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Crawley Retail Capacity Study Update 2013

Crawley Borough Council

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Contents

1 Introduction

1.1 In 2010, DTZ prepared the 'Crawley Retail Capacity and Impact Study' (RCIS) for Crawley Borough Council. The purpose of that study was to provide a new evidence base for the retail development policies to be included in the forthcoming Core Strategy. It was also to guide the Council on actions needed to implement its vision for a 'step change' in the retail offer of Crawley Town Centre, at Town Centre North. Subsequent to completion of the RCIS, the Council appointed a new development partner for Town Centre North, and a smaller scale scheme is now emerging than at the time of preparation of the RCIS. In addition, other data inputs and forecasting parameters used in the RCIS have changed with the passage of time, for example population and expenditure forecasts, committed retail developments, and retailers' sales densities. As a result, the retail capacity forecasts in the RCIS have now become out-of-date.

1.2 Crawley Borough Council has therefore commissioned DTZ to update the retail capacity forecasts in the RCIS; so that the evidence base is as up-to-date as it can be at the time of the Public Examination of the draft Local Plan. The purpose of this Update is to assess the quantitative needs for retail development in the Borough over the period to 2029 (rather than 2026 as in the RCIS). We have also been asked to advise on what local impact thresholds would be appropriate for Crawley, in accordance with paragraph 26 of the National Planning Policy Framework (the Framework). Further, we have been instructed to advise on what matters should be considered by the Council's development partner for Town Centre North, in assessing potential retail impacts of that scheme on the existing town centre.

1.3 This Update study is prepared in the context of a number of events and forecasting parameters, which have served to change the retail landscape in Crawley since the RCIS was completed. These include:

- Publication of the Framework in March 2012, which requires local planning authorities to plan for growth and allocate sites for retail development based on a robust and up-to-date evidence base;
- The impact of economic conditions, the latest consumer expenditure forecasts and the continued shift towards internet shopping, on retail floorspace forecasts and shopping habits;
- Planning permissions granted and expired;
- Changes in retail occupancy and in retailers' sales densities.

1.4 The retail capacity forecasts in this Update study are therefore based on the most up-to-date information currently available. They do not include a new household interview survey of shopping patterns in Crawley and its catchment area; but continue to rely on the results of the household interview survey undertaken in 2010. That survey is considered to be sufficiently up-to-date for this purpose, owing to the lack of major retail developments in Crawley and the competing towns since it was completed. This means that this report includes a partial rather than full update of the retail capacity forecasts in the RCIS. However, we consider that the updated forecasts are reliable for the purposes for which the report was commissioned. This Update study therefore supersedes the retail capacity forecasts in the RCIS (and those prepared as part of the Council's evidence for the Sainsbury's superstore extension Public Inquiry in February 2012).

1.5 The remainder of this report is structured as follows:

- **Chapter 2: Basis of the Retail Capacity Forecasts** – We describe the basis of our updated retail capacity forecasts, and the data inputs and assumptions on which these are based.

- **Chapter 3: Quantitative Capacity for New Retail Development** – We set out and describe the up-to-date forecasts for Crawley Town Centre, Non-central shops and stores in Crawley Borough, and the Borough as a whole.

- **Chapter 4: Retail Impact** – We describe our analysis of sales and impacts from potential new retail developments, and set out our advice on appropriate local impact thresholds for new retail developments in Crawley. We also outline the impact analysis which should be undertaken in connection with the development proposals for Town Centre North.

- **Chapter 5: Summary of Principal Conclusions –** We summarise our principal findings and conclusions.

2 Basis of the Retail Capacity Forecasts

2.1 For the retail capacity forecasting in this Study, we have again used our RECAP Retail Capacity forecasting Model. The RECAP Model is an empirical 'step by step' model, based on the results of the 2010 Crawley Household Survey of shopping patterns as its method of allocating retail expenditure from catchment zones to shopping destinations. It is therefore not a theoretical gravity model, but is based on consumer responses about actual shopping patterns. It is also a growth allocation model; which allocates growth in expenditure to shopping destinations based on shopping patterns indicated by the household interview survey, and informed professional judgements about how these will be likely to change in the future as a result of committed or potential new retail developments.

2.2 The RECAP Model forecasts the expenditure-based capacity for additional retail floorspace in the following way:

- Calculate the total amount of convenience and comparison goods expenditure which is available within the 12 zones comprising the catchment area;

- Allocate the available expenditure to Crawley Town Centre, and to Non-central shops and stores in Crawley Borough, based on the results of the 2010 household interview survey of shopping patterns); so as to obtain estimates of current sales and forecast future sales in each shopping destination; and

- Compare the estimated sales in each shopping destination with existing floorspace; so as to assess the current trading performance of each shopping destination, and the capacity to support further growth in convenience and comparison goods floorspace.

- Prepare separate retail capacity forecasts for Crawley Town Centre and Non-central stores in the Borough; and combined forecasts for both destinations together, on the assumption that all new retail floorspace is located in designated centres in accordance with the sequential approach of the Framework.

2.3 The RECAP Model (like any other forecasting model of this type) is an exploratory tool, rather than a prescriptive mechanism. Thus the resulting forecasts of quantitative need are not intended as growth targets which must be achieved, or as rigid limits to future growth. Rather, they are a realistic guide to planning policies and decisions on planning applications. Separate capacity forecasts have been prepared for Crawley Town Centre and Non-central shops and stores in the Borough; in order to assist Crawley Borough Council with identification and testing of alternative options for the town centre, developing a preferred strategy and formulating policies for new retail

development. However we have also prepared combined forecasts for Crawley Town Centre and Non-central shopping together, on the assumption that all new retail floorspace is developed in existing centres, in town centre formats trading at town centre sales densities.

2.4 We must also point out that this Update study is based on a household interview survey of shopping patterns conducted approximately 3 years ago. Any update which does not include a new household interview survey, cannot provide completely robust and reliable retail capacity forecasts. This is because incompatibilities can arise between the market shares from the out-of-date survey, and the amount and nature of the existing floorspace. This Update study is no exception. However in undertaking it, we have minimised such incompatibilities as far as possible. Where necessary we have made corrections to the market shares indicated by the survey results (as discussed below), and are satisfied that the RECAP Model and its resulting retail capacity forecasts are realistic for the purposes of plan preparation for which the Update study was commissioned.

