

TENDRING RETAIL & TOWN CENTRE USES STUDY:

for:

**TENDRING DISTRICT
COUNCIL**

September 2020

Prepared by: Bláthnaid Duffy MRTPI

Draft Report Issue Date: 29th September 2020

This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release. If not signed off, the document should be treated as a draft and as being private and confidential, and not for wider distribution without the written permission of Lambert Smith Hampton.

Signed:

.....

For and on behalf of Lambert Smith Hampton

CONTENTS

1. INTRODUCTION.....	1
2. PLANNING POLICY & REGENERATION CONTEXT.....	3
3. RETAIL AND TOWN CENTRE TRENDS.....	17
4. CLACTON TOWN CENTRE: HEALTH CHECK.....	32
5. CATCHMENT AREA & POPULATION PROFILE	52
6. RETAIL CAPACITY ASSESSMENT	65
7. COMMERCIAL LEISURE NEEDS ASSESSMENT	77
8. RETAIL & TOWN CENTRE POLICY RECOMMENDATIONS	102
9. COMMERCIAL POTENTIAL ASSESSMENT.....	109

APPENDIX A:

- 1: Study Area
- 2: Population and Expenditure
- 3: Convenience Goods - Market Share Analysis (incl SFT)
- 4: Comparison Goods - Market Share Analysis (incl SFT)
- 5: Convenience Goods Turnover (excl SFT)
- 6: Comparison Goods Turnover (excl SFT)
- 7: Baseline Convenience Goods Capacity Assessment
- 8: Baseline Comparison Goods Capacity Assessment
- 9: Leisure Expenditure Assessment

APPENDIX B:

Household Telephone Interview Survey – Method, Questionnaire and Results

1. INTRODUCTION

- 1.1 Tendring District Council (hereafter referred to as 'the Council') commissioned Lambert Smith Hampton ('LSH') in February 2020 to prepare the 2020 **Retail & Town Centre Uses Study**.
- 1.2 This study has been prepared in the context of the Council's current development plan documents pertaining to retail, commercial leisure and other main town centre uses. It also takes account of other relevant material considerations, including the *National Planning Policy Framework* (NPPF) and the *Planning Practice Guidance* (PPG), as well as the dynamic trends influencing and shaping the retail sector and the UK's High Streets and Town Centres generally.
- 1.3 It should be stated at the outset of this study that it was been prepared during the outbreak of the coronavirus (COVID-19) pandemic in the UK and across the world. The Government's containment response resulted in the 'lockdown' of social activity and the closure of non-essential town centre businesses. This was followed by the reopening of non-essential businesses, but with social distancing and other measures in place to mitigate against a resurgence of the virus. The pandemic is having an unprecedented impact on the way the nation lives, shops, works and carries out a range of activities at the time. The impact on politics, policy, the economy and businesses, including the UK's town centres and high streets, has changed on a day-to-day basis during the peak of the pandemic. The full impacts on the UK's economy, business/investor confidence, commercial property and our town centres will not be realised until after the pandemic has passed and the country returns to more "normal conditions". Against this background, we advise the Council that it may need to review and refresh this study at an appropriate time within the next two years to better understand the impacts on the District's economy, its town centres and household shopping and leisure patterns.
- 1.4 Notwithstanding the caveat with regard to the impact of the COVID-19, this study does provide the robust evidence base and key findings to help to inform and guide both plan-making and decision-taking across the District and its main centres up to 2033. The study assesses the quantitative need for town centre uses for the District as a whole, but considers in more detail how need can be met in Clacton Town Centre. The study takes account of an emerging masterplan for the town centre that will direct investment towards widespread public realm improvements and sets the blueprint for developing a number of opportunity sites in the town centre.
- 1.5 In summary the main objectives of this study as set out in the Council's brief are to:
 - 1) Identify and assess the existing supply and future needs (in quantitative terms) for new retail floorspace in the Tendring District.
 - 2) Identify the capacity of Tendring's principal shopping centres to accommodate this demand or the need for further provision on the fringes of these centres or elsewhere in the District.
 - 3) Establish the type of additional retailing that should be provided in the District as a whole and in each of the principal shopping centres to 2033.
 - 4) Provide advice to the Council on future retail trends and how they will impact on the District's retail offer.
 - 5) Provide advice on the alternative uses / transformations of retail-led centres, using good practice examples, showing the demand for this in Tendring District.
- 1.6 For ease of reference this report is structured as follows:
 - **Section 2:** sets out the planning and regeneration context for this study. This covers the Council's adopted and emerging Development Plan Documents and relevant retail, leisure and

town centre policies, alongside other material considerations, including the *National Planning Policy Framework* (NPPF) and *Planning Practice Guidance* (PPG).

- **Section 3:** highlights some of the key trends that are driving the dynamic changes in the retail sector and town centres at the national and local level. It reviews how these trends translate to Clacton Town Centre, and how existing and new trends will continue to shape the urban and retail landscape over the short, medium and long term.
- **Section 4:** provides the up-to-date health check assessment for Clacton Town Centre based on a range of key performance indicators (KPIs) as set out in the PPG. It takes account of the findings of the household survey (see Section 5).
- **Section 5:** establishes the study area, and provides a socioeconomic profile of residents within, with particular focus on Tendring District. The section sets out the findings of a household telephone interview survey conducted across the study area (**Appendix B**), which identifies the shopping and leisure habits of 1,000 residents. An analysis is provided on the distribution of retail expenditure across the study area, which forms the basis of the retail capacity assessment.
- **Section 6:** sets out the key inputs/outputs of LSH's **CREAT^e** economic capacity model, which identifies retail capacity for the District and its town centres to 2033. The detailed economic tabulations are set out in **Appendix A** to this study.
- **Section 7** sets out the findings of the commercial leisure 'gap' assessment; based on an audit of current provision, and participation levels and leisure habits identified from the household survey evidence (**Appendix B**). An assessment of leisure expenditure is set out in **Appendix A**.
- **Section 8** examines development management policy on town centre development and provides recommendations on potential changes to draft Local Plan policies, taking account of recent changes to planning legislation.
- **Section 9** advises on a high level commercial and town centre strategy based on best practice examples for developing, promoting and managing Clacton as a successful town centre.

- 1.7 When considering and assessing the findings of this retail and leisure assessment it is important to understand at the outset that capacity forecasts beyond a five-year (short-term) time period should be interpreted with caution as they are subject to increasing margins of error. 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 updated regularly. This would allow for forecasts to be updated in line with new retail development that may come forward at the local level, 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 leisure sectors (such as, the growth in internet shopping) and commercial leisure sectors. For example, a significant growth in the market share of on-line internet shopping above current forecasts will substantially reduce the capacity for new 'physical' retail floorspace over the plan period, as well as the market demand from retailers for representation in town centres.

2. PLANNING POLICY & REGENERATION CONTEXT

- 2.1 This section first provides a brief overview of the planning policy and regeneration context relevant to the preparation of this study. It sets out a high level review of the Council's Development Plan Documents ('DPDs') pertaining to retail and town centre uses, alongside the *National Planning Policy Framework* (NPPF); and *Planning Practice Guidance* (PPG). It also highlights other policy and evidence-based documents that are relevant to the preparation of this study, including the *Love Clacton - The Vision for Our Town Centre in 2030*.

NATIONAL PLANNING & REGENERATION CONTEXT

- 2.2 Before reviewing the Council's local development plan policies, the following provides a summary of the relevant national planning policy and guidance relating to retail, commercial leisure and town centres.

National Planning Policy Framework (NPPF) (2019)

- 2.3 The NPPF must be taken into account by Local Planning Authorities ('LPAs') in the preparation of Local Plans and Neighbourhood Plans. The presumption in favour of sustainable development is a key objective for both plan-making and decision-taking (paragraph 10), and the NPPF (paragraph 11) sets out the Government's view of what sustainable development means in practice. For plan-making, the NPPF states that: "...plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change" (paragraph 11a). For decision-taking, the onus is on local authorities to approve development proposals without delay where they accord with an up-to-date development plan. Where development plan policy is silent, or policies are out-of-date, permission should be granted unless there is a clear reason for refusal.
- 2.4 Chapter 3 ('Plan-Making') of the NPPF provides guidance to local authorities on preparing local plans. Paragraph 20 states that policies should set out an overall strategy for the location, scale and quality of development. To achieve this they should make sufficient provision for: housing, employment, retail, leisure and other commercial development, alongside the provision of infrastructure and community facilities. The NPPF requires that LPAs plan for and allocate sufficient sites to meet needs over the plan period (paragraph 23), but applies a shorter ten-year time horizon to meeting the needs for new retail, leisure, office and other main town centre uses. In preparing development plans, the NPPF confirms that "*policies should be underpinned by relevant and up-to-date evidence*" (paragraph 31). To ensure the local plans and spatial strategies are relevant they should be reviewed at least once every five years and updated as necessary (paragraph 33).
- 2.5 Chapter 7 '**Ensuring the vitality of town centres**' provides guidance on plan-making and decision-taking for retail and other town centre uses that are most relevant to the preparation of this study. Paragraph 85 specifically sets out criteria that LPAs should consider when preparing planning policies. The NPPF states that LPAs should:
- define a network and hierarchy of town centres, and promote their long term vitality and viability;
 - define the extent of town centre boundaries and Primary Shopping Areas (PSAs);
 - retain and enhance existing markets, and explore the potential to create new markets;
 - meet anticipated needs for town centre uses over a ten year period and focus new development/investment in town centres first; and
 - promote residential living in town centres on appropriate sites.

2.6 Paragraphs 86-90 specifically set out the revised policy wording with regard to the sequential and impact tests for determining applications for new retail, leisure and main town centres that are neither in an existing centre, nor in accordance with an up-to-date development plan:

- **Sequential test:** 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 within a reasonable period (paragraph 86). When considering edge and out of centre proposals, ‘...*preference should be given to accessible sites that are well connected to the town centre*’ (paragraph 87). Applicants and LPAs should demonstrate flexibility on issues such as format and scale (paragraph 88); and
- **Impact test:** applies to all applications over a proportionate, locally-set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sqm). This should include assessment of the impact on: (i) existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and (ii) on town centre vitality and viability, including local consumer choice and trade in the town centre and wider retail catchment area.

2.7 The NPPF (paragraph 90) 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”.

Planning Practice Guidance (PPG) (2020)

2.8 This study also draws on advice set out in the latest version of the PPG on ‘*Town Centres and Retail*’ that should be read alongside the policies and advice in the NPPF. The PPG also places significant weight on the development of positive plan-led visions and strategies for town centres. The key guidance in the PPG is summarised below.

2.9 Firstly, the PPG (paragraph 004) states that the assessment of the potential for centres to accommodate new development and different types of development should cover a five year period to take account of uncertainties in forecasting long-term retail trends, but should ‘also take the lifetime of the Local Plan into account and be regularly reviewed’.

2.10 The PPG provides advice to local authorities on the preparation of development plans and town centre strategies. In terms of what a town centre strategy should contain, the PPG advises that local authorities should consider a range of issues, including¹:

- the realistic role, function and hierarchy of town centres over the plan period;
- the vision for the future of each town centre, including the most appropriate mix of uses, and the role that different stakeholders can play in delivering the vision;
- the potential for centres to accommodate the scale of assessed need for main town centre uses, and how existing land can be used more effectively;
- opportunities for improvements to the accessibility and wider quality of town centre locations;
- what complementary strategies are necessary or appropriate to enhance the town centre; and
- appropriate policies to address environmental issues facing town centres.

2.11 In those cases where development cannot be accommodated in town centres, the PPG requires planning authorities to plan positively to identify the most appropriate alternative strategy for meeting

¹ Paragraph 004. Reference ID: 2b-004-20190722

the identified need, having regard to the sequential and impact tests². In applying the sequential test for plan-making local authorities are expected to consider the following checklist³:

- (i) has the need for main town centre uses been assessed?
- (ii) can the identified need for main town centre uses be accommodated on town centre sites? and
- (iii) if the additional main town centre uses required cannot be accommodated on town centre sites, where are the next sequentially preferable sites they can be accommodated on?

- 2.12 The PPG also sets out a number of Key Performance Indicators (KPIs) that “*may be relevant in assessing the health of town centres, and planning for their future*”⁴. These include a number of additional KPIs for consideration including: (i) how accessibility for people with mobility impairments or health conditions are catered for; (ii) understanding the balance between independent and multiple stores; (iii) evidence of barriers to new businesses opening or existing businesses expanding; and (iv) the extent to which an evening/ night time economy is supported.
- 2.13 Guidance is also provided on Permitted Development Rights (PDR) and determining change of use applications in town centres⁵. Guidance was updated in September 2020 to align with new Government advice on PDR and the revised Use Class Order. Aside from allowing changes of use without any application process (e.g. from a restaurant or café or a takeaway, to a shop or financial/professional services), the PDR process allows for a change of use subject to prior approval by the local planning authority on specific planning matters. PDRs include change of use from shops, financial and professional services, betting shops, launderettes, hot food takeaways and offices to residential use. This has proved controversial for many authorities due to the loss of potentially viable employment and commercial uses in centres to residential uses that are often of poor quality, size and design. Some authorities have addressed this issue through Article 4 directions⁶.
- 2.14 The Guidance supports alternative town centre uses in vacant buildings through new PDR. The PDR will apply to buildings that are vacant until 31 July 2021 and will allow the temporary use for a single continuous period of three years. The aim of the PDR is to support start-up businesses and encourage take up of vacant units in town centres. A temporary change of use is also allowed for specified community uses (health care, art gallery, museum, public library, public hall or exhibition hall) to encourage more diverse uses in town centres.

LOCAL PLAN CONTEXT

- 2.15 The following provides an overview of the more relevant local Development Plan Documents (‘DPD’)⁷ that guide both plan-making and decision-taking for new development in Tendring District and its centres. The Tendring Local Plan (adopted December 2007) represents the main statutory DPD in respect to managing and delivering town centre policies. Given the passage of time since the Local Plan was adopted along with changes in national planning policy aspects of the Local Plan are now

² Paragraph: 005 Reference ID: 2b-005-20190722

³ Paragraph: 010 Reference ID: 2b-010-20190722.

⁴ Paragraph: 006 Reference ID: 2b-006-20190722

⁵ Paragraph: 007 Reference ID: 2b-007-20190722. Also refer to: Town and Country Planning (General Permitted Development) (England) (Amendment) (No.2) Order 2020.

⁶ For example, see RICS Research (May 2018) entitled ‘Assessing the impacts of extending permitted development rights to office-to-residential change of use in England’.

⁷ Section 38(6) of the Planning and Compulsory Purchase Act

out of date. Elements of the adopted Local Plan remain in place and weight will shift to policies in the emerging Local Plan as it progresses to its adoption.

Tendring Local Plan 2007

- 2.16 The Local Plan was adopted in December 2007 and sets out the spatial strategy for growth in Tendring District up to 2011, including planning policies to guide new development within the District's largest towns of Clacton, and Harwich, and the District's smaller towns and villages. It is important to note that the council recognises that aspects of the Local Plan are considered to be out of date and not in accordance with national planning policy.
- 2.17 Until the formal adoption of the new Local Plan, the 2007 adopted Local Plan will remain in force and will be used in determining planning applications where relevant. However, as the new Local Plan progresses it will begin to have more "weight" in the planning process in deciding planning applications and guiding new development across the District.
- 2.18 The Local Plan highlights that the District had witnessed many changes since the adoption of the previous Local Plan (1992-2001). The District's two largest holiday parks in Clacton and Dovercourt were redeveloped for new housing during the 1990s and there has been redevelopment of a number of large vacant properties along the seafront in Clacton, Harwich and Frinton to provide a range of housing units. Despite the evolution of development under the previous plan, the Local Plan highlights that there is still need for further changes in the future, particularly to encourage new economic development and employment opportunities. One of the key objectives of the Local Plan is to stimulate social and economic regeneration in parts of Clacton, Harwich, Walton, Brightlingsea and Mistley, where there are high levels of unemployment, social deprivation and physical dereliction.
- 2.19 Residential, retail and leisure provision is focused in Clacton and Harwich town centres, with day-to-day uses supported in the District's smaller centres. Residential development is also focused the three smaller urban areas of Frinton/Walton, Brightlingsea, and Lawford, Manningtree and Mistley, which offer greater opportunities to develop brownfield land. The District has a number of retail parks located edge and out of centre to Clacton (Waterglade Retail Park, Brook Retail Park, Brook Park West, and Clacton Shopping Factory Village) and Haverwich (Harwich Gateway Retail Park), with further out of centre retail and leisure development in the pipeline (e.g. Clacton Trade and Leisure Park and Harwich Valley).
- 2.20 The Local Plan's overall vision for Tendring District is to maintain and improve the quality of life, economic prospects and environment throughout the District for everyone who lives, works or visits both now and in the future.
- 2.21 This will be based on delivering the strategic objectives, which the Local Plan policies seek to enable. The key objectives are:
 - make efficient use of land within existing urban areas particularly Brownfield land in preference to Greenfield land;
 - direct development to places where it is easily accessible by a choice of means of transport and reduce the need to travel;
 - promote development with a mix of uses so that people can live much closer to jobs, shops and other facilities, reducing the need to travel and helping to build communities;
 - stimulate social and economic regeneration in parts of Clacton, Harwich, Walton, Brightlingsea and Mistley, where there are high levels of unemployment, social deprivation and physical dereliction;

- support rural communities and promote a balanced, healthy rural economy;
 - ensure new development creates high quality environments that work well and are safe and attractive for residents, businesses and visitors; and
 - ensure that the community, environmental and infrastructure needs generated by new development are met.
- 2.22 The location and scale of development will be determined through the District's Spatial Strategy (Policy QL1) alongside ambitions to significantly increase employment in the District through maximisation of opportunity sites close to Harwich International Port and the A120 corridor. The vision will also be driven by an increase in 6,250 new homes over the plan period ((1,792 of which are required in the period 2007-2011).
- 2.23 Town centres will play an important role in achieving the Local Plan vision through investment and regeneration in Clacton and Harwich. This objective will be achieved by ensuring a mix of uses that support successful town centres, with an improved retail, leisure and cultural offer. Ensuring that the District's town centres meet community needs is important given that the Local Plan is aiming to deliver 6,250 new homes over the plan period.
- 2.24 New housing and employment will place demands on town centre services and **Policy ER31** sets out how new town centre development will be managed. New retail and town centre use development should be consistent with the scale and function of the town centre and in the case of new retail development, it must protect or enhance vitality and viability of the centre it will serve. Under **Policy ER32a**, new retail development in Clacton should be directed to the primary shopping areas (PSA).
- 2.25 Other Local **Policies** (LP) most relevant to this study include
- **Policy ER32 –Town Centre Uses Outside Existing Town Centres** seeks for proposed town centre uses outside of town centres to undergo a sequential site approach and need assessment. A proposal which satisfies the sequential and need assessment will only be permitted providing:
 - a) it is of a scale appropriate to the role and function of the neighbouring centre and its catchment;
 - b) it does not individually or cumulatively with other committed development materially harm the vitality and viability of an existing centre;
 - c) it is accessible by a choice of means of transport including public transport links; and
 - d) it would not materially prejudice the provision of employment land, housing, recreation or tourism facilities.
 - **Policy ER33 – Non-Retail Uses Within Primary Shopping Frontages** outlines that within the identified Primary Shopping Frontages in the District's town centres proposals for a change of use from Class A1 shops at ground floor level to Classes A2 – A5 will only be permitted where:-
 - a) non Class A1 uses would not dominate or detract from the core objective of providing retail outlets for the shopper;
 - b) the proportion of frontage in A2- A5 use does not exceed 10% of the length of individual street frontages;
 - c) the character of a Listed Building or Conservation Area is not prejudiced;
 - d) there would be no detrimental effect on the amenities of occupiers of nearby residential accommodation in terms of noise, fumes, smell and general activity generated from the use; and

- e) there would be no unacceptable levels of traffic to the detriment of highway safety. Within the Primary Shopping Frontages non-retail uses will not be permitted at the ground floor level.
- **Policy QL6 – Urban Regeneration Areas** outlines that Clacton Seafront, Town Centre and West Clacton are identified as Urban Regeneration Areas. The policy outlines that within these Urban Regeneration Areas permission will be granted for development that reinforces and/or enhances the function, character and appearance of the area and contributes towards regeneration and renewal. In particular, the Urban Regeneration Areas will be the focus for:
 - i. Investment in social, economic and transportation infrastructure; and
 - ii. Initiatives to improve vitality, environmental quality, social inclusion, economic prospects, education, health, community safety and accessibility.
 - iii. Planning permission will not be granted for development that would have an adverse impact on the revitalisation of any of these Urban Regeneration Areas
- **Policy QL8 – Mixed-Uses** outlines that within town, district and local centres and Urban Regeneration Areas, as defined on the Proposals Map, a mix of complementary and compatible uses will be encouraged by:
 - a) protecting the mixed use character of existing mixed-use buildings and areas from redevelopment or change of use to single-use development which would replace existing dual or multiple uses;
 - b) permitting changes of use to residential, leisure, community, cultural or office use in upper floors of existing commercial premises where this would not prejudice the future viability of the existing ground floor use; and
 - c) seeking appropriate mixed-use solutions in redevelopment schemes, including encouraging non-residential use within the ground floor frontage of prop
- **Policy ER37 - Small Convenience Stores Outside of Centres** sets out that proposals for small convenience stores of up to 150sqm floorspace outside of existing centres, including village locations, within the defined settlement boundary, will be permitted provided they would not be detrimental to the vitality and viability of a nearby centre.
- **Policy HG3 - Residential Development** outlines that within the defined development boundaries of towns and villages, residential development will be permitted provided it satisfies amenity, design, density, environmental, highway, local housing needs and sustainability criteria, as appropriate, and can take place without material harm to the character of the local area. Additionally, the policy sets out that the residential development of sites protected for non-residential uses by other policies in this plan will not be permitted unless it can be demonstrated that the community's need for a particular non-residential use in that location no longer exists and that residential use would be the preferred alternative.
- **Policy COM4 – New Community Facilities (including Built Sports and Recreation Facilities)** sets out that permission will be granted for the change of use or redevelopment of land or buildings for appropriate community use provided the proposed facility:
 - a) is readily accessible to local people and ideally served by viable public transport;
 - b) is not detrimental to the character and amenities of the area;
 - c) will not lead to unacceptable parking or traffic problems; and
 - d) does not comprise a site with overriding planning or infrastructure constraints.
- **Policy CL2 – Clacton Pavilion** sets out that proposal will be sought for the redevelopment or renovation of the Clacton Pavilion site for leisure purposes for which the site will be protected. All weather facilities in a flexibly designed building will be sought with pedestrian access from the upper or lower promenade.
- **Policy CL3 –Tourism related facilities along Clacton Seafront Tourist** sets out that related facilities, features and amenities along Clacton Seafront, including seafront kiosks, toilets, shelters and other buildings, structures, features and amenities used or enjoyed for tourism-

related purposes and which are capable of making a positive contribution to the historic context of the seafront will be progressively enhanced. Development that would have a detrimental effect on the tourism role of the facilities, features and amenities will not be permitted.

- **Policy CL4 – Martello Bay** outlines that at the final phase of development at Martello Bay, leisure and/or other tourist related development will be encouraged on land east and south of the Coastguard Station.
- **Policy CL5 – Amusement Centres** sets out that amusement centres will be confined to the southern part of Pier Avenue, Clacton Pavilion and on the Pier. In addition, such proposals will be permitted within existing holiday and caravan camps as ancillary facilities, provided that residential amenities would not be significantly adversely affected. Proposals for amusement centres outside these areas will not be permitted.
- **Policy CL7 – New Town Centre Retail and Mixed-Use Development** sets out that within Clacton Town Centre, new retail and mixed-use development will be encouraged on the following sites:
 - i. Pavilion Garage site at the corner of Pallister Road and Colne Road (retail use to Pallister Road frontage and residential use to Colne Road and above ground floor level);
 - ii. Land to the rear of the food store in Colne Road (retail use only);
 - iii. Land between High Street and Rosemary Road (Class A uses at ground floor level with residential flats above); and
 - iv. NCP car park, Jackson Road (retail at ground floor with offices above and multi-storey car park).
- **Policy CL8 – Specialist Shop/Cafe Area** sets out that class A1 and A3 catering services and small scale retailing establishments will be encouraged in the area defined on Proposals Map Inset 1a, particularly if improvements to related residential accommodation are proposed.
- **Policy CL9 – Food and Drink uses in Pier Avenue South** outlines that within the southern part of Pier Avenue, proposals for food and drink uses will be permitted providing they will not result in the loss of existing amusement centres. Such uses will not be permitted elsewhere within Pier Avenue.
- **Policy CL10 – Extension to the Waterglade Centre** sets out that land north of the Waterglade Centre is allocated for mixed-use comprising non-food bulky comparison retail goods and leisure activities. Permission for the accommodation of a non-bulky retail goods element will be dependent on the nature of the proposals, the application of a sequential assessment and consideration of the likely impact on the highway network and on the vitality and viability of the town centre.
- **Policy CL12 – Clacton Factory Shopping Village** outlines that permission will not be granted for proposals that include the introduction of unrestricted retail use on the Clacton Factory Shopping Village. Any application for expansion of the Factory Shopping Village will also need to comply with the sequential test required by Government Planning Guidance and not adversely.
- **Policy CL14 – Open Market** details that following the implementation of pedestrian priority measures in the southern parts of Pier Avenue and West Avenue, the Council will support the relocation of the Warwick Castle Market to this area.
- **Policy CL14a – Mixed-Use Development in north-west Clacton** states that land between 398-508 St. Johns Road and adjoining 3-29 Little Clacton Road together with land to the rear of 522-524 St. Johns Road is allocated for mixed-use including predominantly residential.
- **Policy CL18 – Bus/Rail Interchange** outlines that land west of the railway station, Clacton, is proposed for mixed-use development including a bus/ rail interchange and employment generating uses. Development shall include improved access to the site, a bus shelter and a roundabout.

