacity for new '*superstore format*' floorspace of 621m<sup>2</sup> net in 2020, increasing to 1,777m<sup>2</sup> net by 2031. Alternatively the residual expenditure could support 1,064m<sup>2</sup> net of new supermarket/discounter floorspace in 2020, increasing to 3,047m<sup>2</sup> net by 2031.

**Table 9.5 Mid Suffolk District – Convenience Goods Capacity**

	2015	2020	2025	2031
Residual Expenditure (£m):	-	£7.4	£13.9	£21.2
<b>FLOORSPACE CAPACITY (m<sup>2</sup> net):</b>				
Superstore Format:	-	621	1,170	1,777
Supermarket/Discounter Format:	-	1,064	2,006	3,047

Source: Table 19, Appendix 7

- 9.58 To further help inform the Council’s assessment of the potential scale and optimum location for new retail (convenience and comparison goods) development in the District, we have also carried out a more refined (centre-by-centre) capacity assessment. Tables 20-24 (**Appendix 7**) disaggregate the ‘global’ capacity for the main centres and stores in Mid Suffolk District. The results are summarised in Table 25 and below for ‘superstore format’ floorspace only.

**Table 9.6 Mid Suffolk District’s Centres – Convenience Goods Capacity**

	2015	2020	2025	2031
Stowmarket Town Centre	-	279	525	798
Needham Market	-	13	24	36
Debenham and Eye	-	54	102	156
Other Local Centres/Villages	-	63	119	181
Rest of District – Out of centre stores:	-	213	401	609
<b>TOTAL DISTRICT-WIDE CAPACITY:</b>	-	621	1,170	1,777

Source: Tables 20-25, Appendix 7

- 9.59 The table shows that there is capacity for 279m<sup>2</sup> net of new convenience floorspace in Stowmarket Town Centre by 2020. This could support a small convenience store format (such as, for example, Tesco Express or Sainsbury’s Local). By 2031 the capacity is forecast to increase to 798m<sup>2</sup> net. This could probably support two smaller format convenience stores, or extensions to existing stores in the town centre (where physically possible).
- 9.60 There is limited new floorspace capacity forecast for Needham Market (36m<sup>2</sup> net), Debenham and Eye (156m<sup>2</sup>) and the District’s other smaller centres and villages (181m<sup>2</sup> net) by 2031. This reflects the relative scale, role and function of these smaller centres and villages in the District’s network and hierarchy of centres, predominantly serving the day-to-day needs of their local catchment populations. Realistically the level of floorspace capacity could support one new smaller convenience store format in Debenham or Eye, and an additional convenience store in one of the District’s other smaller centres/villages by 2031; subject to the availability and suitability of sites and/or vacant buildings.

- 9.61 The District's existing out-of-centre stores are forecast to generate capacity for 213m<sup>2</sup> net in 2020, increasing to 609m<sup>2</sup> net by 2031. As for Babergh District, this capacity should be directed to Mid Suffolk's town centres first, in accordance with national and local plan policy, depending on the availability of suitable and available sites either in or on the edge of centres.

### Comparison Goods Capacity

- 9.62 Table 19 (**Appendix 8**) sets out the detailed steps in the District-wide comparison goods capacity assessment and the results are summarised below.

**Table 9.7 Mid Suffolk District – Comparison Goods Capacity**

	2015	2020	2025	2031
Residual Expenditure (£m):	-	-£0.4	£8.3	£22.1
<b>FLOORSPACE CAPACITY (m<sup>2</sup> net):</b>	-	-75	1, 1,349	3,152

Source: Table 19, Appendix 8 (Steps 5 & 6)

- 9.63 As the table shows, there is no District-wide capacity for new comparison goods floorspace in 2020 after allowing for the Wickes DIY permission at Stowmarket. By 2025 there is forecast to be capacity for 1,349m<sup>2</sup> net increasing to 3,152m<sup>2</sup> net by 2031.
- 9.64 This capacity has then been distributed between the main centres, local centres, villages and other shopping locations in Mid Suffolk District based on their relative trading performance and market shares. The results are summarised in Table 24 and below.

**Table 9.8 Mid Suffolk District's Centres – Comparison Goods Capacity**

	2015	2020	2025	2031
Stowmarket Town Centre	-	-193	1,010	2,533
Needham Market	-	32	95	177
Debenham and Eye	-	35	101	183
Other Local Centres/Villages	-	51	143	260
<b>TOTAL DISTRICT-WIDE CAPACITY:</b>	-	-75	1,349	3,152

Source: Tables 20-24, Appendix 8

- 9.65 As the table shows, there is no forecast capacity for new retail floorspace in Stowmarket Town Centre in 2020 after allowing for the Wickes commitment at Gipping Way. Capacity is forecast to increase thereafter to 1,010m<sup>2</sup> net by 2020 and 2,533m<sup>2</sup> net by 2031.
- 9.66 By 2031 there is more limited capacity for new floorspace in Needham Market (177m<sup>2</sup> net), Debenham and Eye (183m<sup>2</sup>) and all the District's other smaller centres and villages (230m<sup>2</sup> net).

**SUMMARY**

- 9.67 This section has assessed the capacity for new (convenience and comparison goods) retail floorspace in the Study Area, and specifically in Babergh and Mid Suffolk Districts, up to 2031 using CJ's **CREAT<sup>e</sup>** Model. These forecasts have been informed by robust assumptions and forecasts, including Experian's (ONS 2012-based Sub-National) population and expenditure projections for each study zone; and our assessment of the current trading performance of all centres and stores in the Study Area based on the market share analysis derived from the household telephone interview survey.
- 9.68 As its starting point, the capacity assessment assumes that each District's (convenience and comparison goods) retail market is in '*equilibrium*' at the base year and tests a '*constant market share approach*' over the forecast period in accordance with good practice.
- 9.69 For convenience goods there is forecast capacity for 2,548m<sup>2</sup> net of new '*superstore format*' floorspace in Babergh District by 2031 and 1,777m<sup>2</sup> net in Mid Suffolk. The majority of this floorspace capacity is focussed on the main centres in these Districts; namely Sudbury (751m<sup>2</sup> net by 2031) and Stowmarket (798m<sup>2</sup> net).
- 9.70 Existing out-of-centre stores in these Districts, are also generating capacity for new floorspace over the forecast period. We advise that this capacity should be directed to the District's town centres first in accordance with national and local plan policy objectives. However, the ability of existing centres to accommodate this additional floorspace capacity in full will depend on the identification and allocation of suitable and viable sites that are available now, or likely to become available over the lifetime of the development plan.
- 9.71 For comparison goods there is forecast capacity for 10,432m<sup>2</sup> net of new floorspace in Babergh District by 2031 and 3,152m<sup>2</sup> net in Mid Suffolk. As for convenience goods the majority of this floorspace capacity is focussed on Sudbury (4,699m<sup>2</sup> net by 2031) and Stowmarket (2,533m<sup>2</sup> net).
- 9.72 However, it should be noted that the capacity for Sudbury and other centres in Babergh District could be higher if the additional floorspace generated by the District's out-of-centre stores is directed to these town centres first in accordance with policy.
- 9.73 Notwithstanding this, we advise that the capacity generated by the larger format retail warehousing at Copdock Mill should be directed to Ipswich Town Centre first, as the out-of-centre retail floorspace in this area predominantly serves Ipswich's urban population.
- 9.74 In summary, meeting the need for the forecast new retail floorspace in full over the next 5 years, and over the lifetime of the development plan, will clearly depend on the



Council identifying suitable and viable sites and redevelopment opportunities in the Borough's main centres that are either available now, or will be available at some point in the next 5, 10 and 15 year periods. If appropriate sites and redevelopment opportunities are not likely to come forward over the development plan period, then consideration should be given by the Council to sites on the edge of these centres that are well connected to the primary shopping areas and are capable of reinforcing the pedestrian retail circuit and generating linked trip expenditure to the benefit of each centre's overall vitality and viability.

- 9.75 Finally, it is important to restate that capacity forecasts beyond five years should be treated with caution, as they are based on various layers of assumptions and forecasts with regard to the trading performance of existing centres and stores, the growth in population and retail spending, constant market shares, etc. For example, if the growth in Internet and multi-channel shopping is stronger than current forecasts suggest, then this could reduce the future demand and capacity for new 'physical' space over the long term. The Council should take into account these margins for error when assessing the need for new retail floorspace, particularly post 2025.

## 10.0 COMMERCIAL LEISURE NEEDS/'GAP' ASSESSMENT

- 10.1 The NPPF (paragraph 23) states that in drawing up Local Plans to ensure the vitality of town centres, local planning authorities should promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres. Against this background leisure uses can make a significant contribution to a town centre's vitality and viability. A good provision and choice of leisure facilities and uses can help to increase '*dwell times*', footfall and turnover in centres, with significant benefits for both daytime and evening economies.
- 10.2 However, the commercial leisure sector is highly complex and dynamic, as commercial leisure uses are particularly sensitive to changes in economic, demographic, lifestyle and fashion trends. As a result, forecasting the growth of this sector and identifying the need for new facilities is more complicated and problematic than for retailing. Consequently the methods and approaches developed to forecast the need for new commercial leisure floorspace and uses are more wide-ranging and less sophisticated than for retail capacity forecasts.
- 10.3 The NPPF recommends that need assessments for new leisure uses and floorspace should take account of both quantitative and qualitative considerations (paragraph 161). In this policy context our analysis focuses on the following key elements:
- a review of the key trends driving market demand in the leisure sector over the last 10-15 years;
  - an audit of current commercial leisure uses in the Districts (both town and out-of-centre) to help identify any potential 'gaps' in provision;
  - a review of the results of the household survey to understand current commercial leisure participation rates and preferences across the Districts; and
  - a broad economic assessment of the need for new additional leisure facilities across the main Town Centres based on different datasets and accepted approaches.
- 10.4 For the purpose of our assessment we have necessarily focussed on the main commercial leisure uses that can make a significant contribution to the overall vitality and viability of town centres; namely food and beverage uses (Class A3-A5), cinemas, healthclubs and gyms, ten-pin bowling, casinos and bingo.
- 10.5 In Section 11 we briefly review the provision of other main town centres uses; namely cultural facilities (i.e. museums, theatres, galleries and music venues), hotels, offices and community facilities (i.e. GP surgeries and dental practices).

## LEISURE EXPENDITURE GROWTH

- 10.6 The commercial leisure sector experienced significant growth in consumer and market demand from the mid-1990s, and whilst it has not been immune to the impact of the recent economic downturn, leisure activities remain an important lifestyle choice for many consumers who are prioritising leisure over other areas of spending.
- 10.7 The table below shows the Experian-based UK average expenditure per head on commercial leisure services<sup>34</sup> and the average for the defined Study Area. It shows that UK household spending on leisure services is dominated by the restaurant and café category (including pubs). This pattern is broadly repeated across all the zones.

**Table 10.1 Estimates of Spending on Leisure Services in 2013 (£ per head)**

	Accommodation	Cultural services	Games of chance	Hairdressing salons & personal grooming	Recreational and sporting services	Restaurants, cafes, etc.
Zone 1	£189	£369	£208	£121	£135	£1,343
Zone 2	£202	£346	£179	£119	£132	£1,309
Zone 3	£160	£331	£194	£108	£115	£1,179
Zone 4	£109	£263	£211	£81	£70	£953
Zone 5	£169	£329	£193	£108	£113	£1,210
Zone 6	£177	£350	£194	£117	£127	£1,306
Zone 7	£178	£338	£197	£112	£120	£1,239
Zone 8	£143	£293	£190	£96	£96	£1,079
Zone 9	£182	£343	£180	£116	£126	£1,268
Zone 10	£196	£315	£177	£106	£116	£1,211
Zone 11	£166	£286	£179	£98	£95	£1,088
Study Area Average	£170	£324	£191	£107	£113	£1,199
UK Average	£138	£300	£174	£86	£98	£1,097

Source: Experian, 2013 prices.

- 10.8 The table below shows the most recent leisure spend projections by Experian Business Strategies (EBS) as set out in *Retail Planner Briefing Note 12.1* (October 2014). EBS forecasts show negative to zero annual growth between 2012 to 2013, with stronger growth forecast in the short term (2014-2015), before stabilising over the longer term (from 2017) to between +1.1% and 1.3% per annum. This forecast growth is higher than annual average historic growth rates for the period 1983-2013, which showed no growth.

<sup>34</sup> Excludes expenditure on education, insurance, social protection, and 'other leisure' as identified by Experian.

**Table 10.2 Actual & Forecast Growth in UK Leisure Spend (% per annum)**

	2012	2013	2014	2015	2016	2017-2021	2022-2031
Leisure Spend Growth (%)	-0.6	0.0	2.1	2.8	1.3	1.1	1.3

Source: Experian Business Strategies, Retail Planner Briefing Note 12.1 (October 2014).

- 10.9 The base year leisure spend figures (0) have been projected forward to 2030 using Experian’s forecast annual growth rates (0) and then applied to the projected population for the Study Area to identify the total available expenditure on leisure and recreation goods and services (see Table 10.3). The table shows that total commercial leisure expenditure in the Study Area is forecast to increase by +32% between 2015 and 2031.

**Table 10.3 Total Available Commercial Leisure Expenditure: 2015 – 2031 (£m)**

	2015	2020	2025	2031	Change: 2015-2031 (£ million)	Change: 2015-2031 (%)
Zone 1	£111.8	£122.9	£135.6	£152.1	£40.3	36%
Zone 2	£28.4	£30.8	£33.6	£37.3	£8.9	31%
Zone 3	£82.5	£89.1	£97.1	£107.6	£25.1	30%
Zone 4	£30.4	£32.6	£35.4	£39.1	£8.7	29%
Zone 5	£52.5	£56.5	£61.4	£67.8	£15.3	29%
Zone 6	£94.5	£101.9	£110.8	£122.6	£28.1	30%
Zone 7	£85.3	£92.7	£101.3	£112.5	£27.2	32%
Zone 8	£94.5	£103.0	£112.9	£125.5	£31.1	33%
Zone 9	£51.2	£55.8	£61.1	£67.8	£16.6	32%
Zone 10	£38.4	£41.9	£45.9	£51.1	£12.7	33%
Zone 11	£59.1	£65.4	£72.5	£81.4	£22.3	38%
<b>Study Area</b>	<b>£729</b>	<b>£793</b>	<b>£868</b>	<b>£965</b>	<b>£236.2</b>	<b>32%</b>

Notes: All monetary figures are expressed in 2013 prices.