2.5 When using the retail capacity forecasts as a guide to future planning policy, it is also important to remember that the further ahead the forecasting date, the less certain the forecast. Thus the forecasts for 2017 are more robust than those for 2022 and 2029. In particular for 2029, we suggest that forecasts such as these should be treated with some caution, since they only indicate the broad order of magnitude of retail capacity at this date, if all of the forecast trends occur. There are also particular uncertainties at the present time as a result of the slow recovery of the economy from the recent recession, the financial and economic difficulties in the Eurozone, and the need for government austerity, for which there is very little precedent. It is therefore a matter of some conjecture as to how long it will take the economy to recover and at what rate. Furthermore, the long term growth in the use of internet shopping is as yet unknown (although it has to a substantial degree been taken into account in this Update study), and reinforces the need to revise the forecasts of retail floorspace capacity before 2022.

2.6 Our approach to retail capacity forecasting is consistent with DCLG Practice Guidance on need, impact and the sequential approach (December 2009). We described below the principal data inputs, the development scenarios assessed, and the format of the RECAP Model tables. Convenience and comparison goods are as defined in Appendix A of the Practice Guidance.

Principal Data Inputs

Catchment Area

2.7 For this Update study we used the same catchment area as was used for the RCIS. This catchment area was divided into 12 catchment zones. A map of the catchment area showing these 12 zones is included in Appendix A.

Base and Forecasting Years

2.8 We have used 2012 as our base year for the forecasts. The RECAP Model therefore provides estimates of the retail sales in Crawley Town Centre, and Non-central shops and stores in Crawley Borough, as at 2012. As instructed by the Council, we have prepared capacity forecasts at 2017, 2022 and 2029, so as to cover the forthcoming Local Plan period.

Catchment Population

2.9 The starting point for the population forecasts was a report, dated June 2013, commissioned from Pitney Bowes on the current and projected future population of each catchment area zone. These population forecasts are based on the results of the 2011 Census and other data, and cover the period up to 2022; and we have therefore extrapolated them to 2029 by trend projection. The result is that for the catchment area as a whole the population is expected to increase from 698,097 in 2012 to 827,570 by 2029, which is an increase of almost 19% between 2012 and 2029.

2.10 The catchment zones are based on postcode geography and do not match local authority administrative boundaries. However Zone 1 includes the Crawley urban area. The 2012 population of this zone is forecast to increase over the period to 2029 by 26,556 (almost 23%). Crawley Borough Council has checked the forecast for Zone 1 against the housing growth projections in the Local Plan, taking account also of new housing commitments in neighbouring local authorities (but within Zone 1) and concluded that it is realistic and broadly compatible with the Local Plan. The population forecasts mean that there will be an increasing need for new retail development in Crawley, in order to meet the needs of this growing population.

Price Basis

2.11 All monetary values in this report are in constant 2011 prices, unless otherwise stated, so as to exclude the effects of price inflation. Price conversions from other price bases have been undertaken using Table 3.2 on page 32 of 'Retail Expenditure Guide' dated August 2012, by Pitney Bowes & Oxford Economics.

Per Capita Expenditure

2.12 For this Study, we obtained from Pitney Bowes estimated average per capita expenditure on convenience and comparison goods in each catchment zone for the years 2011 and 2012, together with forecasts for 2017 and 2022. These estimates and forecasts take account of differences in average per capita expenditure on convenience and comparison goods from zone to zone. We have used these figures as the basis for our base year (2012) estimates and new forecasts. For the forecasting year of 2029 we applied trend extrapolation to the Pitney Bowes figures. The resulting estimates and forecasts of per capita expenditure on both convenience and comparison goods,

including expenditure on Special Forms of Trading, are set out in the top half of RECAP Model Table 2 in Appendix B.

2.13 The forecast growth in per capita expenditure in RECAP Model Table 2 is specific to the catchment area, and does not apply national average growth forecasts to the local catchment area base figures (such local catchment area growth forecasts have only recently become available from Pitney Bowes & Oxford Economics, and were not available at the time of the RCIS). Use of local growth forecasts is expected to be more reliable, as stated by Oxford Economics:

'Forecast expenditure (2017 and 2022) are based on Oxford Economics' published UK Macroeconomic forecasts with local level projections incorporating additional data from Oxford Economics' published regional and local authority level forecasts. The results are much more targeted to the prospects for a particular locality than simply taking the latest expenditure estimates for the area and increasing them in line with national trend-based projections for the appropriate category of goods. This is partly because our consumer spending forecasts enable us to take account of changes in the underlying forces driving different elements of consumer spending in a much more sophisticated way than simply extrapolating trends. But, equally importantly, our local and regional forecasts allow us to take account of how underlying differences in economic performance in different parts of the country are likely to affect relative spending power in different locations.' (Pitney Bowes report for the catchment area, June 2013).

Special Forms of Trading including internet shopping

2.14 We have made deductions from the per capita expenditure figures supplied by Pitney Bowes to allow for expenditure via special forms of trading (SFT). This includes mail order, vending machines, party plan retailing, on-line shopping via the internet or interactive TV, and expenditure at temporary market stalls; and is therefore expenditure not made in retail shops. RECAP Model Table 2 shows the growing deductions which we have made, based on information for the UK published by Verdict Research Limited on growth in 'e-retail' (i.e. internet shopping and shopping via interactive TV) and forecast trends; and forecasts by Oxford Economics published in Pitney Bowes 'Retail Expenditure Guide' 2012/13. Figure 1 below shows Verdict's estimates for the proportion of all retail sales (both comparison and convenience goods) in the UK[1] in 2010 accounted for by electronic shopping, and its trend-based forecasts for 2015. This shows the proportion of such sales growing substantially over the 5 years to 2015. For some categories of comparison goods, the proportion is already substantial and is expected to become much more so. Based on these, we have judged the deductions for SFT shown in RECAP Model Table 2. Our deductions:

- Assume a flattening of the growth trend after 2015 as internet shopping matures;

[1] Local (i.e. Crawley-specific) evidence of SFT is not available.

- Allow for the fact that internet shopping sales are included in the retail sales densities of some retailers which operate multi-channel retailing; and

- Include other SFT apart from the internet, in particular sales from temporary markets such as Farmers' Markets and other periodic street markets.