Tendring Draft Local Plan 2017

- 2.26 Tendring are in the latter stages of preparing an updated Local Plan, which, upon adoption, will supersede the adopted 2007 Local Plan. The Local Plan was submitted for examination in October 2017.
- 2.27 Due to strategic cross-boundary policies and allocations, Tendring, Braintree and Colchester's (North Essex Authorities) Local Plans share an identical Section 1. As a result, Section 1 was considered through a joint examination in public. Examination in Public of Section 1 took place from 16 January 2018 as part of the Examination for the Braintree Local Plan.
- 2.28 Following an examination period of two and half years the examination Inspector issued a post hearing letter (dated 15th May 2020) to the North Essex Authorities (NEAs) setting out their findings on Section 1. Issues have been raised on two of three Garden Communities (GC) proposed: the West of Braintree GC; and the Braintree/Colchester Border GC. The Inspector found that after taking account of contingency allowance on transport and utilities infrastructure neither GC would be financially viable. The Inspector concludes that the two GCs are not justified or deliverable. However, no issue was raised in respect to the Tendring Colchester Borders GC. Nevertheless, the spatial plan and in turn the Plan itself as submitted, were deemed unsound. The Inspector has provided two options for the NEAs to consider: to remove the West of Braintree GC and the Braintree/ Colchester Border GC from Section 1 or withdraw the entire Draft Local Plan from examination. The NEAs have yet to declare which option they will pursue. The Draft Local Plan, as published is therefore reviewed below for completeness.
- 2.29 The following provides an overview of the key policies in the submitted draft Local Plan:
- 2.30 The Local Plan Part 1 outlines that Braintree and Colchester are the major centres of employment within the strategic North Essex Authorities. While there are high levels of commuting to London, many residents work and live within the area with significant commuting across City and District boundaries, reflecting a functional economic geography.
- 2.31 The area has a mixed economy focused on the service sector, including wholesale and retail, business services, tourism, health and education, although there is also manufacturing and construction capacity. Due to the extensive rural area outside settlements, agriculture plays an important part in the overall economy. This rurality also means that there are large areas of open countryside, including protected natural and historic landscapes.
- 2.32 Strategic Objective 4 of the North Essex Authorities Local Plan's Sustainability Appraisal (June 2016) is to achieve a prosperous and sustainable economy that creates new jobs, improves the vitality and viability of centres and captures the economic benefits of international gateways
- 2.33 The Local Plan Part 1 has five strategic objectives for the North Essex Authorities :
- Providing Sufficient New Homes;
 - Fostering Economic Development;
 - Providing New and Improved Infrastructure;
 - Addressing Education and Healthcare Needs; and
 - Ensuring High Quality Outcomes.
- 2.34 The Spatial Strategy for north Essex (policy SP2) outlines that existing settlements will be the principal focus for additional growth across North Essex within the Local Plan period. Development will be

accommodated within or adjoining settlements according to their scale, sustainability and existing role both within each individual district and, where relevant, across the wider strategic area. Three Garden Communities were proposed in the Local Plan Part 1 with only one, Tendring/Colchester borders GC, considered to be deliverable by the examining Inspector. In Tendring District, Clacton and Harwich with Dovercourt are classified as strategic urban settlements and are expected to accommodate around 5,000 new homes. A new cross-boundary garden community will be located in the west of the district and to the east of Colchester.

- 2.35 In order to meet the objectively assessed for housing across the North Essex housing market area, a minimum of 43,720 dwellings will need to be provided. Approximately 11,000 of the required dwellings will need to be located within Tendring District. The Tendring/Colchester borders GC is expected to deliver 1,000 homes for Tendring District in the plan period.
- 2.36 In terms of the local economy, the Part 1 Local Plan outlines that Tendring District has a diverse economy with local employment across a range of activities. Health, retail and education are the largest sectors in terms of the number of jobs and together represent 45% of the District's total employment. Part 1 policy SP4 outlines that annual job forecast for Tendring is 490, which equates to 11,760 across the plan period. A minimum of 20 ha of employment land will need to be provided across the District across the Local Plan period.
- 2.37 The vision for Clacton is set out in Local Plan Part 2. The vision states that:

'Clacton-on-Sea will have established itself as the place everyone wants to live. With the rejuvenation of the town's attractive and safe beaches (including the coastal protection scheme between Holland Haven and Clacton), high quality shops, restaurants and cafes in the town centre, creation of new country parks and the construction of hundreds of new high quality, spacious and much sought after houses, bungalows and retirement complexes, the economy will have seen a significant resurgence with new job opportunities in the retail, leisure, hospitality and health sectors.

Clacton will have still maintained its tourism roots, building a thriving local tourism industry but as well as attracting holiday makers, the town will provide a range of activities and attractions that our older residents can enjoy with their children and grandchildren at the weekends and during the school holidays, and a strong evening economy where people from the town and surrounding areas will come for a fun and relaxing evening with their friends and colleagues in some of the town's new and trendy restaurants, nightclubs and entertainment venues. In Jaywick Sands, regeneration projects will continue to raise the standard of living in this part of Clacton. Jaywick Sands will have seen, through the provision of a deliverable development framework, a sustainable community with associated economic, community and employment opportunities.

The town will also have new training facilities with a centre of excellence for health and assisted living.'

- 2.38 The Local Plan Part 2 (Tendring District only) has 10 key objectives:
- **Housing Delivery** - To provide new dwellings within Tendring District up to 2033 of sufficient variety in terms of sites, size, types, tenure and affordability to meet the needs of a growing and ageing population and to deliver high quality sustainable new communities.
 - **Employment/Commercial** - To provide for the development of employment land on a variety of sites to support a diversity of employment opportunities and to achieve a better balance between

the location of jobs and housing, which will reduce the need to travel and promote sustainable growth up to the period of 2033.

- **Retail Development**- To promote the vitality and viability of the town centres through the promotion of retail and other related uses, exploiting the benefit of enhanced growth of the towns whilst retaining the best and valued aspects of their existing character.
- **Infrastructure Provision** - To make efficient use of existing transport infrastructure and ensure sustainable transport opportunities are promoted in all new development and to promote infrastructure upgrades, where this would unlock future development.
- **Education and Health** - To improve and provide good quality educational opportunities and prospects for Tendring's residents as part of sustainable community strategy. This includes practical vocational training and apprenticeships. The Council will work with the NHS, Essex County Council and Public Health England to ensure that developments encourage healthy lifestyles.
- **Sustainability** - To locate development within Tendring District where it will provide the opportunity for people to satisfy their day-to-day needs for employment, shopping, education, and other services locally or in locations, which minimise the need to travel, and where there are modes of transport available in addition to the use of car.
- **The Historic Environment** - To conserve and enhance Tendring District's historic environment, including: heritage; respecting historic buildings and their settings; heritage assets; landscapes; links; and views.
- **Biodiversity** - To provide a network of interconnected multi-functional natural green and blue spaces, which secures a net gain in biodiversity and geodiversity; promotes healthy lifestyles; and enhances the quality of the natural and built environment.
- **Water and Climate Change** - To reduce the risk of flooding (all types) by securing the appropriate location and design of new development (including SuDs), having regard to the likely impact of climate change.
- **Tourism Promotion** - To work with partners to provide an enhanced environment for tourism and the maritime sector and its associated services.

2.39 The location and scale of development will be determined through the District's Settlement Hierarchy (Policy SPL1), which classifies Clacton-on-Sea as a strategic urban settlement alongside Harwich and Dovercourt and the Tendring and Colchester Garden Community.

2.40 Local Plan Part 2 site allocations allocate approximately 2,350 to Clacton-on-Sea. The regeneration of Clacton Town Centre and Seafront is expected to increase employment provision within Clacton. As such, new housing and employment will place demands on town centre services and Policy PP2 sets out how new town centre development will be managed. New retail and town centre use development should be consistent with the scale and function of the town centre and in the case of new retail development, it must protect or enhance vitality and viability of the centre it will serve.

2.41 Other Local Policies (LP) most relevant to this study include

- **Policy PP 1 - New Retail Development** outlines that retail development will be encouraged and permitted in the retail policy area of the town centres as defined on the Policies Map. This will be the main focus for new additional retail floorspace for the town centres, maintaining the District's current hierarchy and market share between centres. The Council's Retail Study Update (2017) indicates that there is no quantitative need for additional convenience and retail floorspace in Clacton.
- **Policy PP 2 - Retail Hierarchy** sets out that Major Town Centres, Town Centres and District Centres will be the focus for 'town centre uses' which include retail, leisure, commercial, office, tourism and cultural, community and residential development. The Council will promote a mix of appropriate town centre uses within these defined centres with 'active street frontages' at ground floor level. Retail development should take place at a scale appropriate to the size and function

of the centre within which it is to be located. Clacton is classified as Major Town Centre, topping the retail hierarchy.

- **Policy PP 4 - Local Impact Threshold** outlines that applications for retail, leisure and office development outside of a centre as defined on the Policies Map, which are not in accordance with the Local Plan, will require an impact assessment if the development is over certain floorspace thresholds in the defined Town Centre. For Clacton the threshold is 929 sqm. Gross floorspace.
- **Policy PP 5 – Town Centre Uses** state that within the Primary Shopping Area, proposals for development will be permitted where they:
 - a) are for main town centre uses, as defined in the NPPF; or
 - b) will promote the vitality and viability of the centre, including proposals for residential development; or
 - c) will involve the conversion or re-use of upper floors; and/or
 - d) deliver high quality active ground floor frontages; and
 - e) within the Primary Shopping Frontages A1 uses (shops) comprise at least 70% of the shopping frontages; and
 - f) within the Secondary Shopping Frontages main town centre uses remain dominant; and
 - g) any change of use will be considered against the aims of this Policy.
- **Policy PP 14 – Priority Areas for Regeneration** states that Clacton Town Centre and Seafront are identified as priority area for regeneration. Priority areas for regeneration will be a focus for investment in social, economic and physical infrastructure and initiatives to improve vitality, environmental quality, social inclusion, economic prospects, education, health, community safety, accessibility and green infrastructure. As well as this, the Council will seek to: preserve or enhance the historic assets of these areas, including the at risk conservation areas such as Clacton Seafront.
- **Policy SAMU2 - Development at Hartley Gardens, Clacton** allocates the land north of Bockings Elm and west of A133 shown on the Map SAMU2, for mixed use development will provide for 210 new homes in the plan period, along with 7 hectares of land for employment, education facilities and public open space.
- **Policy SAMU3 - Development at Oakwood Park, Clacton** allocates Land north of Clacton-on-Sea, between Holland Road and the Oakwood Business Park (Oakwood Park, Clacton), shown on the Map SAMU3, for a mixed use residential development including at least 500 new homes to be delivered during the plan period to 2033, health, care, and education provision, and a new neighbourhood centre.
- **Policy SAMU4 – Development at Rouses Farm, Jaywick Lane, Clacton** allocates Land at Rouses Farm, west of Jaywick Lane and south of St. John's Road, Clacton-on-Sea, as defined on Map SAMU4 for mixed use development including: at least 850 new homes to be delivered by 2033, and features to support a range of housing sizes and types to reflect the needs of the area requirements, health and education provision, open space and a new neighbourhood centre.

Love Clacton - The Vision for Our Town Centre in 2030

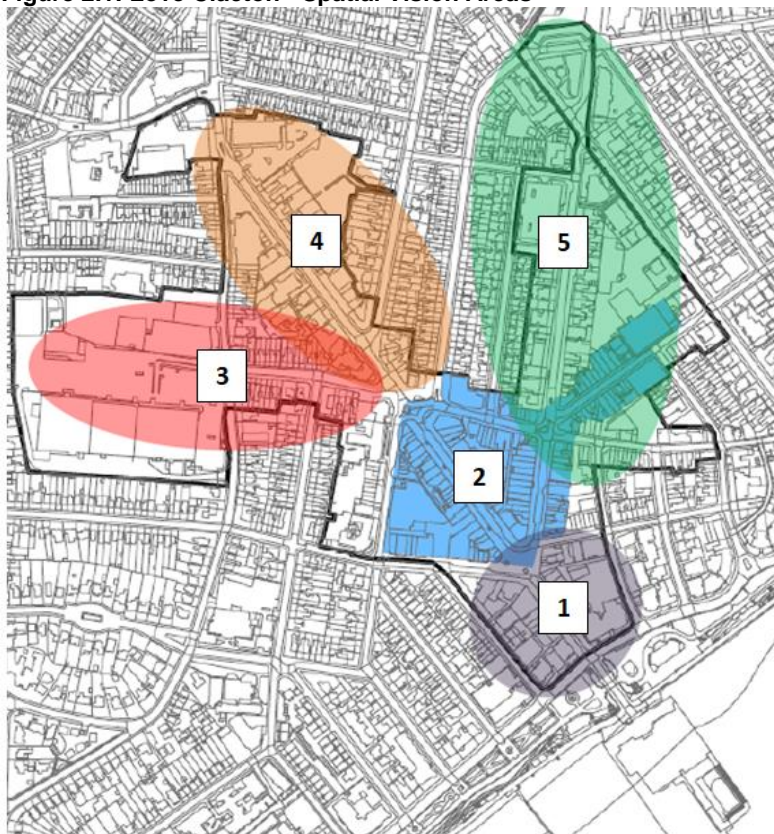
- 2.42 The vision for Clacton sets out the aim for Clacton in 2030 to be a well-loved, year-round destination positively promoting the town's seaside heritage, the beaches and famous attractions. The town will be a place with a familiar brand and a distinctive traditional character and atmosphere in which local residents and businesses take pride and active ownership, and where visitors are made to feel welcome and safe. The vision seeks for Clacton to attract visitors of all ages and abilities to come to the vibrant town centre to live, work, dine, socialise, shop and learn about Clacton's fascinating history. The aim of providing free internet access in the town centre will encourage increased levels of

mobile working providing a hub for formal educational and health services, interactive experiences and community engagement.

2.43 The spatial vision splits the town centre into 5 key areas, which are illustrated in the figure overleaf:

- **Pier Avenue South/Seafront** - aims to create a destination for socialising, eating, drinking and partying for people across a range of age-groups to support the evening and night time economy. Priority measures will include exploring the pedestrianisation of Pier Avenue, promoting the history of the town through public realm, enhancing pedestrian linkages to the Pier, seafront, and hospital.
- **Core Shopping Area** (including Central Pier Avenue/Electric Parade) - aim is to provide and promote Clacton's best shopping, eating and drinking in the heart of its vibrant historic core. A series of short, medium and long-term measures will aim to transform this area into 'Electric Parade', the thriving heart of Clacton. Measures include creating additional on-street parking, promoting a flexible mix of uses, hosting events, public realm improvements and improving public transport access and pedestrian legibility.
- **Waterglade/Rosemary Road West** - aim is to develop a high quality 'anchor' retail park within a stone's throw of the core shopping area.
- **Pier Avenue North** - aim is to enhance gateway into the town centre via its health and spiritual quarter. Measures will include public realm improvements, installation of improved and more legible signage.
- **Station Road/High Street/Rosemary Road** - aims to enhance the gateway into the town centre via the railway station and develop a hub of educational, health and community services. Proposed Measures include enabling alternative town centre uses e.g. residential, improve cycle and residential connections, increase parking capacity and work with bus and rail operators to encourage day trips to Clacton.

Figure 2.1: Love Clacton - Spatial Vision Areas



Spatial Areas:

1. Pier Avenue South/Seafront
2. Core Shopping Area
3. Waterglade/ Rosemary Road West
4. Pier Avenue North
5. Station Road/ Rosemary Road

Source: Love Clacton – The Vision for Our Town Centre in 2030

2.44 The vision also promotes the development of three key sites in the town centre:

- **Electric Parade:** The site is located in the town's core shopping area. The opportunity focuses on the triangular block of property bound by central Pier Avenue, west Avenue and Jackson Road. Objectives for the site include improving the site access and promoting Electric Parade as a gateway to the town centre. Proposed site uses include retail at ground floor level with residential uses above.
- **Carnarvon Towers:** The site is located in the Station Road/High Street/Rosemary Road area. It is formed of a large triangle of property that lies between the town's railway station and the core shopping area. It is bound by Station Road (home to Clacton Town Hall and the area occupied by many Estate Agents, Solicitors and other profession services), Carnarvon Road (the last stretch of the A133 terminating at the seafront) and the High Street. Objectives for the site including the relocation of the library and community centre to location closer to the town centre, facilitating increased footfall to the town centre, improving the public realm and Improving the quality of the Carnarvon Road public car park. Proposed site uses include office use and residential accommodation.
- **Savoy Place:** The site is located immediately south of the Carnarvon Towers opportunity site, this is a triangle of property bound by the High Street, Rosemary Road. Objectives for the site include redeveloping the former Rumours nightclub to become a flexible arts and cultural venue, relocate the market closer to the town centre, facilitate the accommodation of an arts attractor into the area, manage the relocation of retail users from Rosemary Road to the town centre, relocate library and adult facilities to the former Post Office site. Proposed site uses include retail, community square and residential accommodation on upper floors.

2.45 Development of the three regeneration sites will enable the delivery of the wider vision and the ultimate goal of transforming Clacton.

2.46 In addition to the proposed improvements to Clacton town centre, the vision document also sets out the strategic narrative for the wider Clacton area. Strategic projects will include:

- Investment in beaches and seafront attractions
- Upgrade of Clacton Hospital
- Regeneration of Jaywick Sands area
- Development of 950 dwellings at Rouses Farm site
- Construction of North Clacton Relief Road
- Develop Hartley Gardens Major urban extension to provide 1,700 new homes
- Expansion of Brook Park Retail Park
- Expansion of Pickers Ditch Walkway
- Develop Oakwood Park Urban Extension to provide 1,000 homes, primary school, community facilities, specialist accommodation and open space
- Extension of Gorse Lane Industrial Estate
- Improvements to the A133

2.47 Many of the projects identified above are being brought forward through development plan policy (emerging Local Plan) and infrastructure investment at county level.

SUMMARY

2.48 In summary, national and local planning policy and guidance seeks to maintain and grow the vitality and viability of centres over time by, amongst other measures, directing new investment and development to town centres first and promoting a diverse mix of sustainable uses that meet the needs of all those who live, work, shop and visit centres for a wide range of activities.

- 2.49 Clacton Town Centre is the focus for new development and investment in Tendring District. Under both adopted and draft policy, and supported by a bold vision, the town centre is expected to undergo significant regeneration, providing an improved retail, cultural and leisure offering for existing residents and future residents. The delivery of key housing sites will place increased demand on town centre uses and it is critical that new services are directed to town centres, particularly Clacton which will help to strengthen footfall in the town centre, and in turn investor interest. Whilst this study is not informing policy, Part B of this study examines town centre policies that should be considered for review in order to encourage investment in Clacton Town Centre.
- 2.50 Given the pace of change on Britain's high streets and the shifting nature of retail and leisure, which has become the norm, it will be important for the Council to review town centre policy and any future Supplementary Planning Documents so that policy stays relevant and allows town centres to adjust to market changes.

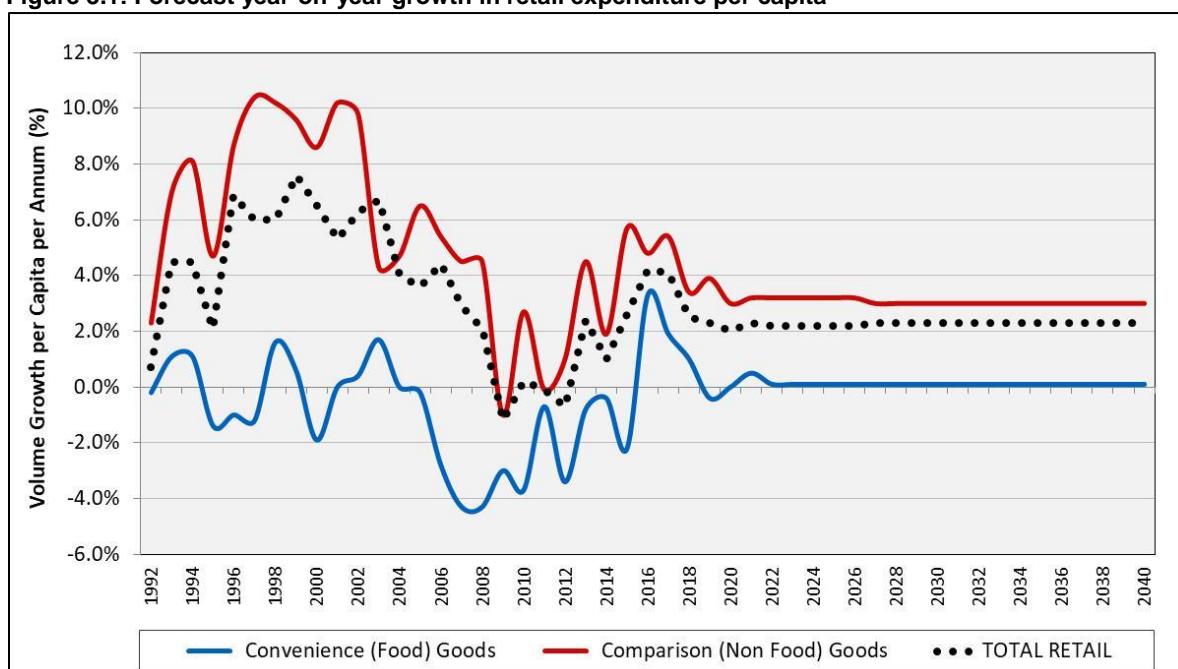
3. RETAIL AND TOWN CENTRE TRENDS

- 3.1 This section summarises some of the key economic, consumer and property market trends that have driven the changes in the retail and leisure sectors over the last 10-15 years, and will continue to shape change in the future. It also briefly examines whether and how town centres can respond to these dynamic trends, and specifically the rise in internet sales, to remain competitive and enhance their overall vitality and viability in the future.

ECONOMIC OUTLOOK

- 3.2 The UK economy has been characterised by a low growth trajectory over the last 18-24 months. Figures provided by the *Office for National Statistics* (ONS) show that UK GDP increased by +0.3% (quarter-on-quarter) in the third quarter (Q3) of 2019. This represented a +1% year-on-year increase since 2018 (Q3) and was the weakest growth recorded since 2010 (Q1).
- 3.3 Forecasts (pre the coronavirus pandemic) at the start of the year indicated that the UK economy will remain on a low growth path in 2020 due to the uncertainty created by the Brexit transition period (which ends in December 2020) and the sluggish global economy. The forecasts provided by Experian Business Strategies (Experian) as set out in their latest *Retail Planner Briefing Note 17* ('RPBN') published in February 2020 do not take account of the potential impact of coronavirus on the economy, but they nevertheless predict low GDP growth of between +1% to +1.5% in 2020 and 2021 respectively. This compares with average annual GDP growth of around 2% over the period 2010 to 2018. Experian forecast higher average growth of circa 1.8% per annum over the medium term, between 2022 and 2026, but this is still below previous trends.
- 3.4 Consumer spending has been a key driver of economic growth since the EU referendum in June 2016, although there have been increasing signs that growth is starting to "soften". Figures show that household spending slowed to an eight-year low (+1.2%) in 2019 due principally to the impact of Brexit on consumer confidence. Notwithstanding robust labour market conditions in 2019 (including the creation of 300,000 jobs), income growth averaged just 1%. Forecasts show that real income growth will to average +1.3% in 2020 and consumer spending growth will remain below +1.5% on average. Over the medium term (between 2022 and 2026), Experian forecast consumer spending growth will average around +1.8% per annum.
- 3.5 Retail sales volumes grew by +3% in 2019, which was the weakest performance since 2014. There was a marked slowdown in growth during the year, which reflected low consumer confidence and sluggish incomes. The most significant impact on retail sales has been on department store operators and household goods retailers. Demand for household goods has suffered as the housing market remained in the doldrums for a second year. In contrast, sales from predominantly online retailers picked up momentum with a +15% growth for 2019, up from +10% in 2018. Overall the prospects for retail sales growth remain subdued, as the economic recovery is not yet assured and any increase in household incomes will be modest in 2020 (for the reasons mentioned above). As a result, Experian forecast that retail sales growth will continue at a sluggish rate of around +2.5% in 2020 and 2021. Any short-term growth will be further impacted by the "fall out" from the coronavirus pandemic. Over the medium term (2022 to 2026) Experian forecast slightly higher average annual growth of +2.7% per annum.
- 3.6 As the figure overleaf shows, these economic trends are reflected by the year-on-year actual growth in retail (convenience and comparison goods) spending per head between 1992 and 2019, and the forecast growth for the period 2020 to 2040.

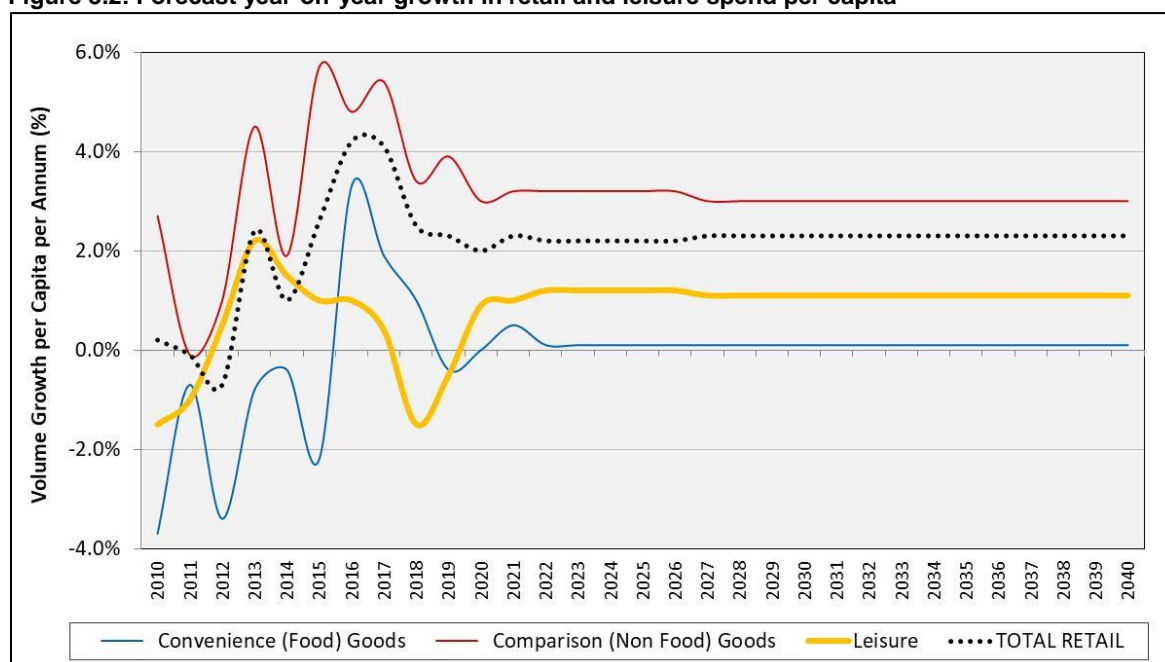
Figure 3.1: Forecast year-on-year growth in retail expenditure per capita



Source: Experian Retail Planner Briefing Note 17 (February 2020). Figures 1a and 1b

- 3.7 The dramatic impact of the 2007/2008 economic downturn and recession on retail spending growth is clearly illustrated. The latest forecasts by Experian show **total retail spend** growth per capita of +2% in 2020 and +2.3% in 2021. This is significantly below the historic average annual growth of +5.4% for the period 1997 and 2007, and +3.5% between 1997 and 2018. Experian predict that growth over the medium term, between 2022-2026 will average around +2.2%, with longer term growth forecast at +2.3% for the period 2027-2040.
- 3.8 For **convenience goods**, there was negative average spending growth over the ten-year period from 2005 to 2015. Following a period of growth between 2016 and 2018, Experian's figures show a return to negative growth in 2019 (-0.4%) and no growth in 2020. Growth over the medium to long term is predicted to 'flatline' at around +0.1%. As we describe below, the negative growth in convenience goods spending has had a significant impact on the grocery sector and on retailer business models over the last 10-15 years.
- 3.9 For **comparison goods** the figure shows year-on-year growth rates recovering from a low of -1.0% in 2009, to a high of +5.7% in 2015. However, Experian predict that growth will be relatively muted in 2020/2021 at around +3%, and this could now be lower than forecast due to the impact of the coronavirus pandemic on consumer confidence and spending. Over the medium term between 2022-2026 Experian forecast average growth of +3.2%, with a slight fall in growth to +3% per annum over the long term (i.e. 2027-2040). It should also be noted that the medium to long term growth forecast is significantly below the historic long term trend of +8.5% per annum for the period 1997 to 2007. It is this consistently high growth rate that largely fuelled the growth in new retail floorspace development and retailer expansion over this period.
- 3.10 The figure overleaf compares the actual and forecast annual growth in leisure spend per capita with retail over the period 2010 to 2040 based on Experian's latest RPN17.