- 10.10 Focussing on the key zones within the two Districts, total available commercial leisure expenditure in:
- The **Sudbury** zone (Zone 4) is forecast to increase by +29% from £30.4m in 2015 to £39.1 by 2031;
  - The **Hadleigh** zone (Zone 5) is forecast to increase by +29% from £52.5m to £67.8m; and
  - The **Stowmarket** zone (Zone 8) is forecast to increase from £94.5m to £125.5m (+33%).
- 10.11 Based on the broad leisure expenditure profile, the majority of the growth in leisure expenditure is likely to be weighted towards eating and drinking out. This highlights the significant potential opportunity to improve the scale and quality of Class A3 (café and restaurant) uses in the District’s main town centres over the development plan period. Although this will inevitably be subject to market demand and the availability

of suitable and viable sites/buildings. The aim should be to strengthen the wider mix of leisure uses and attractions in Stowmarket, Hadleigh and Sudbury Town Centres as a priority to ensure that they can retain their market share, although they are unlikely to be able to compete with the scale and choice of places to eat and drink in the higher order centres in neighbouring authorities.

- 10.12 In the context of this forecast growth in leisure spend, the following commentary identifies the potential 'gaps' in the commercial leisure offer of the Districts' main centres and the likely need for new uses and facilities over the forecast period.

## **CINEMA PROVISION**

- 10.13 The significant growth in modern multi-screen cinemas over the last twenty years has been fuelled by a number of factors; including the increase in Hollywood 'blockbusters' and new developments in cinema technology (such as digital 'surround-sound' and, most recently, 3-D screen technology). Most multiplexes that opened during the 1990s were located on large out-of-centre and edge-of-town sites, often as part of shopping centres, retail parks or mixed leisure schemes featuring bowling, nightclubs and restaurants (such as, for example, Star City in Birmingham). Cinemas are important anchors for leisure and retail schemes, helping to generate footfall outside of shopping hours, linked trips and spin-off expenditure to other shops and facilities, including cafés and restaurants. Multiplexes have also been particularly successful in attracting shoppers and visitors into 'dead' areas of shopping centres, such as upper levels or the ends of malls.
- 10.14 Although cinema audiences grew significantly during the 1990s, the UK cinema market has traditionally been dominated by a handful of operators namely Cineworld, Odeon/UCI; Vue (who operate the multiplexes in Westfield's Stratford and White City schemes); and Showcase (the UK arm of National Amusements of the USA). There was significant consolidation in the UK market in 2012 when Odeon acquired the BFI Southbank and a site from AMC, Vue acquired the Apollo cinema chain and Cineworld acquired Picturehouse. From its beginnings in 1995 Cineworld now operates over 100 cinemas in the UK (including Picturehouse) and accounts for more than one quarter (25.9%) of the cinema box office market. Its most recent openings include an 11-screen cinema in Telford, a 6 screen site in St Neots and a 9 screen cinema in Wembley (all opened in 2013/14).
- 10.15 According to research by Dodona (a specialist market research consultancy in the cinema industry) there are 756 cinemas in the UK with a total of 3,867 screens, of which approximately 75% are multiplexes. It should be noted that although the number of cinemas has fluctuated, and decreased by 13 between 2013-14, the number of screens has risen by 50. This is explained by the increase in the number of multiplex screens and the loss of smaller 'traditional' cinemas. The rest of the market

is mainly represented by smaller multiplex operators and independents which tend to operate non-multiplex cinemas (i.e. less than five screens) and screens in mixed-use venues (such as arts centres).

- 10.16 In general terms the cinema sector has remained relatively resilient in the prevailing economic and consumer environment, and appears to be in good health. The UK remains the third largest consumer market for cinemas in the world and box office revenue in 2013 exceeded £1bn in the UK for the third year in succession, based on 165.5m admissions. In recent years, cinema operators have also introduced changes to the cinema experience, including premium seating areas and better quality refreshments, such as alcohol and higher quality food. For example, Vue Cinemas introduced their 'Evolution' concept which provides a mix of seating types comprising bean bags and sofas, as well as regular seats. Cineworld has also introduced the 'Screening Room' concept, characterised by leather chairs and table service. The first 558m<sup>2</sup> 'Screening Room' cinema opened in June 2011; in the Brewery, Cheltenham.
- 10.17 Research by Dodona indicates there has been a growth in smaller (Digital) cinemas to serve smaller catchment areas. These Digital cinemas are more flexible and less "space-hungry" as they do not require the large sloping auditoriums needed to accommodate traditional projectors. There are therefore opportunities for the modern cinema offer to be provided in existing buildings. Examples include the HMV in Wimbledon which has a small Curzon cinema above the store.

### **Existing Provision**

- 10.18 The results of the household survey show that over half (56.7%) of the Study Area's population visit the cinema at least once a year. This equates to 139,893 people, if taken as a percentage of the Study Area's total population in 2015. In terms of frequency of visits, respondents mainly visited the cinema once every two months (32.7%) or every month (30.4%). Only 12.0% of respondents in the Study Area visit the cinema on a more frequent basis (e.g. once a week or fortnight).
- 10.19 Of those that visit the cinema, the survey showed that they tend to frequent the cinemas located in the larger towns in the area; for example, 31.0% visit the Cineworld in Cardinal Park, Ipswich; and 29.5% visit the cinemas in Bury St Edmunds (Cineworld and Abbeygate). A small proportion also visit the Regal Theatre in Stowmarket (8.5%), which has the only cinema screen in either District.
- 10.20 Across the different zones the survey results indicate that:
- In **Zone 4**, which covers the Sudbury urban area, the main cinema visited is in Bury St Edmunds (54.2%).
  - In **Zone 5** which includes Hadleigh, the vast majority of people (79.7%) visit the Cineworld in Ipswich.

- In **Zone 8**, which includes Stowmarket, 42.5% of respondents visited the Regal Theatre cinema in Stowmarket, with some leakage to Ipswich and to Bury St Edmunds (25.9% and 17.3% respectively).

10.21 Notwithstanding the significant leakage of cinema-goers to larger multiplexes outside the two Districts, the relatively strong market share of the Regal Theatre in Stowmarket within its 'home' zone (Zone 8) does suggest that local cinemas are popular and do have the potential attract trips, despite the larger and more modern offer in neighbouring areas.

10.22 Notwithstanding this, the retention of cinema trips within the Study Area and Districts is currently very low, at 9.4%, which reflects the fact that provision is limited to the Regal Theatre. There is therefore potential to improve the number of cinema screens in both Districts to help claw back trips and leisure expenditure from competing locations, although this will be subject to market demand and commercial viability.

### **Forecast Need for Cinema Screens**

10.23 The latest evidence from Dodona indicates that the average screen density for cinema provision in the East of England is 3.9 screens per 100,000 people<sup>35</sup>. On this basis the table below shows the forecast need for additional cinema screens in Babergh and Mid Suffolk Districts.

**Table 10.4 Potential Capacity for New Cinema Screens**

	2015	2020	2025	2031
Cinema Screen Density <sup>(1)</sup>	3.9	3.9	3.9	3.9
<b>BABERGH DISTRICT AREA (Zones 2-6):</b>				
Study Area Population (Zones 2-6) <sup>(2)</sup> :	97,722	100,020	102,149	104,191
Cinema Screen Potential	4	4	4	4
Existing Screen Provision	0	0	0	0
Net Screen Potential (Minus existing)	4	4	4	4
<b>MID SUFFOLK DISTRICT AREA (Zones 7-11):</b>				
Study Area Population (Zones 7-11) <sup>(2)</sup> :	115,185	119,664	123,262	126,302
Cinema Screen Potential	4	5	5	5
Existing Screen Provision	1	1	1	1
Net Screen Potential (Minus existing)	3	4	4	4

Source: Dodana Research, *British Film Institute's Statistical Yearbook 2014*

<sup>35</sup> Table 10.4, Statistical Yearbook 2014, British Film Institute and Dodana Research.

## Notes:

- (1) Cinema screen density rates per 100,000 people for the East of England region are derived from Dodona. This is an accepted source for assessing new cinema screen capacity.
- (2) The baseline and forecast populations for the zones that broadly comprise Babergh and Mid Suffolk Districts have been derived from the population projections set out in Table 1 of the retail capacity assessments for convenience goods (Appendix 7) and comparison goods (Appendix 8).

- 10.24 The results of our assessment indicate that there is potential quantitative capacity for up to four new cinema screens in each District. At the time of writing we understand from Babergh District Council that there are emerging plans to develop the strategic site at Copdock (Wolsey Grange) to include the provision of a small arts cinema, which could be supported based on our cinema screen capacity analysis for the District.
- 10.25 The forecast capacity for new screens in each District could be provided in new-build multiplexes as part of wider mixed use developments, although this will be subject to market demand and commercial viability testing. On this point the survey evidence shows that the District's population is relatively well-served by large multiplexes located outside of the Study Area (including in Ipswich, Bury St Edmunds, Haverhill and Colchester). Therefore any new provision in the District in the future could be in the form of smaller-scale (local arts) cinemas that complement the larger multi-screen cinemas serving wider catchments located in neighbouring authorities.

### **FOOD AND BEVERAGE USES**

- 10.26 The food and beverage sector, including restaurants, bars and pubs (Class A3, A4 and A5), provide an increasingly important part of a town centre's wider offer and economy. They also complement other town centres uses, particularly shops, offices and cinemas, helping to lengthen 'dwell times' (the time people spend in centres) and increase expenditure as part of the same trip.
- 10.27 As described above, average household spending on leisure services in the UK is dominated by eating and drinking out. Even in the context of the current economic recession this sector has remained buoyant. In terms of the pub trade, some of the key trends in recent years include:
- A move to more flexible opening hours (resulting from licensing reforms implemented in November 2005), combined with pressures arising from lower alcoholic drink prices (particularly in supermarkets), has resulted in a number of pub operators widening their food and non-alcoholic beverage and the growth of so-called "*gastro-pubs*" as eating-out destinations in competition with more established restaurants.



- Increased consolidation and closures in the pub industry. According to the Campaign for Real Ale (CAMRA) there have been 5,800 pub closures since 2008<sup>36</sup>. Recent research by CAMRA also suggests that on average around 29 pubs closed every week in the UK between June and December 2014<sup>37</sup>.
- The sale of pubs for conversion to alternative uses has also increased over recent years, particularly for convenience retailing (e.g. Tesco Express and Sainsbury's Local).
- The Home Office has also introduced a much more aggressive policy towards the pub industry. Powers for local authorities to establish Alcohol Disorder Zones (ADZ) are included in the Violent Crime Reduction Act (2006), which also places a charge on pubs and bars in a designated area to pay for additional policing, environmental and other services in the neighbourhood. This increase in costs is also placing further pressure on the profit margins of some pub operators.

10.28 The restaurant sector has also experienced mixed fortunes during the economic downturn. Some of the key trends driving change in this sector include:

- An increase in promotions and discounts by the multiples to attract customers during off-peak periods (e.g. Pizza Express).
- More discerning customers who are basing their decisions to eat out on value for money, but not at the expense of quality in terms of service, food and the overall experience. Two successes are Jamie's Italian, Bill's and Cote. There has also been a growth in 'all-you-can-eat' style restaurants which are aimed at offering value for money (examples include the Taybarns brand owned by Whitbread).
- For families in particular, going out for a meal has become too expensive, and many have switched to staying at home with a takeaway which has increased sales for businesses such as Domino's Pizza.

10.29 The café sector has also experienced strong growth over the last five years, despite the impact of the economic downturn. The branded coffee chains dominate the market with some 5,531 outlets in 2013 equating to a market share of 54%. Of these, the three leading multiple chains are Costa Coffee (1,670 outlets), Starbucks Coffee Company (790) and Caffè Nero (560), with a combined turnover of £2.6 billion in 2013<sup>38</sup>. Notwithstanding the rise of the multiples, there has also been growth in independent and specialist cafés and coffee houses, particularly those serving a more luxury or specialist offer (e.g. organic and Fairtrade).

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36 Article published by CAMRA on 20th March 2013, [www.camra.org.uk](http://www.camra.org.uk)

37 Published results from the CGA-CAMRA Pub Tracker published in January 2015

38 Source: Allegra Strategies

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10.30 The strong independent coffee sector has fuelled many new start-up businesses in local centres. While many forecasters considered the café market to be saturated a few years ago, a recent study by management consultancy Allegra Strategies predicts that the total UK coffee shop market still has potential for strong growth, and there is forecast to be over 20,500 outlets by 2018, with a total turnover of £8.7 billion. There would therefore appear to be significant potential for further growth in the café market, driven mainly by branded and independent coffee chain expansion.

### **Existing Provision**

10.31 The table below shows the current provision of Class A3 (restaurants and cafés), A4 (Pubs, bars etc.) and A5 (hot food takeaways) uses in the three main centres based on the most up-to-date Experian Goad Category Reports.

**Table 10.5 Current Provision of Leisure Uses (%)**

Leisure category	Sudbury Town Centre	Hadleigh Town Centre	Stowmarket Town Centre	UK Average
Bars & Wine Bars	0.8%	1.6%	0.7%	1.5%
Bingo & Amusements	0.0%	0.0%	0.0%	0.4%
Cafes	5.8%	6.3%	3.5%	4.2%
Casinos & Betting Offices	1.6%	1.6%	1.4%	1.5%
Cinemas, Theatres & Concert Halls	0.0%	0.0%	0.7%	0.3%
Clubs	0.8%	0.0%	0.7%	0.7%
Disco, Dance & Nightclubs	0.8%	0.0%	0.0%	0.3%
Fast Food & Take Away	7.4%	4.8%	5.5%	5.6%
Hotels & Guest Houses	0.4%	0.0%	0.0%	0.7%
Public Houses	1.9%	1.6%	3.5%	2.7%
Restaurants	1.9%	3.2%	0.7%	4.4%
Sports & Leisure Facilities	0.8%	0.0%	0.0%	0.3%
<b>Total Leisure: No. of Units</b>	<b>57</b>	<b>12</b>	<b>24</b>	<b>-</b>
<b>% of Total</b>	<b>22.1%</b>	<b>19.1%</b>	<b>16.6%</b>	<b>22.4%</b>

Source: Experian Goad Category Reports (Appendix 6)

10.32 Experian Goad’s data indicates that Sudbury’s leisure provision (22.1% of total outlets) is broadly in line with the UK average (22.4%), whereas provision is 3.3 percentage points below the UK average in Hadleigh and 7.8 points below the average in Stowmarket. In general terms the Experian Goad evidence also indicates that the main centres all have the potential to increase their provision of restaurants, bars and pubs. Evidence from other centres in the UK shows that improving a town centre’s food and beverage offer can help to significantly increase the attraction of daytime and evening economies, as well as encouraging higher footfall, dwell times and increased expenditure in centres.