Figure 1

UK 'e-retail' Shopping Estimates and Forecasts (Source: Verdict Research Limited – 2011)

Goods Type	Online sales as proportion of all UK retail sales (%)	
	2010	2015
Comparison Goods: Music & video	55.2	93.4
Electrical goods	28.0	37.2
Books	35.1	58.6
Homewares	9.0	12.8
DIY & gardening goods	5.5	6.4
Clothing & footwear	7.7	13.2
Furniture & floor coverings	4.2	6.6
Health & beauty	3.6	5.6
Other comparison goods	9.8	20.5
All Comparison Goods	**11.5**	**18.0**
Convenience Goods: Food & grocery	**3.8**	**5.8**

2.15 For comparison goods, Oxford Economics estimate that non-store retail sales (i.e. SFT) accounted for 11.5% of all comparison goods expenditure in the UK in 2010; and forecast that this will rise to 14.3% by 2015 and 14.7% by 2021[2]. Their estimate for 2010 is consistent with Verdict's estimate for e-retail shopping alone in that year. However Oxford Economics' forecasts are well below those of Verdict. For 2017 therefore, we have applied a SFT deduction which is between these two forecasts (15%), as indicated in RECAP Model Table 2 in Appendix B. For subsequent years we have assumed further growth in SFT at a higher rate than forecast by Oxford Economics in their 'Central Case', but lower than if Verdict's trend was to be extrapolated. The bottom half of RECAP Model Table 2 shows forecast growth in per capita expenditure on comparison goods in each catchment zone, after deducting expenditure on SFT at the rates indicated in the table.

2.16 The combined effect of the forecast growth in population and in per capita expenditure is that (after deducting expenditure on SFT) we expect total catchment area expenditure on comparison goods (set out in RECAP Model Table 3 in Appendix B) to increase by about £1,916m (almost 90%) over the period 2012 to 2029. This compares with growth in total catchment area population of

[2] Broad Definition and Central Case: 'Retail Expenditure Guide 2012/13', August 2012 (Table 3.1).

almost 19% over the period. Thus only a small proportion of the growth in catchment area expenditure on comparison goods is accounted for by forecast growth in population. This means that the comparison goods floorspace capacity forecasts are very insensitive to population growth and much more sensitive to the assumptions about growth in per capita expenditure, particularly in the later part of the forecasting period. The large increase in forecast expenditure on comparison goods indicates that a need for additional comparison goods retail floorspace will grow substantially to 2029. However, this should be reviewed at regular intervals over that period.

2.17 For convenience goods, Oxford Economics estimate that SFT accounted for 5.7% of all convenience goods expenditure in 2011; and forecast that this will rise to 6.6% by 2017 and 6.7% by 2022[3]. This is slightly higher than Verdict's estimates and forecasts for food & grocery sales alone, but includes other forms of SFT apart from internet shopping. After allowing for some internet sales from superstores and other retail outlets, and for other forms of SFT, we have adopted the SFT deductions for convenience goods expenditure set out RECAP Model Table 2.

Shopping Patterns in the Catchment Area

2.18 For this Study, we again used the results of the Crawley household interview survey of shopping patterns in the catchment area – the results of which were included in the RCIS. It covered the area shown on the map in Appendix A which was divided into the 12 catchment zones shown on that map. A description of the survey and how the results were used in the RECAP Model was also included in the RICS. The results have been used in the same way in this Update study. The only difference is that in this Update study we have also included the responses for 'garden centres in Crawley' in the comparison goods market shares (together with the floorspace at Squires Garden Centre at Horsham Road).

Market Share Corrections

2.19 In the RCIS, we described the need for corrections to some of the market shares indicated by the 'raw' results of the Household interview survey, and the reasoning behind the corrections we had applied. That reasoning still applies. However, to take account of out-of-centre developments completed or committed since the RCIS was completed, and of changes in retailers' 'benchmark' sales densities, we have slightly increased the market share correction for comparison goods shopping in Non-central stores from 80% to 90%. This increase takes account of the increase in market shares which is likely to have resulted from additional out-of-centre floorspace, such as the substantial completed extension of the Sainsbury's superstore, which was mainly comparison goods floorspace. For the town centre, we have slightly reduced the comparison goods market share correction from 90% to 85% to reflect impact from the new out-of-centre floorspace, and changes in sales densities.

[3] Broad Definition and Central Case: 'Retail Expenditure Guide 2012/13', August 2012 (Table 3.1).

Visitor Expenditure on Comparison Goods

2.20 We have adopted the same assumption as in the RCIS that in Scenario 1 (described below) there would be no expenditure on convenience or comparison goods in Crawley Town Centre or Non-central stores by visitors who live outside the wide 12-zone catchment area. In the case of Scenario 2 (also described below), we have assumed that expenditure in the town centre on comparison goods by such visitors would amount to 0.5% of that by catchment area residents, from 2022 onwards, as a result of the Town Centre North development. This is lower than the 1% we assumed in the RCIS because that development is now expected to be substantially smaller, and anchored by a smaller department store.

Existing Shop Floorspace

2.21 We have obtained the most up-to-date published details of existing occupied shop floorspace for Crawley Town Centre based on Experian Goad data. These figures include currently vacant Class A1 retail floorspace in Queen's Square, Queensway, The Martletts and County Mall, which are the commercially prime retail areas of the town centre; as it is realistic to expect this floorspace to be reoccupied for comparison goods retailing as the economy improves. We have not included any of the vacant retail floorspace in the commercially secondary retail areas in the town centre; as we would not expect much of that floorspace to be reoccupied for comparison goods shopping, even when economic and retail growth resumes. From past experience, we would expect much of it to go over to other uses, such as service businesses, in due course. For the Non-central shops and stores in the Borough, floorspace data has been sourced from IGD, the 2010 Rating List, Crawley Borough Council and data agreed for the Sainsbury's planning appeal Public Inquiry in 2012.

Committed Developments

2.22 We have included all significant retail developments currently committed in the Borough by grant of planning permission. In the town centre these are the new Morrisons superstore as the first phase of Town Centre North, and the small extension to County Mall, both of which are currently under construction. Outside the town centre, commitments are a new foodstore at Betts Way[4], the further extension of the Sainsbury's superstore which was permitted on appeal but has not yet been implemented, and a vacant retail warehouse at County Oak Retail Park.

Floorspace Efficiency Factors

2.23 In order to allow a substantial proportion of the growth in expenditure to support the existing shops, we have assumed that the sales density of the existing town centre and Non-central

[4] This permission was granted in 2011 and has been implemented, but is not currently being progressed. However we have included the existing planning permission in the RECAP Model as a committed development.

comparison goods floorspace will grow at 2.5% per annum from 2012 onwards. This allocates almost 50% of the growth in expenditure to existing comparison goods shops and stores, and just over 50% to new floorspace. This estimated growth in sales density is our professional judgement. We consider it is a realistic basis for policy-making, as it helps to avoid serious adverse impacts from new developments upon existing centres. We have also allowed for sales densities in any new comparison goods floorspace to grow at the same rate.

2.24 We have made no allowance for increases in sales densities of convenience goods floorspace over the forecasting period. This is because convenience goods sales densities have not been rising across the board over the last few years – in fact the latest data from Verdict Research Limited shows that most have fallen. However, at the next review of the forecasts, the most up-to-date sales densities should be used, so as to take account of any changes in real terms.