Figure 3.2: Forecast year-on-year growth in retail and leisure spend per capita



Source: Experian Retail Planner Briefing Note 17 (February 2020). Figures 1a and 1b

- 3.11 The figure shows that leisure spend is forecast to grow at between +1% and +1.2% over the period 2020 to 2040. This is higher than the average growth forecast for convenience goods (+0.1% per annum), but lower than for comparison goods (+3% to +3.2% per annum). The forecast average growth in leisure spend is consistent with the historic average growth of +1.1% recorded between 2012 and 2018, and significantly higher than long term trends of -0.6% between 1997 and 2018.
- 3.12 Any further dampening of growth rates over the medium to long term will have implications for the viability of existing retail and leisure businesses and the take-up of new space, as well as the potential to support new businesses over the forecast period. These expenditure growth trends and forecasts are key drivers of the assessments of retail capacity (Section 8) and leisure needs (Section 9).
- 3.13 COVID-19 is expected to have an impact on retail and leisure sales growth. The current thinking by market analysts, including Experian Business Strategies, is that based on the Government's interventions, the UK is likely to suffer a sharp, but short recession. However, economic output would start to bounce back in early 2021 and unemployment rates returning to pre-Covid levels by 2024. Therefore, we have assumed that the retail and leisure sectors will return to 'normal' conditions sometime within a five year period (i.e. by 2025) from now.

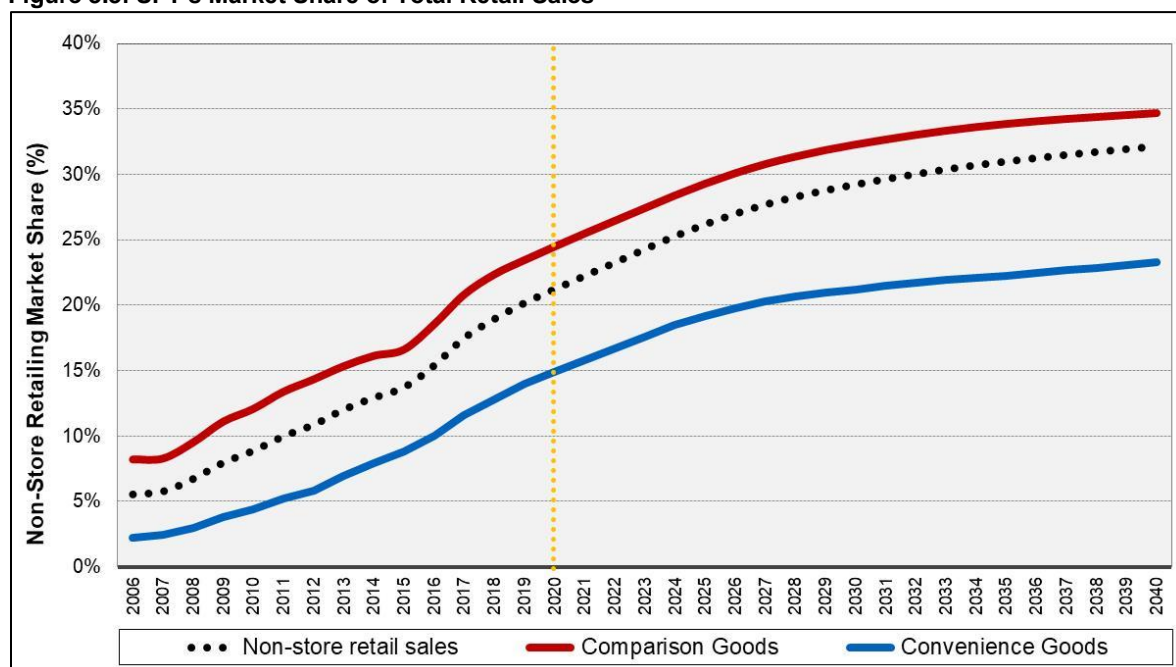
THE RISE OF ONLINE SHOPPING

- 3.14 The growth in non-store retail sales has undoubtedly had the most significant impact on consumer spend and behaviour, and the retail sector over the last decade. Non-store retailing, which principally comprises internet shopping, is commonly referred to as *Special Forms of Trading* (SFT)⁸,
- 3.15 The latest ONS figures estimate that the value of non-store retail sales (including the internet) stood at £84.1bn in 2019 (in 2016 prices). Total non-store sales have increased significantly from £17.1bn in

⁸ **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).

2006 and from £29bn in 2010. As the figure below shows, SFT's overall market share, as a proportion of total UK retail sales, has increased from 5.5% in 2006 to 21.2% in 2019. In other words online now accounts for more than one in every five pounds spent on retail goods.

Figure 3.3: SFT's Market Share of Total Retail Sales



Source: Experian Retail Planner Briefing Note 17 (February 2020). Appendix 3, Figure 5.

- 3.16 Experian forecast total SFT market shares will increase to 26.2% by 2025, 29.2% by 2030 and 32.1% by 2040 (i.e. one in every three pounds spent on retail in 20 years' time will be online). The most recent Experian figures set out in RPN17 show a higher growth in market shares to 28.3% by 2028 compared with their previous forecasts in 2019 (RPN16). Other research⁹ suggests that the growth could be even faster than forecast by Experian, with online sales predicted to overtake store-based sales within the next 8-10 years, accounting for a substantial 53% of total retail sales by 2028.
- 3.17 This growth will be driven by the significant improvements in the convenience and choice of online purchasing through further advances in smartphones, mobile/wearable technology and Artificial Intelligence (AI), alongside improved web-based platforms and social media. The expansion of 5G and fibre networks, cheaper and faster deliveries (including the potential for drone deliveries, autonomous delivery vehicles, etc.), more 'click-and-collect' options and easier return processes will also provide the platform for increasing online purchases.
- 3.18 Notwithstanding the strong medium term growth, Experian forecast that the pace of e-commerce growth will slow over the long term. This is because internet use is now very extensive at 91% of all UK adults and virtually 100% for those aged between 16 and 44 years in 2018 according to ONS statistics. Hence, growth of the internet user base will be less of a driver than it has been in the past decade. Instead, generational differences in internet use will increasingly drive growth. For example, the 'Millennials' (defined as anyone born between 1981 and 1996) and 'Generation Z' (anyone born between 1997 and 2010) generations have been born into digital environments and use technology more intensively. These groups will account for half of the adult population by the end of the 2020s (compared to 39% in 2019) and the bulk of retail spending. Their preference for online shopping could

⁹ 'The Digital Tipping Point – 2019 Retail Report' (Retail Economics and Womble Bond Dickinson)

well represent the “*tipping point*” for the retail industry as a whole¹⁰. As a result high streets, town centres and physical retailers will need to work even harder to attract and retain these generational groups as customers.

- 3.19 When it comes to forecasting the potential capacity for new physical retail floorspace, it should be noted that Experian identify that 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 through *‘virtual’* stores and/or *‘dot com’* distribution warehouses. On this basis, Experian has adjusted their SFT market shares downwards to reflect their estimates of the proportion of internet sales sourced from existing stores. As a result, the SFT market share of total retail sales is reduced to 13.6% in 2020, 17% by 2025, 21.2% by 2030 and 23.3% by 2040. In line with standard approaches, these adjusted/recalibrated market share figures are used as a benchmark for the retail capacity assessment in Section 8 to this report.
- 3.20 Notwithstanding this, it is clear that the “*digital revolution*” and growth of online retailing has had a significant impact and is having a significant impact on Britain’s retailers, sales and high streets. 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 (examples being the rationalisation of HMV and GAME stores across the UK). However, this does not mean that other comparison goods categories are immune to the impact of the internet. For example, there has been an increase in online fashion ‘stores’ and purchases over the last decade. These trends are clearly illustrated by the survey-derived SFT/internet market shares for different categories of comparison goods expenditure described in **Section 5**.
- 3.21 The impact of the “*digital revolution*” is also impacting on how and where people choose to spend their leisure time. For example, instead of visiting the cinema or theatre, consumers can digitally stream to their televisions a vast library of filmed entertainment on demand through say Netflix or Amazon Prime. Social media, Skype, email and instant messaging are also displacing face-to-face interactions. The innovation and development of these alternative digital customer experiences is accelerating, and in the process exacerbating a *‘digital divide’* between, on the one hand, those well-resourced companies investing and competing in the digital arena, and on the other hand the small independent merchants that serve the day-to-day needs of their local (high street) communities. Yet the success of businesses at both ends of the ‘divide’ is mutually dependent, and is essential to a successful high street.
- 3.22 The Government’s ‘lockdown’ response to COVID-19 and the forced closure of all non-essential shops has resulted in a surge in online shopping for both food and non-food goods. Whilst the opening of non-essential shops in mid-June 2020 will draw down on online sales it is likely that online shopping will maintain a higher market share of shopping than it did pre-COVID-19.
- 3.23 In summary, both retailers and high streets will need to compete for shoppers and expenditure through a variety of means including creating experiences that will attract the interest and attention of potential consumers across all ages and socio-economic groupings. We comment later in this section on the emerging trend in convergence between physical and online retailing.

¹⁰ ‘The Digital Tipping Point – 2019 Retail Report’ (Retail Economics and Womble Bond Dickinson)

RETAILER BUSINESS MODELS AND REQUIREMENTS

- 3.24 As described above, the challenging economic conditions and growth in online sales have had a significant and permanent impact on consumer shopping and spending behaviour. In turn, this has created significant challenges for traditional “*bricks-and-mortar*” retailing and the high street. As a consequence, national multiple retailers are having to constantly review and rapidly adapt their business strategies, requirements and store formats to keep pace with the dynamic changes in the sector and consumer demand.
- 3.25 These dynamic trends are best illustrated by the changes in the grocery sector over the last decade. Following a sustained period of growth over circa 25 years up to 2010, principally driven by new larger format store openings in predominantly edge and out of centre locations, the business models for the top-5 main grocery operators (i.e. Tesco, Sainsbury’s, Asda, Waitrose and Morrisons) have shifted dramatically. Today their focus is on growing market share through online sales and new smaller convenience store formats (including Tesco Express, Sainsbury’s Local and Little Waitrose). Therefore, applications for large store formats have slowed to a virtual standstill over the last decade and extant permissions have not been implemented. Outside of the so-called top-5 grocers, the ‘deep discount’¹¹ food operators (namely Aldi and Lidl) have significantly increased their respective market shares through new store openings.
- 3.26 The non-food retail sector has also experienced a significant impact from the rise of online shopping, and the challenging economic and property market environment. Many well-known retailers have either closed over the last decade, or have significantly reduced their store portfolios. The table overleaf shows some of the higher profile retailer “*casualties*” since 2008:

¹¹ Also referred to as ‘Limited Assortment Discounter’ (‘LADs’) by the Competition Commission Report.

Table 3.1: The Largest Retailers that have gone in Administration since 2008

Year	Retailers / Brands	Stores	Employees	Sector
2019	Select	180	2,000	clothing
2019	Debenhams	165	25,000	department
2018	HMV	133	2,200	music, DVD, games
2018	House of Fraser	59	17,500	department
2018	Poundworld	350	5,300	discount
2018	Wine Rack / Bargain Booze	760	4,000	off licences
2018	Maplin	200	2,500	IT
2018	Toys 'R' Us	105	3,200	toys & games
2017	Palmer & Harvey	-	4,000	wholesaler
2017	Store Twenty One	76	1,080	clothing/variety chain
2016	BHS	164	11,000	clothing/variety chain
2016	Brantano	200	2,000	footwear
2014	Phones4U	550	5,600	mobile phones
2013	HMV	238	4,350	music
2013	Blockbuster	528	4,190	DVD rental
2012	Comet	236	7,000	electricals
2012	Clinton Cards / Birthdays	767	8,500	cards, gifts
2012	Game	600	6,000	video games
2012	Peacocks	550	9,600	clothing
2012	JJB Sports	250	6,300	sportswear
2012	Alexon	990	2,700	clothing
2011	Focus DIY	170	3,919	DIY
2009	Wine Rack / Threshers / Bottoms Up / Victoria Wine	1,300	6,500	off licences
2009	Zavvi	150	3,500	music
2008	Ethel Austin	300	3,100	clothing
2008	Adams	271	3,200	children's clothing
2008	Woolworths	820	30,000	variety chain
2008	Stead & Simpson (Shoe Express / Lilley & Skinner / Peter Briggs)	375	3,000	footwear
2008	Faith Shoes	284	2,000	footwear
2008	Roseby's	280	2,000	furnishings
2008	Motor World	284	2,235	car accessories
2008	MFI (Hygena / Schreiber)	173	1,100	furniture
2008	Stylo Shoes / Baratts / Priceless	1,067	5,400	footwear
2008	Allied Carpets	273	2,300	floor coverings
2008	Blacks Leisure	400	2,640	outdoorwear
TOTAL:		13,248	204,914	

Source: Centre for Retail Research (2020)

Notes: The figures relate to retail corporations that went into legal administration in the year shown. CRR state that the test for inclusion is: (a) administration; and (b) national significance. The table does not indicate or purport to show whether the company has disappeared, such as Woolworths, or still survives in a robust manner, such as HMV or Peacocks. Appearance in the table does not imply that the brand is no longer used or does not trade. Where a retailer has suffered several failures the date used is normally the one where most assets or staff were involved. Retailers that have shrunk their businesses without going through administration are not included.

3.27 The latest high profile retail failures include Mothercare, whose UK business was placed into administration in November 2019 and saw the closure of its Clacton store. At the start of 2020 the department store chain Beales also collapsed into administration, resulting in the closure of its 23 stores and the loss of some 1,300 jobs. Other operators that have entered into administration in early 2020 include Hawkins Bazaar and Oddbins. Edinburgh Woollen Mills has also acquired 200 Bonmarche stores, but this still leaves 70 stores in administration and under the threat of closure. Both retailers are located in Clacton, and are still trading (pre-COVID-19). Further to these administrations, there is another wave of retailers who have had to restructure and reduce their store portfolios over the last 5-10 years, including:

- **New Look:** entered into a Company Voluntary Agreement (CVA)¹² in 2018 and closed 60 out of its 593 stores, resulting in the loss of circa 1,000 jobs. These include flagship stores in London's

¹² A Company Voluntary Arrangement (CVA) allows a company to enter into a legally binding agreement with its creditors, which could include suppliers or landlords, to reach a compromise agreement and avoid an administration or liquidation. A CVA can therefore provide a company with some 'breathing space' to allow it to reorganise or restructure its funding and/or its operations with as little

West End and further closures are anticipated. New Look is located in Clacton, but COULD be vulnerable to any plan to closure more stores, given the proximity of stores in higher order centres (e.g. Colchester).

- **Ikea:** reported a near -40% fall in profits in 2017 and pulled out of opening a new store in Preston in 2018. The retailer blamed higher wages and the cost of investments in its stores and website. It subsequently announced that it is to close its Coventry City Centre store in Summer 2020, as it has made consistent losses since it opened in 2007.
- **Boots:** announced in June 2019 that it will close 200 stores out of its total 2,500 store portfolio in an attempt to cut costs. On the positive side, it has opened a new format 2,787 sqm store in London's Covent Garden branded as "*Beauty and Wellness Halls*".
- **Marks & Spencer:** has closed some 53 of its 1,036 stores since 2016 in secondary cities and towns across the UK¹³, including the M&S department store in Clacton. In addition, it announced in Summer 2019 that it had earmarked an additional 110 poorly performing stores for closure or change.

- 3.28 It is apparent that national retailers with extensive high street store portfolios are struggling to maintain market shares and remain profitable in the increasingly competitive environment. The higher costs of trading from high streets compared with online and out-of-centre retailing, also means that it is not a "*level playing field*". This is a further contributing factor to the significant number of store closures that have occurred over recent years.
- 3.29 Research shows that in total there was a net closure of some 7,550 retail units across Great Britain in 2019 and vacancy levels rose to almost 13% (expressed as a proportion of total outlets), compared with 7% in 2006¹⁴. Some analysts suggest that there is as much as 30% too much physical space in the retail sector. The increase in long-term vacancies and concentrations of vacant properties in centres can lead to a '*spiral of decline*', engender feelings of neglect and lack of investment confidence in town centres, which in turn "pushes" more people to shop online.
- 3.30 Notwithstanding the negative news headlines, there are still success stories within the retail sector. For example, Primark opened its largest store (14,957 sqm) in Birmingham in April 2019, which is comparable to the floorspace and layout of a more traditional department store operator. The nearest Primark store to Clacton is in Colchester. Greggs has also been one of the high street's recent star performers with a significant increase in sales in 2019 and outlets are located in both Clacton Town Centre and Clacton Shopping Village. A number of retailers are responding to the competitive challenges in the retail sector by launching new formats aimed at providing consumers with enhanced retail experiences. For example, Pets at Home launched its interactive '*Store of the Future*' format in May 2019.
- 3.31 In summary, although some retailers are better positioned to cope with the growth in online shopping and the shifts in consumer behaviour and preferences, many are struggling to position themselves quickly enough to absorb rising costs and engineer the vital transition to a more technology-focussed business model.

disruption as possible. However, the CVA process has been controversial as some landlords believe some retailers are using it as a tool to push down rents without any hard evidence of business failure.

¹³ M&S stores that have closed since 2016 include outlets in Andover, Basildon, Birkenhead, Bournemouth, Bridlington, London Covent Garden, Dover, Durham, Fareham, Fforestfach, Keighley, Portsmouth, London Putney, Redditch, Slough, Stockport, Warrington and Wokingham). Clacton-on-Sea; Darlington; East Kilbride; Falkirk; Fleetwood (outlet), Lancashire; Holloway Road, North London; Kettering; Newton Abbot (outlet); Newmarket; New Mersey Speke, Merseyside; Northampton; Stockton; Walsall; Antrim (the Junction); Ashford; Barrow; Bedford; Boston; Buxton; Cwmbran; Deal; Felixstowe; Huddersfield; Hull; Luton Arndale; Newark-on-Trent; Northwich; Rotherham; Sutton Coldfield and Weston-super-Mare

¹⁴ Source: Experian Goad

RISE IN OCCUPANCY COSTS

- 3.32 As described above, physical retailers are having to absorb higher than inflation increases in occupancy costs year-on-year due to rises in, for example, rents, business rates, service charges, staff costs, etc. Research shows that, on average, retailers' operating costs increased by +3.5% in 2018, which outpaced sales growth for many retailers, eroding profitability and resulting in more store closures.
- 3.33 As described above it is not a "*level playing field*" between high street and online retailing, and between high street and out-of-centre retailing. In response to the budgetary challenges from rising costs and tight margins, retailers will need to drive up efficiencies and productivity from existing floorspace to remain viable.
- 3.34 It is standard practice for retail planning assessments to make a reasonable and robust allowance for the year-on-year growth in the average sales densities of existing and new (comparison and convenience) retail floorspace for it to remain vital and viable. However, there is limited evidence detailing actual changes in the turnover and profitability of retailers over time. In their latest *Retail Planner Briefing Note* (RPBN) Experian provide forecasts of annual floorspace productivity growth rates based on two different scenarios:
- (i) the '**constant floorspace scenario**' - based on limited potential for new retail development, resulting in greater efficiency of existing floorspace; and
 - (ii) the '**changing floorspace scenario**' - takes account of the impact of new retail development on average retailer sales performance.
- 3.35 The table below sets out the differences between the two scenarios, informed by Experian's predictions of changes in retail floorspace over time and after making an allowance for 'non-store' (SFT/internet) retailing.

Table 3.2: Floorspace Productivity Growth Rates (year-on-year growth %)

	2018	2019	2020	2021	2022-2026	2027-2040
CONSTANT FLOORSPACE:						
Convenience Goods	-0.2%	-1.4%	0.3%	0.7%	0.3%	0.4%
Comparison Goods	3.0%	3.6%	2.6%	2.8%	2.8%	3.1%
CHANGING FLOORSPACE:						
Convenience Goods	-0.2%	-1.4%	0.3%	0.5%	0.0%	0.0%
Comparison Goods	3.0%	3.6%	3.6%	3.6%	3.2%	2.7%

Source: Experian Retail Planner Briefing Note 17 (January 2020). Figures 3b/3c/4a/4b.

- 3.36 As Experian explain, on-going budgetary pressures mean that retailers are having to increase efficiencies from current floorspace: including through redevelopment/repurposing of existing floorspace; adoption of new technology and innovations; more effective marketing strategies; and using internet sales to increase the sales performance of physical shops. This is against a backdrop of weak demand for retail property, high vacancy levels and a significant fall in new retail-led development in centres across the UK. Experian conclude that these trends confirm the limited prospects for new retail floorspace development. For these reasons the national 'productivity' growth rates based on the '*constant floorspace scenario*' are preferred as they better reflect national trends and the need for existing retailers to increase their sales potential to remain viable.

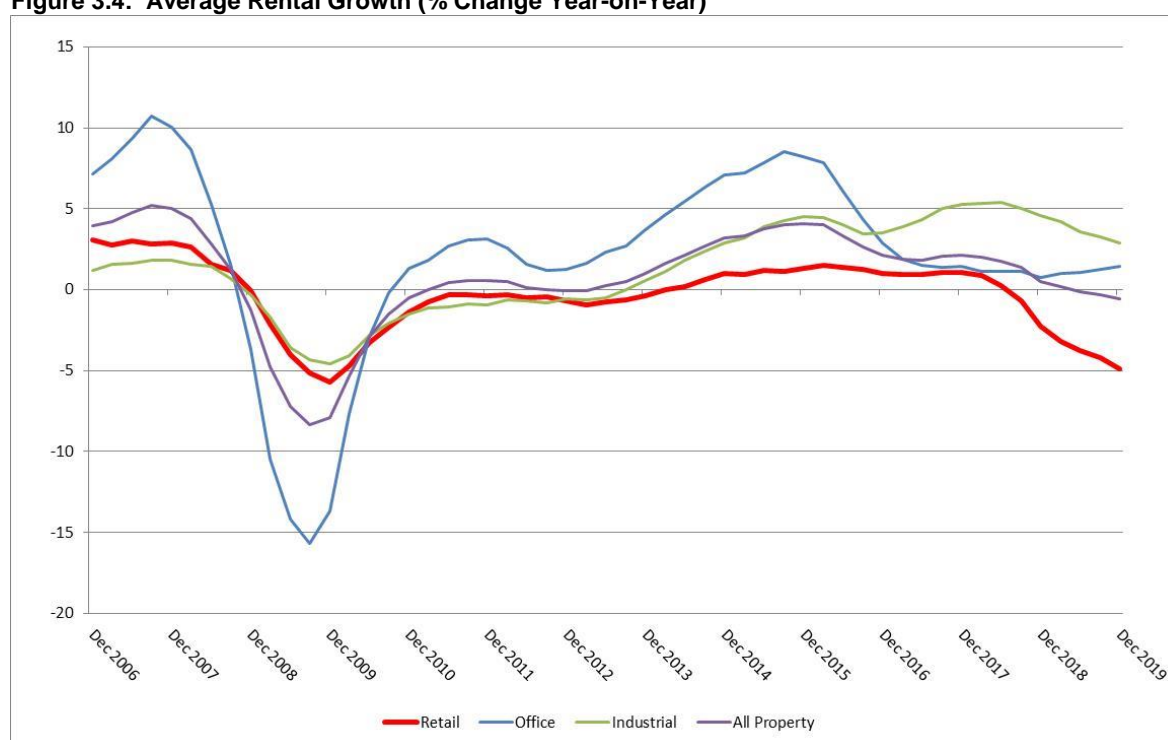
RETAIL & SHOPPING CENTRE INVESTMENT

- 3.37 The rise in the number of retailer "*casualties*" and vacancy levels has created a challenging environment for existing retailers and investments in towns and shopping centres across the UK. The current investment climate is becoming increasingly polarised. The top 50 shopping locations

generally have the best prospects for attracting new investment and development. This is because they benefit from strong catchments and the necessary critical mass of shops, leisure facilities and other uses to remain commercially viable and attractive investment propositions. Outside of the top 50 it is the more secondary towns and shopping locations, such as Clacton, that remain vulnerable to further reductions in their existing retail and commercial offer. This is against the backdrop of limited and falling demand for new shops and commercial space.

- 3.38 Demand for retail space in centres across the UK has fallen dramatically since 2007 and is currently at an all-time low. In turn, this fall in demand is affecting property values and rents. For example, recent LSH research shows that the retail sector recorded a +4.9% year-on-year fall in rents in May 2019¹⁵. As the figure below shows, retail has performed poorly compared with the other property sectors since the economic crisis in 2007/08.

Figure 3.4: Average Rental Growth (% Change Year-on-Year)



Source: MSCI

- 3.39 It is apparent that many centres and shopping locations across the UK are “*over shopped*”; meaning that the supply of retail floorspace significantly outstrips market demand. Many centres simply have too much retail floorspace stock, or they have the “*wrong type*” of retail floorspace in secondary and prime pitches in centres across the UK that do not meet the needs of modern national retailers for larger format shop units. This over-supply of retail floorspace and limited market demand is placing further pressures on the viability of existing stores and shopping centres. In turn, this makes it difficult for landlords, investors and retailers to justify additional capital expenditure. This is a challenge that is likely to be compounded by COVID-19, particularly where some retailer are not expected to survive the Government’s closure of non-essential shops and services.
- 3.40 In many centres across the UK landlords are also struggling to retain existing tenants, let alone attract new retailers into vacant shops. In the current climate occupiers are negotiating shorter lease terms and greater incentives from landlords to continue trading in the face of increasing online competition

¹⁵ LSH research using MSCI data

and economic uncertainty. This will also force down rents and profits across more marginal, secondary shopping locations.

- 3.41 Due to the underlying crises in the retail sector mainstream financial investors have increasingly exited the sector citing rising vacancy rates, the growth of online shopping and increased costs.
- 3.42 Notwithstanding this trend, low-cost funding available from the Public Works Loan Board ('PWLb') and other funding options has resulted in local authorities purchasing different property assets for both income-generation and re-generation purposes. Recent joint research between LSH and Revo entitled '*Fixing Our Broken Town Centres*' has identified that Councils have spent a record £775m buying shopping centres over the past three years, and are expected to outlay a further circa £200m in 2020. The investment and business rationale for the purchase of many of these shopping centres assets is to provide local authorities with more control of the planning, regeneration and management of their town centres. Canterbury City Council, Surrey County Council, St Helens Council, Shropshire County Council, Cherwell District Council, Stockport Metropolitan Borough Council are just a sample of county and local councils that have acquired shopping centres in order to take back control of their town centres and divert investment where it is need most.