10.33 A more detail analysis of the evidence for the main centres has highlighted the following key trends:

- **Sudbury Town Centre:** There are 57 'leisure services' in the town centre, as defined by Experian Goad, and provision (22.1%) is broadly in line with the UK average. The offer is focussed on fast food and takeaway units, which suggests there is scope to improve the quality and range of Sudbury's food and beverage offer; for example by enhancing the restaurant offer in the town. The centre has also attracted a number of national multiple brands, including Pizza Express, Prezzo, Subway and Café Nero.
- **Hadleigh Town Centre:** Leisure service provision is also below the UK average in Hadleigh. In general terms the offer compares high quality and well frequented cafés based on our site visits. There is a limited multiple offer, although a Paddy and Scotts Coffee shop has recently opened within the existing floorspace of the Co-op. The size of the town centre does however place limitations on the leisure offer.
- **Stowmarket Town Centre:** There are 24 leisure uses in Stowmarket, according to Experian Goad data, and provision (16.6%) is below the national average (22.4%). Stowmarket is also the only centre to have an under-provision of cafés (3.5%) benchmarked against the UK average (4.2%). There are very few branded leisure occupiers in the town at present, although new development at the southern end of Ipswich Street as part of the Morrisons development has included a new Wetherspoons pub/restaurant (The Willow Tree). Opposite this, the old Dukes Head pub is soon to be converted into a Prezzo which will help to strengthen the town's overall offer.

10.34 It is important therefore that Sudbury, Stowmarket and Hadleigh retain and strengthen their food and beverage offer to help complement their wider retail, leisure and service offer, and ensure their overall vitality and viability. As such, measures to attract new operators should be promoted where possible. This could include, for example, better quality restaurants targeted at families to help draw more people to the town centre and encourage them to stay longer.

#### ***Current Use and Preferences***

10.35 The household survey helps to identify where people living in the Study Area currently prefer to eat and drink.

10.36 The headline results shows that a high proportion of respondents (74.2%) across the Study Area eat out every year and of this total some 69.8% visit a café or restaurant at least once a month. Ipswich (21.3%), Sudbury (16.7%) and Bury St Edmunds (16.5%) are the main centres visited by respondents in the Study Area to eat out. However the responses varied significantly across the different zones and demonstrate that, in broad terms, people tended to visit their closest local centre or larger towns to eat out. For example:

- **Sudbury** was the main destination for eating out for respondents in Zone 4 (73.9%) and only 3.7% visited Ipswich. This indicates that the town centre is successfully retaining visitors from its primary/local catchment.
- Although the majority of respondents in Zone 8 (39.7%) visited **Stowmarket** for restaurants, there was also a 'leakage' of 26.9% to Ipswich and 27.8% to Bury St Edmunds. This further highlights the fact that the provision and choice of restaurants and places to eat in Stowmarket is below the national average.
- In **Hadleigh**, some 49.4% of respondents in Zone 5 frequented the town's restaurants on a regular basis, with a further 35% visiting Ipswich. In general terms respondents are loyal to their local centre and find the offer here attractive, particular given the competition from Ipswich and other locations.

10.37 Some 47.9% of respondents in the Study Area visit pubs, bars, nightclubs and/or music venues. Sudbury was the most visited across the Study Area (15.7%), followed by Stowmarket (14.5%) and Ipswich (14%). This is a positive sign that, despite the wider range of offer in Ipswich, the main town centres in the Districts are successful in securing visitors for their evening economy. The survey found that respondents tended to visit pubs, bars and clubs in their closest main town (93.6% in Zone 4 visit Sudbury, 58.2% in Zone 5 visit Hadleigh and 77.1% in Zone 8 visit Stowmarket). In terms of frequency, 80.8% visit at least once a month.

### **Forecast Capacity**

10.38 In order to assess the potential capacity for new eating and drinking establishments in the three main centres of Sudbury, Stowmarket and Hadleigh we have assumed that between 15% and 25% of the forecast capacity for new comparison goods floorspace (as identified in **Section 7**) could support a mix of new 'leisure services', including cafés, restaurants, takeaways, pubs and wine bars. This assumption is supported by research that specifically identified that the hospitality industry, in its widest sense, "...forms an important and sizeable proportion of premises averaging 24% of ground floor stock"<sup>39</sup>. Furthermore Experian GOAD's centre reports show that on average cafe's, restaurants, bars, pubs and takeaways account for over 15% of floorspace and 18% of outlets in the circa 2,500 shopping areas that they cover.

10.39 Based on the comparison goods capacity forecasts described in **Section 9** (also see Appendix 8), the table below sets out the broad economic capacity forecasts for new Class A3-A5 floorspace in Babergh and Mid Suffolk Districts.

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<sup>39</sup>The Streetscape of major UK cities', Savills (Winter 2004, pg.3).

**Table 10.6 Eating & Drinking Out - Projected Gross Floorspace (m<sup>2</sup>)**

	2015	2020	2025	2031
<b>BABERGH DISTRICT:</b>				
Comparison Goods Capacity (m <sup>2</sup> gross):	-	2,153	7,691	14,903
Class A3-A5 Capacity at 15% (m <sup>2</sup> gross):	-	323	1,154	2,236
Class A3-A5 Capacity at 25% (m <sup>2</sup> gross):	-	538	1,923	3,726
<b>MID SUFFOLK DISTRICT AREA:</b>				
Comparison Goods Capacity (m <sup>2</sup> gross):	-	-107	1,928	4,503
Class A3-A5 Capacity at 15% (m <sup>2</sup> gross):	-	-	216	543
Class A3-A5 Capacity at 25% (m <sup>2</sup> gross):	-	-	361	905

Source: Derived from Tables 11 and 19, Appendix 8.

- 10.40 The table shows high level capacity for between 2,236m<sup>2</sup> and 3,726m<sup>2</sup> gross of new Class A3-A5 uses in Babergh District by 2031, and between 543m<sup>2</sup> and 905m<sup>2</sup> gross in Mid Suffolk District. This forecast need should be directed to the main town centres of Sudbury, Hadleigh and Stowmarket first to help increase competition and choice, and stimulate each centre's daytime/evening economies in accordance with national and local policies. Against this background the potential development opportunity sites at Hamilton Road in Sudbury and the Station Quarter in Stowmarket could help to meet some of the identified need for new Class A3 (café and restaurant) floorspace.
- 10.41 However, meeting any identified economic need for new cafés, restaurants and bars is highly dependent on the level of market demand and confidence in the centres as trading locations. In simple terms the more successful, vital and viable a centre is, the more likely it will be that café and restaurant operators will want to locate there. Due to the constraints of the conservation areas that cover parts of all three town centres, it may be that investment should be focussed more towards improving the quality of the existing offer and attracting new occupiers, rather than any large-scale new development. While new investment in the main town centres should be a priority, the quality of the eating and drinking offer should also be improved in District Centres such as Needham Market at an appropriate scale to satisfy local demand, but subject to market demand.

## HEALTH & FITNESS NEED

10.42 The health and fitness market has generally performed well during the economic downturn. The latest statistics from the *Leisure Database Company* (LDC)<sup>40</sup> show that over the twelve month period to June 2014, the industry has grown its total market value by 3.9% to £4.08 billion, its member base by 4.5% and the total number of facilities by 1.6%. According to the LDC there were an estimated 6,112 private health clubs and public fitness centres facilities in the UK in 2013, which represented a small net increase from the 6,019 facilities the previous year<sup>40</sup>. The main operators in the market currently include:

- Esporta, Greens & David Lloyd Leisure – at the premium end of the market focus on health, racquet and tennis clubs;
- Virgin Active & Nuffield Health (previously Cannons) – dominate the mid-range family-oriented health and fitness market; and
- LA Fitness, Fitness First and Bannatyne’s Health Clubs – operate smaller in-town clubs at the more value end of the market.

10.43 However, the most significant growth in the sector in recent years has been fuelled by value and budget operators. The new wave of (“no frills”) fitness clubs includes EasyGym, Pure Gym, Fitness 4 Less, Fitspace, TruGym and SimplyGym. Their business models are based on significantly discounted monthly subscriptions (of between £10 and £20 on average) and 24-hour opening. Although these clubs provide a basic offer (for example, they do not generally include fitness classes, personal trainers, swimming pools, saunas or steam rooms) they appear well suited to the current economic climate and are proving popular. According to LDC, the budget gym sector now accounts for 6% of total private clubs and 14% of private sector membership.

10.44 Overall, the proportion of the population in 2014 with a gym membership was estimated at 13.2%. According to LDC, the average number of members per club in the UK is estimated to be 1,426, which takes into account the average for independent venues (726 per club) and leisure chains (2,198 per club). For the larger fitness chains (e.g. David Lloyds, Virgin, LA Fitness, etc.) the average club membership increases to 2,897, while budget chains are even higher at 3,452 members<sup>41</sup>.

10.45 The rapid growth of this sector has also been characterised by a marked shift in the location of clubs from out-of-centre locations to town centres, often as part of wider mixed use developments. This is helping to create a wider range of attractions and

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<sup>40</sup> 2014 State of the UK Fitness Industry Report, The Leisure Database Company - market research specialists for the leisure industry

<sup>41</sup> Sourced from the 2014 State of the UK Fitness Industry, the Leisure Database Company.

activity in town centres, particularly in the evenings and at weekends. More flexible planning policies will therefore need to be introduced which help to encourage an element of such uses within existing buildings or as part of mixed use schemes.

### **Existing Provision**

10.46 The table below summarises the current representation of the main national, regional and independent privately-owned health and fitness operators in each District's main town centres, as well as Council-owned leisure centres.

**Table 10.7 Leisure Centres, Fitness Clubs & Gyms in the Districts**

Facility	Location	Private Sector	Public Sector (or Trust)
Kingfisher Leisure Centre	Sudbury		✓
Great Cornard Sports Centre	Sudbury	✓	
Mwah Health, Beauty and Fitness Studio	Sudbury	✓	
Sudbury Sports Centre	Sudbury		✓
Talbot's gym, Delphi Social Club	Sudbury	✓	
Zest Health and Fitness, Caxton House	Sudbury	✓	
Mid-Suffolk Leisure Centre	Stowmarket		✓
NRG Fitness Gym & Studios	Stowmarket	✓	
Stowupland Sports Centre	Stowmarket		✓
Hadleigh High Leisure Centre	Hadleigh		✓
Hadleigh Pool and Leisure	Hadleigh		✓
Debenham Leisure Centre	Debenham		✓
Stradbroke Swim & Fitness Centre	Stradbroke		✓
Wash Barn Farm Swimming Pool	Redlingfield	✓	

Source: Various.

10.47 The health and fitness offer is concentrated in the main towns and urban areas. There is a particularly good provision of trust-run leisure facilities, which account for over 50% of facilities. Sudbury has the widest range of providers and the highest level of provision; with six providers in total. The Kingfisher Leisure Centre in Sudbury was the most frequently selected individual provider in the Study Area (8.7%) and provides a 6-lane, 25m pool in addition to gym, fitness studio and café. Notwithstanding this, there is a notable gap in the provision of branded health and fitness clubs in both Districts including, for example, David Lloyd, Fitness First, LA Fitness and Virgin Active.

10.48 Analysis of the household survey shows that 43.3% of respondents across the Study Area do not go to a gym or health club. Of the 56.7% that do go to the gym, the facilities visited in the main centres include

- **Stowmarket:** 71.6% of respondents in Zone 8 (where Stowmarket is located) visited the town generally for their leisure needs, and a further 3.6% identified the Stowupland Sports Centre and 4.8% the NRG Fitness Gym. Some 17.8% of respondents in Zone 8 also identified Bury St Edmunds.

- **Sudbury:** also achieves a high retention rate within Zone 4 (its 'home' zone) , with 48.6% identifying Sudbury generally, and a further 36.6% identifying the Kingfisher Centre.
- **Hadleigh:** 42.7% in Zone 5 identified either Hadleigh generally or the Hadleigh Leisure Centre as their destination of choice for health and fitness. A further 10.3% mainly visit Stowupland Centre, although there was some leakage to Ipswich (22.9%).

10.49 Overall, the leakage outside of the Districts was around 38.5%. The main competitor locations for health and fitness facilities outside of the District are Ipswich (15.1%) and Bury St Edmunds (11.3%).

10.50 Investment in health and fitness facilities could help to claw back some of this leakage and would also have the potential benefit of improving the current participation rate identified by the survey.

### ***Forecast Demand***

10.51 The need for health and fitness clubs can be linked to the potential demand arising from population growth at the local level. In this case the Study Area population is estimated to increase by 21,558 by 2031. It is likely that existing facilities will absorb some of this demand, and average membership levels will change over time in line with the constant changes in fitness facility formats.

10.52 Notwithstanding this, there would appear to be capacity to support an increase in leisure provision in both Districts over the medium to long-term. Based on the Study Area average participation rate of 56.7%<sup>42</sup> and the Districts' retention rate of 61.5% identified by the household survey, we estimated that this would potentially result in an additional 7,517 new gym and health and fitness members over the forecast period. Based on average membership rates for private fitness clubs identified earlier in this section, this would support around five new gym facilities in the Districts; although this would fall to two new facilities for a larger chain operator, such as a David Lloyds.

10.53 As for the other leisure sectors, addressing this forecast capacity will be dependent on the level of market interest and demand. Given that some of the larger chain operators are not represented in either Babergh or Mid Suffolk Districts, there may be scope for a new facility. There could also be potential to attract a budget or value operator to the main town centres, as this type of facility would appeal to a wider customer base. In turn this could help to increase participation and/or capture some of the 'leaked' trips to health and fitness facilities outside the Districts.

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<sup>42</sup> Participation rate identified from the household survey.



**BINGO & GAMBLING**

- 10.54 Gambling represents a significant and growing element of the leisure industry. The main sectors of the gambling industry comprise 'games of chance' (i.e. bingo clubs, casinos, betting shops, amusement arcades, etc.). We briefly describe the key trends in this sector and the forecast need/demand for new facilities in the District, if any, based on the available evidence.
- 10.55 The latest research by *The Gambling Commission (Industry Statistics November 2014)* indicates that there are over 653 licensed bingo premises in operation in the UK, which is a reduction of 25 premises over the last 12-18 months, despite a previous long term trend of increasing numbers of venues. In the 12 months up to June 2011 some 3.4% of UK adults visited bingo venues, but research by *Mintel* indicates that the industry has experienced a fall in revenues and admissions over recent years as a result of legislative changes (such as the ban on smoking in public places), the impact of the economic downturn and the growth of online gaming.
- 10.56 In response to falling admissions, bingo operators are increasingly taking advantage of the online market and embracing smart-phone technology through new 'app' development. This forms part of a wider trend and growth in 'remote/online' gambling, which including gambling activities through the internet, telephone, radio, etc. Bingo operators are also increasingly looking to diversify their customer profile, and are marketing their clubs at a younger, predominantly female audience. As a result there has been an increase in the number of younger and more affluent bingo players over recent years, particularly as deregulation has enabled clubs to offer bigger (national) prizes.
- 10.57 In terms of Casinos, research shows that there were some 147 active casinos in the UK in March 2014, which represents an increase by three premises on the previous 12 months. The number of premises has remained fairly static over the past five years<sup>43</sup>. This sector is dominated by three companies: the Rank Group (incorporating Grosvenor Casinos and Gala Coral Casinos); and Genting UK. There has been consolidation of the sector in the past few years, with acquisitions such as Rank Group's purchase of Gala Coral Casinos making it the largest operator in the UK. The number of admissions to casinos increased substantially by 25% over the five year period up to 2010/11. This growth is largely explained by larger new casino venues granted licences under the 2005 Gambling Act.