Development Scenarios Assessed

2.25 We have assessed the following two scenarios for new retail development in Crawley, as follows:

Scenario 1 – the 'baseline' scenario, in which we assume that the 2012 pattern of market shares of convenience and comparison goods shopping in Crawley Town Centre, and in Non-central shops and stores in Crawley Borough, indicated by the household interview survey (corrected as described in the RCIS and above) remains unchanged throughout the forecasting period to 2029. The implicit assumption in this scenario is that any new retail development in these shopping destinations does not change the market shares of expenditure attracted from the catchment area.

Scenario 2 – In which we take account of major new retail development at Town Centre North in Crawley Town Centre increasing the market shares of convenience and comparison goods expenditure attracted from the catchment area from 2017 (convenience goods) due to Morrisons, and 2022 (comparison goods) due to the remainder of Town Centre North. However these market share increases are not as great as assumed for Scenario 2 in the RCIS, because the Town Centre North development is now expected to be smaller scale than at the time of the RCIS. The market share increases for Crawley Town Centre are partly offset by smaller reductions in market shares attracted by the Non-central stores in the Borough, as the Town Centre North development attracts expenditure back to the town centre. The overall effect is that the combined market shares attracted by the town centre and Non-central shopping increase marginally, as leakage of expenditure from Crawley to other shopping destinations is reduced by Town Centre North.

2.26 Scenario 1 is conservative, because it assumes that new retail development in Crawley Town Centre will be unable to change shopping habits and increase the market shares of catchment area expenditure attracted by the town centre. However, new retail development of the scale represented by the emerging proposals for Town Centre North would be likely to make the town

centre more attractive to shoppers from the catchment area. For convenience goods, Phase 1 of Town Centre North, the new Morrisons superstore, is already under construction; and so Scenario 2 is more realistic for convenience goods shopping. For comparison goods, we believe that if the remainder of the Town Centre North scheme is to be developed in Crawley, Scenario 2 is again the more realistic.

Format of the RECAP Model Tables

2.27 The RECAP Model Tables are set out in Appendix B. Tables 1 to 5 set out the population and expenditure forecasts for the catchment area. Tables 6 to 13 are the Scenario 1 tables for Crawley Town Centre. Tables 6 and 7 show the pattern of market shares of expenditure on each category of convenience and comparison goods respectively attracted from the catchment area, as indicated by the Household interview survey before correction. Table 8 shows the corrected market share patterns for all comparison goods expenditure in the town centre (market share patterns for convenience goods expenditure have not been corrected – hence use of the default correction factor of 100%). Table 9 shows the amounts of expenditure on each comparison goods sub-category attracted, and the amounts of all comparison goods. Table 9 is the product of Table 5 and Table 7. Table 10 sets out forecast retail sales for both convenience and comparison goods, on a zone-by-zone basis and overall. Table 11 accounts for the sales capacity of existing main food and convenience goods shops in the town centre at 'benchmark' sales densities, and Table 12 sets out the committed town centre developments and their expected 'benchmark' sales levels (for both convenience and comparison goods). Table 13 brings together the expenditure attracted, visitor expenditure, existing floorspace and committed developments, to arrive at the retail capacity forecasts for Crawley Town Centre. It also shows the overall market shares of total catchment area expenditure on convenience and comparison goods attracted by the town centre.

2.28 Tables 14 to 22 are the Scenario 1 tables for Non-central shops and stores in Crawley Borough. These tables follow the same arrangement as the tables for Crawley Town Centre; however an additional table is included (Table 20) indicating 'benchmark' comparison goods sales in the existing retail warehouses and Non-central food/non food superstores.

2.29 The Scenario 2 tables for Crawley Town Centre are Tables 23 to 25. Table 23 shows the revised patterns of market shares of catchment area expenditure attracted by the town centre; Table 24 the resulting amounts of expenditure attracted; and Table 25 the Scenario 2 retail capacity forecasts. Tables 26 to 28 are the equivalent tables for the Non-central stores in Crawley.

2.30 The RECAP Model is completed by summary Tables 29 to 31. Table 29 shows the (corrected) market shares attracted in 2012 by Crawley Town Centre and the Non-central shops and stores in Crawley Borough, for each of the 8 comparison goods categories. This provides the basis for the retail sector analysis described below. Table 30 shows the patterns of combined market shares for

each of the 8 comparison goods categories (as corrected) in Crawley Borough under Scenario 1. Table 31 shows the same information for Scenario 2.

3 Quantitative Capacity for New Retail Development

3.1 In this section, we set out and describe the retail capacity forecasts for Crawley Borough throughout the forecasting period (i.e. 2017, 2022, and 2029); based on unchanged 2012 patterns of market shares of convenience and comparison goods shopping (Scenario 1), and altered patterns due to Town Centre North (Scenario 2). We indicate the overall (i.e. both shopping destinations modelled combined) forecast capacity for new comparison and convenience goods floorspace in the first instance. Figure 2 presents combined forecast capacity in Crawley Borough[5].

3.2 We then set out in Figure 3 and describe our retail capacity forecasts for both convenience and comparison goods within Crawley Town Centre, and the Non-central shopping destinations in the Borough.

Forecast Retail Capacity in Crawley

3.3 In Figure 2 below, we indicate the overall (i.e. combined) forecast capacity in Crawley for new comparison and convenience goods floorspace. This is on the assumption that all such floorspace is provided in or on the edge of the town centre in accordance with the highest priority of the sequential approach; and that it trades at the sales densities assumed for new floorspace in the town centre. Comparison with Figure 3 below shows that combined capacity for comparison goods floorspace is less than the sum of the individual forecast capacities for each shopping destination modelled separately. This is because none of the new floorspace would be provided at the relatively low sales densities assumed for retail warehouses in Figure 3. If some of the new comparison goods floorspace was to be provided in food/non-food superstores, the combined comparison goods capacity would be lower than in Figure 2, because such superstore floorspace trades at substantially higher sales densities than have been assumed for town centre and edge-of-centre development in Figure 2.

[5] Excluding local neighbourhood centres and parades, corner shops, petrol station forecourts and other minimal shopping destinations in the Borough.

Figure 2

Combined Retail Capacity in Crawley - sq m net retail sales area (Source: Crawley RECAP Model 2013)

Scenario 1:	**2017**	**2022**	**2029**
Convenience Goods	-1,750	-1,000	450
Comparison Goods	16,200	24,950	26,650
Scenario 2:	**2017**	**2022**	**2029**
Convenience Goods	-1,050	-250	1,250
Comparison Goods	16,200	31,100	32,900

Notes:

(a) The forecasts in Figure 2 are cumulative, i.e. the forecasts for each date include the forecasts for the previous dates and are not additional to those earlier forecasts.