OUT-OF-CENTRE RETAILING

- 3.43 The development and take-up of food and non-food out-of-centre space has also slowed over recent years, in line with the trends impacting on high streets and town centres. As described above, the main grocery retailers have pulled back from new larger format superstore openings in edge and out of centre locations to focus on maintaining and increasing market shares through online sales and opening smaller convenience outlets. The exception to this is the deep discounters, Aldi and Lidl, who continue to seek new sites in mainly edge and out of centre locations.
- 3.44 Vacancy levels in out-of-centre retail warehouses and parks have also increased over the last decade following the closure of major operators (such as, for example, Toys R Us, Poundworld, Office Outlet, etc.), and a reduction in the store portfolios of other major out-of-centre retailers (such as, for example, B&Q and Homebase). There are likely to be further increases in closures, particularly in the poorly performing "*first generation*" and secondary shopping locations, as leases come up for renewal and more retailers go into administration. As a result, a number of out-of-centre foodstore and retail warehouse sites are being repurposed and/or redeveloped for alternative uses, including new residential uses.
- 3.45 Notwithstanding this, most out-of-centre shopping locations retain their significant competitive advantages over town centres and high streets in terms of their supply of larger format modern outlets, their lower occupancy costs, extensive free parking and convenient access to the road network. This is still an attractive proposition for those retailers that are still seeking space in the current market. For example, as part of its revised business model Marks & Spencer has closed a number of its traditional high street stores and "*replaced*" these with 'Simply Food' branded stores in out-of-centre locations. The best example is M&S's closure of their Clacton department store, which coincided with the opening of their Simply Food store at Arthur Ransome Way, edge of centre to Walton-on-the-Naze. As a result, retailers who previously anchored the vitality and viability of town centres, are now competing directly with high streets for shoppers, spend and sales.

COMPETITIVE RESPONSES TO THE RETAIL 'CRISIS'

- 3.46 Falling market demand, rising costs and increasing competition from online and out-of-centre shopping is resulting in more vacant retail space due to retailers either downsizing their portfolios (e.g. Marks & Spencer), launching CVAs (Debenhams) or entering into administration (Maplin / Toys-R-Us).

The current and future challenges for many high streets and shopping locations will be how to retain existing businesses, fill/replace the voids and attract new investment.

- 3.47 In those cases where retail vacancies are long-term and more often than not concentrated in secondary shopping streets/pitches, it will be necessary to plan for alternative uses and/or consider options for redevelopment. This may include temporary uses that ensure town centres and frontages remain active, with the potential to accommodate alternative uses such as business start-ups, art studios and galleries, community/youth centres, etc. Another option is for ‘*pop-up*’ and ‘*meanwhile uses/leases*’, which can facilitate temporary occupation of empty buildings while a permanent solution is being found. Other options include the conversion or redevelopment of former retail units to residential.
- 3.48 Although the multiples/brands will remain important anchors for shopping locations, helping to generate trips, footfall and spend, the successful town centres of the future will be characterised by a more diverse mix of independent businesses. Street markets¹⁶ and market halls can also provide the platform for new businesses to grow and flourish, and make significant contributions to the overall vitality and viability of centres, and local economies. This is recognised by the NPPF (see paragraph 85). The *Portas Review*¹⁷ also identified markets as an important contributor to the future of successful town centres. The successful and thriving markets of the future will be those that are able to respond to the changing needs of a town’s catchment population. At the same time successful markets can appeal to a wider customer profile, attracting visitors from outside a town’s “normal” catchment area and helping to increase footfall and linked trips to the benefit of other shops and businesses.
- 3.49 The convergence of online and physical space also represents a further competitive response to the challenges facing our town centres and high streets. For example, both ‘Amazon’ and ‘eBay’ are trialling the use of physical space to showcase their services and goods. Amazon’s “*Clicks and Mortar*” stores have been trialled in Manchester, Cardiff, Edinburgh and Sheffield, and offer more than 50 local and national ecommerce businesses the opportunity to explore customer-facing trade for the first time to help drive growth, with the benefit of in-store business advisers and workshops to help build their skills in selling both in-store and online. In Wolverhampton, eBay also opened its first concept store in April 2019. Branded as ‘*Home Grown*’, it provided a temporary physical space to showcase eBay’s initiatives to help local businesses evolve for the 21st Century through physical and online retail sales. eBay’s partnership with City of Wolverhampton was on the back of research that showed that many small-scale retailers and independent business in the UK do not necessarily have an online presence aimed at generating sales through a defined website, social media channel or presence on an online marketplace. Other purely online retailers are also considering this crossover into physical space including Boohoo (fashion retailer), Sonos (speaker systems) and Birchbox (cosmetics). Although their requirements are limited at present, it nevertheless illustrates that there is interest and an appetite for physical space from online retailers as part of their wider multi-channel business strategies. This omni-channel approach to retail could help to drive market demand as more traditional physical retailers close on the High Street.
- 3.50 There are also wider digital technological changes that together will impact on the future of town centres and the way the nation lives, shops, works, plays and carries out a wide range of activities. Smart Cities, Artificial Intelligence (AI) and 5G will continue to redefine the infrastructure and interactions between consumers, commercial businesses, public services and other uses and

¹⁶ The Rhodes Survey (2005) first reported on the economic value of street markets. Also see ‘*A Policy & Research Review of UK Retail and Wholesale Markets in the 21st Century*’, by the Retail Markets Alliance (2009)

¹⁷ The Portas Review: An independent review into the future of our high streets (2011)

activities. At this stage we can only speculate about outcomes, but examples exist of how technology is currently being used to increase trips and footfall in centres. For example:

- In Bristol the '*Gromit Unleashed*' sculpture trails were first established in 2013. They positioned 80 artist-designed 'Gromit' sculptures across the city. Visitors were then invited to go on a smartphone-guided sculpture hunt, allowing them to find and record the various 'Gromits' dotted throughout Bristol. An understanding of place together with public interest provided the necessary first step in getting people interested.
- Dorchester's free public Wi-Fi was funded¹⁸ on the back of research that showed that consumers stay longer in a town centre if there is free Wi-Fi available. It has enabled retailers to connect with their customers through social media and mobile technology with the aim of encouraging more footfall.
- Lichfield sought to increase the publicity for its High Street shops through social media. Businesses around the city have played their part by simply taking photos of their products and services and posting them to social media feeds. This has generated a wide interest.

3.51 Some of the examples above could be applied to Clacton Town Centre and could be achievable in the short term. Walking trails linked to the town centre's history (e.g. Victorian and wartime) and popular culture (e.g. Butlins and 'Mod v Rockers'), that utilise augmented reality via mobile phone applications could help to engage younger people and visitors. Such trails could encourage visitors to explore the town centre fully. Upgrading the town centre's digital infrastructure, such as mobile charging points and free wifi, could come forward alongside other infrastructure work that is already scheduled. Marketing the town centre through better social media exposure (e.g. Facebook, Twitter, and Instagram) should form part of any new marketing strategy coming forward for the town centre. Whilst the long-term implications for the high street of the convergence between online and physical retailing and increased digital connectivity remain unclear, what is certain is that they are unlikely to take up the same level of space as conventional retailers in the past. The space they do take will form part of a wider set of channels through which sales are generated.

Clacton High Street Fund Bid

3.52 Clacton Town Centre has been shortlisted by the government as one of 50 town centres across the country to bid for a share of the £1billion 'Future High Streets Fund' aimed at delivering transformational changes to struggling town centres. For the next stage, the Council have been working with Essex County Council's Localities Team and Clacton Town Centre Working Party to build the case for funding. The Council's High Street Fund bid is informed by the Love Clacton Vision (discussed in Section 2), which identifies a suit of measures and development opportunities to regenerate the town centre.

3.53 Officers are currently working with government officials, Essex County Council, local businesses and other partners to draw up detailed proposals for key sites in the town centre to be submitted to government consideration this year (2020). If successful, the Council could secure up to £25m in funding. In the meantime, the Council are planning a number of short-term actions aimed at improving conditions for town centre trading. These plans include changes to parking and access arrangements, the creation of a purpose-built performance/events area and measures promoting the 'Love Clacton' brand. In addition, the Council's Planning Policy and Local Plan Committee has been considering potential modifications to planning policies for Clacton Town Centre and other town centres contained in the draft Local Plan that can be suggested to the Planning Inspector at examination stage. These are aimed at allowing more flexibility for town centre uses (in line with government thinking), amending

¹⁸ Funded by Dorchester BID, Dorset County Council, West Dorset District Council, Dorchester Town Council and Brewery Square (leisure scheme)

the boundary of the town centre and encouraging more residential development to be located above shops and in side streets to support vitality

Summary

- 3.54 In summary, that retailers and businesses in the UK's towns and high streets are facing a myriad of challenges. In many cases our traditional high street retailers are "*burdened*" with too many stores, unsuitable space and/or inflexible lease structures. This will either result in further retail "*casualties*" on the high street and/or inhibit any critical investment that may be needed to repurpose floorspace that is not "*fit-for-purpose*" and/or investment in the IT infrastructure and logistics capabilities need to keep pace with pure online competitors.
- 3.55 These challenges and threats to the high street will continue to grow over the short, medium and long term. As for other centres across the UK, Clacton Town Centre and other centres in the District will need to embrace the new dynamics and trends, and build in resilience to adapt to future changes. This will be based, in part, on identifying and building on their unique attractions and competitive positioning where possible, and embracing the digital transformation of centres.
- 3.56 Traditional high street retailers will continue to face significant competition from online and out-of-centre shopping over the medium to long term. It is clear that our town centres and high streets are under pressure to simply retain retail businesses, let alone attract new investment and development. Tackling business rates and occupancy costs to create a more 'level playing field' with online and out-of-centre shopping will therefore be a key challenge at the national, regional and local level. If store closures continue to increase in centres alongside longer term vacancies, then this could "push" even more households to shop online, resulting in a "spiral of decline" that will be difficult to stop once started.
- 3.57 It is against this backdrop that public sector intervention will become increasingly important. Aside from their planning function, it is clear that local authorities will have to take a more proactive role in maintaining and enhancing the vitality and viability of town centres as landlords, developers, investors and managers. Recent Government-backed initiatives such as the Future High Streets Fund and the Town Deals Fund will provide almost £5bn of funding to be distributed to those local authorities that put together successful bids. This will help to kick-start some critical regeneration and infrastructure projects, and help grow local economies and create new jobs. A number of Councils are also taking a more proactive role in the regeneration of town centres through the purchase of property assets, including shopping centres.
- 3.58 Against this backdrop, Tendring District Council will need to build in resilience and, where possible, "*future-proof*" its centres to the changes in shopping and leisure habits. This will inevitably result in a move away from high streets as solely retail-led locations to those that offer a wider range of retail, leisure, cultural, heritage, employment, tourist and other amenities/attractions. This transition to more diverse uses that go "beyond retail" will need to be supported by a mix of new homes and apartments on the edge of and/or 'on top of' centres to help boost their 'captive' resident and working catchment populations in the most sustainable and commercially effective way. This, in turn, will increase the attraction of centres, encourage more frequent trips and spend, and ultimately help to strengthen the overall vitality and viability of town centres as high quality places where people choose to live, work, shop, play and use for a wide range of activities. If successful, the Council's High Street Fund bid would unlock significant investment to bring transformative change to Clacton and help deliver their masterplan and vision for the town centre.

- 3.59 The future trends and forecasts clearly point to the need for the consolidation, reduction and repurposing of physical retail space, rather than any significant expansion. Many high streets and smaller shopping centres will struggle to find the investment needed to survive. Retailers, local authorities, developers and landlords will therefore need to work together to develop sustainable visions and strategies that consider ways of reconfiguring and potentially redeveloping redundant space for alternative uses other than retail over the short, medium and long term.

4. CLACTON TOWN CENTRE: HEALTH CHECK

- 4.1 This section provides an overview of the relative health of Clacton Town Centre. It examines the town centre's current vitality and viability based on the key performance indicators (KPIs) set out in the Planning Practice Guidance¹⁹. The PPG states that the following KPIs may be relevant in assessing the health of town centres and planning for their future:

Diversity of uses	Accessibility
Vacancy levels (ground floor)	Perception of safety and occurrence of crime
Customers' experience and behaviour	Town centre environmental quality
Retailer representation and intentions to change representation	Evidence of barriers to new businesses opening and existing businesses expanding
Commercial rents and yields	Balance between independent and multiple stores
Pedestrian flows	Evening and night time economy offer

- 4.2 The health check assessment was informed by published datasets sourced from a range of providers, including Experian Goad, PROMIS, and Javelin. We have also carried out a visit and inspection of the town centre to inform our overall assessment. Where possible, we have highlighted the changes in some of the key performance indicators (such as, for example, vacancy levels) based on the findings of health checks carried out as part of previous retail studies for the Council.

POLICY CONTEXT

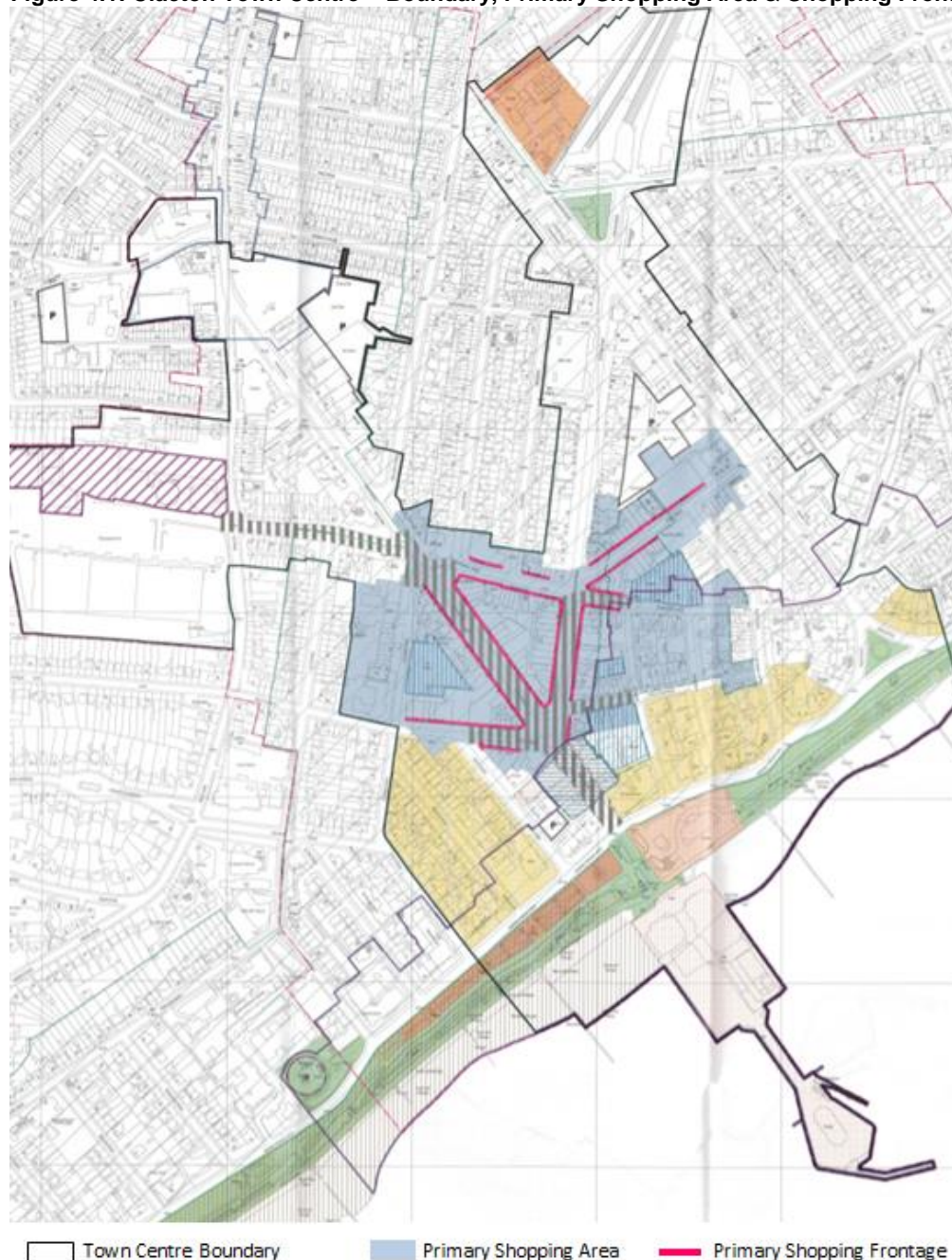
- 4.3 Clacton Town Centre is the main retail and service centre for the District. Clacton is designated as a 'major town centre' in Policy ER31 of the adopted Tendring District Local Plan (2007) and is the highest order centre in the district.
- 4.4 The defined town centre covers a relatively broad area that extends beyond the primary shopping area to include Waterglade Retail Park, north west of the defined Primary Shopping Area (PSA); and northwards along Old Road (including Lidl, Aldi and Underwoods car showroom); and the length of Station Road to include the rail station area. The town centre boundary also includes the esplanade gardens, pavilion and pier, and also streets east and west of Pier Avenue (south) that support mixed uses (residential and commercial).
- 4.5 Policy ER32a and Proposals Map Inset 1a of the adopted Local Plan defines the PSA for the town centre, while Policy ER33 sets out policy on primary and secondary frontages within this central retail and commercial area. The draft Local Plan proposes minor changes to the PSA and frontages. The current PSA boundary is replicated in the figure overleaf and comprises properties on:
- West Avenue up to the junction with Jackson Road
 - Station Road from the junction with Pier Avenue and West Avenue to the junction with High Street and Rosemary Road.
 - Jackson Road between the junction with Pier Avenue and West Avenue.

¹⁹ Planning Practice Guidance (September 2020). Paragraph: 006 Reference ID: 2b-006-20190722

- Pier Avenue from the junction with West Avenue and Station Road up to the junction with Rosemary Road.
- High Street between the junction with Carnarvon Road and Station Road.
- Rosemary Road between the junction with Pier Avenue/ Hayes Road to the junction with Beach Road, and including the indoor market located between Rosemary Street and High Street.
- Pallister Road and connecting streets with Rosemary Road (Orwell Road and Colne Road).

4.6 These areas provide different but complementary offers, with the main national multiple retailers concentrated along the Pier Avenue and Avenue West. High Street and Rosemary Road support local and independent businesses, with a varied range of commercial uses

Figure 4.1: Clacton Town Centre – Boundary, Primary Shopping Area & Shopping Frontages



Source: Proposals Maps, Adopted Tendring District Local Plan 2007

MARKET POSITION

- 4.7 From a retail market perspective the region supports a number of key regional shopping destinations as highlighted in Javelin Group's VenueScore ranking. VenueScore is a tool used by investors and operators to gauge the attractiveness of a shopping location. The table below provides a list of the top performing centres/shopping locations in the South East based on their 2017 Javelin VenueScore Ranking.

Table 4.1: Key Shopping Locations in Essex and Centres in Tendring District by Rank

Centre	Centre Category	2016	2015	2010	Change in ranking 2010-16
Bluewater	Major Regional	27	26	32	-5
Lakeside, Grays	Major Regional	48	52	48	0
Ipswich	Regional	75	65	49	26
Colchester	Regional	76	67	74	2
Clacton-on-Sea	Sub-Regional	300	303	298	2
Braintree	Sub-Regional	309	297	388	-79
Freeport Village, Braintree	Sub-Regional	312	324	354	-42
Sudbury	Sub-Regional	438	367	310	128
Frinton-on-Sea	Minor District	1559	1468	1623	-64
Waterglade Retail Park	Minor District	1625	1406	1526	99
Harwich Gateway Retail Park	Local	1696	1895	-	-
Brook Retail Park	Local	1775	1895	1830	-55
Clacton Shopping Village	Minor District	1888	1361	1721	167
Dovercourt	Local	1888	1680	1526	362

Source: Javelin VenueScore

- 4.8 As the table above shows, Clacton Town Centre is positioned at 300 in the VenueScore ranking, which compares favourably to some other major centres in the region such as Braintree and Sudbury. The town centre improved its ranking position in 2016 from the previous year. However, it is likely that that the town centre has fallen in the ranking due to the closure of Marks and Spencer in 2019.
- 4.9 Colchester is the nearest competing centre to Clacton and due to the considerably strong retail offer sits within the top 100 shopping centres in the UK. This is reflected in the market share analysis, which shows that Colchester draws expenditure from Clacton's shopping catchment.

DIVERSITY OF USES

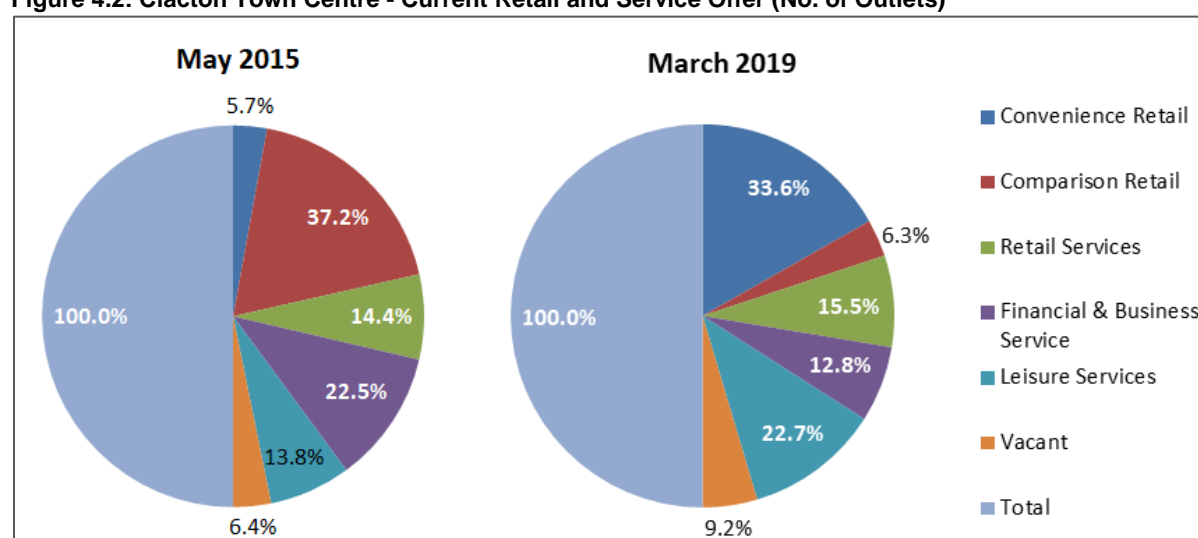
- 4.10 The main uses as assessed by Experian Goad in March 2019 are summarised in the table overleaf, which provides a comparison of survey data from May 2015. The Goad data is based on a slightly smaller area than the town centre boundary area defined by the Council. The main differences being that Goad only identify commercial properties and exclude a number of streets/roads from their survey area including: Waterglade Retail Park (treated as edge of centre for the purpose of this assessment), the station area, properties on the south side of Pier Avenue beyond the junction with Rosemary Road, and properties beyond Orwell Road and the junction with Marine Parade East.

Table 4.2: Retail Composition by Outlets and Floorspace, 2015 & 2019

	May 2015			March 2019			Change in Outlets 2015-19
	No. Outlets	% of Total	% UK Average	No. Outlets	% of Total	% UK Average	
Convenience Retail	17	5.7%	8.5%	19	6.3%	9.2%	2
Comparison Retail	111	37.2%	32.4%	102	33.6%	29.2%	-9
Retail Services	43	14.4%	14.2%	47	15.5%	15.1%	4
Financial & Business Service	67	22.5%	22.5%	39	12.8%	9.8%	-28
Leisure Services	41	13.8%	10.8%	69	22.7%	24.5%	28
Vacant	19	6.4%	11.3%	28	9.2%	11.9%	9
Total	298	100.0%	100.0%	304	100.0%	100.0%	6

Source: Clacton Experian Category Report, March 2019

Figure 4.2: Clacton Town Centre - Current Retail and Service Offer (No. of Outlets)



Source: Tendring Retail Study Clacton Experian Category Report, March 2019

Comparison Retail

- 4.11 The latest Experian Goad data for 2019 indicates Clacton has a below average proportion of A1 **comparison goods retail** outlets, which is a contrasting position from 2015. This reflects a fall in the number of comparison retail units from 111 recorded in May 2015 and to 102 recorded in March 2019 (-9 unit). The latest figures do not reflect the closure of a number of comparison goods retailers since March 2019 that have not been replaced (e.g. Marks, Spencer, and Mothercare). The decline reflects trends nationwide, largely due to the rationalisation of store portfolios driven by growth in online comparison retail shopping and so is not entirely indicative of Clacton's retail performance. However, as a lower order centre, Clacton will be more vulnerable to the effects of store rationalisation and the loss of key 'high street' retailers poses further challenges for retaining and attracting comparison goods retailers.
- 4.12 The town centre's **convenience goods retail** offer is performing relatively well against the UK average and has experienced a small increase in the number of outlets between 2015 and 2019 (+2 units). Some 19 outlets are identified. Sainsbury's on High Street serves as the main anchor grocer. Other convenience outlets comprise small convenience stores (4), newsagents (6), bakers (2) and grocers (2). The Goad survey does not account for the edge of centre supermarkets located the wider town centre boundary, which include Morrisons and Iceland at Waterglade Retail Park), and Aldi and Lidl (both located off Old Road).

- 4.13 The number of **retail service** outlets has slightly increased between 2015 and 2019, increasing from 43 to 47 outlets. Retail service includes health and beauty services (beauty salons, tattoo parlour, etc.), post offices, dry cleaners and laundrettes, travel agents, photo processing outlets and studios, and other personal services. Representation of this town centre category as proportion of all town centre units is on par with the UK average.
- 4.14 The biggest change in Clacton's diversity of uses is within the **leisure service** sector. Leisure services include food and drink outlets, games of chance venues (e.g. casinos, bingo halls, gambling arcades, and betting shops), sports and leisure facilities, night clubs, cinemas, theatres, and concert halls, and hotel/guesthouse accommodation. The number of leisure service outlets increased from 41 in May 2015 to 69 in March 2019, representing an increase of 28 outlets. Based on the March 2019 survey data, leisure service outlets accounted for 22.7% of all town centre units surveyed by Experian Goad, which is slightly lower than the UK average. The table below provides a breakdown of leisure service provision in the town centre. Note that the Goad survey excludes leisure facilities on the Pier.

Table 4.3: Mix of leisure service offer (Units)

	No. Outlets	% of Total	% UK Average
A3 - Restaurant /Cafes	27	8.9%	9.5%
A4 - Bars/ Public Houses	4	1.3%	4.6%
A5 - Takeaways	20	6.6%	5.8%
D2 - Sports & Leisure Facilities	2	0.7%	1.0%
C1 - Hotel/guesthouse	8	2.6%	0.8%
SG - Amusement/Gambling Arcades	4	1.3%	0.4%
SG - Casinos/ Betting Offices	4	1.3%	1.4%
Other	0	0.0%	1.1%
Total Leisure Service Outlets	69	22.7%	24.5%

Source: 2019 Experian Goad Category Report for Clacton Town Centre (survey date – 26th March 2019).