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<sup>43</sup> Source: Gambling Commission Industry Statistics November 2014.

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## ***Existing Provision***

10.58 Based on the available evidence, the District currently does not have any bingo facilities or casinos, but instead relies on the Gala Bingo and Mecca Bingo halls at Ipswich and the Winners Bingo in Bury St Edmunds. The Household Survey showed Ipswich to be the most popular location for such activity (over 50% of respondents). The household survey results indicate that bingo and casino gambling is not a major leisure activity for the majority of respondents living in the Borough, with some 6.0% indicating that they frequent bingo clubs, casinos or bookmakers. Of those that do, a high proportion visit once a week (41.5%).

## ***Forecast Demand***

10.59 In our judgement, while the absence of any bingo halls in the Districts may suggest an under provision for this activity, the participation rate is very low. Similarly, there is unlikely to be sufficient demand to accommodate the introduction of a casino venue. Furthermore, there is unlikely to be demand from casino operators who typically focus new outlets in major leisure destinations.

10.60 In summary, there is no demonstrable need to enhance existing provision to improve competition and choice at the local level, although this will be subject to market interest and demand from other bingo and casino operators. If demand arises in the future, we advise that this should be directed to the Districts' main centres first in accordance with national and local plan policy.

## **TEN-PIN BOWLING**

10.61 Tenpin bowling has been established as a commercial leisure activity in the UK for over 40 years and remains a strong family and group activity. Research shows that there are currently over 321 bowling centres in the UK<sup>44</sup>.

10.62 This sector benefited from a period of growth from the mid-1990s onwards, fuelled by the development of large entertainment 'boxes' and leisure parks at one end of the spectrum, and smaller independent specialist bowling facilities at the other end. A number of the successful bowling facilities opened over the last 15-20 years tend to form part of larger leisure complexes that include multi-screen cinemas, restaurants and nightclubs. It is the critical mass of leisure uses under one roof or as part of leisure parks that helps to underpin the viability of ten-pin bowling centres, which can struggle as standalone attractions. Examples of the smaller specialist operators include All Star Lanes which operates five bowling venues in the UK (four in London and one in Manchester) and largely targets the corporate/private hire market.

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<sup>44</sup> Tenpin Bowling Market UK, Mintel (November 2012)

Bloomsbury Bowl Lanes also operates from smaller venues with sites in Bloomsbury (8 lanes) and Bristol (5 lanes). The company offers a 1950's American-themed bowling venue with ancillary karaoke rooms, venue rooms for hire, DJ booths, bars, small scale cinema and a venue for bands and live performers/comedy nights.

### ***Existing Provision***

- 10.63 There is one ten-pin bowling facility located in Sudbury ('Strikes'). Alternative provision outside of the Districts is located in Ipswich, Bury St Edmunds and Colchester.
- 10.64 The household survey indicates that family entertainment (such as tenpin bowling and ice skating) is a reasonably popular leisure activity, with over 27.5% of respondents living in the Study Area indicating that they partake in such activity. Facilities in Ipswich capture the majority of trips made by residents in the Study Area (32.0%). The Sudbury facility captures just 2.0% overall, though this is higher in Zone 4 (4.13%). Of those in the Study Area that do visit family entertainment facilities, they go relatively infrequently with 27.5% visiting once every two months, 24.0% visiting once every six months, 22.4% once a year or less.

### ***Forecast Demand***

- 10.65 In terms of future needs, the Districts are well served by local provision and by provision in neighbouring large towns. However, there may be demand to support other, smaller ten-pin bowling facilities in the Districts close to the main towns. This is based on the relatively good participation levels in the Study Area and the limited forecast growth in this sector over the short to medium term. However, as the economy strengthens and as the population increases there may be a need for an additional facility over the long term. If this is the case and market demand exists, then a new facility should be directed to the three main town centres first to help maintain and strengthen their diversity of offer and evening economies.

### **SUMMARY**

- 10.66 As for retailing, the commercial leisure industry faces considerable challenges and pressures even as the economy improves. It is clear that consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure spending. There will also be a continued increase in at-home activities due to the advances in computers, tablets, television, gaming, and audio technology. The challenge for town centres and leisure operators in the future will therefore be to attract customers away from their homes. The table below shows the percentage of the Study Area's respondents to the household survey who indicated that they participate in the various leisure activities identified.

**Table 10.8 Respondents in Study Area who participate in leisure activities**

Leisure Activity	% who participate in these activities
Eating out in restaurant and/or café	74.2%
Cinema	56.7%
Concert/ theatre/ music venue	41.8%
Drinking out in a pub/ bar/ nightclub	47.9%
Gym/ Healthclub/ Sports facility	24.7%
Family entertainment (incl. ten pin bowling, skating rink)	27.5%
Bingo/ Casino	6.0%

Source: HTIS 2014

- 10.67 The table shows variation in the popularity of particular commercial leisure activities with eating and drinking out and visiting the cinema the most popular. It also shows that the majority of the Study Area’s residents do not normally participate in other commercial leisure activities including going to the gym/ healthclub, visiting a bingo or casino facility or family entertainment such as tenpin bowling.
- 10.68 Our review of the Districts’ commercial leisure sector and offer indicates that there is scope to improve the range and quality of the current provision. Currently the larger centres like Ipswich and Bury St Edmunds, which are easily accessible, have a wider range of offer for all leisure activities. However, the relatively small size of these centres makes competition with larger centres difficult. Focus should therefore be on providing complementary leisure offers which can serve local populations in the district, but accepting that people will continue to frequent the larger centres for many of their leisure activities.
- 10.69 The participation rate for certain leisure activities is particularly high (e.g. restaurants and cinemas) and this offers the potential to enhance the overall offer, subject to market demand. There is clearly potential to improve and strengthen the leisure offer in the main centres. Particularly Sudbury and Stowmarket, to help stimulate their evening economies and increase ‘dwell times’ during the day to the benefit of other shops, businesses and facilities.
- 10.70 The assessment indicates that there is potential to support two new branded health and fitness leisure facilities (depending on the size and type) based on projected population growth. A new branded operator could assist in improving the District’s market share of gym/health fitness memberships and increasing participation rates in this particular leisure activity.
- 10.71 In terms of cinema provision, the assessment found that a high proportion of respondents visit the cinema, and provision in Ipswich and Bury St Edmunds captures the majority of visits. Due to the popularity of this activity and the absence of multi-screen provision in the Districts, we have identified an opportunity to increase the cinema provision in the District. However, competition with the larger multi-screen

cinemas in Ipswich and Bury St Edmunds may be unrealistic. Additional provision may be better visited if it takes the form of smaller, art house style cinemas. It is understood that such provision has been suggested as part of development near Copdock. The findings of this study would support this proposition. In addition to this, improving the quality of provision in the town centres (currently through screenings at the two theatres) would also encourage linked trips and increased expenditure across the town centre as a whole to the benefit of other shops and businesses, and the centres' overall vitality and viability.

- 10.72 Potential demand has been identified for eating and drinking out. There is potential to enhance food and drink offer in the three town centres as a means of promoting the Districts' day to evening time economy. As a priority, new floorspace for food and beverage outlets should be directed to the larger centres of Stowmarket and Sudbury with further provision directed to strategic growth areas, albeit that delivery will be subject to market demand.
- 10.73 For Sudbury and Stowmarket town centres, improvements to the range and quality of the food and drink offer is important, given the increasing competition they face from larger centres outside of the District, which are currently expanding their leisure offer. The town centres have a relatively low representation of key national multiple leisure brands, particularly in the food and drink sector. The promotion of quality food and beverage branded operators in the town centres should be encouraged as part of future development. However, the majority of independent occupiers in the centres currently are of a high quality and help to give these centres a unique character, which should be protected. Hadleigh and Needham Market in particular have an attractive historic character that has attracted high end boutiques and independent occupiers that are supporting the vitality and vibrancy of these centres. Maintaining the current high quality of provision should be the focus for leisure occupiers in these smaller centres.

## 11.0 OTHER MAIN TOWN CENTRE USES

- 11.1 The success, attraction and viability of town centres is underpinned by a range of different uses, not just retail and commercial leisure facilities. For example cultural attractions and offices can help to support daytime and early evening economies, boosting footfall and expenditure to the benefit of a wide range of business, services and facilities. Similarly, tourism and visitor accommodation can also have an important positive economic impact on the vitality and viability of town centres, as it helps to increase trips, dwell times and expenditure. Community uses, such as GP and dental practices, can also help to support town centre vitality and viability; particularly in more rural districts like Babergh and Mid Suffolk where they help to generate footfall and linked expenditure to other shops, businesses and facilities.
- 11.2 The following sections therefore provide a very high level review of cultural facilities, offices, hotels and community uses in the main town centres in Babergh and Mid Suffolk Districts.

### MUSEUMS, GALLERIES, THEATRES AND MUSIC VENUES

- 11.3 The main cultural attractions in Babergh and Mid Suffolk include a mix of museums, galleries, theatres and music venues. The results of the 2015 household survey show that just less than half (42%) of respondents in the Study Area engage in cultural activities, such as visiting the theatre, concerts or a music venue; and 35% visit museums, galleries or places of historical and/or cultural interest. The household survey confirms that this form of activity is carried out infrequently with the majority of respondents visiting cultural facilities once every six months or less often (over 65%).

#### Museums and Galleries

- 11.4 Sudbury and Stowmarket each have a local museum and some additional cultural facilities, such as galleries, which help to attract visitors. Hadleigh does not have any museums or galleries, which reflects its smaller size.
- 11.5 In Stowmarket the **Museum of East Anglian Life** is located on the edge of the main shopping area, giving it good links to the town centre. The Museum includes a Tourist Information Centre (TIC), which offers information on local events and also sells local produce to visitors. The museum accommodates exhibitions of local history at the Abbots Hall manor, which is lottery funded and free of charge to the public. The museum is part of a larger site which houses a collection of historic buildings from across the District that have been reassembled to form a living museum. The site and surrounding gardens give visitors to the town centre access to a large area of open space, although access to the site is at museum opening times. Access is currently

through the Meadow Centre or via Crowe Street off Market Place. It was noted on the site visit that the presence of the Museum could be better marketed across the town centre to shoppers and visitors. The visibility of the museum is also hampered by its location, and in our judgement it would benefit from a more open access route through from the main shopping area.

11.6 In **Sudbury** there is a local museum (the Sudbury Heritage Centre & Museum) located in the Town Hall on Old Market Place. The Gainsborough House gallery and museum is also located in the town centre and accommodates exhibitions that explore the art and life of Thomas Gainsborough. We understand from the local planning authority that the owners of Gainsborough House have aspirations to extend the facility and offer, including incorporating an adjoining property.

11.7 The survey results identify that the most significant destinations for visits to museum, gallery, or other place of historical / cultural interest for the whole Study Area were the larger cities located in surrounding area and Central London. The most significant cultural destinations for residents in the Study Area include:

- West End/ Central London (45.0%);
- Ipswich, including the Ipswich Museum (18.2%);
- Colchester (9.5%);
- Stowmarket, including the Museum Of East Anglian Life (6.5%); and
- Norwich (5.8%)

11.8 Some 29.8% of respondents identified Stowmarket (or specifically the museum) as their main destination. Of the three main centres in Babergh and Mid Suffolk Districts, Stowmarket is also the only one that draws a significant proportion of respondents from outside of its 'home' zone (Zone 8) in which it is located, principally from Zone 5 (Hadleigh). In contrast, only 1.9% of respondents in Zone 4 normally visit Sudbury; their preferred locations are London, Colchester or Lavenham.

### **Theatre, Music and Concert Venues**

11.9 There are two theatres in the Districts' main centres that principally serve the needs of their respective populations.

- **The Regal Theatre** in Stowmarket is located on Ipswich Street, on the edge of the town centre. As described in Section 10, the theatre has regular film screenings in addition to stage productions. The household survey results indicate that the theatre attracts 2.5% of respondents within the Study Area. Although not identified specifically by respondents to the household survey, the recently established John Peel Centre for Creative Arts is also an important and popular attraction in the town centre. It is located within an attractive renovated historic hall off Church Walk, to the rear of Market Place. We understand that there are

aspirations to extend the facility in the future to provide a more prominent entrance onto Market Place and to make it more visible from the core shopping area; and

- **The Quay Theatre** in Sudbury is located outside of the town centre, less than ten minutes by foot from Market Hill. The theatre offers regular plays, film screenings and also has a gallery which hosts prints from Gainsborough House Print Workshop. The household survey results show it attracts some 4.8% of respondents in the Study Area;

11.10 Both Sudbury and Stowmarket have a limited draw of visitors from neighbouring Zones. In Sudbury's 'home' zone (Zone 4) some 21.5% of respondents identified the Quay Theatre as their preferred destination. In Stowmarket's 'home' zone (Zone 8) the Regal Theatre attracted some 9.4% of respondents. However, this is still lower than the market shares for Ipswich and Central London.

11.11 The larger cities and towns outside the District attract the majority of theatre, concert or music visits by respondents in the wider Study. Ipswich attracted the most respondents (31.3%) and its popular attractions include the Ipswich Regent, the New Wolsey Theatre and the Ipswich Film Theatre. Other main attractions/destinations identified by the survey are the West End/Central London (26.5%) and Colchester, including the Colchester Theatretrain (7.6%).

11.12 Demand for new cultural facilities (such as theatres) is likely to be limited given the competition and wide ranging attractions in larger neighbouring cities and towns, such as Ipswich and Bury St Edmunds, and the attractions of Central London. This is reflected by the fact that only 0.3% of respondents to the household survey indicated that a new theatre would improve leisure facilities in the Districts.

## **OFFICE PROVISION**

11.13 Offices are also an important town centre use. The provision of employment space, often at high density, helps to draw workers and visitors into centres that would not normally visit.

11.14 Our overview of the office market in the main centres in each District is informed by a variety of datasets and evidence, including:

- *Key Sectors & Market Towns Report* (May 2014);
- *Suffolk Haven Gateway Employment Land Review* (ELR);
- *Strategic Sites Study* (2009); and
- *West Suffolk Employment Land Review* (2009).