(b) Floorspace figures from RECAP Model rounded to the nearest 50 sq m net.

(c) Combined forecast capacity includes Crawley Town Centre and Non-central shops and stores in Crawley Borough.

(d) Net retail sales area according to the NRPF definition in Appendix A of the Practice Guidance.

3.4 The overall capacity forecasts outlined in Figure 2 (which are based on town centre sales densities for comparison goods[6]) are subject to identifying sufficient, potential opportunity sites in or on the edge of the town centre. Should some of the forecast capacity come forward in out-of-centre locations – contrary to the 'town centres first' approach of the Framework – the combined forecast capacity for Crawley Borough would increase above the levels shown in Figure 2 (and be closer to the individual figures in Figure 3). This is because new out-of-centre retail floorspace would operate at relatively lower sales densities (unless as comparison goods floorspace in a superstore, where it would operate at a sales density higher than assumed for town centre comparison goods floorspace, thus leading to a lower capacity forecast). However, forecast capacity would not increase above the sum of the individual forecast capacities for each shopping destination modelled (as presented in Figure 3 below) – unless some of the town centre forecast capacity was to be decentralised to lower sales density retail warehouses.

3.5 Figure 3 indicates the separate retail capacity forecasts for Crawley Town Centre, and for Non-central shops and stores in Crawley Borough. These retail capacity forecasts are based on appropriate sales densities for each destination; and assume unchanged 2012 patterns of market shares (Scenario 1) and altered patterns (Scenario 2) as discussed in Section 2 above.

[6] For convenience goods, the same sales density for new floorspace has been applied to the town centre and Non-central forecasts, so the combined forecast is simply the sum of the individual forecasts.

Figure 3

Separate Retail Capacity Forecasts - sq m net retail sales area (Source: Crawley RECAP Model 2013)

Crawley Town Centre

Scenario 1:	2017	2022	2029	RECAP Model Table
Convenience Goods	-1,500	-1,250	-700	13
Comparison Goods	14,150	20,800	22,000	13
Scenario 2:	2017	2022	2029	RECAP Model Table
Convenience Goods	300	600	1,250	25
Comparison Goods	14,150	31,150	32,550	25

Non-central shops and stores in Crawley Borough

Scenario 1:	2017	2022	2029	RECAP Model Table
Convenience Goods	-250	250	1,150	22
Comparison Goods	2,900	5,600	6,650	22
Scenario 2:	2017	2022	2029	RECAP Model Table
Convenience Goods	-1,300	-850	-50	28
Comparison Goods	2,900	-100	500	28

Notes:

(a) The forecasts in Figure 3 are cumulative, i.e. the forecasts for each date include the forecasts for the previous dates and are not additional to those earlier forecasts.

(b) Floorspace figures from RECAP Model rounded to the nearest 50 sq m net.

(c) The forecasts for Crawley Town Centre are for new floorspace additional to the commercially prime vacant floorspace included in RECAP Model Tables 13 and 25. For the Non-central shops and stores in Crawley Borough, the forecasts are for new floorspace additional to all existing vacant retail warehouses included in RECAP Model Tables 22 and 28 respectively.

(d) Net retail sales area according to the NRPF definition in Appendix A of the Practice Guidance.

3.6 The longer term retail capacity forecasts in Figure 2 and Figure 3 should not be treated as targets which must be achieved, or for which sites must be identified in the emerging Local Plan. They are a guide to the potential order of magnitude of future retail capacity, if the stated assumptions are achieved in practice.

3.7 Before describing our retail capacity forecasts in detail, we must stress that although we have prepared separate forecasts for Crawley Town Centre and Non-central shops and stores in Crawley Borough, the purpose of forecasting these locations separately is to explore the potential to transfer expenditure growth to Crawley Town Centre by means of Town Centre North and in accordance with the sequential approach. It has also been done for forecasting convenience and reliability. It does not mean that any such capacity forecast for the out-of-centre locations should necessarily be accommodated in the form of additional out-of-centre retail development there. Rather, the sequential approach should be applied to finding sites to accommodate the forecast retail capacity.

3.8 In interpreting the convenience goods retail capacity forecasts in Figures 2 and 3, some general points should be noted. First, the convenience goods forecasts are all based on the assumption that where retailers are shown by the RECAP Model to be trading above the 'benchmark' level based on estimated company average sales densities, their sales densities will fall to that 'benchmark' level. This is a conventional assumption in retail studies of this type. However, some stores may well continue to trade above their company average sales density; whilst others may trade successfully below that 'benchmark' level. The retail capacity forecasts should therefore be seen as realistic maxima, rather than targets which must be achieved through new development.

3.9 Second, the convenience goods forecasts are on the assumption that in Crawley potential new floorspace will be provided in the form of new foodstores (such as those operated by the 'Big 4', Waitrose and Marks & Spencer) trading at a 'generic' average sales density of £12,000 per sq m net. Some other types of supermarket, in particular discount supermarkets, trade at far below £12,000 per sq m net. Thus the format in which new floorspace is provided will affect the amount of such floorspace which can be supported in terms of retail capacity. If it was to be provided only in the form of discount supermarkets, for example, the forecast growth in expenditure would be sufficient to support substantially more floorspace than indicated in Figures 2 and 3. It is of course not possible to predict over a 17 year period the format in which potential food store developments might come forward in Crawley. It will therefore be necessary to review the implications for retail capacity in each location when specific proposals for new stores come forward, taking account of the format of the proposed stores and their likely occupiers and sales densities

3.10 Third, although we have prepared forecasts for non-central convenience and comparison goods floorspace in Crawley, these have been calculated separately from that in the town centre merely for forecasting reliability and convenience. It does not mean that any such capacity should necessarily be accommodated in the form of out-of-centre development. Rather, the sequential approach of the Framework should be applied; and throughout the Borough new developments to accommodate any of the forecast need, including that forecast as Non-central, should be located in or on the edge of the town centre or at neighbourhood centres, in preference to out-of-centre locations, if at all possible.

Convenience Goods Forecasts

3.11 Table 13 of the RECAP Model shows that, we estimate, the existing convenience goods floorspace in Crawley Town Centre was achieving an average sales density of about £15,140 per sq m net in 2012. This figure is significantly above the combined 'benchmark' sales density of existing main food and convenience stores in the town centre (£12,013 per sq m net) shown in RECAP Model Table 11. Our capacity forecasts for convenience goods floorspace therefore allow for sales from existing

floorspace to fall to that 'benchmark' level by 2017, thus generating additional retail capacity to support the committed and potential further developments. Thereafter, the forecasts assume that the average sales density of the existing and committed floorspace remains constant from 2017 onwards.