- 4.15 Within the sub categories for leisure services set out in the table above, it is evident that Clacton has a higher proportion of hotels/guesthouses and amusement arcades compared nationally. We note that of the four amusement arcades identified by Goad, three are for adult gaming and one is suitable for families (Gameshow Arcades). Restaurant and café provision is just below the national average. The above average representation in these sub-categories reflects Clacton's profile as a seaside and seasonal visitor destination.
- 4.16 It is noted that takeaways are well catered for and sit just above the national average. In contrast, sports and leisure facility provision and licenced bars/public houses are well below the national average. For the former, it is noted that there are some health and fitness facilities located outside the town centre (e.g. Clacton Leisure Centre, Vista Road), but the centre lacks a branded gym. Other family entertainment facilities are located on Clacton Pier and Clacton Pavilion, which fall outside of Experian Goad's survey area. There has been significant investment in Clacton Pavilion and its leisure facilities in recent years. Further consideration on leisure facilities is provided in Section 7.
- 4.17 Clacton has a strong **business and financial services** offer, which includes retail banks, legal services, property services and business and employment support services. This sector accounts for 12.8% of total town centre units, above the national average of 9.8%. Provision is concentrated along Station Road. The town centre benefits from a good range of retail banks (9 outlets including Lloyds, Natwest, Barclays, Halifax, Santander and HSBC), which is a very positive attribute given the

scale of branch closures across the UK. Retail bank provision accounts for 3% for all town centre units, which is above the national average (2%).

Indoor Market

- 4.18 The town centre has a small permanent indoor market located between High Street and Rosemary Street. The indoor market is accessed from both streets and offers an eclectic mix of independent businesses selling clothing; haberdashery; jewellery; games; crafts; sweets; and toys amongst other goods. The market also has a café.

Retail Representation, Demand & Requirements

- 4.19 Looking at independent offer first, the majority of retail outlets are non-multiples, which highlights the important role of independents in supporting shopping expenditure for the town centre. The number and proportion of independent retail businesses will be greater if taking account of individual traders located in the indoor market.
- 4.20 The range of independent traders is spread across different town centre categories, the most visible being in the food and beverage sector, particularly cafes and takeaways, as well as for retail services and financial and business sectors.
- 4.21 Clacton has a relatively good representation of national multiples for the size of the town centre. Based on Goad's survey data from March 2019, there were 88 national multiples in the town centre, of which 51 are retailers and 14 are leisure operators. The town centre has 48 comparison goods multiples accounting for 54.6% of multiples, which is higher than the UK average (42.6%). However, the number of comparison goods multiples has reduced since March 2019 as a result of closures (e.g. Marks and Spencer and Mothercare) and will reduce further after the planned closure of Dorothy Perkins.
- 4.22 Currently, the most prominent retail brands trading from the centre include Edinburgh Woollen Mills, Clarks, New Look, Argos, Bon Marche, Wilko, Boots, Peacocks, Superdrug, Holland and Barrett, SpecSavers, Pep & Co, Shoe Zone, Game, JD Sports, and Poundland. Beyond Goad's survey area the town centre also accommodates Lidl, Aldi, and national multiples within the Waterglade Retail Park, including Next, Morrisons, B&M Home Store, Halfords, and Iceland.
- 4.23 Clacton has a limited number of leisure multiples, with provision mainly supported by food outlets such as Costa, Prezzo, McDonald's, Subway, Dominos, and Wimpy. Other leisure multiples are present in the form of betting outlets and hotels (Travelodge and Premier Inn). Leisure multiples account for 15.9% of all multiples, lower than the national average (22.3%).
- 4.24 The centre has a good level of national multiple provision in the financial and business sector and reflects current national averages. This includes good provision in retail banking multiples, as highlighted earlier, and property agencies.
- 4.25 The current representation and the centre's overall retail pitch will inevitably influence the type of other brands that will seek representation. Retail brand representation is predominantly aimed at the value and mid-retail market, and a mid-age customer base. This is reflected in Javelin's VenueScore's assessment of the town centre where the centre is indexed against a number of variables, which are summarised in the table overleaf.

Table 4.4: VenueScore Index for Clacton Town Centre

	Index/ Classification	Index Range
Fashion Orientation Index	105	Degree to which the venue's offer is biased towards Fashion (High=Bias towards Fashion; Low=Bias away from Fashion).
Food Service Index	54	Degree to which offer is biased towards Food & Beverages (High=Bias towards Foodservice; Low=Bias away from Foodservice).
Tourist Orientation Index	19	Degree to which offer is biased towards retailers with a Tourist focus (High=Bias towards Tourist-focused retailers; Low=Bias away from Tourist-focused retailers).
Market Position Index	84 / Lower Middle	Degree to which the venue's offer has a Progressive or Traditional focus (High=Bias towards Progressive retailers; Low=Bias towards Traditional retailers) - where the venue's fashion offer meets a <u>minimum threshold</u> .
Fashion Position Index	91 / Updated Classic	Degree to which the venue's offer has a Progressive or Traditional focus (High=Bias towards Progressive retailers; Low=Bias towards Traditional retailers).
Age Position	100 / Mid	Degree to which offer is biased towards retailers with a Young or Old focus (High=Bias towards Older-focused retailers; Low=Bias towards Younger-focused retailers).

Source: Javelin VenueScore 2017

- 4.26 Demand for representation from retail and leisure operators is weak for Clacton Town Centre, which is influenced by the current brand offer, a lower income demographic, limited potential to increase the catchment population, and the proximity of Colchester. A review of published operator requirements identify only recorded requirements since 2018, including from Starbucks, Snap Fitness gyms, and EcigWizard (vape retailer).
- 4.27 Discussions with commercial agents confirm that there is limited interest from national brands to locate to Clacton, which reflects a number of factors such as: a limited consumer catchment, particularly regarding spend potential; the loss of high street brands over the past few years; and a more cautious approach taken by multiples in where they will open new stores. The challenge for Clacton is how to build up a stronger shopper base that can encourage new brands. However, at the same time, there is an opportunity for the town centre to move away from its reliance on major brands and promote an even stronger independent retail and service economy. This could serve as a key USP for the town centre. Where towns have been successful in establishing a thriving independent retail and leisure base, it can in turn attract brands seeking to benefit from improved shopper footfall.

Vacancies

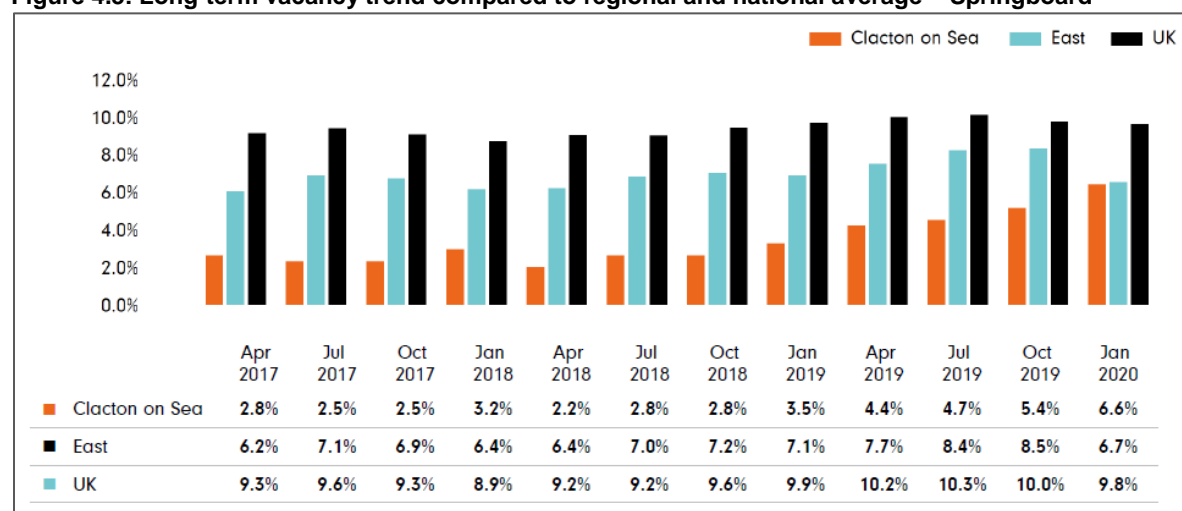
- 4.28 Experian Goad identified 28 vacant units in Clacton Town Centre in March 2019, which represents an increase from 19 recorded in May 2015. The equivalent vacancy rate of 9.2% is lower than the UK average 11.9%. It is noted that five of the units identified as vacant in March 2019 were recorded as 'under alteration' at the time of the survey. Vacancies recorded by Goad were distributed throughout the centre, but appeared to be more prevalent along Rosemary Road and High Street.
- 4.29 A site visit undertaken in March 2020 recorded 24 vacancies. Vacancies by street/road are set out in the table overleaf, which shows that vacancies continue to persist on Rosemary Road and High Street.

Table 4.5: Vacant units by location – March 2020

	No. Outlets
High Street	7
Rosemary Road	6
Pier Avenue	4
Jackson Road	2
West Avenue	2
Colne Road	1
Marine Parade East	1
Pallister Road	1
Total	24

Source: LSH survey, March 2020

- 4.30 Alternative findings on vacancy trends are available from Springboard, which tracks vacancy rates for Clacton against the East of England and the UK. The figure below shows how vacancies recorded in Clacton compare to averages for the East of England region and the UK. The data that underpins Springboard's statistics is different to that which informs Experian Goad. Whilst the two datasets are not directly comparable, they indicate how vacancies are increasing for Clacton and the gap is narrowing against the UK average.

Figure 4.3: Long-term vacancy trend compared to regional and national average – Springboard

Source: Springboard

- 4.31 Whilst evidence on current vacancies suggest that the town centre is performing well against this KPI, we understand from stakeholders that there are many businesses on the brink of closure as a result of the COVID-19 lockdown measures. Many businesses may not be able to financially adapt to social distancing arrangements that are required for new business to open to the public. For many, the damage has been done from the months of closure. As such, it is likely that a much higher vacancy rate will emerge for Clacton in the coming months.

Opening Hours & Evening Economy

- 4.32 Retail operators in the town centre have restricted opening hours with most retailers trading until 5:30pm. It is likely that customer trade would be limited beyond this time to support later opening times. Sainsbury's is the only late opening retailer; trading on Mondays to Saturdays until 8pm. Restaurants in the town provide activity during the evenings, although these are relatively dispersed.

- 4.33 Retailers at Waterglade Retail Park provide late opening times for customer, which is typical for retail park facilities. Late opening times vary with Morrisons trading until 10pm (Monday to Saturday) and Next, Halfords and B&M Home Stores trading until 7pm to 8pm (Monday to Saturday).

Barriers to Business

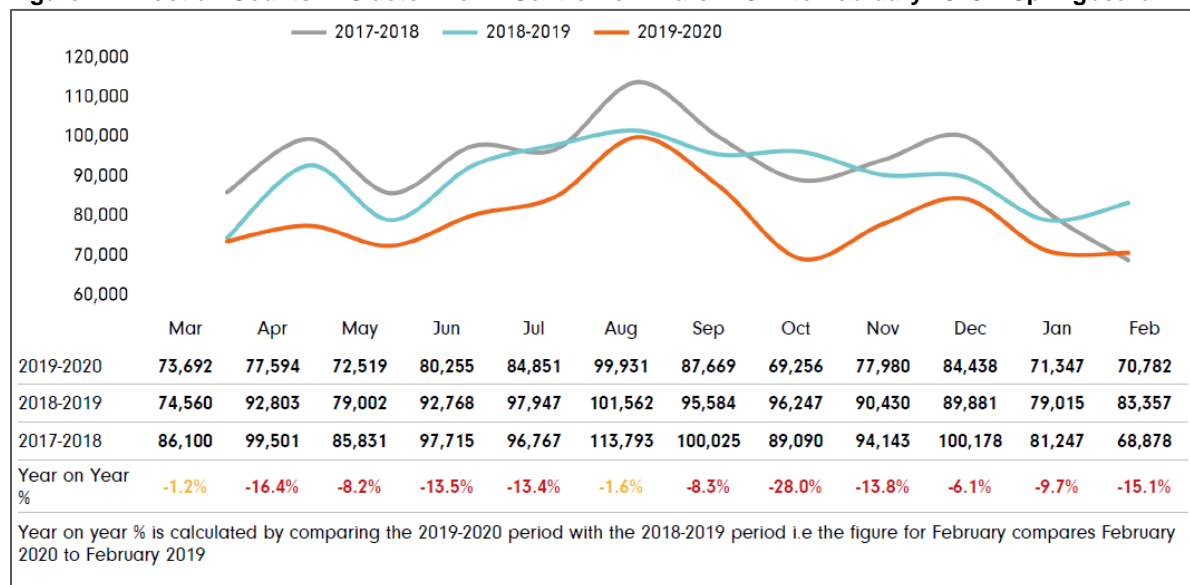
- 4.34 In the current economic climate, the main barriers to investment for new and existing businesses will predominantly relate to macro factors, such as uncertainty in the market generated from Brexit and now COVID-19. This has led to many businesses putting expansion plans on hold and this applies equally to major brands as well as small businesses. The burden of business rates and the prominence of upwards only leases are also a key challenge for new businesses that are considering opening within a town centre unit.
- 4.35 Clacton will offer more favourable rental values to prospective businesses compared to other major towns, but many businesses are likely to operate on smaller levels of turnover or for those reliant on visitor trade, turnover will fluctuate in line with summer and school mid-term holidays.
- 4.36 Measures to encourage new business and start-up opportunities could include working with commercial landlords to bring forward temporary shop leases in vacant shops, which has the benefit of promoting active frontages and diversifying town centre offer. Such a measure would require buy-in from the landlord, particularly regarding how tenants can fund upfront 'premiums' and fit out obligations, and other lease requirements.
- 4.37 Any proposals to bring forward development sites in the town centre as part of the Love Clacton Vision and the High Street Fund (if the Council is successful in securing funding) should seek to facilitate opportunities to support the expansion of new businesses and opportunities for start-ups. Consultation with local businesses and entrepreneurs in advance of a planning application or masterplan would help to identify the type of accommodation that is needed by existing businesses seeking to expand or those seeking to open in the town centre.

Pedestrian Flows

- 4.38 Commentary on pedestrian flows is based on visual observations only. The town centre site visit noted the following observations on pedestrian activity and flow in the town centre:
- There was limited footfall from Clacton-on-Sea Railway Station heading towards the town centre / walking down Station Road.
 - Limited activity around the pier area including the sea front and through the beach front landscaped garden / area with benches. This is to be expected for time of visit, which was mid-week and outside the holiday season.
 - There was limited footfall at the northern end of Station Road (coming from the Railway Station) and Carnarvon Road. However, the footfall was noticeably greater heading towards the junction with Rosemary Road, Pier Avenue and Pallister Road.
 - The streets located off Rosemary Road (such as Orwell Road and Colne Road) were rather quiet (cars and footfall).
 - Pier Avenue (between the junction with Rosemary Road and Pallister Road and West Avenue) featured a footfall but not to a very high degree. There was a steady flow of people walking around albeit not very busy.
- 4.39 The indoor market located on Rosemary Road was quiet. The cafes appeared to be the main draw for customers at the time of survey and with less customer activity around stall holders/owners.

- 4.40 Springboard footfall data provided by the Council shows that footfall peaks in August, reflecting the influx of visitors to Clacton in the summer months. The data also shows that footfall in the town centre has fallen in the past three years. Whilst weather and events can distort footfall trends it is evident that the town centre has seen footfall decline over the summer months. There has also been a marked decline in late April/ early-May and October, periods that correlate to school mid-term holidays.

Figure 4.4: Footfall Counts in Clacton Town Centre from March 2017 to February 2020 – Springboard



Source: Springboard/ Tendring District Council

Accessibility and Pedestrian Mobility

- 4.41 Clacton benefits from good accessibility by rail. A once hourly service to London is available; providing calling points at Stratford International, Chelmsford and Colchester, as well as smaller centres along the service line. The rail station is in easy walking distance to the town centre via Station Road. Bus services are available at various bus stops within the town centre to local destinations in the District.
- 4.42 Within the town centre, pedestrian accessibility appears to be good with crossings at all the key junctions within the town centre. Dropped kerbs are available at all crossings that were observed during the site survey and the use of tactile paving was noted at key pedestrian crossing points.
- 4.43 There are no pedestrianised areas within the town centre with the exception of the indoor market.

Parking Provision

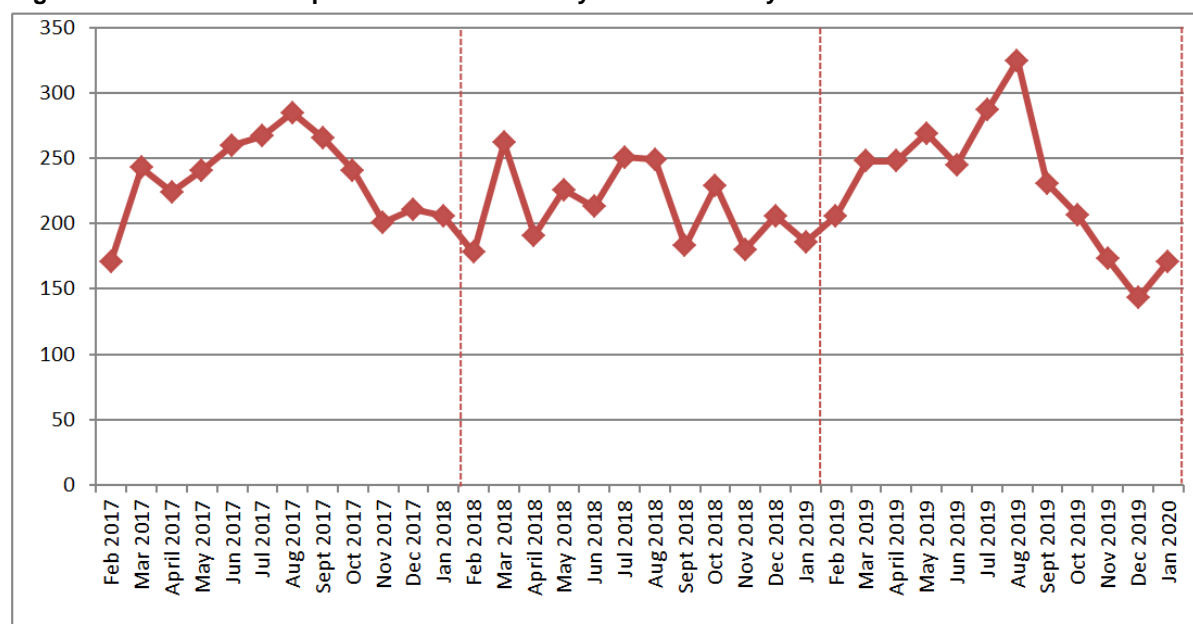
- 4.44 Town centre parking restrictions are in operation throughout the centre between 9am and 6pm. A number of streets allow two hours free parking (no return within 4 hours), increasing to 3 hours for disabled parking (no return within 2 hours).
- 4.45 A multi-storey car park is available at Sainsbury's on High Street (300 spaces), which was approximately two-thirds full at the time of a visual inspection. It features a separate ground floor open car parking space and multi-storey car-parking element, which appeared to be half occupied.

- 4.46 The car park serving Lidl was approximately one third full around midday on the day of survey while the car park serving Aldi was approximately half-full. Customer parking is also available at Waterglade Retail Park (500 spaces).
- 4.47 Other car parks serving the town centre include: Beach Road (full capacity at the time of survey); Jackson Road (90 spaces and observed as half full at time of survey); Colne Road (observed as one third full). The Council also operate a car park at Wellesley Road (206 spaces) and car parking is available at the train station (45 spaces).
- 4.48 We are aware from discussions with stakeholders that parking capacity is considered too limited in the town centre. There are calls to reclaim areas for parking that have been given over to buses and taxis, and to apply parking arrangements that increase space capacity (e.g. diagonal parking). We consider these concerns further in Section 9.

Crime and Safety

- 4.49 Incidences of crime reported to Essex Constabulary are recorded monthly, with information on reported crimes dating back to February 2017. The figure below tracks recordings of crime within the town centre boundary on a monthly basis between February 2017 and January 2020.

Figure 4.5: Incidents of Reported Crime – February 2017 to January 2020



Source: Home Office Crime Map

- 4.50 The data shows that incidences of crime peak in the summer months, which likely correlates to an increase in visitors to the town centre and when visitor events may be taking place. In the year to January 2018, 2816 incidents of crime were reported, which fell to 2,554 in the year to January 2019, before rising to 2,753 in the year to January 2020. The main cause for the increase in incidents in crime for the year to 2020 related to a spike in reports of crime in August 2020 (325), the highest month of reported crime over the assessed three-year period.
- 4.51 Safety and security was highlighted as a concern by respondents to the household survey and was highlighted as the main area of improvement for the town centre. The same concern arose when respondents were asked how improvements could be made to encourage more trips to Clacton Town Centre to visit pubs and bars.

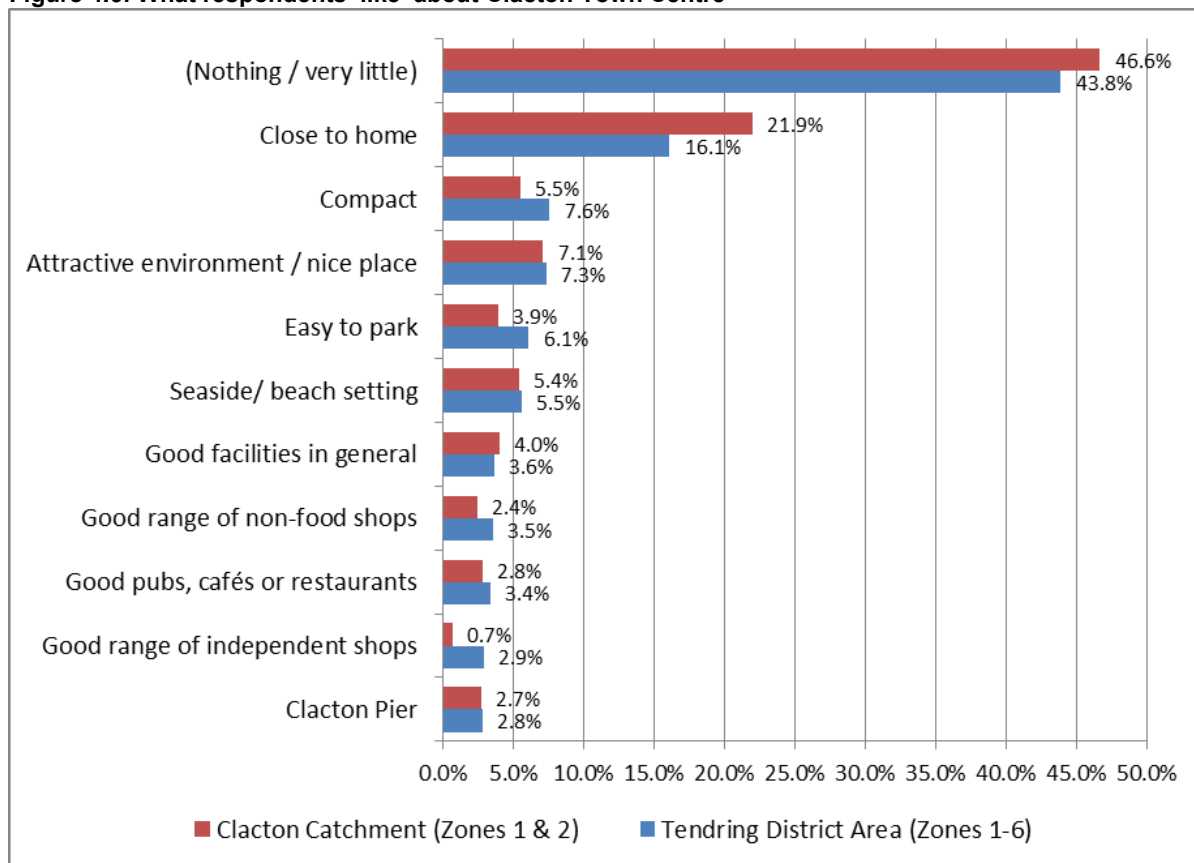
Environmental Quality

- 4.52 The town centre streets were kept in a very good and tidy order. There was minimal litter and graffiti observed. The street furniture within the Town Centre generally had a fairly new and well-kept appearance.
- 4.53 The streets located towards the main Town Centre (at the junction of Station Road and Pier Avenue, West Avenue and Pallister Road) feature cycle storage stands, benches and street signage. There is signage located inside and outside Clacton-on-Sea Railway Station and at the junction of Station Road, High Street and Rosemary Road. There is also signage located in the park and gardens located adjacent to Marine Parade West and East. There are also lovely gardens located outside Clacton-on-Sea Railway Station, featuring benches.
- 4.54 There is a large pedestrian area at the intersection of Station Road, Pallister Road, Pier Avenue and West Avenue featuring trees and benches. This area appears to have benefited from recent investment, including the provision of modern street furniture.
- 4.55 The quality of street frontages throughout the town centre was generally of a good standard. Although they were of a differing style throughout the town centre, they were generally in a good state of repair. The presence of vacant units did not serve to break up the active frontages in most of the high streets located within the town centre, and most of the vacant units were located in close proximity to each other on High Street and Rosemary Road. The area and gardens outside and around the Town Hall (located on Station Road) and the surrounding properties located on Alexandra Road were well maintained. The frontage along Marine Parade East and Marine Parade West is well maintained.
- 4.56 The frontages located on Rosemary Road adjacent to the junction with Beach Road are in a fairly poor condition. The properties/residential units located on Beach Road are fairly run down. The general frontage of the indoor market requires improvement. The northern end of Pier Avenue (towards Lidl and beyond Wellesley Road) is slightly run down.
- 4.57 It was noted that the tarmac surfacing at the front of the retail units located on Pier Avenue (before the junction with Wellesley Road), Colne Road, Rosemary Road (adjacent to the junction with Orwell Road), Agate Road and in front of the indoor market requires upgrading.

Customer Perception of Clacton Town Centre

- 4.58 The perception of the town centre from a customer viewpoint was obtained from the household telephone interview survey (HTIS), which is described in more detail in Section 5. The household telephone interview survey provides a good indication of what people “like” and “dislike” about Clacton Town Centre, and what improvements could persuade them to visit the town more frequently than they do at present. The full results of the survey are contained in Appendix B.
- 4.59 The following provides a summary of the key findings on the overall perception of Clacton Town Centre. The results focus on responses provided by households living in the District area (Zones 1 to 6) and Clacton Catchment Area (Zones 1 & 2).
- 4.60 Respondents were asked what they liked most about the town centre, which are ranked in the figure overleaf by the frequency of responses.