- 11.15 This has been supplemented by site visits to the main town centres and discussions with representatives from each Council's respective Economic Development teams on the vision for commercial growth in the District.
- 11.16 The *Key Sectors & Market Towns Report* identified an even distribution of employment across the two Districts, equating to around 64,000 full time jobs. This level of employment equates to around one-fifth of all employment in Suffolk. The largest employment sector is manufacturing (17%), which is high relative to surrounding areas. Health, retail, education and construction are also dominant employment sectors in Babergh and Mid Suffolk Districts. The report also identified that Sudbury, Stowmarket and Hadleigh are the major centres of employment in the Districts, and tourism is also an important employment sector.
- 11.17 In relation to businesses in the Districts, around 90% in Babergh and Mid Suffolk are micro-businesses. There are relatively few larger employers (over 250 employees) and, as a result, there are limited large office locations in either District.
- 11.18 In order to accommodate future employment growth, key employment sites have been identified. Three strategic sites have been identified in Babergh District – focussing in and around the main towns at Chilton Woods (outside of Sudbury), Hadleigh and the Ipswich Fringe. Mid Suffolk similarly focusses on key towns such as Stowmarket, Needham Market and Eye, in addition to three sites at Great Blakenham/ Claydon, Woolpit Business Park and a site in Mendlesham.
- 11.19 Following the new provisions for change of use from retail to residential uses in 2013, there has been an increased demand for such change of use applications in Babergh District, but little increase in Mid Suffolk District.
- 11.20 In Babergh District, employment is focussed on manufacturing sectors; therefore employment space tends to be in the form of large out-of-town industrial warehousing and distribution units. The *Suffolk HG ELR 2009* notes that the key employment sites in Sudbury include the Chilton Industrial Estate, which is located on the eastern edge of Sudbury, close to the Chilton Woods growth area. Smaller industrial parks are found on the south-western fringe of Sudbury and to the north of the town. Sudbury is the primary office location, with some provision at Lady Lane in Hadleigh. There is also some employment space provision in business parks in the Ipswich Fringe area.
- 11.21 There was a significant increase in office space in Babergh District between 1998 and 2009 (40.5%), and provision was identified at 76,000m<sup>2</sup> in 2008. High quality stock was available in business parks in rural locations to the south of Ipswich. The office stock within Sudbury itself was described as generally dated and of a lower quality, with modest sized office spaces generally occupied by local businesses. Nonetheless, Sudbury has historically been identified as the most popular location for office space. Development of new office space is likely to be within the rural business parks around

the Ipswich Fringe. The vacancy rate for office units in Babergh is generally below the UK average.

- 11.22 The commercial space in Mid Suffolk also tends to focus on industrial uses rather than office space. There is a high demand for smaller workspace units and little provision of larger, high quality office stock. The majority of demand for office space in the area is directed instead to nearby Ipswich. As with Sudbury, office provision in Stowmarket tends to be smaller and somewhat dated and occupied by local firms rather than multinationals – with a few exceptions including Bosch Lawn and Garden Ltd. The market for industrial space is comparatively strong around Stowmarket, particularly with regard to manufacturing, distribution and logistics.
- 11.23 Office provision in Mid Suffolk has increased significantly between 1998 and 2007 (66.7%), the majority of which has been directed towards rural business parks. The vacancy rate for office units is generally below the UK average. In terms of future development, a need has been identified to update the second grade industrial and office stock located on the edge of Stowmarket. As a result of higher retail values, there are currently increasing numbers of retail and trade counter units found in these edge of centre business parks, such as the Charles Industrial Estate, which includes a number of retail and service occupiers.

## **HOTEL PROVISION**

- 11.24 Hotel provision across Mid Suffolk and Babergh Districts focusses on smaller, independent providers. The offer is supplemented by a good range of bed and breakfast ('B&B') accommodation, particularly in the more rural areas. There is a relatively limited offer within the main towns, and it is mainly dominated by independent providers. A number of these are located in attractive, historic buildings, including the Olde Bull Hotel, which is a Grade I listed building.
- 11.25 The major national hotel operators across the Districts include:
- three **Travelodge** hotels at Haughley, Bramford and Beacon Hill;
  - three **Premier Inn** hotels at Sproughton (Chantry Park), Wherstead (The Oyster) and Claydon; and
  - a **Holiday Inn** at Pinewood (Ipswich Fringe)
- 11.26 There is also a larger hotel (Cameo Hotel) on the old A12 Copdock. These hotels are supplemented by smaller B&B and pub hotels; such as the Black Boy in Sudbury.
- 11.27 There is no hotel provision in Hadleigh since the former White Lion Hotel has been converted to residential apartments, but it does have a number of smaller guesthouses (including luxury accommodation at the Gables and Edge Hall) and several B&Bs. There is also accommodation at the nearby Hintlesham Hall and golf club.

11.28 The table below confirms that there are some seven hotels in each Districts' main town centres. Of these, four are categorised as smaller independent establishments, two as three star hotels and two as budget hotels. The main provision is in the budget hotel category in terms of beds – with 300 bed spaces in this type of accommodation in the Districts. Please note that there are other hotels and guest houses in the rural areas of the two Districts that fall outside the scope of this study.

**Table 11.1 Summary of Existing Hotel Provision in Main Centres of Sudbury, Stowmarket and Needham Market**

Name and brand (if applicable)	Location	Rooms	Star Rating
Travelodge Hotel - Ipswich Stowmarket	Stowmarket	192	Budget Hotel
Cedars Hotel	Stowmarket	25	3 Star
Limes Hotel	Needham Market	11	Unknown
Travelodge Ipswich Beacon Hill	Needham Market	108	Budget Hotel
Hill Lodge Hotel	Sudbury	15	Unknown. Grade II listed
The Olde Bull Hotel	Sudbury	10	Unknown. Grade I listed
The Legacy Mill Hotel	Sudbury	108	3 star

Source: Various.

Note: Excludes other hotels outside the main centres but within the rural areas of the two Districts.

11.29 The higher order centres outside of the Districts tend to have a wider offer. For example Ipswich has some 17 hotels, including branded operators such as Travelodge, Premier Inn and Novotel; and Bury St Edmunds has approximately ten hotels, including a Best Western.

11.30 It has been identified in Section 7 that there are plans for the development of a 55 bedroom hotel at Prentice Road in Stowmarket as part of a wider mixed use development, which will help to strengthen the town's accommodation. Overall there does appear to be scope to expand the Districts' hotel provision, particularly with regard to smaller boutique hotels, which are considered appropriate in relation to the general scale and character of the towns. The development of such provision around Hadleigh would fill an identified gap in provision. However, in general it is recommended that the provision of new hotel accommodation in the Districts should focus on Sudbury and Stowmarket, with some provision for growth areas around Copdock. Town centre locations for new provision should also be explored, as this could support tourism for the town centres and link overnight trips to surrounding rural visitor hotspots, such as Lavenham.

## COMMUNITY & HEALTHCARE USES

11.31 The following provides an overview of community facilities in the main towns in Babergh and Mid Suffolk Districts based on evidence provided by the respective local planning authorities, including the Council's *2014 Retail Surveys* for Sudbury and Hadleigh. The community services covered include GP and dental surgeries, libraries,

and community centres. These services are not only vital to meeting community needs, but also help to generate trips, footfall and expenditure in other shops, businesses and facilities where they are centrally located to the benefit of the wider vitality and viability of centres. The following analysis also identifies any potential 'gaps' in provision.

11.32 In terms of **libraries and other community facilities**, the opening of the John Peel Centre in Stowmarket has had a positive impact on the provision of community facilities in the town. The new centre has a large flexible events space which can accommodate a wide variety of functions, including theatre and music. Stowmarket also has a library is located on Milton Road East, off Gipping Way. In Sudbury, the public library is located in a large, attractive building on Market Hill. The town Hall is located on Old Market Place and also houses the Museum. St Peter's Church on Market Hill is also used as an events space for local fairs, events and public exhibitions.

11.33 The table below identifies the main **local healthcare facilities** in the Districts.

**Table 11.2 Summary of GP and Dentist Provision in Babergh and Mid Suffolk**

GP Practices	Location	Size (No. GPs)
Hardwicke House Group Practice	Sudbury Town Centre	12
Meadow Lane Surgery		6
Sudbury Community Health Centre	Sudbury Edge of Centre	Unknown
Stowhealth	Stowmarket Edge of Centre	10
Combs Ford Surgery		6
Needham Market Country Practice	Needham Market Edge of Centre	9
Hadleigh Health Centre	Hadleigh Town Centre	10
Dental Practices	Location	
The Croft Dental Surgery The Dental Surgery The Dental Emporium Friars Street Dental Practice Bank Buildings Dental Surgery	Sudbury Town Centre	
Tavern Street Dental Practice Bury House Church View Dental Practice Station View Dental Practice Wedgwood House Dental Practice	Stowmarket Town Centre	
Needham Market Dental Practice Tooth Booth	Needham Market Town Centre/ Edge of Centre	
The Dental Surgery Mydentist, Meadows Way	Hadleigh Market Town Centre/ Edge of Centre	

Source: NHS Choices; 2014 Retail Survey

11.34 Stowmarket and Sudbury each has one large medical centre. These are supplemented by more local facilities in the centres and villages outside of the town centres that serve their local catchment populations. The larger dental surgeries are also concentrated in the main town centres.

11.35 In Sudbury, provision has largely been 'migrated' from smaller surgeries located around the town centre to the Sudbury Community Health Centre, which is a large, purpose-built integrated health facility that has recently opened a short distance from the business park.

## **12.0 SHOPPING FRONTAGES AND IMPACT THRESHOLDS**

12.1 This section reviews and provides recommendations on the most appropriate definition of Primary Shopping Frontages (PSFs) and Secondary Shopping Frontages (SSFs), and Primary Shopping Areas (PSAs) in Hadleigh, Sudbury and Stowmarket in accordance with the advice set out in the NPPF. In addition, recommendations are provided on a robust and appropriate locally-set retail impact floorspace threshold.

### **SHOPPING FRONTAGES AND PRIMARY SHOPPING AREA DEFINITIONS**

12.2 By way of background the NPPF (Annex 2) defines primary frontages as likely to include a high proportion of retail uses, which may include food, drinks, clothing and household goods. On the other hand, secondary frontages provide greater opportunities for a diversity of uses, such as restaurants, cinemas and businesses. The PSA is defined by the NPPF as the area where retail development is concentrated and generally comprises the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage.

12.3 To help ensure the vitality of the three main Town Centres, we have necessarily reviewed and identified the extent of each centre's primary and secondary shopping frontages and PSA. This is based on evidence provided by Babergh and Mid Suffolk District Councils detailing the mix of Class A uses in each's centres key shopping streets, supplemented by our site visits.

12.4 Defining the PSF for each town centre will also enable the Council to manage Permitted Development Rights (PDR), principally from retail to residential use.

### **Sudbury Town Centre**

12.5 As highlighted in Section 5, the town centre boundary and main shopping area for Sudbury is defined in the Babergh Local Plan 2006 Proposals Map. The primary frontages have also been identified by the Council's recent retail audits of the centre, but the secondary frontages and PSA have not been identified.

12.6 In summary, Market Hill (nos.2-22), Old Market Place (nos.1-3) and the southern section of North Street (nos. 1-11 and 88-99) have been identified as the primary shopping streets in Sudbury. A review of the mix of Class A uses on these streets shows that some 84% of total units are currently in Class A1 use (see table below).

**Table 12.1 Sudbury Town Centre: Primary and Secondary Frontages (Class A)**

	A1	A2	A3	A4	A5
Nos. 2-22 Market Hill	78%	17%	0%	0%	0%
Nos. 1-3 Old Market Place	100%	0%	0%	0%	0%
Nos. 1-11 and 88-99 North Street	87%	4%	4%	4%	4%
<b>Total Primary Frontage</b>	<b>84%</b>	<b>9%</b>	<b>2%</b>	<b>0%</b>	<b>2%</b>
King Street	24%	4%	12%	0%	8%
East Street	29%	29%	0%	14%	0%
Gainsborough Street	42%	16%	37%	0%	0%
Friars Street	62%	14%	14%	0%	0%
Gaol Lane	59%	6%	0%	0%	6%
Boreham Gate Precinct	59%	18%	0%	0%	6%
The rest of North Street/ North Street Parade	50%	4%	15%	3%	9%
<b>Total Secondary Frontage</b>	<b>48%</b>	<b>9%</b>	<b>13%</b>	<b>2%</b>	<b>6%</b>

Source: Retail Survey, Babergh District Council

- 12.7 Although the health check assessment in Section 5 identified King Street, East Street, Gainsborough Street, Friars Street, Gaol Lane, Boreham Gate Precinct, parts of North Street as important shopping streets, they predominantly have a more secondary role in terms of their retail offer. In general terms these streets comprise a mix of Class A1 and non-A1 uses that are more typical of secondary shopping frontages.
- 12.8 As the table shows, the mix of Class A1 and non-A1 uses across the seven secondary shopping frontages is strongest along Friars Street, Gaol Lane and Boreham Gate Precinct. The proportion of Class A1 units along the rest of North Street (excluding the PSF) is also 50%. In comparison the proportion of A1 units along the remaining secondary streets is considerably lower. However some care is needed when interpreting the figures. For example, King Street, which fronts onto the market square, comprises *Winch & Blatch* an important independent department store (Use Class A1) which accounts for a larger proportion of the overall street frontage. Therefore although the proportion of A1 units is measured as low, provision is higher than it initially appears.
- 12.9 Notwithstanding this, we recommend that the seven streets identified by the table are designated as SSFs. However the SSFs may need to be extended in the future if the development of the Hamilton Road Quarter (Policy Area SD06) for mixed use development proceeds and includes a mix of Class A uses.
- 12.10 In terms of the Primary Shopping Area (PSA) this should include the defined primary and secondary shopping frontages in accordance with the NPPF

## Hadleigh Town Centre

12.11 As highlighted in Section 6, the town centre boundary for Hadleigh is defined in the Babergh Local Plan 2006 Proposals Map. The primary frontage has been identified by the Council's recent retail audits of the centre. However, the PSA and SSFs are not identified within the Local Plan.

12.12 Based on the evidence 52-87 High Street represents the town's main shopping street. The table below shows that 63% of total units are in Class A1 use on this part of the High Street. This is lower than for both Sudbury and Stowmarket, and reflects the smaller size of Hadleigh and the fact that it performs more of a service role than a larger town centre would be expected to.

**Table 12.2 Hadleigh Town Centre: Primary and Secondary Frontages (Class A)**

	A1	A2	A3	A4	A5	Resi
Primary Frontage (Nos. 52-87 High St)	63%	5%	9%	2%	9%	-
Total Primary Frontage	63%	5%	9%	2%	9%	-
Upper High Street (Nos. 2-53)	48%	9%	3%	0%	0%	12%
Lower High Street (Nos. 87-133)	29%	4%	8%	4%	0%	17%
Maiden Way	75%	0%	25%	0%	0%	0%
Market Place	33%	33%	11%	0%	0%	0%
Queen Street	25%	0%	0%	0%	0%	0%
Total Secondary Frontage	41%	9%	7%	1%	0%	11%

Source: Retail Survey, Babergh District Council

12.13 The key secondary streets identified by the audit are also set out in the table. These streets are important shopping streets, but serve a more secondary role to the primary retail offer and have a mix of A1 and non-A1 uses that are more typical of secondary shopping frontages.