3.12 On this basis, Figure 3 shows that under Scenario 1, in which the town centre's 2012 market shares remain unchanged throughout the forecasting period, after allowing for the new Morrisons superstore, there will be a theoretical over-supply of convenience goods floorspace in the town centre in 2017 of about 1,500 sq m net, falling to about 1,250 sq m net by 2022, and to about 700 sq m net by 2031; if forecast trends occur. Under the more realistic Scenario 2, in which Morrisons achieves clawback of market share and expenditure to the town centre, the position is more or less reversed. In this scenario, there would be capacity for about 300 sq m net additional floorspace in 2017, rising to about 600 sq m net by 2022 and further to about 1,250 sq m net by 2029; if forecast trends occur.

3.13 RECAP Model Table 22 shows that the non-central foodstores are also trading at significantly above their combined 'benchmark' level (£12,664 per sq m net, compared with £10,907 per sq m net). However after allowing for committed developments, under Scenario 1 there is forecast to be a theoretical over-supply of about 250 sq m net in 2017; to be replaced by capacity of about 250 sq m net by 2022, rising to about 1,150 sq m net by 2029. In the more realistic Scenario 2, in which the new Morrisons superstore transfers market share and expenditure to the town centre, there would be forecast over-supply of about 1,300 sq m net, falling to about 850 sq m net by 2022, and to a nominal 50 sq m net by 2029.

3.14 Considering the town centre and Non-central locations together, the combined forecasts for the more realistic Scenario 2 show that there is forecast to be significant over-supply of convenience goods floorspace in 2017. This will be eliminated by about 2023; and thereafter capacity is forecast to rise modestly to about 1,250 sq m net by 2029. This means that if all the committed developments are implemented, there will not be sufficient expenditure to support any further convenience goods floorspace (other than possible small local convenience stores in neighbourhood centres, growth in expenditure support for which is allowed for outside the RECAP Model). However it also means that the permitted foodstore at Betts Way may not be implemented in its present form.

Comparison Goods Forecasts

3.15 In RECAP Model Table 13, we estimate that the existing comparison goods floorspace in Crawley Town Centre was achieving in 2012 an average sales density of £5,661 per sq m net. This is a realistic sales density for a town centre of this size and type in the current economic conditions for retailing.

3.16 Figure 3 shows that under Scenario 1, in which the town centre's 2012 market shares remain unchanged throughout the forecasting period, there will be capacity for about 14,150 sq m net new comparison goods floorspace in the town centre in 2017, rising to about 20,800 sq m net by 2022, and to about 22,000 sq m net by 2029; if forecast trends occur. This would not quite be sufficient capacity to support the proposed Town Centre North development in full by 2022, as we estimate that it will be likely to comprise around 25,000 sq m net comparison goods retail floorspace (in a scheme of about 32,500 sq m gross A1/A3 floorspace). However, Figure 2 shows that under Scenario 1, the combined capacity of the town centre and Non-central locations for new comparison goods floorspace would be about 16,200 sq m net in 2017, rising to about 24,950 sq m net by 2022, and further to about 26,650 sq m net by 2029, if forecast trends occur. Thus even under Scenario 1, there would be sufficient capacity for Town Centre North by 2022, if capacity forecast as Non-central is instead provided in the town centre as town centre format shops and stores, in accordance with the sequential approach.

3.17 Scenario 2 explores the effects of transfer of expenditure from Non-central stores to the town centre as a result of the emerging proposals for Town Centre North, as well as a small increase in Crawley's overall market share of catchment area expenditure. Under this more realistic scenario, forecast capacity in Crawley Town Centre in 2022 would be about 31,150 sq m net, rising to about 32,550 sq m net by 2029. Forecast capacity in Non-central locations under Scenario 2 would be effectively zero (at -50 sq m net) in 2022, rising to about 450 sq m net by 2029. Combined capacity of the town centre and Non-central locations would be about 31,100 sq m net in 2022, rising to about 32,900 sq m net by 2029.

3.18 Under Scenario 2 therefore, in which modest and (we would expect) achievable market share transfers are assumed, there would be more than sufficient capacity to support the emerging proposals for Town Centre North; whilst allowing existing shops and stores to increase their comparison goods sales by 2.5% pa in real terms. However there would be little or no capacity for any additional Non-central comparison goods retail floorspace in Crawley before very late in the forecasting period.

Retail Sector Analysis

3.19 RECAP Model Table 29 shows the 2012 market shares of expenditure on each category of comparison goods, which we estimate are attracted by Crawley Town Centre and Non-central shops and stores in Crawley Borough from the whole catchment area. It also shows the combined market shares attracted by these shopping destinations.

3.20 Table 29 shows that, compared with Non-central shops and stores, Crawley Town Centre secures higher market shares of expenditure on only 4 of the 8 categories of comparison goods. These are clothing and footwear; household textiles and soft furnishings; chemists' goods, medical and beauty products; and 'all other comparison goods'. The greater performance of the town centre is particularly striking in relation to the first and last of these goods categories. This shows the importance of preventing the growth of out-of-centre retailing of these 'non-bulky' goods categories, which are the lifeblood of the town centre. Table 29 shows that Crawley Town Centre has much more limited trade in the 'bulky goods' of furniture and floor-coverings; household appliances; audio-visual goods; and DIY supplies and garden products – where the retail warehouses in particular are strong.

3.21 RECAP Model Table 29 shows that overall, the combined market shares of the town centre and Non-central stores fall within a fairly narrow range of 21.1% to 29.8%, for all except chemists' goods, medical and beauty products. This shows that there are no conspicuous weaknesses in Crawley's retail offer. The relatively low market share for chemists' goods is because shopping for such products is highly localised, and the neighbourhood centres and local chemists and convenience stores account for high proportions of such expenditure. The relatively low market shares in the 'all other comparison goods' category, which includes jewellery, watches and clocks, tableware, toys and games, works of art, sports goods, books, CDs and DVDs, and other leisure and luxury goods, suggests that Town Centre North should be focused on leisure, lifestyle and luxury goods; as well as on the town centre's traditional strength of clothing and footwear.

Use and Review of the Forecasts

3.22 We must emphasise that all expenditure based forecasts of future shop floorspace capacity are based on imperfect data and contain a number of assumptions. Our forecasts set out in this Update study are based on the most up-to-date and reliable information currently available to us. However, they are intended as an indication of the likely order of magnitude of future shop floorspace capacity (if forecast trends are realised) rather than as growth targets or rigid limits to future growth. The forecasts should be periodically revised as necessary, as advised above, in the light of actual population and expenditure growth, and as development proceeds and its effects become measurable.