Figure 4.6: What respondents 'like' about Clacton Town Centre

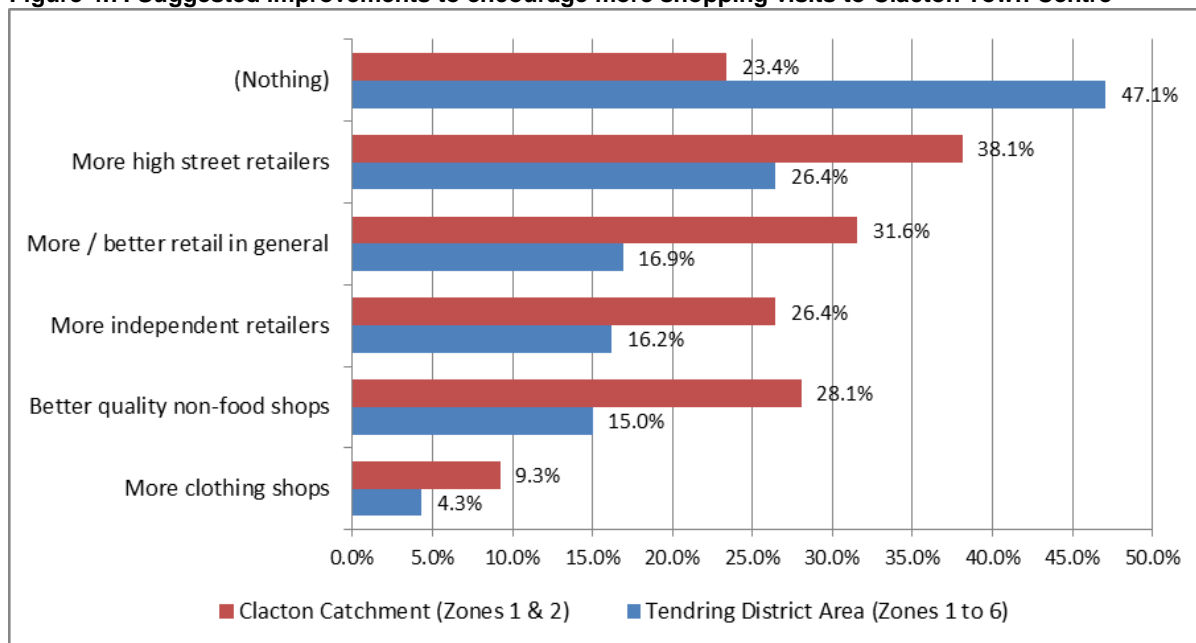


Source: Answers to Q23 HTIS (Appendix B)

Note: Q23 HTIS was only asked to respondents who stated that they visit Clacton.

- 4.61 As the figure above shows, a large proportion of respondents from the District and CCA stated there was “nothing or very little” they liked about Clacton Town Centre. In terms of positive attributes, the centre’s proximity to home was the most highlighted feature. Respondents liked the town’s compact nature and its attractive environment, the ease of parking, and the seaside/beach side setting. To a lesser extent, respondents liked the range of shops and facilities in general on offer in the town centre.
- 4.62 Respondents were asked what improvements could be made to Clacton Town Centre that would encourage them to visit the town centre more often for shopping and leisure. The results are summarised in the figure overleaf and are ranked by the frequency of each response.

Figure 4.7: Suggested improvements to encourage more shopping visits to Clacton Town Centre



Source: Answers to Q24 HTIS (Appendix B)

Note: Q24 HTIS was asked to all respondents.

- 4.63 The figure shows a variance in the responses given by respondents living in the District as a whole and those living in the CCA. The survey revealed that almost a half of all District respondents stated that no improvements would encourage them to visit the town centre more often, compared to 23.4% of respondents from the CCA. Of the large proportion of respondents from the CCA that did suggest improvements, they mostly related to a need to improve the town centres shopping offer. Similarly, the need to improve shopping offer was cited by most respondents from the District as a whole.
- 4.64 Specifically, the need for more high street retailers was cited most by respondents from the CCA (38.1%) and District as a whole (26%). Almost a third of CCA respondents cited the need for more or better retail offer in general, followed by a need for more independent retailers (26.4%) and more quality non-food shops (28.1%). The suggested aforementioned improvements were also highlighted by respondents from the wider District area.
- 4.65 Respondents were asked if there was a specific 'high street' shop brand they would like to see in the town centre. The responses identified a wide range of brands and the most frequently cited are summarised in the table overleaf.

Table 4.6: Shops that survey respondents would like to see trading in Clacton Town Centre

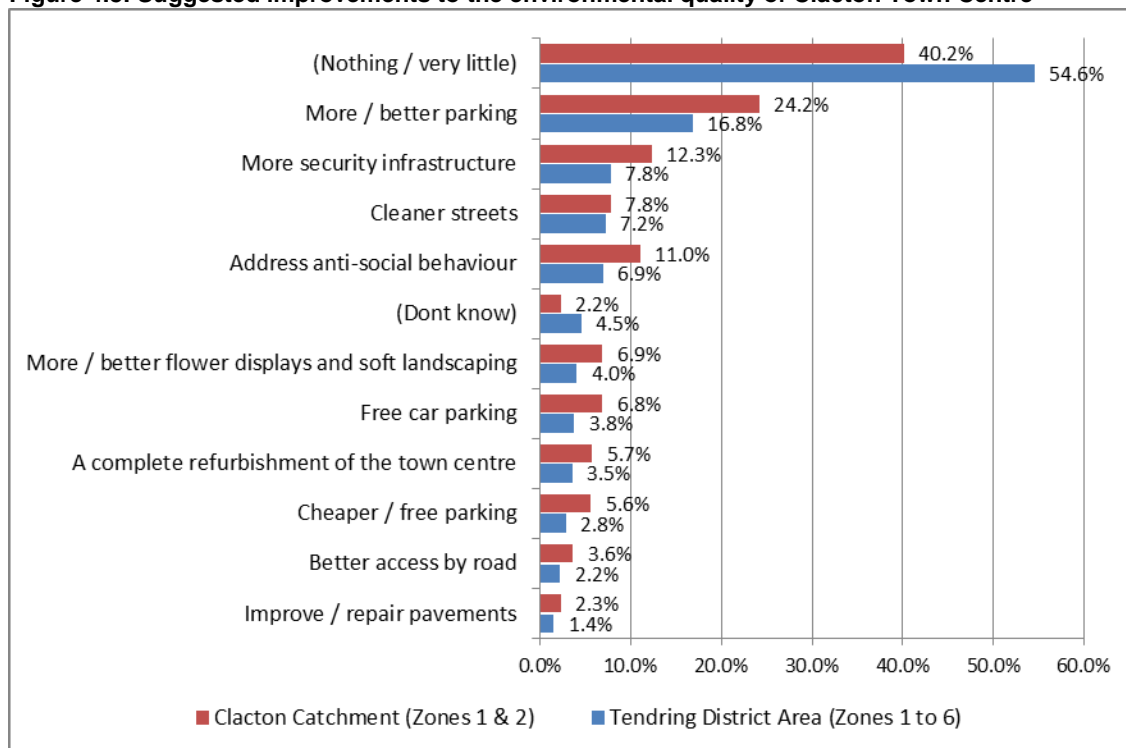
Tendring District Area (Zones 1-6)		Clacton Catchment Area (Zones 1&2)	
M&S Department Store	27.8%	M&S Department Store	38.2%
Primark	22.5%	Primark	34.6%
Debenhams	6.9%	Debenhams	13.3%
M&S(Non-Food)	3.2%	Matalan	6.8%
Matalan	3.1%	H&M	3.8%
John Lewis	2.5%	More independent shops	3.5%
More independent shops	2.4%	John Lewis	3.5%
M&S (Food)	2.3%	M&S (Food)	3.2%
H&M	2.2%	Smyths	2.9%
Next	1.7%	Next	2.7%
River Island	1.6%	Dunelm	2.4%
Smyths	1.5%	River Island	2.2%
Schuh	1.2%	M&S(Non-Food)	2.1%
Bonmarche	1.2%	Schuh	1.4%
Dunelm	1.1%	Bonmarche	1.3%

Source: Answers to Q25 HTIS (Appendix B)

Note: Q25 HTIS was asked to all respondents.

- 4.66 As the table shows, almost a third of respondents from the wider District area stated that there are no specific retailers they would like to see trading in the town centre, compared to 17.4% from the CCA. The most frequently identified retailer was Marks and Spencer (M&S) and specifically their department store format. This likely reflects negative sentiment amongst residents on the retailer's closure in the town centre in recent years. Primark was the second most suggested retailer for the town centre, followed by Debenhams. The results highlighted a wide range of other retailers, which individually accounted for only a handful of responses. Overall, the responses point to demand from residents for a department store alongside an improvement to clothing offer.
- 4.67 Respondents were asked what environmental improvements to the town centre would encourage them to visit Clacton more often. As the figure overleaf shows, more than half of respondents from the District area stated that nothing or very little would encourage more visits, compared to 40.2% from the CCA. Of those that did provide a suggestion, respondents from the District and CCA were more likely to highlight a need for improvements to parking. However, the survey highlighted concerns regarding safety, security and anti-social behaviour. Over a fifth of respondents from the District 23.3% and 14.7% from CCA cited these issues as areas of improvement that would encourage more visits to Clacton.

Figure 4.8: Suggested improvements to the environmental quality of Clacton Town Centre



Source: Answers to Q26 HTIS (Appendix B)

Note: Q26 HTIS was asked to all respondents.

Edge and Out of Centre Retail and Leisure Provision

- 4.68 The following provides a brief overview on retail and leisure developments that edge and out of centre to Clacton's Primary Shopping Area (PSA).

Waterglade Retail Park

- 4.69 The retail park sits within the town centre boundary, but in retail planning terms it is edge of centre being less than 300 metres from the defined PSA. The retail park is only 100 metres walking distance from Pier Avenue.
- 4.70 The current mix of retailers at Waterglade Retail Park include Morrisons, Iceland, Carpetright, Next, Halfords, and B&M Homestore. A costa franchise is located within Next. The car park supports over 500 spaces.
- 4.71 Despite the close proximity, there is a sense that the retail park and the town centre trade very separately and we would question the extent to which the retail park is supporting linked trips to the PSA given that parking at the retail park is restricted to 2 hours.

Clacton Trade and Leisure Park

- 4.72 Planning permission was granted in February 2020 for a new 3,948 sqm gross retail, trade and leisure park located immediately north of Waterglade Retail Park. The retail element is limited to 597 sqm gross, which can also be used for A3/A5 uses. The scheme has yet to be developed but units are available on a pre-let basis. Major operators currently signed up to the scheme include Bedworld, Toolstation, Subway, and Starbucks. Three units are currently under offer and five units have yet to be pre-let.

- 4.73 Whilst the scheme appears to be focused on bulky goods retail and trade counter offer, which may not raise concerns on impact on existing town centre businesses, the site's position next to Waterglade Retail Park could have the effect of consolidating shopper activity to this part of the town centre. With parking limited to customers only, as is the case for the Waterglade Retail Park, this could discourage car borne shoppers from making linked trips to the town centre.

Clacton Shopping Village

- 4.74 Clacton Shopping Village opened in the late 1990s as a purpose built 'factory outlet centre' where retail goods are typically restricted to past season products. The centre has since expanded and now accommodates approximately 95,000 sqft of commercial space across 22 units; the majority of which are for retail use (18 units). Retail anchors include M&S Outlet, JD and Home Bargains, which are supported by other high street brands that offer discounted products. Food and beverage operators include Costa Coffee, Greggs and Burger King, and an independent outlet (Harry's Cakes and Coffee).
- 4.75 According to the household telephone survey, half of all study area respondents have visited the centre in the past year, increasing to over three quarters for District respondents. For those living in the Clacton Catchment Area (Zones 1 and 2), 88% of respondents visited the centre in the past year.
- 4.76 The current and previous owners have invested in the centre over the years. In 2014, Kames secured planning permission to develop a cinema and restaurant outlets, which has yet to be developed. The cinema has yet to be developed. Subsequently, Kames obtained planning permission to reconfigure the shopping centre site to allow for more car parking and an increase in retail floorspace. These works have been completed and according to the commercial agents for the site, the provision of additional parking has helped to increase footfall in the centre by 65%. This reflects with the findings of the household survey, which revealed that over half of all study area respondents visit the centre more often as a result of the increased parking provision.
- 4.77 There is a concern that increasing car parking at Clacton Shopping Village could result in drawing trade from Clacton Town Centre. This is particularly relevant as the household survey suggests that the centre has limited influence in supporting linked trips to the town centre. For example, some 72% of study area respondents stated that they never combine their visit to the shopping centre with a trip to Clacton Town Centre. By comparison, 8.1% and 8.5% stated that they combine a trip with the town centre every time or every second or third time, respectively. For respondents living in the District, 69% never combine a visit with the town centre. District respondents who do combine a trip with the town centre are more likely to do so every second or third time (10.4%) they visit the shopping centre.

Brook Retail Park

- 4.78 Brook Retail Park is situated north of Clacton Town Centre and is in the ownership of Churchmanor Estates Company Plc. A Tesco Superstore serves as the main retail anchor. The Tesco store is particularly popular with residents and as Section 4 will highlight, it attracts the greatest share of District convenience goods expenditure of any foodstore
- 4.79 Other retailers include B&Q and Currys/PC World. A Pizza Hut and a KFC 'drive thru' are also located in the retail park in the District. An application for an additional drive thru unit is currently being considered by the Council (application reference: 20/00541/OUT).

Brook Park West

- 4.80 Brook Park West is located across the A133 from Brook Retail Park and currently comprises a Lidl foodstore, a pub/hotel (Marston), a Costa Coffee drive thru, and McDonalds drive thru. Three retail warehouse units have yet to be developed. The current tenants commenced trading during the first half of 2019 and form part of a wider outline consent for mixed-uses that will also provide 200 homes and office accommodation. The scheme is being developed by Britton Developments Ltd. A planning application was submitted in March 2020 for an additional retail warehouse unit (1,034 sqm gross), which we understand will be occupied by Pets at Home.
- 4.81 Whilst investment in Clacton Shopping Village and other out of centre locations has the potential to attract new expenditure into the District, it also risks drawing trade from existing centres, particularly Clacton. The Council should seek to work with the centre owners to look at ways to encourage more people to visit Clacton Town Centre. Further development of the centre and other out of centre locations to Clacton should be resisted and where any new proposals do come forward, they should be rigorously assessed against the sequential and impact tests.

Summary

- 4.82 In summary, we provide a SWOT (Strengths, Weaknesses, Opportunities, Threats) assessment of Clacton Town Centre below:

Table 4.7: SWOT Analysis Summary

Strengths
<p>Established seaside resort town.</p> <p>Attractive centre and that is generally well maintained.</p> <p>Established day-visitor industry.</p> <p>Higher than average provision of comparison goods retailers.</p> <p>Good mix of independent retail and leisure operators and specialist retailers.</p> <p>Good provision of town and edge of centre foodstores.</p> <p>Low vacancy levels, but this may change.</p> <p>Proximity to the rail and bus station.</p> <p>Committed asset owners as seen through recent major investment in improving leisure attractions at Clacton Pavilion and Clacton Pier.</p> <p>Active town centre working group and vision document that supports transformative change for the town centre.</p>
Weaknesses
<p>Peripheral geographic location – relatively isolated to the rest of the region.</p> <p>Coastal location limits catchment potential and combined with lower income households there are limitations to available expenditure generated by Clacton's catchment population and the wider District.</p> <p>Lacks a good range of retail multiples, which is not sufficiently compensated for by the current independent offer.</p> <p>Value-led retail offer may not meet the needs of the entire catchment.</p> <p>Loss of brands diminishes the centre's appeal to other high street retailers and encourages shoppers to seek out brands elsewhere (e.g. Colchester, Brooks Retail Park, Clacton Shopping Village, etc.)</p> <p>Poor view of safety and security from respondents living in the District, with particularly high crime rates in the summer.</p>

Opportunities

Potential to develop an alternative retail and commercial leisure industry that is focused on independent businesses and can attract new customers/visitors to the town centre.

Despite the loss of multiples there is still resident demand for more national retailers alongside independents. If the town centre succeeds in improving footfall through independent retail/services it is likely to attract back some retail multiples.

Potential delivery of key development sites being brought forward in the Love Clacton Vision, which promotes increased residential uses and office accommodation, thereby helping to diversify the town's offer.

Potential Government funding if the Council is successful in their bid for the High Street Fund, which will help deliver objectives of the Love Clacton Vision.

Opportunities to increase parking in the town centre to help claw back shoppers from out of centre retail facilities (e.g. Clacton Shopping Village) and at the very least encourage linked shopping trips.

Threats

Failure of key national multiples /rationalisation of store portfolios, particularly in response to COVID-19.

Lack of new occupiers for key units within the centre (e.g. former Marks and Spenser unit).

The strengthening of edge and out of centre retail and leisure floorspace (e.g. Clacton Shopping Village, Brook Park West, Clacton Retail and Trade Park, etc.) which could further erode town centre footfall and displace expenditure away from town centre businesses.

Future competition with committed out of centre retail and leisure floorspace, both in terms of expenditure and attracting new brands.

Further loss of key retail multiples in the town centre (potentially fuelled by the future expansion of edge and out of centre retail and leisure floorspace), which could impact on existing retailer/leisure operator confidence.

Competition from higher order centres such as Colchester.

High /increasing business costs.

Falling footfall and implications for the town centre economy.

- 4.83 Clacton is an important shopping and service centre for the District and is particularly relied upon by its local catchment. The town centre has lost a number of major retailers that have supported footfall to other retailers and their loss will impact on the ability to retain and attract other retailers. This is particularly the case as the UK faces significant economic challenges from continued Brexit uncertainties but now compounded by the impact of the Government's closure of non-essential businesses in response to COVID-19 and its future management.
- 4.84 Many retailers and restaurant brands are expected to exit high streets across the UK either nationwide or as a result of store rationalisation where stores are retained in stronger performing centres over more struggling centres. The latter poses a particular challenge for Clacton where most brands are also trading in nearby higher order centres (i.e. Colchester and Ipswich). Edge and out of centre retail and leisure facilities also present challenge for retaining custom in the town centre.
- 4.85 However, Clacton has many positive attributes and strengths that make it a unique destination. Its coastal location and seaside attractions stand out and with new investment in the town centre and targeted branding and marketing; there is the opportunity to broaden Clacton's appeal as a visitor destination. The town centre also benefits from a customer base that is more reliant on shopping at physical stores, albeit with more limited spending potential, that will continue to support town centre businesses. The future delivery of planned and proposed housing allocations in and around Clacton could help to diversify the town's customer base, including less reliance on visitor trade, and

increase expenditure to the town centre, the success of which will be dependent on bringing forward investment in the town centre itself and supporting uses that will attract new footfall.

- 4.86 In summary, Clacton is a vital and viable centre, but it is vulnerable, particularly to any further loss of high street brands and impacts on the visitor market as a result of COVID-19. The Council's proposals to regenerate the town centre are very encouraging and have the potential to transform and diversify Clacton's local economy.

5. CATCHMENT AREA & POPULATION PROFILE

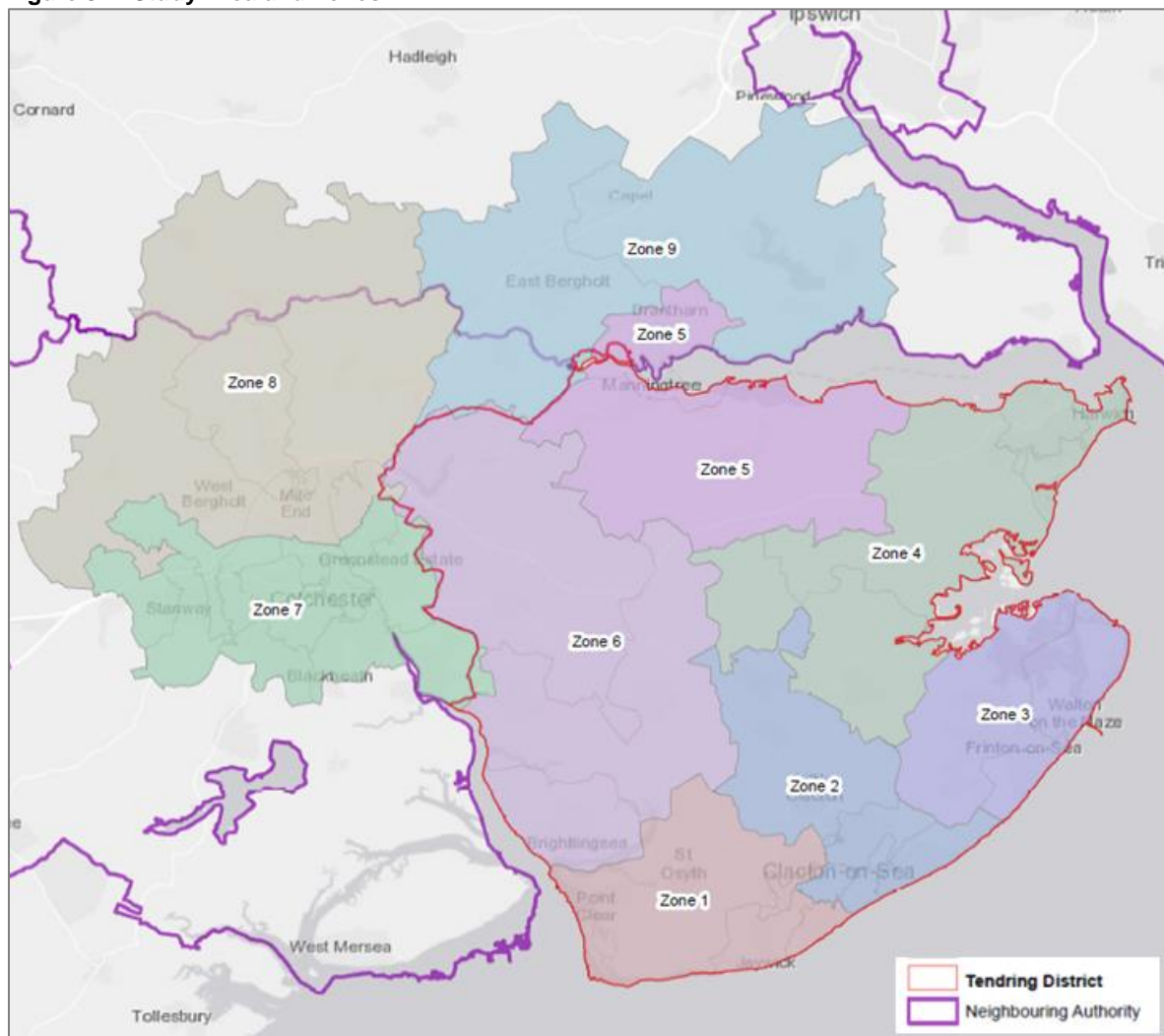
5.1 This section first sets out the extent of the defined catchment study area/zones that provide the framework for the household telephone interview survey and analysis, as well as defining the catchment profile for Clacton Town Centre. It then presents the results of the retail market share analysis, which was informed by the results of the household survey and forms the basis of the retail capacity assessment (Section 6).

CATCHMENT PROFILE

Study Area Definition

5.2 The definition of a robust Study Area is an important starting point for retail and town centre assessments. It provides the framework for the household telephone interview survey and the retail capacity analysis. The figure below shows the extent of the Study Area and Zones²⁰.

Figure 5.1: Study Area and Zones



5.3 The Study Area and Zones within are based on postal sector boundaries. The Study Area was disaggregated into nine zones for the purpose of this assessment to allow for a “finer grain” analysis

²⁰ Please note: the household survey was originally commissioned by Avison Young in April 2019, before LSH was instructed to carry out this study in November 2019. LSH therefore had no input to the design of the questionnaire or the study area definition.

of shopping patterns, leisure preferences and expenditure flows. Zones 1 to 6 broadly comprise the Tendring District Council area.

- 5.4 Zones 1 and 2 broadly represent the primary catchment area for Clacton (i.e. the areas from they draw the majority of their shoppers and trade). Zones 1 and 2 combined are referred to as the 'Clacton Catchment Area' (CCA). Clacton is still expected to capture expenditure from other zones in the District area, particularly in relation to comparison goods. However, these zones are likely to support trade in centres that are either located within the zone boundary or in close proximity. For example, the town centres of Frinton-on-Sea and Walton-on-the-Naze are located in Zone 3, Dovercourt Town Centre & Harwich District Centre are located in Zone 4, Manningtree Town Centre is located in Zone 5, and Brightlingsea Town Centre is located in Zone 6. Outside of the District, Zone 7 represents postal sectors that broadly comprise the urban area for Colchester Town, Zone 8 includes settlements to the north of Colchester Town, and Zone 9 comprises rural settlements around the boundary with Colchester Borough and Babergh District.
- 5.5 A household telephone interview survey (HTIS) was conducted by NEMS market research, which identifies where households in the study area go to carry out different types of shopping and leisure activities. The results of the household survey area inform the retail capacity assessment (Section 6) and assessment on commercial leisure need (Section 7) for the District.
- 5.6 The table below sets out the identified zones within and the number of interviews that the household survey will target in each study zone.

Table 5.1: Study Area and Zones

Zone	Locality	Local Authority	Postal Sectors	Survey Interviews
1	Clacton	Tendring	CO15 1, CO15 2, CO16 7, CO16 8	120
2	Jaywick	Tendring	CO15 3, CO15 4, CO15 5, CO15 6, CO16 9	120
3	Frinton/ Walton	Tendring	CO13 0, CO13 9, CO14 8	100
4	Harwich & Dovercourt	Tendring	CO12 3, CO12 4, CO12 5, CO16 0	110
5	Manningtree	Tendring	CO11 1, CO11 2	100
6	Brightlingsea	Tendring	CO7 0, CO7 7, CO7 8	110
7	Colchester Town	Colchester	CO1 1, CO1 2, CO2 7, CO2 8, CO2 9, CO3 0, CO3 3, CO3 4, CO3 8, CO3 9, CO4 0, CO4 3, CO7 9	130
8	Colchester North	Colchester	CO4 5, CO4 6, CO4 9, CO6 3, CO6 4	110
9	Capel St Mary	Colchester/ Babergh	CO7 6, IP9 2	100
Total				1,000

Study Area Profile

- 5.7 The following provides an overview of the socio economic profile of the study area with particular focus on Tendring District within.

Population and Retail Expenditure

- 5.8 The base year catchment population and available retail (comparison and convenience) expenditure by zone has been sourced using LSH's in-house Experian *Micromarketer Generation 3* (MMG3) Geographic Information System (GIS). All comparison and convenience goods expenditure figures

are expressed in 2018 prices. No allowance is made at this stage for the market share of 'Special Forms of Trading'²¹ (SFT), including online expenditure.

- 5.9 The table below sets out the population and expenditure by zone at the base year (2020).