12.14 As the table shows, the mix of A1 and non-A1 uses across the five secondary shopping streets is highest along Upper High Street. The proportion of A1 units along the rest of High Street (excluding the PSF) and the other secondary Streets is considerably lower at between 20% and 30%. It should be noted that although the Class A1 uses on Maiden Way is high in percentage terms at 75%, this reflects the fact that there are only four units on this street. We therefore recommend that the above frontages are designated SSFs. We also advise that these designations should be reviewed in the future if the land at Pound Lane and Bridge Street (Policy HD01) is developed in whole or part for new Class A uses, and strong linkages are formed with the High Street as part of the overall development package.

12.15 The Town Centre audit also covered parts of George Street, Church Street and Duke Street, however there were generally only three or four units along these streets and



they were predominantly occupied by non-retail uses (for example office uses). We therefore recommend that these streets are not included as part of the secondary shopping frontages designation, or the Primary Shopping Area (PSA).

12.16 The table also shows that Hadleigh, unlike Sudbury or Stowmarket, has a higher proportion of residential uses within the PSA (11%), all of which are interspersed along the upper and lower areas of High Street.

12.17 We recommend that primary and secondary frontages identified above should form Hadleigh Town Centre's PSA. Finally, it should be noted that the recommended PSA is also covered by the town's Conservation Area, which also removes the potential for Permitted Development Rights.

## Stowmarket Town Centre

12.18 As highlighted in Section 7, the PSA, PSF and SSFs for Stowmarket have recently been defined in the Stowmarket AAP (2013). In our judgement, these definitions appear to be reasonable and robust, albeit that we recommend some minor redefinitions of the shopping frontages.

12.19 The defined PSF is focussed on shopping frontages on Ipswich Street, Market Place and Bury Street. The AAP also includes parts of the adjoining streets Tavern Street, Buttermarket, the Meadow Centre and the Old Fox Yard in the PSF. The SSF comprises the lower portion of Ipswich Street, peripheral section of Tavern Street and Bury Street, Crowe Street and Station Road West. The breakdown of uses across the PSF and SSF is shown in the table below.

**Table 12.3 Stowmarket: Primary and Secondary Frontages (Class A)**

	A1	A2	A3	A4	A5	Resi	Other
Ipswich Street (within PSF)	57%	14%	6%	7%	4%	7%	0%
Market Place	45%	55%	0%	0%	0%	0%	0%
Bury Street (within PSF)	84%	11%	5%	0%	0%	0%	0%
Tavern Street (within PSF)	100%	0%	0%	0%	0%	0%	0%
Buttermarket	40%	40%	20%	0%	0%	0%	0%
The Meadow Centre	100%	0%	0%	0%	0%	0%	0%
The Old Fox Yard	88%	13%	0%	0%	0%	0%	0%
<b>Total Primary Frontage</b>	<b>71%</b>	<b>16%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>0%</b>
Ipswich Street (within SSF)	50%	0%	0%	13%	0%	0%	25%
Bury Street (within SSF)	71%	7%	0%	0%	0%	21%	0%
Tavern Street (within SSF)	60%	40%	0%	0%	0%	0%	0%
Crowe Street	44%	11%	11%	0%	0%	33%	0%
Station Road West	50%	0%	6%	6%	0%	17%	22%
<b>Total Secondary Frontage</b>	<b>56%</b>	<b>9%</b>	<b>4%</b>	<b>4%</b>	<b>0%</b>	<b>17%</b>	<b>11%</b>

Source: AMR 2009, Mid Suffolk District Council

- 12.20 A review of the mix of uses within the defined PSF from mapping undertaken for the *2009 Annual Monitoring Report* shows that 71% of total units are in A1 use (including vacant units) with the remainder (29%) comprising a mix non-A1 uses (e.g. A2, A3, and A5).
- 12.21 Within these figures, a breakdown of the A1 representation across the PSF along Ipswich Street shows there to be a much lower representation of A1 uses (22% between the Old Maltings and Milton Road South). Although it may be appropriate to change this designation to SSF, it is noted that this is an area of change due to the recent development of the large Morrisons store to the east of this street, and also the potential for the regeneration of the Ipswich Regeneration Area to the north.
- 12.22 The small pedestrianised street at Buttermarket also has a low representation of Class A1 uses for a primary frontage and may be more appropriately designated as SSF.
- 12.23 We therefore recommend the re-designation of the lower portion of Ipswich Street from the PSF to SSF, with the potential to review the shopping function of if the Ipswich Regeneration Area is later developed. We also recommend the re-designation of Buttermarket to SSF.
- 12.24 The proportion of Class A1 units along the SSF is considered reasonable; however a number of properties have been converted to residential uses along the northern portion of Bury Street, and the Class A1-5 uses are relatively scattered among dwellings. In the future therefore, the removal of this part of Bury Street from the SSF may be appropriate to allow for the consolidation of retail uses in the remaining SSF area.
- 12.25 We also recommend that the frontage along the northern portion of Bury Street (from Union Street West down to the southern end of Thurlow Court) is taken out of the PSA and SSF.

### **IMPACT ASSESSMENT: LOCAL FLOORSPACE THRESHOLD**

- 12.26 Finally, we have reviewed whether there is a policy requirement for the local planning authority to set a local (floorspace-based) impact threshold, rather than use the default of 2,500 m<sup>2</sup> gross identified by the NPPF (paragraph 26). This is important as it will determine whether applicants should carry out an impact assessment for new retail, leisure and office development outside of town centres that are not in accordance with an up-to-date Local Plan.
- 12.27 The *National Planning Practice Guidance* (NPPG) published in March 2014 provides advice in setting a locally appropriate threshold and states that it will be important to consider the:
- scale of proposals relative to town centres;

- the existing viability and vitality of town centres;
- cumulative effects of recent developments;
- whether local town centres are vulnerable;
- likely effects of development on any town centre strategy; and
- impact on any other planned investment.

12.28 While the quantitative and qualitative research evidence indicates that the main towns and smaller centres in both Babergh and Mid Suffolk Councils appear to be vital and viable centres, they are nevertheless vulnerable to increased competition from out-of-centre retailing and the growth of internet shopping.

12.29 Currently out-of-centre retail provision is limited in the Districts, and particularly in Mid Suffolk District. Notwithstanding this, the main centres in both Districts have lost market share to competing out-of-centre foodstores, retail warehouses and retail parks; and particularly to the food and non-food retailing at Copdock, which is located on the edge of Ipswich's urban area but within Babergh District. Most recently, for example, planning permission was granted for a new 1,820m<sup>2</sup> gross (1,254m<sup>2</sup> net) Aldi discount foodstore at Scrivener Drive, Pinewood Parish. This store fell below the NPPF default impact threshold of 2,500m<sup>2</sup> gross and therefore the applicant was not required to submit a retail impact assessment in support of the application.

12.30 This case alone highlights the need for a lower impact threshold to be set for Babergh and Mid Suffolk Districts; particularly as the main grocers (i.e. Tesco, Asda, Sainsbury's, Morrisons, Waitrose and M&S), discounters (i.e. Aldi and Lidl) and supermarket operators (including Co-Op) are now targeting smaller format stores and convenience stores.

12.31 Our assessment of retail trends in Section 3 has highlighted the dynamic growth in smaller convenience stores operated by the major grocers (i.e. Sainsbury's Local, Tesco Express, Little Waitrose, etc.). Although sizes vary from location-to-location, the main grocers are generally seeking new convenience stores (e.g. Tesco Express, Sainsbury's Local, Little Waitrose) with a minimum gross floorspace of circa 4,000 sq ft (372m<sup>2</sup>) gross. In circumstances where these smaller stores are proposed on the edge or outside of smaller local and village centres, often as part of petrol filling stations, they could result in a significant adverse impact on their trading performance, and overall vitality and viability. This will particularly be the case where smaller centres and villages are dependent on smaller supermarkets and convenience ('top-up') stores to anchor their retail offer and generate footfall and linked trips/expenditure to the benefit of other shops, services and facilities.

12.32 In addition, modern retailers selling a range of comparison goods (including fashion, homestore and 'bulky' goods retailers) generally have requirements for larger format

shop units with a minimum floorspace of approximately 5,000 sq ft (465m<sup>2</sup>) gross. This scale of floorspace provides operators with the necessary minimum 'critical mass' of sales needed to display their full range of goods in-store and attract customers from a wider catchment area, particularly where they are co-located alongside similar stores in town centre and out-of-centre locations. In general terms larger format non-food stores of over 5,000 sq ft gross are also unlikely to trade as a purely local facility<sup>45</sup>.

- 12.33 We therefore conclude in this case that it is reasonable for applicants proposing developments for new comparison and convenience goods retailing of 400m<sup>2</sup> gross and above to demonstrate that they will not have a significant adverse impact on Sudbury, Hadleigh and Stowmarket Town Centres or the Districts' network of smaller centres and villages, either on their own or cumulatively with other commitments in the area, in accordance with the NPPF.
- 12.34 In our judgement this is a reasonable impact threshold as it will provide the local planning authority with sufficient flexibility to assess the merits and implications of edge and out-of-centre foodstore applications that could potentially have significant implications for the viability and delivery of new or extended floorspace in these existing centres. We also advise that this threshold should be applied, where relevant, to change of use applications and applications seeking variations of conditions.
- 12.35 We also consider that a 400m<sup>2</sup> gross impact threshold is reasonable in this case based on our experience of advising other local planning authorities, and also drawing on the minimum impact thresholds identified in recently adopted local plans (including, for example, Richmondshire District Council, Rother District Council, Rotherham Metropolitan Council, Stafford Borough Council, Warrington Borough Council and Norwich City Council).
- 12.36 Notwithstanding the adoption of a lower locally set impact threshold, it is important that the scope of any Retail Impact Assessment (RIA) in support of planning applications is discussed and agreed between the applicants and the Council at an early stage in the pre-application process. The level of detail included within a RIA should be proportionate to the scale and type of retail floorspace proposed, and should be agreed between the Council and applicant on a case-by-case basis.

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<sup>45</sup> According to the Sunday Trading laws a 'large shop' is defined as being over 280m<sup>2</sup> (3,014 sq ft). This area includes all parts of the shop used to display goods and serve customers, and is therefore broadly equivalent to a store's net sales area in retail planning terms. This provides a broad indication at the national level as to what constitutes a 'large shop' capable of generating a reasonable amount of trade (and, therefore, the potential to result in an impact on shopping patterns).

## 13.0 EXECUTIVE SUMMARY AND KEY FINDINGS

- 13.1 This final section summarises the study's key findings of the Babergh and Mid Suffolk Town Centres and Retail Study (BMSTCRS, 2015). It sets out high level advice on how Babergh and Mid Suffolk Districts can effectively plan for, manage and promote the vitality and viability of their main town and local centres over the development plan period (up to 2031), in accordance with the main requirements of the NPPF (paragraph 23).
- 13.2 Our advice is based on the updated assessment of the quantitative and qualitative need for new retail (comparison and convenience goods) floorspace, commercial leisure uses and other town centre uses over the development plan period, up to 2031. The need assessment draws on a robust and up-to-date evidence base and new primary research, including a health check of Stowmarket, Sudbury and Hadleigh Town Centres; and a telephone interview survey of some 1,100 residents in the Districts and a wider defined Study Area to help establish current shopping patterns, leisure preferences and market shares.
- 13.3 The study has been prepared in the context of national and development plan policy guidance, as well as other key material considerations. This includes the *National Planning Policy Framework* (NPPF) and the *National Planning Practice Guidance* (NPPG), which place weight on the development of positive plan-led visions and strategies for town centres, and promote new investment and development in town centres first ahead of edge and out of centre locations.

### SHOPPING PATTERNS & MARKET SHARE ANALYSIS

- 13.4 The Study Area and sub-zones defined for the purpose of this study (Appendix 1) provide the necessary robust framework for the telephone interview survey of some 1,100 households conducted by NEMS Market Research (Appendices 2 and 3).
- 13.5 This survey has helped to establish current shopping patterns and market shares across the District and wider Study Area for different types of convenience goods (Appendix 4) and comparison goods (Appendix 5) purchases, including special forms of trading.
- 13.6 In turn, the survey evidence has been used to inform the health checks of the main town centres and smaller local centres and villages, and the retail capacity assessments for convenience goods (Appendix 7) and comparison goods (Appendix 8).

- 13.7 The survey results are described in more detail in Section 4 of the BMSTCRS. It should be noted that, at this stage of the analysis, the market shares include expenditure on Special Forms of Trading<sup>46</sup>.
- 13.8 In summary the key headlines for **convenience goods** (food) are as follows:
- Babergh District's centres and stores are achieving a total market share (or 'retention level') for all food shopping across the defined Study Area of 33.4%. This is higher than Mid Suffolk's share of 19.0%.
  - Babergh District is also achieving a higher 'retention level' of 64.5% within those zones that broadly make up the local planning authority area (i.e. Zones 2-6), than Mid Suffolk is achieving (38.7%) within its defined area (i.e. Zones 7-10). This is mainly explained by Babergh's stronger out-of-centre superstore offer (including Tesco Extra at Copdock), which combined are achieving a market share of 36.1% within the defined District area.
- 13.9 For **comparison goods** (non-food) the key findings area:
- Babergh and Mid Suffolk's centres and non-food shops/stores are achieving a combined retention level of 24.4% in the Study Area as a whole (Zones 1-11). Of this total, Babergh is achieving a higher market share (17.1%) than Mid Suffolk (7.3%).
  - In Babergh District, Sudbury Town Centre (8.5%) is achieving the highest market share from within the Study Area, followed by Hadleigh (1.7%) and the other local centres/village stores (0.8%).
  - Stowmarket Town Centre is the main comparison goods shopping destination in Mid Suffolk with a market share of 6.1%. Needham Market, Debenham, Eye and the other local centres/village stores are achieving a much lower combined market share of 1.2%. This reflects their relative roles and functions in the network and hierarchy of centres, predominantly serving the day-to-day convenience and service needs of their local catchment populations.
  - There is a relatively high 'leakage' of comparison goods expenditure from the Study Area to main competing centres and shopping locations in the wider region (including Ipswich, Colchester, Diss, Bury St Edmunds and Norwich). The relative scale, quality and wider offer in these competing locations is reflected by the fact that, for example, over 75% of available expenditure on clothing and footwear is being spent in centres and stores outside of the Study Area.

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<sup>46</sup> Special Forms of Trading (SFT) comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS). See Section 3 for a more detailed commentary.