4 Retail Impact

Local Impact Thresholds

4.1 The Framework (paragraph 26) authorises local planning authorities to set local size thresholds, for new retail developments outside town centre and which are not in accordance with an up-to-date Local Plan, above which impact assessments are required. In addition to the retail capacity forecasts described above therefore, DTZ was instructed by the Council to advise on what local impact thresholds (if any) should be set for impact testing, when planning applications for such new retail developments in Crawley are submitted.

4.2 Retail impact depends (inter alia) on the retail format and sales density as well as on floorspace. Thus for example an electrical goods store has a higher sales density than a furniture store, so even if the same size, it would potentially have a greater impact. Accordingly, Table 1 in Appendix C sets out typical store sizes, generic average sales densities and thus total retail sales for the following types of retailers:

- Supermarkets
- Department Stores
- Clothing & Footwear
- Mixed Goods Retailers
- Furniture & Floor Coverings
- Hardware & DIY Goods
- Audio-Visual Goods

4.3 In selecting these types of retailers, we have sought those selling 'bulky' comparison goods (e.g. Hardware & DIY Goods)[7], those selling 'non-bulky' comparison goods (e.g. Clothing & Footwear)[8], and supermarkets. We have also identified various typical store sizes and generic average sales densities, so as to provide a broad and reliable basis for assessing appropriate local impact thresholds.

4.4 By way of explaining Table 1 in Appendix B, taking Supermarkets as an example, retail data sources (namely IGD) and our own professional experience indicate that typical store sizes range from 250 sq m net (i.e. the smaller Sainsbury's Local, Tesco Express, Co-op and town centre formats) to 5,000 sq m net or more (i.e. the out-of-centre superstore formats, such as Tesco Extra). The 'Big 4' supermarket operators[9] average a business-based (all goods) sales density of around £13,600 per sq

[7] Typical retailers include B&Q, Homebase and Wickes.
[8] Typical retailers include JD Sports, Next and Primark.
[9] Namely; Asda, Morrisons, Sainsbury's and Tesco.

m net. This sales density therefore forms the *High Sales Density* for Supermarkets in Table 1; whereas the *Low Sales Density* (which accounts for the 'discount' operators of Aldi and Lidl) average a generic business-based sales density of about £5,200 per sq m net.

4.5 Multiplying the *High Sales Density* with typical store sizes (sq m net) indicates total retail sales per annum. Thus for a 'Big 4' supermarket operator with a store of 1,500 sq m net, we estimate total retail sales of about £20.4m per annum. In contrast, we estimate that a 'discount' operator, which typically occupies stores measuring between 1,000 sq m net and 1,500 sq m net, has a *Low Sales Density* of about £5,200 per sqm net. For such a store measuring 1,500 sq m net, we estimate total retail sales of about £7.8m per annum – as opposed to the £20.4m achieved by one of the 'Big 4' within a store of the same size. This serves to demonstrate that certain retailers can potentially have greater impact than others owing to higher sales densities and/or more efficient store formats, and vice versa.

4.6 In the case of stores selling Furniture & Floor Coverings, these typically range from about 2,000 to 5,000 sq m net (e.g. Carpetright, Harveys, Dreams), and about 12,000 to 20,000 sq m net (e.g. Ikea). The former achieve an average *Low Sales Density* of about £1,200 per sq m net; whereas the latter can achieve an average *High Sales Density* of about £3,000 per sq m net. Such sales densities are considerably lower than those achieved by supermarkets, and the 'Big 4' in particular, selling food and a range of non-food goods.

4.7 Thus, it is appropriate to set different local impact thresholds for different types of development, for example stores selling convenience or comparison goods; or stores conditioned to permit the sale of 'bulky' comparison goods only, and stores with unrestricted A1 planning permissions. This is to ensure that proposed out-of-centre retail developments do not adversely impact upon the current and future town centre retail offer.

4.8 In Table 2 in Appendix C, we assess the potential scale of impacts on Crawley Town Centre from each of the retailer types and store sizes in Table 1. This assumes:

- Crawley Town Centre currently has total retail sales of around £500m, as shown by our updated RECAP Model for Crawley (interpolating between 2012 and 2017). Whilst the town centre's sales will be likely to rise in the future, sales densities in new retail developments will also be likely to rise. A base figure of £500m is therefore realistic for the purposes of this broad assessment of local impact thresholds.

- Up to 50% of each new store's trade would be diverted from Crawley Town Centre. Of course the actual trade diversion would vary between different sizes, types and locations of new retail developments; with some having greater and many lesser trade diversions. However for this purpose a cut-off trade diversion of 50% is a reasonable working assumption.

4.9 Table 2 shows that on these assumptions, the potential impacts on Crawley Town Centre would vary considerably between different retailer types. We consider that any impacts of greater than about 1% on the town centre should potentially give rise to concern, and that this impact level would be a reasonable cut-off point, below which detailed impact assessment would not be necessary. This suggests the following local impact thresholds, above which detailed impact assessment should be required (applying the NRPF definition of 'net retail sales area' in Appendix A of the Practice Guidance):

- 1,000 sq m net for all stores selling food (excluding those selling only food for consumption on the premises).
- 1,500 sq m net for all stores selling a significant proportion of goods other than furniture and floorcoverings, DIY goods and decorators' supplies, and large domestic appliances.
- 2,500 sq m net for all other stores – in accordance with the default size in paragraph 26 of the Framework.

4.10 These thresholds have been derived from potential impacts on Crawley Town Centre. However smaller out-of-centre stores than these could potentially have impacts of much more than 1% on neighbourhood centres in Crawley and elsewhere. We therefore recommend that the Local Plan should retain the option of lower thresholds being set for particular planning applications (for example conversion of a redundant Public House into a local convenience goods store) where these might be expected to have significant impacts on nearby small centres.

4.11 It will also be relevant to consider cumulative impact of recently permitted and proposed new developments. Where cumulatively with recently permitted developments, proposed further developments smaller than the above thresholds would be likely to have significant adverse impacts, the Local Plan should retain the option of applying lower thresholds for impact testing to the proposed additional developments.

The Impact of Town Centre North

4.12 In the RCIS, we carried out a wide-ranging assessment of the potential retail impacts on competing town centres from the then proposed Town Centre North development. That proposed scheme had a much greater retail content than is now emerging[10]. Following the analysis in the RCIS, in that study we concluded that:

[10] Around 50,000 sq m net, compared with the emerging scheme of around 25,000 sq m net comparison goods floorspace.