Table 5.2: Population and Retail Expenditure (2020)

	2020 Population	Available Retail Expenditure (£m) Including Special Forms of Trading		
		Convenience	Comparison	Total
Zone 1 Jaywick & St Osyth	31,209	£71.4	£114.7	£186.1
Zone 2 Clacton & Holland on Sea	36,931	£83.3	£141.3	£224.6
Zone 3 Frinton & Walton	20,044	£48.4	£87.5	£135.9
Zone 4 Harwich & Dovercourt	26,354	£60.2	£101.0	£161.2
Zone 5 Manningtree	13,745	£33.0	£60.0	£93.1
Zone 6 Brightlingsea	20,661	£49.8	£90.4	£140.3
Zone 7 Colchester Town	123,715	£259.1	£465.0	£724.1
Zone 8 Colchester North	39,822	£94.0	£184.4	£278.4
Zone 9 Capel St Mary	13,737	£34.3	£64.0	£98.3
Total Study Area	326,218	£733.6	£1,308.3	£2,041.9
Tendring District	146,481	£340.4	£584.4	£924.7
Clacton Catchment Area (Zones 1 & 2)	68,140	£154.7	£256.0	£410.7

Source: Experian Business Strategies - MMG3 Geographic Information System (GIS) 'Retail Area Planner Population & Expenditure Datasets'.

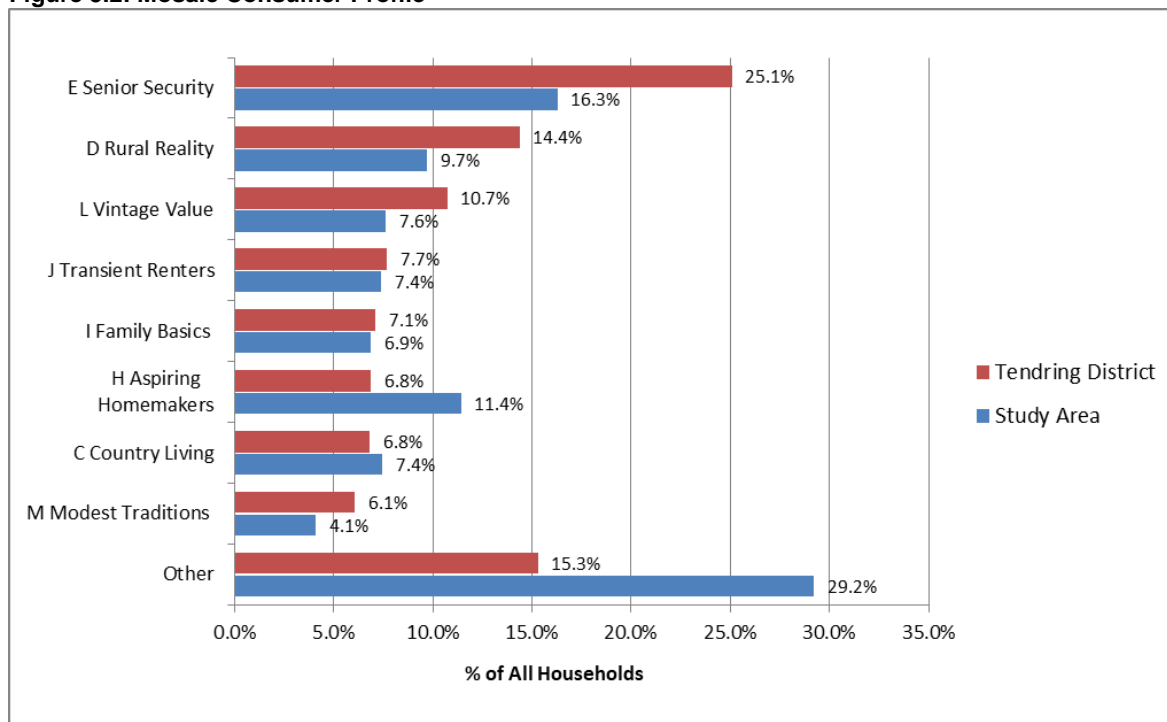
- 5.10 As the table shows, there are some 326,218 people living in the Study Area in 2020. Of this total population, some 146,481 live in Tendring District. The Clacton Catchment Area (Zones 1 & 2) accounts for 46.5% of the District's population.
- 5.11 The remaining District population is contained across the Zones 3 to 6. Overall, the Study Area and District population are currently generating £2,041.0bn and £924.7m respectively, of retail (convenience and comparison) expenditure. The CCA is generating £924.7m. Section 6 describes the forecast growth in the Study Area population and expenditure by zones in more detail as part of the economic capacity assessment.

Mosaic Consumer Profile

- 5.12 Experian's Mosaic UK consumer classification groups households based on their demographic profile and information on lifestyles and behaviour obtained from consumer data and research. There are 16 primary groups and each group has sub-categories within. Mosaic profiles are used by investors and retailers to understand the catchment profile of an area, which helps them to target particular areas. For this study, the data helps to understand the consumer profile of Tendring and how retail and leisure offer in Clacton Town Centre reflects the District's profile.
- 5.13 The figure overleaf highlights the most dominant Mosaic groups for the District and how they compare with the overall household profile of the wider study area.

²¹ Special Forms of Trading comprises sales via the internet, mail order, stalls and markets, door to door and telephone sales.

Figure 5.2: Mosaic Consumer Profile



Source: Experian

- 5.14 As the figure shows, a quarter (25.1%) of households in Tendring District are classified as **'Senior Security'**, which Experian profile as those aged 66 and over with assets and who are enjoying a comfortable retirement. This group is particularly dominant in Zone 3 (44.5%) followed by Zone 2 (37%) and Zone 1 (23.4%). Typically, this group has a household income of up to £30,000 per annum, less likely to use their cars, are single or in a couple, have no children living in the household, own their own home, and rarely engage in online activity. They are more likely to communicate by landline telephone or post rather than use mobile features (texts and calls) or online channels (including email and social media). We can therefore assume that this particular group are more likely to shop in store rather online and therefore more reliant on town centre services.
- 5.15 **Rural Reality** comprises the second largest Mosaic group for Tendring accounting for 14.4% of households in the District. This group typically reflects those living in rural locations and they represent the largest Mosaic group in Zone 5 (29.8%) and Zone 6 (32%). The average age group for Rural Reality is 46 to 55 and living in single occupation, and have no children living in the household. They are most likely to earn £20k to £29k and own their own home, which is likely to be an affordable bungalow or semi-detached property. This group is more likely to go online every day or most days and they communicate using both traditional (landline telephone and post) and technological means (e.g. email, social media, etc.).
- 5.16 **Vintage Value** accounts for a tenth of households in the Tendring District and represent the third largest represented group (10.7%). This group is more likely to be residing in Zones 1 and 2 where it accounts for 15% and 13.1% of households. This group typically reflects those aged 66 and over who live alone, survive on a low income (i.e. less than £15k), require state support, and live in social housing.
- 5.17 The three groups described above account for half of households in the District, compared to a third of households in the wider study area. Remaining households in the District area are mostly represented by five other Mosaic groups including:

- **Transient Renters** (7.7%) - private renters in low cost accommodation, earning £20k to £29k, aged between 25 and 44, and rely on technology for communication. This group accounts for 10% of households in Zones 1 and 4.
- **Family Basics** (7.1%) - low income families with children, own or rent low cost homes, and limited disposable income). This group is more likely to live in Zone 1 (12.7% of households).
- **Aspiring Homemakers** (6.8%) - young households, likely to have young children in the household, earning starter salaries (£40k to £49k), and tech savvy.
- **Country Living** (6.8%) well off home owners living in rural locations, household median age of 59 years, less likely to have children in the household, high car ownership, higher levels of self-employment, mostly active online every day, and communicate by both traditional and technological means
- **Modest Traditions** – modest household income (£20k to £29k), household median age of 57 years, likely to own their own affordable home in a suburban setting, less likely to have children in the household, mostly active online every day, and communicate by both traditional and technological means.

5.18 The Mosaic profile suggests that the District's population is aging and disposable income is limited. This particularly the case for zones for the Clacton Catchment Area (Zones 1 and 2), which reflect both the older population and low income households, the latter strongly represented by communities in Jaywick. The District profile also suggests that there may be a greater reliance on shopping in physical stores rather than online means.

COMPETITION / COMPARATOR CENTRES

- 5.19 A review of the offer and influence of Clacton Town Centre's immediate competing centres is important to help understand how Clacton can position itself in the future in terms of its retail and leisure offer.
- 5.20 Based on the results of the market share assessment, Colchester represents Clacton's principal competitor for retail expenditure and to a lesser extent, Ipswich. In both cases, this includes both the town centres and their surrounding out of centre retail facilities. It is not surprising that these centres serve as Clacton's main competition given they represent regional centres with a good range of retail and leisure offer.
- 5.21 Within the District, the town centre is competing with out of centre shopping facilities, particularly the Clacton Shopping Village. The shopping village, whilst positioned as a discount outlet centre, has many popular high street brands, a key factor that Clacton Town Centre lacks.

MARKET SHARE ANALYSIS

- 5.22 The NEMS method statement and full 'weighted' survey results are set out in **Appendix B** to this study. The survey findings are used to inform the baseline market share analysis and the centre/store turnover estimates that underpin the quantitative retail capacity assessment (see **Section 6**). The market share analysis is set out in Appendix A3 for convenience goods and Appendix A4 for comparison goods. As described above, at this stage of the analysis the market shares include expenditure on '*Special Forms of Trading*' (SFT) and exclude all 'null'/void' responses²².
- 5.23 It should be noted that respondents were asked to base their answers on their shopping habits before the Covid -19 lockdown commenced. Whilst the Covid -19 pandemic is expected to impact on

²² SFT is excluded for the economic capacity assessment in line with standard approaches (see Section 6).

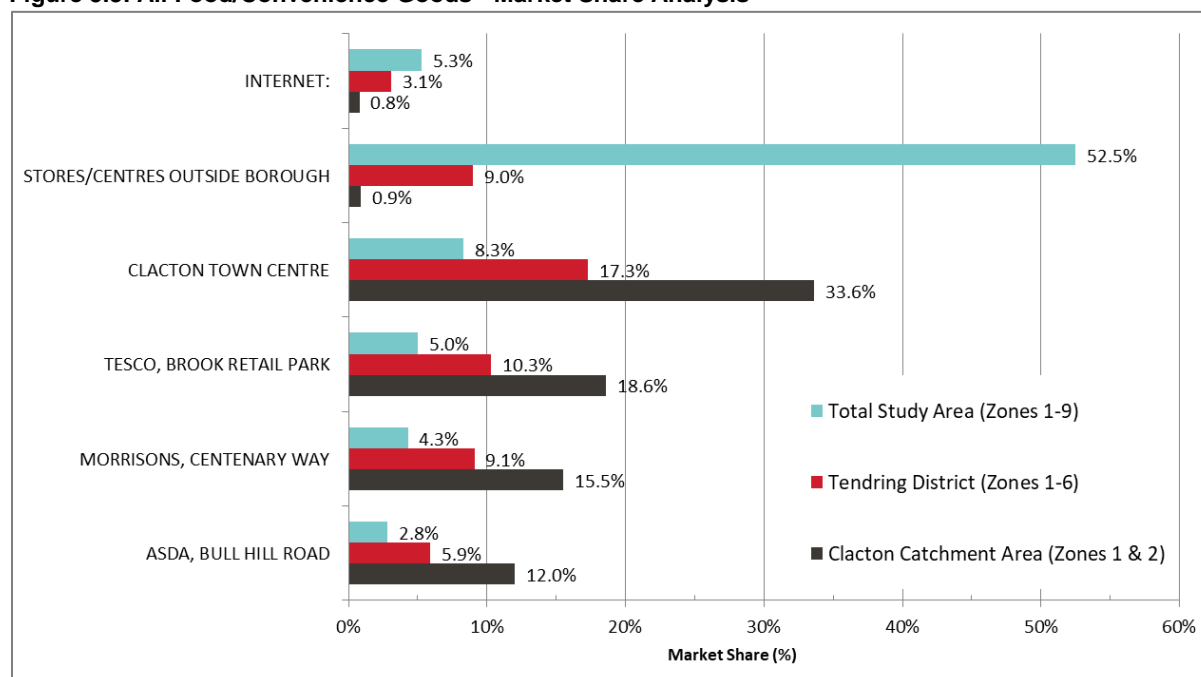
shopping habits in the short term, it is expected that shopping habits will largely return to pre-Covid patterns in five years' time (i.e. by 2025)

Convenience Goods

- 5.24 Convenience goods 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.).
- 5.25 The total survey-derived market share (%) analysis for all convenience goods shopping is set out in Table 1 (Appendix A3). These market shares have been derived from the assessment of the ('primary') responses as to where people normally shop for their main ('bulk') and 'top up' grocery purchases. Furthermore, to prevent food shopping patterns being 'skewed' by larger superstores and food stores in the Study Area, the survey also asked respondents where else they normally shop (if anywhere) for their 'main' and 'top up' purchases in addition to the first store identified (i.e. the 'secondary' responses).
- 5.26 The market shares for the different types of main and top-up food shopping are set out in detail in Tables 2-5 (Appendix A3).
- 5.27 An indication of the overall split between main and top-up food shopping was identified from the household survey (Q11, Appendix C). The 'primary' and 'secondary' responses main and top-up food shopping have then been 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 applied the following reasonable weightings informed by the survey findings and other studies conducted by LSH over a number of years:
- 50% for main 'bulk' shopping;
 - 30% for primary 'top-up' shopping;
 - 10% for secondary main 'bulk' shopping
 - 10% for secondary 'top-up' shopping
- 5.28 In summary, the market share analysis for all convenience goods shows that **online shopping** accounts for a 5.3% market share within the Study Area. Online shopping accounts for 3.1% Tendring District's convenience expenditure while less than 1% of respondents living in the Clacton Catchment Area (CCA) carry out online food purchases. By comparison, the national average is 14.9% for 2020 as set out in the latest *Experian Retail Planner Briefing Note* (RPN)²³. The results strongly demonstrate the important role of physical stores for supporting food shopping, which are particularly relied upon by residents in the CCA. The low rate of online food shopping correlates with the Mosaic profile identified earlier, which to recap, indicated that the majority of household are not active online, which will include online shopping activity.
- 5.29 The figure overleaf summarises the market shares for all main and 'top-up' food shopping across the total study area. It also compares market shares for centres and stores in the study area, District and CCA.

²³ Experian Retail Planner Briefing Note 17 (February 2020). Figure 5: page 18. See Section 3 for a more detailed commentary.

Figure 5.3: All Food/Convenience Goods - Market Share Analysis



Source: Appendix A3, Table 1

5.30 The main headlines are as follows:

- Clacton Town Centre:** is achieving a 8.3% market share across the total Study Area. Its market share is highest within its catchment (CCA) where the town centre retains a third of the catchment convenience expenditure (33.6%). Morrisons and Aldi are the most popular stores serving the town centre; attracting 15.1% and 8.7%, respectively of CCA convenience expenditure. Clacton Town Centre attracts a reasonable market from Zone 5/ Brightlingsea (10.9%), with expenditure mostly drawn to the Aldi store. Market share is significantly lower for other zones in the District area. The town centre mostly competes with surrounding out of centre foodstores, which account for nearly half of total CCA expenditure.
- Wider Clacton Urban Settlement Centres:** centres that sit within the wider Clacton Strategic Urban Settlement area mostly serve their immediate catchment and principally for top-up shopping purposes. Smaller foodstores in Holland on Sea support 6.2% of expenditure from Zone 2, the settlement's immediate zone. The smaller centres that surround Clacton, such as Jaywick, Great Clacton and standalone convenience stores generate a 7% market share of CCA expenditure.
- Dovercourt & Harwich Urban Settlement Centres:** the settlement area includes Dovercourt and Harwich Town Centres and the local/village centres of Little Oakley, Ramsey and Upper Dovercourt. The market share is limited for these centres due to the general lack of foodstore availability, which is mainly supported out of centre. Combined, the centres attract only 1.3% of total study area expenditure increasing to 2.7% for the District area. Within Zone 4, in which the urban settlement area sits, the centres retain 15% of expenditure. Almost two thirds of zonal expenditure is diverted to the settlement areas out of centre foodstores (65.6% of Zone 4 expenditure), particularly Morrisons at Iconfield Park (33%).
- Frinton & Walton Urban Settlement Centres:** the settlement area includes the town centres of Frinton on Sea and Walton on the Naze, The Triangle District Centre, and Kirby Cross village. Combined, these centres attract 2.9% and 6% of study area and District area expenditure. However, the centres retain 42% of expenditure from Zone 3, their constituent zone. Expenditure is mostly directly to foodstores in Frinton and the Triangle Shopping Centre. The centres foodstores compete for zonal expenditure with out of centre foodstores in the area, particularly Aldi (23.6% of Zone 3 expenditure) and out of centre foodstores to Harwich
- Brightlingsea & Manningtree:** the two centres make up the remaining town centres in the District. Foodstore provision is limited in these centres and as a consequence these centres

support a limited market share of convenience expenditure. **Brightlingsea Town Centre** attracts just fewer than 2% of study area expenditure increasing to 3.8% for the District area. Foodstores in the centre are popular with locals whereby the centre retains a quarter of expenditure from Zone 5 (25.7%). The centre mainly competes for zonal expenditure from out of centre foodstores in Colchester, followed by out of centre foodstores in Tendring District. **Manningtree Town Centre** supports a similar market share to Brightlingsea in terms of study area (1.9%) and District area (3.6%) expenditure. The town centre retains over a third of expenditure from Zone 6, its constituent zone. Its main competition for zonal expenditure is from out of centre foodstores to Harwich, particularly Morrisons at Iconfield Park (14.3%), and out of centre foodstores to Colchester (11.8%).

- **Smaller Centres:** smaller centres in the District collectively account for limited market share of study area (2.2%) and District area (4.2%) expenditure, which reflects the role of smaller centres as serving the day-to-day needs of their immediate population.
- **Out of Centre Foodstores:** the District has a number of out of centre foodstores, mainly located near Clacton, Harwich and Walton. Collectively, they attract 21.4% of study area expenditure and 45% of District area expenditure. Tesco at Brook Retail Park and Morrisons at Centenary Way, both out of centre to Clacton, are the most popular foodstores in the District attracting 10.3% and 9.1% respectively of District area expenditure.

5.31 Expenditure drawn from beyond the District (Zones 7 to 9) is de minimis due to the range of foodstores serving these outer zones. Overall, Tendring District retains 42.2% of total study area convenience expenditure; increasing to a strong retention level of 87.9% for total District expenditure. As such, expenditure outflow ("leakage") from the District to competing centres stands at just 9%, which mostly relates to expenditure outflow from Zones 5 and 6, which border Tendring District. Around a third of expenditure from these zones is lost to foodstores outside the District, particularly foodstores out of centre to Colchester (particularly Tesco Extra Highwoods, and Asda Turner Rise), and to a lesser extent, foodstores Ipswich. In contrast, expenditure outflow ranges from 0.1% for Zone 1 to 5.5% for Zone 4.

5.32 In summary, the market share analysis indicates that Tendring District has a very strong retention level for convenience goods expenditure due to a good range of foodstores operating in the District. The District's relatively isolated position will create a captive market and the low level of online shopping will be influenced by the catchment's demographic profile, which is less likely to engage in online activity. The distribution of convenience expenditure in the District is skewed towards out of centre foodstores. Whilst, Clacton is supporting a reasonable level of market share from its town centre stores, it and other town centres will continue to compete with larger out of centre foodstores in the District that offer free parking but more limited opportunities to support linked trips with town centre businesses.

Comparison Goods

- 5.33 Comparison goods are generally defined as items purchased less frequently and include clothing, footwear, household and recreational goods. For the following main categories of non-food expenditure,²⁴ each respondent was asked where they did most of their household's shopping, and "where else" they shopped.

Table 5.3: Main Categories of Comparison Goods Expenditure

Survey Question:	Where do households normally shop for:	See Appendix A4
Q12 & Q13	Clothing and footwear (fashion) items	Tables 2a/b/c
Q14	Audio-visual electrical goods (e.g. TVs, computers and cameras) and domestic appliances (e.g. fridges, freezers, cookers and washing machines)	Table 3
Q15	Books, CDs and DVDs	Table 4
Q16	Recreational goods, pet-related products, including bicycles, games, toys, sports and camping equipment and musical instruments	Table 5
Q17	Furniture, carpets and other floor coverings, household textiles and soft furnishings	Table 6
Q18	DIY goods and decorating supplies, and garden products, plants and flowers	Table 7
Q19	Chemist goods and health/beauty products	Table 8
Q20	All other including jewellery, watches and clocks, glassware, china, tableware and kitchen utensils.	Table 9

- 5.34 Table 1 (Appendix A4) sets out the total combined market shares for **all** comparison goods expenditure allocated to the main centres and stores, weighted by the different expenditure categories.
- 5.35 In summary, the market share analysis shows that **online purchases** account for a 24.9% market share of all comparison goods expenditure within the widely defined Study Area, increasing to 26.4% for the District area. It is noted that respondents living in Zones 3 and 4 are more likely to shop online for comparison goods purchases compared to other zones in the study area. This may correlate to their distance from higher order centres, such as Colchester and Ipswich, whereby online comparison shopping may be more convenient. By comparison, online market share is lowest in Zone 7, which covers Colchester Town and surrounding suburbs, and this may reflect the availability of comparison shopping in the town centre and it's out of centre retail destinations. For the CCA, online purchases account for 23.4% of total catchment comparison expenditure. Online sales are lower in Zone 1 (Clacton) and reflects reasonably strong levels of expenditure retention by stores in the District from this zone (discussed below). These market shares highlighted above are broadly in range with the national average figure of 24.5% in 2020 as set out in the latest *Experian Retail Planner Briefing Note* (RPBN)²⁵.
- 5.36 The market shares for the different retail expenditure categories are summarised in the table overleaf and highlight the different impacts of online shopping on different types of goods and purchases across the Study Area (see Appendix A4: Tables 2-9).

²⁴ As defined by Experian Business Strategies

²⁵ Experian Retail *Planner Briefing Note* 17 (February 2020). Figure 5: page 18. See Section 3 for a more detailed commentary.

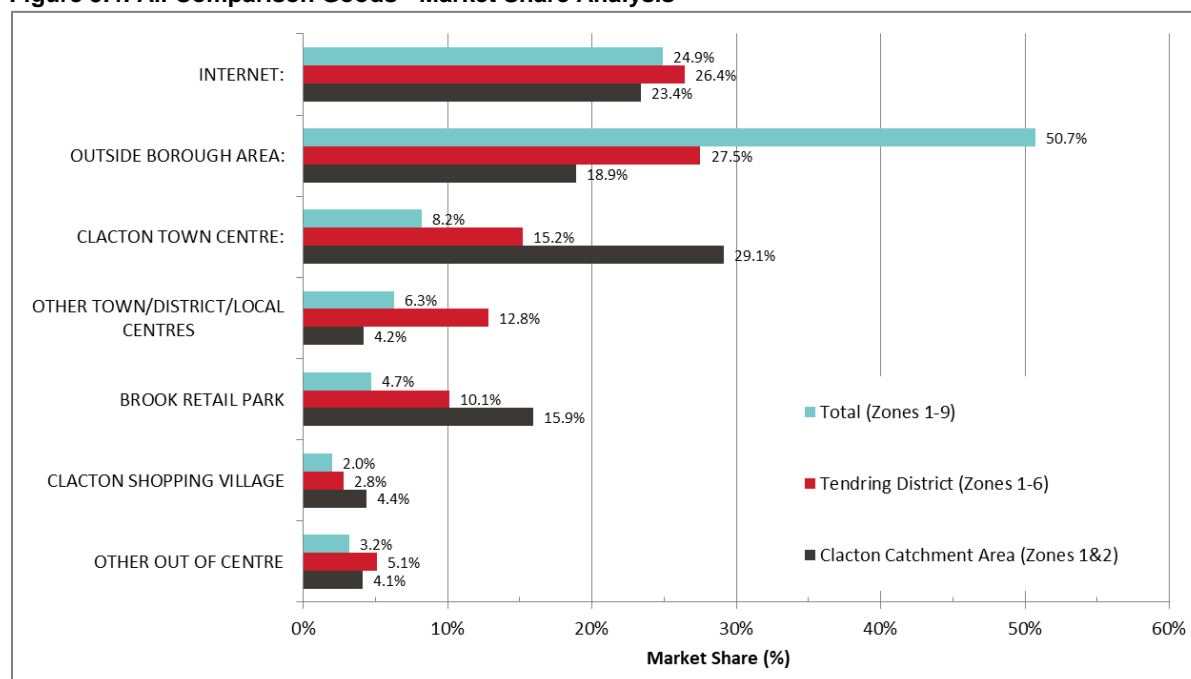
Table 5.4: SFT Market Shares by Retail Expenditure Category

Table		Clacton Catchment Area (Zones 1&2)	Tendring District (Zones 1-6)	Total Study Area (Zones 1-9)
2a/b/c	Clothing and footwear (fashion) items	18.1%	23.0%	23.4%
3	AV electrical goods; domestic appliances	34.1%	39.0%	37.7%
4	Books, stationary; CDs and DVDs	55.9%	60.9%	53.8%
5	Recreational goods; pet-related products	41.3%	45.3%	41.5%
6	Furniture, carpets and other floor coverings; household textiles and soft furnishings	19.9%	19.1%	17.0%
7	DIY goods and decorating supplies; garden products, plants and flowers	2.0%	4.4%	5.3%
8	Chemist goods and health/beauty products	6.9%	6.7%	5.7%
9	Jewellery, watches and clocks; glassware, china, tableware and kitchen utensils	28.8%	32.2%	28.2%
Total:		23.4%	26.4%	24.9%

Source: Appendix A4: Tables 1-13

- 5.37 As the table shows SFT/online shopping accounts for the highest market shares of expenditure on the following broad expenditure categories: books and recording media; audio-visual electrical goods and domestic appliances; and recreational goods. This explains the decline in (physical) retailers selling these types of goods from traditional high streets and shopping locations over the last decade (see Section 3). SFT/online shopping also accounts for over one-quarter of total available expenditure on jewellery and watches, gifts, tableware and kitchen utensils (28.2%); and over one fifth on clothing and footwear (23.4%).
- 5.38 In contrast, SFT/online currently accounts for a smaller proportion of total expenditure on DIY/decorating/garden products and beauty/personal care/medical products/etc. The latter is important to the relative health of smaller district and local centres, as they generally include a pharmacy amongst their retail and service offer.
- 5.39 The figure overleaf summarises the market shares for all comparison goods shopping across the total Study Area. It also shows the different market shares for centres and stores in the Clacton Catchment Area, the District area, and the wider study area.