13.10 In terms of the impact of SFT and principally internet shopping on the market shares, the survey results show that:

- For **convenience goods** 5.7% of all respondents across the Study Area purchase all their food shopping online. SFT's market share is slightly lower for Babergh District (5%) and higher in Mid Suffolk District (6.2%). In comparison, Experian's latest *Retail Planning Briefing Note 12.1* (October 2014) shows that the national average market share for non-store (SFT) convenience goods retail sales is higher, at 9.4% in 2015 (see Section 3). Given that SFT currently accounts for a smaller market share across the wider Study Area and Districts, this suggests that there could be potential for SFT, and specifically Internet shopping, to increase its market penetration in the future. If this was to occur, then it would potentially reduce the need (capacity) for new floorspace in the future.
- For **comparison goods** SFT accounts for an 18.6% market share of all comparison goods purchases across the Study Area; ranging from 14.2% in Zone 4 (Sudbury) up to 22.9% in Zone 10 (Diss). SFT accounts for 19% of purchases in Babergh District (Zones 2-6) and 18.7% in Mid Suffolk (Zones 7-11). Experian's *RPBN 12.1* shows that the national average market share for non-store (SFT) comparison goods retail sales was 16.6% in 2015. The SFT averages for the Study Area and Districts are therefore above the national average figure.

13.11 The survey-derived market share analysis has been used to inform the retail capacity assessment, after making an allowance for SFT at the base year and projected growth up to 2031 based on Experian's forecasts set out in *RPBN 12.1*. The key findings of the retail capacity assessment are described below.

### **RETAIL CAPACITY ASSESSMENT**

13.12 Section 9 assessed the overall quantitative need for new (convenience and comparison goods) retail floorspace in both Babergh and Mid Suffolk Districts over the development plan period, as well as the main centres and shopping locations in both Districts. This analysis is informed by the **CREAT<sup>e</sup>** Capacity Model tabulations set out in Appendix 7 for convenience goods and Appendix 8 for comparison goods.

13.13 The retail capacity assessment is underpinned by robust evidence and forecasts. It assumes that the retail market is in 'equilibrium' at the base year (2015) and that market shares remain constant over the study period. The assessment identified the following capacity for new convenience and comparison goods floorspace in Babergh District over the short (0-5 years), medium (0-10 years) and long term (0-15 years).

**Table 13.1 Babergh District: Retail Capacity Forecasts (m<sup>2</sup> net):**

<b>CONVENIENCE GOODS CAPACITY:</b>	<b>2020</b>	<b>2025</b>	<b>2031</b>
Sudbury Town	254	484	751
Hadleigh Town	58	110	172
Core Villages	107	204	317
Other Local Centres/Villages/Stores	15	28	43
Tesco Extra, Copdock Interchange	-539	-351	-132
Rest of District (Out of Centre)	473	900	1,398
<b>TOTAL CONVENIENCE GOODS CAPACITY:</b>	<b>369</b>	<b>1,375</b>	<b>2,548</b>
<b>COMPARISON GOODS CAPACITY:</b>	<b>2020</b>	<b>2025</b>	<b>2031</b>
Sudbury Town	850	2,526	4,699
Hadleigh Town	134	444	856
Core Villages	41	128	241
Local Centres/Villages	22	72	138
Copdock Mill Retail Park & Tesco	104	1,115	2,432
All Other Stores (including Out of Centre)	356	1,098	2,067
<b>TOTAL COMPARISON GOODS CAPACITY:</b>	<b>1,507</b>	<b>5,384</b>	<b>10,432</b>
<b>TOTAL RETAIL FLOORSPACE CAPACITY:</b>	<b>2020</b>	<b>2025</b>	<b>2031</b>
Sudbury Town	1,104	3,010	5,450
Hadleigh Town	192	554	1,028
Core Villages	148	332	558
Local Centres/Villages	37	100	181
Copdock Mill Retail Park & Tesco	-435	764	2,300
All Other Stores (including Out of Centre)	829	1,998	3,465
<b>TOTAL RETAIL FLOORSPACE CAPACITY:</b>	<b>1,875</b>	<b>6,758</b>	<b>12,982</b>

Source: Tables 12-18, Appendices 7 and 8

- 13.14 As the table shows there is limited capacity over the five year period to 2020 for approximately 1,875m<sup>2</sup> net of new retail floorspace. The majority of this new floorspace capacity (1,104m<sup>2</sup>) is identified for Sudbury, which reflects its role as the District's main Town Centre.
- 13.15 By the end of the development plan period (i.e. 2031) the forecast capacity for new retail floorspace increases to 12,982m<sup>2</sup> net. Of this total capacity, approximately 5,450m<sup>2</sup> net is allocated to Sudbury Town Centre.
- 13.16 However, the greatest capacity of 5,765m<sup>2</sup> net in 2031 is being generated by the District's out-of-centre food and non-food retailing. This not only includes the foodstores and non-food retailing outside of Sudbury (principally Shawlands Retail Park, Sainsbury's and Tesco) and Hadleigh (principally Morrisons), but also the Tesco Extra and retail warehousing at Copdock on the edge of Ipswich's urban area, albeit located within Babergh District.
- 13.17 The larger format retailing at Copdock is drawing shoppers and expenditure predominantly from within Ipswich's urban area, and we therefore advise that any



capacity generated by the shopping facilities should be directed to Ipswich Town Centre and the Borough's main centres first, followed by Sudbury and Hadleigh Town Centres. However this will be subject to the identification and allocation of suitable and viable sites that can meet the forecast need. Any future applications for new food and non-food retailing in edge and out-of-centre locations will necessarily be subject to the sequential and impact tests set out in the NPPF, and considered against our recommended local impact threshold of 400m<sup>2</sup> gross.

- 13.18 For Mid Suffolk District the following capacity for new retail floorspace has been forecast:

**Table 13.2 Mid Suffolk District: Retail Capacity Forecasts (m<sup>2</sup> net):**

<b>CONVENIENCE GOODS CAPACITY:</b>	<b>2020</b>	<b>2025</b>	<b>2031</b>
Stowmarket Town Centre	279	525	798
Needham Market	13	24	36
Debenham and Eye	54	102	155
Other Local Centres/Villages	63	119	180
Rest of District – Out of centre stores:	213	401	609
<b>TOTAL CONVENIENCE GOODS CAPACITY:</b>	<b>621</b>	<b>1,170</b>	<b>1,777</b>
<b>COMPARISON GOODS CAPACITY:</b>	<b>2020</b>	<b>2025</b>	<b>2031</b>
Stowmarket Town Centre	-193	1,010	2,533
Needham Market	32	95	177
Debenham and Eye	35	101	183
Other Local Centres/Villages	51	143	260
Rest of District – Out of centre stores:	-	-	-
<b>TOTAL COMPARISON GOODS CAPACITY:</b>	<b>-75</b>	<b>1,349</b>	<b>3,152</b>
<b>TOTAL RETAIL FLOORSPACE CAPACITY:</b>	<b>2020</b>	<b>2025</b>	<b>2031</b>
Stowmarket Town Centre	86	1,535	3,331
Needham Market	45	119	213
Debenham and Eye	89	203	338
Other Local Centres/Villages	114	262	440
Rest of District – Out of centre stores:	213	401	609
<b>TOTAL RETAIL FLOORSPACE CAPACITY:</b>	<b>547</b>	<b>2,520</b>	<b>4,931</b>

Source: Tables 19-25, Appendices 7 and 8

- 13.19 As the table shows there is limited capacity over the five year period to 2020 for approximately 547m<sup>2</sup> net of new retail floorspace, after taking account of current commitments.
- 13.20 By the end of the development plan period (i.e. 2031) the forecast capacity for new retail floorspace increases to 4,931m<sup>2</sup> net. Of this total capacity, approximately 3,331m<sup>2</sup> net is allocated to Stowmarket Town Centre, with limited capacity identified for the District's smaller centres and villages.

- 13.21 Mid Suffolk's food and non-food out-of-centre retailing is only generating the need for approximately 609m<sup>2</sup> net of new floorspace. As for Babergh District, this capacity should be directed towards Stowmarket Town Centre and the District's other main centres first, where appropriate, in accordance with policy..
- 13.22 Notwithstanding the robustness of the capacity forecasts, it is important to restate that retail capacity forecasts beyond five years should be treated with caution, as they are based on various layers of assumptions and forecasts with regard to the trading performance of existing centres and stores, the growth in population and retail spending levels, etc. For example, if the growth in Internet and multi-channel shopping is stronger than current Experian forecasts suggest, then this could reduce the future demand and capacity for new 'physical' space over the long term.

### **LEISURE NEEDS/'GAP' ASSESSMENT**

- 13.23 The needs ('gap') assessment detailed in Section 10 has identified the following potential for new commercial leisure floorspace and uses in Babergh and Mid Suffolk Districts based on the latest survey evidence and research.
- 13.24 Apart from the single screen in the Regal Theatre, Stowmarket, there are no modern multi-screen cinemas in either District. The survey evidence confirms that although the Regal Theatre is popular with local residents, there is a significant 'leakage' of cinema trips to larger modern multiplexes located in neighbouring local authority areas. The need/'gap' assessment has identified that both Districts could support up to four cinema screens over the development plan period. These should be provided in the main centres of Stowmarket and Sudbury/Hadleigh as a priority, although this will necessarily need to be subject to more detailed market demand and commercial viability testing. Ideally any new cinema provision should form part of a commercially-led mixed use development comprising a mix of Class A and commercial uses at ground and first floor level, and the potential for new residential units above. However, this will depend on the identification and allocation of suitable, viable and accessible sites either in or on the edge of the main centres.
- 13.25 The leisure needs/'gap' assessment has also identified the capacity for new Class A3-A5 uses in the main town centres to help support and strengthen their daytime and evening economies, by increasing dwell times, footfall and linked trip expenditure. The health check assessment identified that all three centres have an under-provision of restaurants when benchmarked against the national average, and Stowmarket has an under-representation of cafés and bars. The table below summarises the overall capacity for new food and beverage uses in each District, based on the approach set out in Section 10.

**Table 13.3 Class A3-A5 Floorspace Capacity (gross m<sup>2</sup>)**

	2020	2025	2031
<b>BABERGH DISTRICT:</b>			
Class A3-A5 Capacity at 15% of comparison goods capacity (m <sup>2</sup> gross):	323	1,154	2,236
Class A3-A5 Capacity at 25% of comparison goods capacity (m <sup>2</sup> gross):	538	1,923	3,726
<b>MID SUFFOLK DISTRICT AREA:</b>			
Class A3-A5 Capacity at 15% of comparison goods capacity (m <sup>2</sup> gross):	-	289	675
Class A3-A5 Capacity at 25% of comparison goods capacity (m <sup>2</sup> gross):	-	482	1,126

Source: Tables 11 and 19, Appendix 8.

13.26 The table shows high level capacity for between 2,236m<sup>2</sup> and 3,726m<sup>2</sup> gross of new Class A3-A5 uses in Babergh District by 2031, and between 675m<sup>2</sup> and 1,126m<sup>2</sup> gross in Mid Suffolk District. This forecast need should be directed to the main town centres of Sudbury, Hadleigh and Stowmarket first to help increase competition and choice in accordance with national and local policies.

13.27 The capacity and demand for new commercial leisure uses such as cinemas, cafés, restaurants and bars in centres is dependent on operator demand and confidence. However, if interest exists from a cinema operator to take space in either of the District's main centres then this will help to secure investment from other commercial leisure operators and retailers who are dependent on cinemas to generate trips, footfall and expenditure. Apart from cafés, restaurants and bars, this may also include gym and health and fitness operators where a need has been identified over the development plan period to meet the projected population growth.

### **MEETING NEEDS IN THE DISTRICTS' TOWN CENTRES**

13.28 The following provides a review of the relative health, role and function of the Districts' three main town centres, and a high level assessment of their potential to accommodate some and/or all of the identified need over the short, medium and long term.

13.29 Our review of the current performance of the Districts' main town centres has been informed by the findings of the most up-to-date evidence and research, including the health checks, centre audits and household survey. It also takes into account the current policy framework and strategic visions for each centre, including the existing Local Plans for each District, the emerging Joint Local Plan and other material considerations. Our assessment is based on our understanding of the potential availability and suitability of key sites in Sudbury, Hadleigh and Stowmarket Town Centres following detailed discussions with key officers in both Babergh and Mid

Suffolk Councils, and other key stakeholders. It also draws on our market knowledge of the current businesses models and requirements of retailers and commercial leisure operators, and the likely scale and format of space that they will be seeking over the development plan period.

## **Sudbury Town Centre**

13.30 The following provides a brief summary of Sudbury Town Centre's overall vitality and viability:

- Market Hill and St Peter's Church provide an attractive focal point for the town centre, and the centre as a whole is an attractive shopping location with a distinctive historic character. The market is performing well and should be supported as a key draw for visitors to the town centre.
- The centre has a good range of high quality independent retailers, including larger occupiers and independent department stores. These occupiers should be supported to maintain and expand their offer where this is viable.
- However, the centre would also benefit from attracting more high street comparison brands, which would enable it to combat leakage of expenditure to other larger town centres.
- The town has a particularly strong convenience offer, with three large branded stores in or close to the town centre. Any increase in this offer should seek to widen the range in order to further improve choice for visitors; for example with a discount operator or smaller format stores.
- There are low vacancy levels in the town centre, falling well below the national average. However, there are clusters of vacant units along the secondary frontage of North Street and King Street. Where these vacancies become long-term, alternative uses for such units should be considered; for example office or residential.
- The shop units along the historic frontages on North Street and Market Street may not be ideal for modern retailer requirements. In order to prevent vacancy or a rise charity shops, some units in the primary frontage may require increased flexibility of uses; for example to office use, where this can be shown to provide a viable option without affecting the centres vibrancy. This may also help to prevent further increases in the number of charity shops along the primary frontages.
- The frontage of Borehamgate Shopping Precinct would benefit from improvements in order to encourage footfall in this part of the town centre.
- Improvements to the Belle Vue roundabout and junctions would improve navigation for both pedestrians and road users and provide better links through to

the park. In addition, opening the entrance to the park to make it visible from King Street would have a positive impact in drawing visitors through the centre.

- In Sudbury Town Centre, the Goad data identified 57 'leisure service' units, representing 22.1% of provision, which is broadly in line with national averages. The offer is focussed on fast food and takeaway units, which suggests there is scope to improve the quality and range of this of its food and beverage offer; for example by enhancing the restaurant offer in the town. The centre has also attracted a number of national multiple brands, including Pizza Express, Prezzo, Subway and Café Nero.
- Sudbury Quay theatre is the town's primary cultural facility.
- Hotel provision in Sudbury town centre includes three independent, medium sized hotels.
- Community facilities are focussed in the town centre, with the exception of GP and health centre provision which is now located in the new out of centre facility. The town hall and library are located in attractive older buildings within the centre.