'a major comparison goods retail development in Crawley Town Centre, on the scale indicated by our retail capacity forecasts [approximately the same scale as the proposed scheme]*, would be unlikely to result in significant retail impacts on other town centres. Even allowing for the forecast impacts (which would be greatest on Horsham and Redhill town centres), other town centres would still be trading in 2021 at substantially above the level of 2010, provided that forecast trends occur. Their vitality and viability should not therefore be undermined; and indeed some centres should still be able to support additional retail development.'*

4.13 That conclusion in the RCIS was in relation to an increase in the market share of catchment area comparison goods expenditure attracted by Crawley Town Centre from 18.5% to 23.0% (+4.5%) as a result of the very large development then proposed at Town Centre North (Scenario 2 in the RCIS). However in Scenario 2 in this Update study, we expect a much smaller increase in the town centre's market share from 18.1% to 20.2% (+2.1%) as a result of the much smaller scheme now emerging. It follows that if the much larger development was shown by detailed analysis as being unlikely to have significant retail impacts on other town centres, the smaller development now emerging will be even less likely to have any significant retail impacts on other town centres. We therefore conclude that in relation to the emerging Local Plan policies for Town Centre North, there is no need to repeat for the smaller scheme the detailed retail impact analysis in the RCIS. Retail impact on other town centres has been more than adequately assessed for the purpose of plan preparation; and in relation to retail impacts on other town centres, the Council should be able to proceed with confidence with its emerging policy for major retail-led regeneration of the Town Centre North site.

4.14 A new retail and leisure development of the scale of Town Centre North can normally be expected to have some effects on the town centre in which it is located. Many of these are beneficial, for example increases in the numbers of shoppers attracted and the level of retail sales; increased pedestrian flows in parts of the town centre; and replacement of obsolescent buildings with high quality buildings and a modern retailing environment, coupled with public realm improvements. However, there are often transitional effects as some existing retailers relocate into the new development, and their old premises are refurbished and relet. There can also be longer term effects if some streets change their character, for example through retailers relocating into the new development and their places being taken by service businesses. In some streets, sales in existing retailers can fall, if pedestrian flows decline as a result of changes in location of the commercially prime retail areas, whilst in others pedestrian flows and sales can rise. At the time of detailed scheme design therefore, it will be desirable to assess these likely effects; so that action to maximise the benefits and mitigate any adverse effects can be taken, for example by modifying the scheme layout, content or design.

4.15 We therefore consider that as the development proposals for Town Centre North are firmed up, they should be tested for impact on Crawley Town Centre as it currently exists. This should be seen as a positive part of the planning and design process, aimed at optimising the prospects for success of the development itself and the vitality and viability of the enlarged town centre as a whole. Such an assessment should include (but not necessarily be limited to) identification of:

- Streets at risk from retailers moving into the proposed Town Centre North development;
- The likely effects of any such moves;
- Streets which are at risk from loss of sales to shops in the new scheme, even if few retailers relocate;
- The likely effects of such losses; and
- Streets which will be likely to benefit from the additional retail attractions in the Town Centre North scheme.

4.16 Collection of this information will assist decisions on the retail content of the scheme, so that it is complementary to the existing retailing; the scheme layout; and connections between the new and existing retail areas. The overall aim should be a fully integrated town centre, which in terms of attraction of expenditure is greater than the sum of its individual parts, and in which no single retail area dominates at the expense of other areas.

5 Summary of Principal Conclusions

5.1 Our first overall conclusion is that after allowing for the currently committed retail developments in Crawley, there should be sufficient comparison goods expenditure available to support the scale of new retail development now emerging for Town Centre North, with only modest and (we believe) achievable increases in market share of catchment area expenditure attracted by Crawley Town Centre. This means that such a development will be very unlikely to have any significant adverse impacts on the town centres in surrounding towns. It also means that for the purposes of plan preparation there is no need to undertake detailed testing of the likely impact upon surrounding town centres of the scheme now emerging at Town Centre North, as the impact of a much larger scheme has been fully tested in the RCIS, and found to be insignificant.

5.2 Second, we conclude that if Town Centre North proceeds as currently envisaged, and is completed before 2022, there will be little or no capacity for any additional Non-central comparison goods retail floorspace in Crawley before very late in the forecasting period. We therefore consider that the Council should continue to resist proposals for additional out-of-centre comparison goods retail development, particularly where this would involve 'non-bulky' goods sales or forms of retailing which would compete adversely with the current and planned retail offer of the town centre; in the interests of optimising the prospects for achieving a successful retail development at Town Centre North as soon as possible. Retailer demand for such stores should be directed to the town centre in accordance with the sequential approach, where retailers new to or expanding in Crawley will be vital for achieving the Town Centre North scheme.

5.3 Third, we conclude that the committed developments (in particular the new Morrisons superstore in the town centre as the first phase of Town Centre North) mean that there will be no capacity for any additional convenience goods floorspace in Crawley before about 2023; and that capacity for more will only start to emerge after that date. However there may be some capacity for additional small scale local convenience stores, for example in neighbourhood centres to serve new residential areas, in earlier years, as Crawley's population increases.

5.4 Fourth, we consider that it will be appropriate to set some local floorspace thresholds, above which proposals for new retail development outside the town centre and which is not in accordance with an up-to-date Local Plan, should be accompanied by full retail impact assessments as set out in the Framework . Our suggested thresholds are:

- 1,000 sq m net for all stores selling food (excluding those selling only food for consumption on the premises).

- 1,500 sq m net for all stores selling a significant proportion of goods other than furniture and floorcoverings, DIY goods and decorators' supplies, and large domestic appliances.

- 2,500 sq m net for all other stores – in accordance with the default size in paragraph 26 of the Framework.

5.5 We also consider that the Local Plan should retain the option of setting lower size thresholds in the case of specific planning applications for proposed developments which could be expected to have significant local impacts. It should also include the option of requiring retail impact assessments for developments of smaller size than the above thresholds, where cumulatively with recently permitted development these might be expected to have significant adverse impacts on Crawley Town Centre or other designated centres.

5.6 Finally, we consider that Town Centre North will be likely to have both benefits for Crawley Town Centre as it currently exists, and some impacts upon it (some of which will be only transitional). It will therefore be desirable for assessment of such effects to be undertaken before the planning of the scheme is finalised, so that any design changes needed to maximise the benefits and mitigate the adverse impacts are made during the design stage and before planning permission is granted.

Appendix A – Catchment Area Map

Appendix B – Crawley RECAP Model 2103

Appendix C – Analysis of Potential Retail Sales and Impact Thresholds