13.31 The retail capacity assessment has identified the potential for 751m<sup>2</sup> net of new convenience goods floorspace by 2031 and 4,699m<sup>2</sup> net of comparison goods retailing in Sudbury Town Centre. In addition, there is a potential need for the town centre, as the District's largest centre, to accommodate some of the forecast capacity generated by the District's out-of-centre retailing..

13.32 In this context the development of Hamilton Road Quarter in accordance with Policy SD06 of the adopted Local Plan, the Core Strategy and the emerging plan remains an over-riding priority to help meet the identified need, either in full or in part. To this end we advise the Council that the *Planning and Development Brief* originally prepared for the site in March 2010, at the height of the economic recession, should be reviewed and '*refreshed*' to take into account the significant changes in the retail and property sectors and market demand over the last five years. The potential for comprehensive redevelopment of the wider site should also be considered, alongside the need for the Council to use its CPO powers to assemble land and attract a potential development partner. In addition to this, other sites in and around the town centre should also be assessed in terms of their potential to accommodate the identified need for new retail and commercial floorspace and uses; including the land identified to the rear of Market Hill and Gaol Lane (Policy SD07).

### **Hadleigh Town Centre**

13.33 The following provides a brief summary of Hadleigh Town Centre's overall vitality and viability based on a number of the key retail performance indicators (KPIs) identified by this study:

- The Town Centre has a relatively good retail and commercial leisure offer for a centre of its size, and largely complements the larger out of town provision at Copdock Mill.
- The mix of high end independent shops and cafes provide an offer that serves both the daily top-up shopping requirements of local residents and attracts visitors from the surrounding settlements.
- The town centre has a strong convenience offer, with two larger stores supplemented by local independent convenience stores.
- The comparison offer is focussed on homeware and non-fashion items for the most part, and includes a large and prestigious hardware store.
- Vacancy rates on the High Street are low overall, particularly along the primary frontage.
- There is scope to create better links to the River Brett walkway from the High Street, thereby facilitating movement through to the areas of attractive green space along this walkway.
- Hadleigh has a relatively small local market, which could be expanded in future in order to draw in visitors from a wider area.
- Leisure service provision in Hadleigh is below the UK average according to Goad data. The offer focuses on cafés, with no branded occupiers. However, the size of the town centre places limitations on the leisure offer. The site visit noted that the cafés and restaurants were of a high quality and well used.
- Hadleigh has an attractive historic character that has attracted high end and independent occupiers. Maintaining the current high quality of provision should be the focus for leisure occupiers in this smaller centre.
- There is a small range of community facilities in Hadleigh, but no larger health facilities or community centres as would be found in larger centres like Sudbury.

13.34 The retail capacity assessment has identified the potential for 172m<sup>2</sup> net of new convenience goods floorspace by 2031 and 856m<sup>2</sup> net of comparison goods retailing by 2031. Although there is more limited capacity identified for new retail floorspace in Hadleigh Town Centre than in Sudbury, the circa 1.1 hectare site located at the end of Pound Lane, off High Street, that was previously identified for a new supermarket in the adopted Local Plan (Policy HD01) could still provide an opportunity for a high quality mixed use development; including the potential for new retail, commercial leisure and residential uses. As for the Hamilton Road Quarter we advise that a *Planning and Development Brief* should be prepared for the site, to include more detailed market demand and viability testing. Apart from this site it is our

understanding that there is limited potential to accommodate significant new retail and commercial floorspace elsewhere in this attractive and compact market town.

## **Stowmarket Town Centre**

13.35 The following provides a brief summary of Stowmarket Town Centre's overall vitality and viability:

- There is a good mix of units and retailer formats; including smaller units along the traditional shopping streets, in addition to more modern units located at the Meadow Centre.
- Comparison retail is currently under-represented in the Town Centre, with relatively few high street multiple brands. This is particularly the case for fashion goods and accessories.
- The centre has a low vacancy rate, although there is a concentration of vacant units along the Bury Street secondary frontage. Peripheral areas are already interspersed with residential uses and it may be beneficial to consider change of use for some of the longer term vacant units.
- The centre has a strong convenience store offer, with two large supermarkets anchoring the town centre at either end (Morrisons and Asda). There may however be scope to improve the range of provision; for example with smaller format stores on the main high street or discounter supermarket stores.
- The new development around the Morrisons foodstore has increased footfall at this end of the town centre and is helping to facilitate more development and investment in this area.
- Pedestrian links through to the museum should be facilitated, enhancing pedestrian flows through to this area of the town.
- There are continuing issues with traffic and congestion along Ipswich Street where lorries are travelling through the centre to service the shops. Possible measures that could alleviate this include a lorry ban (as is in force in Needham Market), or expanding the pedestrianised areas of the town centre.
- The street markets have been shown to be successful in drawing in trade to the area, and the quality of their offer should be strengthened and promoted to help differentiate the town from competing centres and out-of-centre shopping locations.
- The overall level of leisure provision is notably below the UK average – 16.6% compared to 22.4%, with below average provision of cafés, restaurants, takeaways and bars. Improving the number and quality of the town's food and beverage offer would help to support both its daytime and evening economies by

increasing trips, lengthening dwell times and generating more expenditure in other shops, services and facilities.

- Stowmarket has a good cultural offer, and the Museum of East Anglian Life is successful in drawing in visitors to the centre. The John Peel Centre also provides a successful cultural and community offer.
- Hotel provision includes a large Travelodge which is supplemented by smaller, independent providers. There are plans for the development of a new hotel within the town centre as part of wider development.

13.36 The retail capacity assessment has identified the potential for 798m<sup>2</sup> net of new convenience goods floorspace by 2031 and 2,533m<sup>2</sup> net of comparison goods retailing after allowing for all planned commitments. In addition, the District's out-of-centre retail floorspace is generating capacity for 609m<sup>2</sup> net of new retail floorspace that should be directed to the District's main town centres first.

13.37 In terms of meeting this need on potential development sites located either in or on the edge of the town centre, the Station Quarter and Ipswich Street sites have been identified for mixed use development in the AAP, including for new retail and commercial leisure floorspace. In our judgement they should be developed to meet the majority of the capacity identified for the town centre. In this context it may be necessary for the Council to further facilitate and promote the development of these sites through the preparation of *Planning and Development Briefs*.

## POLICY RECOMMENDATIONS

13.38 To help ensure the vitality of the Districts' network of centres we have also reviewed the definition of Primary Shopping Frontages (PSFs) and Secondary Shopping Frontages (SSFs) in the main centres of Sudbury, Hadleigh and Stowmarket, as well as Primary Shopping Areas (PSA) in accordance with the NPPF. Our recommendations for each town centre are summarised below:

Sudbury Town Centre	
Primary Shopping Area	The PSA should comprise the streets identified in Table 12.1 (Section 12) for inclusion as PSFs and SSFs.
Primary Shopping Frontage	PSFs have been identified by the Council in their retail audits and should remain unchanged.
Secondary Shopping Frontage	SSFs have been identified by the Council in their retail audits and should remain unchanged. This could potentially be reviewed in future if the development of the Hamilton Road Quarter is implemented.
Hadleigh Town Centre	
Primary Shopping Area	The PSA should comprise the streets identified in Table 12.2 (Section 12) for inclusion as PSFs and SSFs.
Primary Shopping	Nos. 52-87 High Street has been identified by the Council as PSF and should



Frontage	remain unchanged.
Secondary Shopping Frontage	The SSF should be reduced to exclude portions of George Street, Church Street and Duke Street, as there were generally only three or four units along these streets, predominantly non-retail uses (for example office uses). This will allow greater flexibility for a range of town centre uses while still supporting secondary retail provision.
<b>Stowmarket Town Centre</b>	
Primary Shopping Area	The PSA should comprise the streets identified in Table 12.3 (Section 12) for inclusion as PSFs and SSFs.
Primary Shopping Frontage	We recommend the re-designation of the lower portion of Ipswich Street from the PSF to SSF, with the potential to review the shopping function if the Ipswich Regeneration Area is later developed. We also recommend the re-designation of Buttermarket to SSF. This will allow the Council to retain an appropriate balance of A1 and non-A1 uses and ensure that existing retail provision is protected.
Secondary Shopping Frontage	We also recommend that the frontage along the northern part of Bury Street (from Union Street West down to the southern end of Thurlow Court) is taken out of the PSA and SSF. This will allow for the natural contraction of this end of the town where required and prevent long-term vacancies.

13.39 The recommended frontages will provide the Councils with greater control in managing the mix of uses within the PSA and help to support the overall vitality and viability of the main centres.

13.40 It is recommended that the supporting policy for the defined PSFs should seek to prevent the proportion of Class A1 retail uses at ground floor level falling below an indicative minimum threshold. This is justified as necessary to support the continued primary retail function of the frontage zone. Based on the Councils' retail audits we consider that a minimum threshold of 75-80% for the PSF in Sudbury and 65-70% in Stowmarket can be justified based on current market trends and indicators. For Hadleigh Town Centre a lower minimum threshold of 60% is justified to reflect its current provision of Class A1 uses on the High Street (nos. 52-87). Policy could also restrict the number of consecutive units in non-A1 uses to ensure an even mix of A1 and non-A1 uses across a defined frontage.

13.41 We advise that a more flexible policy is justified to cover the Secondary Shopping Frontages (SSF) to reflect current and future market trends, and to allow the Councils to consider applications on their own merits on a case-by-case basis. In our judgement a criteria-based policy would be the most appropriate. For example, the policy could state that proposals for shops, financial and professional services, food premises, leisure facilities and night clubs (Use Class A1-A5, D1 and D2) will be permitted within the defined town centre secondary frontage areas, subject to the satisfaction of a range of criteria, including:

- Evidence that the current use is no longer required and is redundant and cannot be made viable; and

- The proposal does not individually or cumulatively undermine the vitality or viability of the town centre; and
- The proposal is consistent with the scale and function of the town centre; and
- Consideration is given to ensuring that proposals do not eliminate separate access arrangements to the upper floorspace, which could be used for residential, community or employment uses.

13.42 Finally, in assessing future retail proposals, it is recommended that both Councils set a local impact threshold of 400m<sup>2</sup> gross. Applications at this floorspace level and above will be required to carry out a retail impact assessment to demonstrate to the Council that the scheme will not impact on the vitality and viability of nearby centres.

13.43 Notwithstanding the adoption of a locally set impact threshold, it is important that the scope of any Retail Impact Assessment (RIA) in support of planning applications is discussed and agreed between the applicants and the Council at an early stage in the pre-application process. The level of detail included within a RIA should be proportionate to the scale and type of retail floorspace proposed, and should be agreed between the Council and applicant on a case-by-case basis.

13.44 Furthermore, where new retail floorspace below the identified impact threshold is proposed on the edge or outside of smaller centres that may be vulnerable to impact, it would be reasonable in our judgement for the local planning authorities to request an impact assessment be carried out in accordance with the NPPF.

## 14.0 GLOSSARY & ABBREVIATIONS

CITY CENTRES:	The highest level of centre identified in development plans. In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas which may perform different main functions.
TOWN CENTRES:	Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.
DISTRICT CENTRES:	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.
LOCAL CENTRES:	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette.
TOWN CENTRE USES:	Main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
TOWN CENTRE BOUNDARY:	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined on a proposals map.
PRIMARY SHOPPING AREA (PSA)	Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage). The extent of the primary shopping area should be defined on the proposals map. Smaller centres may not have areas of predominantly leisure, business and other main town centre uses adjacent to the primary shopping area, therefore the town centre may not extend beyond the primary shopping area.
PRIMARY & SECONDARY FRONTAGES	Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses, such as restaurants, cinemas and businesses.
EDGE-OF-CENTRE	For retail purposes, a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances.
OUT-OF-CENTRE	A location which is not in or on the edge of a centre but not necessarily outside the urban area.
OUT-OF-TOWN	A location out of centre that is outside the existing urban area.
CONVENIENCE SHOPPING	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
SUPERMARKETS	Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
SUPERSTORES	Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.

COMPARISON SHOPPING	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
RETAIL WAREHOUSES	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
RETAIL PARKS	An agglomeration of at least 3 retail warehouses.
WAREHOUSE CLUBS	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
FACTORY OUTLET CENTRES	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.
REGIONAL & SUB-REGIONAL SHOPPING CENTRES	Out-of-centre shopping centres which are generally over shopping centres 50,000 square metres gross retail area, typically comprising a wide variety of comparison goods stores.
LEISURE PARKS	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
CONVENIENCE GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.
COMPARISON GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
SPECIAL FORMS OF TRADING	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
GROSS GROUND FLOOR FOOTPRINT FLOORSPACE	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
GROSS RETAIL FLOORSPACE	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
NET RETAIL SALES AREA	The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
RETAIL SALES DENSITY	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.
FLOORSPACE 'PRODUCTIVITY' ('EFFICIENCY') GROWTH	The percentage by which a retail sales density is assumed to increase annually in real terms over a stated period. The choice of the most appropriate level of growth will depend on individual circumstances, and in particular the capacity of existing floorspace to absorb increased sales. It is also important that selected rates of growth in productivity are compatible with assumptions about the growth in per capita expenditure.
QUANTITATIVE NEED	Is conventionally measured as expenditure capacity (i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of

	expenditure available in an area.
QUALITATIVE NEED	Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.
OVERTRADING	The extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, and in some cases inform quantitative need considerations. For example it may be an expression of the poor range of existing facilities or limited choice of stores and a lack of new floorspace within a locality. In certain cases 'overtrading' occurs when there is an imbalance between demand (i.e. available spend) and supply (i.e. existing floorspace capacity).
BENCHMARK TURNOVER	In the case of specific types of provision (such as foodstores) company average turnover figures are widely available and can provide an indication of a 'benchmark' turnover for existing facilities. However, turnover benchmarks should not be used prescriptively or in isolation to indicate a measure of 'need'. It is important to recognise that a range of factors (such as rental levels and other operating costs) mean that operators are likely to trade at a wide range of turnover levels. Given the inherent margins of error involved in this type of exercise, the use of company averages as benchmarks should be treated with caution unless they are corroborated by other independent evidence of under-performance, or strong trading. Examples might include the results of in-centre health checks, or the extent of congestion in stores and queuing at checkouts.

– END –

**APPENDIX 1: STUDY AREA**

**APPENDIX 2: HOUSEHOLD SURVEY METHODOLOGY**

**APPENDIX 3: HOUSEHOLD SURVEY RESULTS (WEIGHTED)**

**APPENDIX 4: CONVENIENCE GOODS - MARKET SHARES**

**APPENDIX 5: COMPARISON GOODS - MARKET SHARES**

**APPENDIX 6: EXPERIAN GOAD CATEGORY REPORTS**

**APPENDIX 7: CONVENIENCE GOODS CAPACITY ASSESSMENT**

**APPENDIX 8: COMPARISON GOODS CAPACITY ASSESSMENT**