Figure 5.4: All Comparison Goods - Market Share Analysis



Source: Appendix A4, Table 1

5.40 The main headlines for the District's centres and stores are as follows:

- Clacton Town Centre:** is achieving a 8.2% market share across the total Study Area. Its market share is highest within the catchment area (29.1%). The town centre attracts a limited market share from most other zones in the District area, with residents more likely to carry out non-food shopping in their respective town centres, online or in Colchester. Clacton attracts a very limited market share from zones outwith the District area, which is unsurprising given these zones are located in closer proximity to Colchester and Ipswich. The town centre's comparison goods market share is strongest for chemist and beauty products and personal appliances where it retains over a fifth (27.2%) of District expenditure, followed by furniture, flooring and carpets, and household textiles (21.9%), and 'other' comparison goods (18.4%). Despite the centre's role as the District's main shopping destination, market share for goods typically found in town centres is modest, such as clothing and footwear (13.2%), books and stationary (11.2%), toys, games, sports pets and hobby related goods (13.1%), audio visual and domestic appliances (5.6%). This will reflect the strong competition the town centre faces against the District's out of centre retail destinations and the proximity of Colchester.
- Harwich/ Dovercourt Settlement Area:** the town centres of Dovercourt and Harwich attract a very limited market share of study area and District area expenditure. The centres mainly support expenditure from their constituent zone (Zone 4/ 18.9%), with Harwich (10.9%) accounting for most of the retained expenditure. Harwich Town Centre had a higher level of market share for most comparison goods categories and is notable for 'audio visual and domestic electrical goods', 'books and stationary', and 'other' comparison goods where the centre supports +10% of expenditure from Zone 4. Market share was highest on expenditure for chemist and beauty products and personal appliances, with centres in the settlement area retaining nearly two thirds (65.2%) of expenditure from Zone 4.
- Walton/ Frinton Settlement Area:** centres in the settlement area attracted a combined market share of 2.2% and 4.3% of study area and District area expenditure, respectively. The centres retain over a fifth (27.2%) of expenditure from Zone 3, which is mostly supported by stores in Frinton (22.1%). Market share is limited for Walton (2.2% of Zone 3 expenditure), with a similar market share achieved by the settlement area's two smaller centres – the Triangle (1.5%) and Kirby Cross (1.4%). For all centres, comparison goods market shares are generated by sales on chemist, beauty products, and personal appliances. Frinton attracts market share across a wider range of comparison goods categories, which is notably higher for books and stationary.

The Triangle supports a higher market share for audio visual and domestic goods expenditure compared to the other centres in the settlement area.

- **Brightlingsea and Manningtree:** comparison goods market share is very limited for both centres due to the limited role they serve in supporting comparison goods shopping. **Brightlingsea** retains 1.2% of District area expenditure and 8.1% of expenditure from Zone 6, its constituent zone. Retained expenditure is primarily generated from Zone 6 expenditure on chemist and beauty products and personal appliances (29.2%). Manningtree accounts for 1.3% of total District comparison goods expenditure and 11.9% of Zone 5 expenditure. Similar to other centres in the District, retained expenditure is mainly supported by localised expenditure on chemist and beauty products and personal appliances (44.7% for Zone 5). It is noted that Manningtree supports a higher level of zonal expenditure on DIY and gardening goods, compared to other town centres in the District.
- **Smaller Centres:** attract a fraction of the market share achieved by Clacton and other town centres. Combined, the District's smaller villages support less than 1% of total District comparison goods expenditure. Market share is mainly supported by expenditure on chemist and beauty products and personal appliances (3.5% of District expenditure on this category). The results reflect the primary role and function of the District's smaller centres, which is serving the day to day convenience/food and service needs of their local catchment populations.
- **Out of Centre Retail Parks:** the District's retail parks attract almost a quarter (24.4%) of all comparison goods expenditure for the study area, almost three times higher than Clacton Town Centre (8.2%). They also account for over half (57.7%) of expenditure generated within the Clacton Catchment Area. Brooks Retail Park is the most popular retail park destination, attracting 10.1% of all District area comparison goods expenditure, followed by Clacton Shopping Village (2.8%) and Gateway Retail Park in Harwich (2%). The District's remaining out of centre retail areas (e.g. stores along Valley Bridge Road and standalone stores) account for the remaining out of centre expenditure.
- **The Brooks Retail Park:** has particularly strong market shares for expenditure on DIY and gardening products (57. 2%) where it accounts for over half of District expenditure on this goods category, as well as expenditure on audio visual and domestic appliances (31.6% of District expenditure). The results reflect the type of comparison goods sold at the retail park, which also reflects the market shares achieved by Clacton Shopping Village.
- **Clacton Shopping Village:** has a higher market share for clothing and footwear, attracting 7.7% of District expenditure and 12.6% of CCA expenditure. Despite the sale of goods being restricted to discounted goods the centre is not far behind Clacton Town Centre in terms of market share, which indicates that the two centres are competing with each other for catchment expenditure.

5.41 Overall, the District's centres and stores are achieving a 23.8% market share across the defined Study Area, with the majority of retained expenditure accounted for by the District's out of centre retail parks and standalone stores (23.8% of study area expenditure). The survey findings show that Clacton Town Centre has limited influence on study area expenditure, which will be due to the scale and choice of retail offer in Colchester. The table overleaf identifies the extent to which competing centres draw expenditure from across the District's study zones.

Table 5.7: Comparison Goods Market Shares of Competing Centres and Shopping Locations

Zones:	TENDRING DISTRICT						TOTAL DISTRICT
	1	2	3	4	5	6	1-6
Colchester Town Centre	8.8%	12.1%	15.9%	14.1%	13.9%	19.2%	13.6%
Colchester Out of Centre	3.1%	4.5%	3.7%	8.4%	14.3%	16.4%	7.6%
All Other - Colchester	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	0.1%
Ipswich Town Centre	0.8%	0.3%	0.7%	3.2%	7.7%	0.9%	1.8%
Ipswich Out of Centre	0.3%	0.7%	0.0%	0.7%	6.3%	0.6%	1.1%
Braintree Town Centre	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Freeport Braintree	0.0%	0.8%	0.1%	0.2%	0.1%	0.5%	0.3%
Chelmsford	0.2%	0.3%	0.2%	0.3%	0.1%	0.5%	0.3%
Bluewater Shopping Centre, Greenlithe	0.6%	0.2%	0.1%	0.0%	0.1%	0.0%	0.2%
Lakeside Shopping Centre, Thurrock	1.0%	0.6%	0.5%	0.1%	1.2%	0.6%	0.6%
Norwich City	0.2%	0.1%	0.0%	0.2%	0.1%	1.0%	0.3%
All Other	1.7%	1.0%	1.0%	1.3%	3.0%	3.4%	1.7%
SUB TOTAL: OUTSIDE DISTRICT	16.8%	20.5%	22.3%	28.5%	47.1%	43.1%	27.5%

Source: Appendix A4, Table 1

- 5.42 As the table shows, stores in and around Colchester draw a fifth of Tendring District's comparison goods expenditure, the majority of which is directed to Colchester Town Centre. Geography influences the extent of expenditure leakage, which is greater in zones closest to Colchester, such as Zone 5 (28.5%) and Zone 6 (35.8%). Stores in and out of centre to Ipswich draw just under 4% of District expenditure, but accounts for 14% of Zone 4 expenditure. The results also show that residents are less likely to travel beyond Colchester and Ipswich for comparison goods, as demonstrated by the relatively minor level of leakage to other beyond the District.
- 5.43 In summary, the market share analysis confirms the significant impact that online shopping has had on comparison goods shopping patterns and purchases, and on specific retail expenditure categories across the Study Area. This is underlined by the fact that the market share of online shopping for District expenditure (26.4%) is significantly higher than for Clacton Town Centre (15.2%).
- 5.44 It is evident that Clacton is not meeting its potential to retain expenditure from within the District, with expenditure largely supported its surrounding catchment (i.e. Zones 1 and 2). Online sales aside, nearly half (48.3%) of all District area comparison goods expenditure is going to centres and stores outside the District. However, Clacton's competition not only comes from online sales and higher order centres such as Colchester; the town centre is also competing with out of centre retail facilities in the District, particularly Brook Retail Park. Therefore, it is vital that the town centre can position itself in a way that limits the impact of further out of centre development.
- 5.45 It is therefore important for Clacton Town Centre's overall vitality and viability to consolidate and strengthen its market shares in key retail expenditure categories, and to maintain and improve its market share across the other categories.

6. RETAIL CAPACITY ASSESSMENT

- 6.1 This section sets out the results of the economic retail capacity ('need') assessment for new retail (comparison and convenience goods) floorspace in the Tendring District area and its main centres, but focussing on Clacton Town Centre. The forecasts cover the period from 2020 (the year when the household survey was conducted) to 2033. The forecasts are broken down further into five-year periods where possible (i.e. 2020-2025, 2025-2030, and a remaining three year period for 2030-2033).
- 6.2 As explained in Section 1, this economic assessment updates and supersedes the capacity findings of the Council's previous evidence-based studies that forecast a substantial need for new comparison retail floorspace.

THE CREAT^e MODEL

- 6.3 The **CREAT^e** economic model has been specifically designed, developed and tested by the LSH team over more than 25 years in accordance with good practice to assess the capacity for and impact of new retail (convenience and comparison goods) floorspace development. The evidence-based model has helped to inform and guide plan-making and decision-taking at the local, sub-regional and regional level over many years. It has also withstood critical review and examination at numerous appeals, Local Plan and CPO inquiries.
- 6.4 In brief, the **CREAT^e** (Excel-based) model adopts a transparent '*step-by-step*' approach in which all the key assumptions and forecasts can be easily tested. The model is underpinned by the findings of the household survey, which provides robust profiles of current shopping patterns, market shares and the trading/turnover performance of existing centres, shops and stores.
- 6.5 At the outset it has necessarily been assumed for the purpose of the capacity assessment that the local retail market in Tendring District is in '*equilibrium*' at the base year. In other words, all existing centres/stores are broadly assumed to be trading in line with expected average ('benchmark') turnover levels. This is a reasonable approach in this case as it reflects the impact of the economic downturn and the significant growth in online sales on the trading levels and performance of retailers and stores across the UK. It also reflects the outputs of the health checks and surveys covering Clacton Town Centre. For example, there is no evidence of strong market demand from retailers for representation in the town centre. With the planned extension of out of centre retail facilities, any demand will be drawn to new purpose built retail accommodation. A key challenge for Clacton will be the ability to retain existing retail occupiers in light of recent high street losses (in particularly Marks and Spencer and Mothercare) and the need to explore options to diversify retail offer. These challenges are further complicated by the current COVID-19 pandemic, specifically the impact of the Government enforced 'lockdown' and social distancing measures on the future of many town centre businesses.
- 6.6 In simple terms, therefore, any residual expenditure available to support new retail floorspace over the forecast period will be generated by 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**' ('turnover efficiency') growth rates to all existing and new retail floorspace²⁶.

²⁶ Section 3 sets out the forecast growth in annual 'productivity' levels based on the latest Experian Retail Planner Briefing Note.

- 6.7 It is important to restate that medium to long term forecasts should be treated with caution, as they will be influenced by changes in economic, demographic and market trends. As a result, we advise that greater weight should be placed on the short-term forecasts carried out over a **five-year period** (in compliance with paragraph 004 of the *Planning Practice Guidance*²⁷). Notwithstanding this, it is also accepted that in preparing their town centre strategies local authorities will also need to take account of the forecast capacity for new retail floorspace over the plan period to inform its policy-making and site allocations. The NPPF (paragraph 85) states that local planning authorities should meet the need for retail and town centre uses over a **ten-year period**. Therefore, whilst this study assesses retail capacity up to 2033, it follows that greater weight should be placed on forecasts over the next five to ten-year period (i.e. to 2025 and 2030).
- 6.8 The updated capacity forecasts set out in this section will provide the Council with a broad guide to assess the (quantitative) need for new retail (Class E) floorspace in the District and its main centres. In turn, this will inform the need to identify and allocate additional sites (over and above those already identified) to meet any forecast need over the lifetime of the development plan. This is in accordance with the advice set out in the NPPF (paragraph 85). It follows that the allocation of sites 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 and town centre boundaries to accommodate the forecast needs.
- 6.9 The key steps in the retail capacity assessment, and the main assumptions and forecasts underpinning the **CREAT**^e Model are described below.

POPULATION PROJECTIONS

- 6.10 The standard starting-point for our economic capacity assessments is to source the 'base year' population estimates and projections using our in-house Experian-based MMG3 Geographic Information System (GIS). Projections for the study zones (Zones 1 to 9) over the period 2020 to 2033 were derived from the ONS 2016-based *Sub-National Population Projections (released in October 2018)*.
- 6.11 Table 1 (Appendix A2) to this study sets out the total estimated growth in the study area population based on Experian's population projections. The table overleaf summarises the forecast growth for the total Study Area, individual study zones.

²⁷ PPG Reference ID: 2b-004020190722

Table 6.1: Population Projections – Total Study Area and Zones (2020-2033)

						Growth 2020 to 2033:	
						%	No.
		2020	2025	2030	2033		
Zone 1	Jaywick & St Osyth	31,209	32,590	33,879	34,531	10.6%	3,322
Zone 2	Clacton & Holland on Sea	36,931	38,403	39,815	40,603	9.9%	3,672
Zone 3	Frinton & Walton	20,044	20,637	21,199	21,501	7.3%	1,457
Zone 4	Harwich & Dovercourt	26,354	27,685	29,070	29,923	13.5%	3,569
Zone 5	Manningtree	13,745	14,456	15,199	15,592	13.4%	1,847
Zone 6	Brightlingsea	20,661	21,740	22,824	23,466	13.6%	2,805
Zone 7	Colchester Town	123,715	130,233	136,035	138,998	12.4%	15,283
Zone 8	Colchester North	39,822	41,944	43,879	44,891	12.7%	5,069
Zone 9	Capel St Mary	13,737	14,055	14,365	14,545	5.9%	808
Total Study Area:		326,218	341,743	356,265	364,050	11.6%	37,832
Tendring District:		146,481	152,962	159,359	162,972	11.3%	16,491
Clacton Catchment Area (Zones 1 & 2)		68,140	70,993	73,694	75,134	10.3%	6,994

- 6.12 The total Study Area population is forecast to increase by +11.6% (+37,832 people) between 2020 and 2033, from 326,218 to 364,050. The District's population is forecast to increase by a slightly slower rate of 11.3% (+16,491 people) over the same period. Zones 1 and 2 will experience the biggest numbers in population growth over the period; however, the percentage rate of growth is forecast to be higher in Zones 4 to 6.
- 6.13 It should be noted that the ONS population projections do not take account of strategic housing areas put forward in the draft Local Plan. As Section 2 highlighted, the draft Local Plan allocates a garden community immediately west of Elmstead Market. Known as the Tendring Colchester Border Community Garden, the new settlement will create a 7,000 to 9,000 home community. Some 2,500 homes will be delivered over the draft Local Plan period (by 2033) with 1,250 homes within the Tendring area (Zone 6) and 1,000 homes in the Colchester area (Zone 7). A new 1,700 home neighbourhood is planned north-west of Clacton Town Centre, which sits within Zone 1 and 2. The neighbourhood will be known as Hartley Gardens and the draft Local Plan intends to deliver 210 homes in the plan period. Other strategic site allocations in the draft Local Plan will support an additional 2,199 homes across the District by 2033. Most of these allocations are located within existing settlement areas.
- 6.14 We understand that the Council's housing supply has been informed by ONS population projections. Therefore, whilst the over District population figure identified in the table above will be broadly in line with the Council's forecast housing supply, there is likely to be differences in the distribution of population by zone. This will particularly be the case for Zones 6 and 7 in respect to the Tendring Colchester Border Community Garden. That said, the difference in population projections for these zones is unlikely to have material impact on the retail capacity findings for this study.

AVERAGE EXPENDITURE LEVELS & FORECASTS

- 6.15 Tables 2 and 4 (Appendix A2) set out the average expenditure per capita figures and forecasts for convenience and comparison goods respectively. The 2020 average expenditure per capita figures have been sourced from LSH's in-house MMG3 GIS²⁸. The year-on-year growth in expenditure levels by zone draws on the latest forecasts published by Experian in their *Retail Planner Briefing Note 17* (RPBN17) (February 2020).

²⁸ All expenditure and turnover figures are expressed in 2017 prices.

- 6.16 Our allowance for SFT across the Study Area has necessarily been informed by the household survey findings. The SFT survey-derived market shares for both convenience and comparison goods have also been recalibrated to reflect the fact that a proportion of online food/non-food sales are sourced from traditional ('physical') stores rather than from dedicated ('dot com') warehouses. This follows the advice set out in Experian's latest RPN17 (also see Section 3).
- 6.17 For **convenience goods** the 2020 survey-derived SFT market share of 1.6% is less than half Experian's national average figure of 4.5%. For **comparison goods** the survey-derived SFT market share of 18.6% is marginally above Experian's national average figure of 18.4%. The forecast growth in the survey-derived SFT market share between 2020 and 2033 is assumed to be in line with Experian's projections. It should be noted that if SFT's market share at 2020 and/or the growth up to 2033 is higher than assumed then this will *reduce* the total residual expenditure capacity available to support existing and new floorspace over the forecast period (i.e. more retail expenditure will go to 'virtual' than to 'physical' stores). The COVID-19 lockdown has led to an increase in online shopping nationally, which is likely to continue once the Government allows shops to open with social distancing measures in place. This further supports the thinking that demand for physical retail space will reduce for many town centres. The household survey indicated that respondents were carrying out more non-food online purchases during the lockdown but most were likely to return to their normal online shopping habits once the lockdown is lifted (Appendix B).

TOTAL AVAILABLE EXPENDITURE

- 6.18 Tables 3 and 5 (Appendix A2) set out the current and forecast growth in total available expenditure for convenience and comparison goods, respectively, within the total Study Area and Zones. As the tables show **convenience goods** expenditure is forecast to increase by +12.6% (+£91m) between 2020 and 2033 within the Study Area. For **comparison goods** the expenditure growth is significantly higher at +52.1% (+£554.9m). A finer analysis of the distribution of expenditure growth shows that the District is forecast to benefit from a +12.6% (+£41.2m) increase in convenience goods expenditure between 2020 and 2033, and a +51.7% (£245.9m) growth in comparison goods expenditure.
- 6.19 In summary, the forecast growth in comparison goods expenditure significantly outstrips convenience goods spend over the study period. It follows that there could therefore be greater residual expenditure capacity to support new comparison goods floorspace than for convenience goods. However, this will depend on the level of retail commitments in the pipeline and the forecast growth in the 'productivity' of existing floorspace, as this will have a "first call" on the residual growth in expenditure (see below).

MARKET SHARE ANALYSIS (EXCLUDING SFT)

- 6.20 In accordance with good practice, the (%) market shares reported in Section 6 have been recalibrated to exclude SFT from both the convenience goods (Table 1, Appendix A3) and comparison goods (Table 1, Appendix A4) expenditure figures.
- 6.21 The expenditure allocated to existing centres, stores and floorspace at 2020 (Table 2) has then been projected forward to 2025 (Table 3), 2030 (Table 4), and 2033 (Table 5) assuming constant market shares²⁹.

²⁹ It should be noted that the 'constant market share' approach is standard practice for retail capacity assessments.

6.22 Table 1 (Appendix A5) summarises the convenience goods expenditure allocated to the main centres and stores over the forecast period (excluding 'inflow') based on the recalibrated market share approach. Table 1 (Appendix A6) summarises the (£m) market share analysis for comparison goods.

'INFLOW' / TRADE DRAW

6.23 In order to provide a complete picture of the current and likely future trading (turnover) performance of the main centres and stores in the District we have necessarily made informed judgements with regard to the likely 'inflow' (trade draw) from outside the widely defined study area. The assessment of inflow is not an "*exact science*" due to the complex nature of overlapping catchments and shopping patterns. In this case our assumptions take account of:

- the scale, quality and mix of each centre's retail (convenience and comparison) offer based on the results of the health checks;
- the scale, offer and location of all other centres and stores in Tendring District, including out-of-centre shopping locations, and in neighbouring local authority areas;
- the likely competition from centres, stores and shopping facilities outside the study area, informed by the results of the survey-derived market share analysis;
- the likely retail expenditure derived from people visiting the District's shops and stores, but who live outside the study area (including tourists, visitors and those on business); and
- the likely extent of each centre's catchment. For Clacton Town Centre this is informed, in part, by the results of the household survey; specifically the market share data, which indicates the town centre's catchment reach.

6.24 Where the evidence exists we have also taken account of previous studies and retail assessments to help inform our judgements. The market share analysis confirms that households normally carry out their main and top-up food purchases at their more local and accessible stores, and do not generally travel longer distances for food purchases. The market share analysis confirms this. For comparison goods, the market share analysis shows that the District's comparison goods retailers are drawing expenditure from localised catchments and with very limited expenditure being drawn from residents living in zones outside of the District area. However, towns in the District are likely to support seasonal expenditure from visitors travelling to the District's seaside locations and caravan parks. Whilst there is no evidence on the likely spend of tourists we have applied judgement to the potential uplift in turnover associated with tourist expenditure.

6.25 For the purpose of this economic capacity assessment we have assumed the following expenditure inflow assumptions:

- **Clacton Town Centre:** 15% uplift on convenience and comparison goods turnover to take account of seasonal visitors to Clacton Pier, Clacton Pavilion, and beachfront.
- **Walton and Frinton Town Centres:** 15% uplift on convenience and comparison goods turnover to take account of seasonal visitors to Walton Pier and beachfront.
- **Harwich, Dovercourt, and Brightlingsea Town Centres:** 5% uplift on convenience and comparison goods turnover from visitors to the area.
- **Manningtree Town Centre** - 10% uplift on convenience and comparison goods turnover, which takes account of the town centre's proximity to the study area boundary, which is likely to attract both visitors and passing trade.
- **Out of Centre** - 10% uplift on convenience and comparison goods turnover from visitors to the area.

- 6.26 We have assumed that the District's other centres will draw the majority of their trade from their more local resident catchments, and for this reason we have assumed no 'inflow' from outside the study area

TOTAL FORECAST TURNOVER

- 6.27 The assessment of the total turnover of all the main centres/stores within the Study Area is based on the expenditure allocated to these centres/stores according to their survey-derived market shares at 2020, and our judgements as to the total "inflow" of trade to these centres/stores from outside the defined study area.

Convenience Goods Turnover

- 6.28 The total estimated convenience goods turnovers of the District's main centres, stores and shopping locations are set out in Table 2 (Appendix A5) and summarised in the table below.

Table 6.2: Total Forecast Convenience Goods Turnover of All Centres/Floorspace in District

	Estimated 'Inflow' from outside Study Area	2020	2025	2030	2033
Clacton Town Centre	15%	£77.5	£81.3	£84.9	£86.8
Holland on Sea District Centre	0%	£6.8	£7.1	£7.4	£7.6
Great Clacton/Jaywick/ Other local stores	0%	£12.8	£13.4	£14.0	£14.3
Sub Total: Clacton Settlement Area		£97.1	£101.8	£106.3	£108.7
Harwich District Centre	5%	£0.6	£0.6	£0.7	£0.7
Dovercourt Town Centre	5%	£3.4	£3.6	£3.8	£3.9
Little Oakley/ Ramsey/ Upper Dovercourt	0%	£6.4	£6.8	£7.2	£7.4
Sub Total: Harwich/Dovercourt Settlement Area		£10.4	£11.0	£11.6	£11.9
Walton-on-the-Naze Town Centre	10%	£3.4	£3.5	£3.6	£3.7
Frinton-on-Sea Town Centre	10%	£10.4	£10.8	£11.2	£11.4
The Triangle District Centre	0%	£9.8	£10.2	£10.5	£10.7
Kirby Cross Neighbourhood Centre	0%	£1.3	£1.3	£1.4	£1.4
Sub Total Frinton/Walton Settlement Area		£25.0	£25.9	£26.7	£27.2
Brightlingsea Town Centre	5%	£11.7	£12.4	£13.0	£13.4
Manningtree Town Centre	10%	£4.5	£4.7	£4.9	£5.0
All Other Smaller Centres	0%	£15.0	£15.7	£16.4	£16.9
Out of Centre	10%	£184.8	£193.7	£202.3	£207.4
DISTRICT CONVENIENCE GOODS TURNOVER:		£348.5	£365.3	£381.3	£390.6

Source: Appendix A5, Table 2.

- 6.29 As the table shows Clacton Town Centre's food and convenience stores are forecast to have a total turnover of £77.5m in 2020 after allowing for expenditure inflow from beyond the study area. The District's out of centre foodstores will collectively generate a turnover of £184.8.8m in 2020, reflecting strong market shares, particularly for Tesco Brook Retail Park and Asda Bull Hill Road. Looking to the future, Clacton's convenience turnover, based on its current provision and constant market shares is forecast to increase to £86.8m (+12%) by 2033.

Comparison Goods Turnover

- 6.30 The total estimated comparison goods turnovers of the District's main centres, stores and shopping locations are set out in Table 2 (Appendix A6) and summarised below.

Table 6.3: Total Forecast Comparison Goods Turnover of All Centres/Floorspace in District

	Estimated 'Inflow' from outside Study Area	2020	2025	2030	2033
Clacton Town Centre	15%	£102.9	£120.1	£140.8	£155.3
Holland on Sea	0%	£3.1	£3.6	£4.2	£4.6
Great Clacton/Jaywick/ Other local stores	0%	£2.9	£3.4	£4.0	£4.4
Sub Total: Clacton Strategic Area		£108.9	£127.1	£149.0	£164.4
Dovercourt Town Centre	5%	£9.4	£11.0	£13.1	£14.5
Harwich District Centre	5%	£10.9	£12.8	£15.1	£16.8
Little Oakley/ Ramsey/ Upper Dovercourt	0%	£0.2	£0.2	£0.3	£0.3
Sub Total: Harwich/ Dovercourt Strategic Area		£20.4	£24.0	£28.4	£31.6
Walton-on-the-Naze Town Centre	10%	£1.8	£2.1	£2.4	£2.6
Frinton-on-Sea Town Centre	10%	£21.4	£24.8	£28.8	£31.6
The Triangle District Centre	0%	£1.1	£1.3	£1.5	£1.7
Kirby Cross Neighbourhood Centre	0%	£1.1	£1.3	£1.5	£1.7
Sub Total: Walton on the Naze/ Frinton/ The Triangle		£25.6	£29.5	£34.3	£37.7
Brightlingsea Town Centre	5%	£6.3	£7.4	£8.8	£9.8
Manningtree Town Centre	10%	£7.9	£9.3	£11.0	£12.2
All other Smaller Centres	0%	£4.8	£5.6	£6.6	£7.3
Edge/ Out of Centre	10%	£117.7	£137.5	£161.5	£178.3
DISTRICT COMPARISON GOODS TURNOVER:		£291.6	£340.4	£399.7	£441.3

Source: Appendix A6, Table 2.

- 6.31 In summary, after applying expenditure inflow Clacton Town Centre's comparison goods turnover is forecast to increase from £102.9m to £155.3m (+51%) between 2020 and 2033. This assumes no change in the base year market shares in line with accepted approaches for retail capacity assessments. As in the case of convenience turnover, the combined current and projected comparison goods turnover of the District's out of centre retail parks and standalone stores is greater than Clacton; increasing from £117.7m to £178.3m (+51.6%), which reflects the their strength in market share.
- 6.32 The lower comparison goods turnovers of the District's smaller Town/District/Neighbourhood Centres and other parades/stores reflects their more limited non-food offer and corresponding market share.

FLOORSPACE PRODUCTIVITY

- 6.33 A key input to the retail capacity assessment is the application of a year-on-year floorspace 'productivity' ('turnover efficiency') growth rate to all existing and new retail floorspace. As described in Section 3, existing retailers and floorspace in the challenging economic and retail climate will need to achieve higher annual 'productivity' growth rates to absorb increasing costs (including, for example, rising rents, business rates and wages) in order to remain profitable and viable over the long term. This is particularly the case as the competition from online retailing increases, as currently the costs/taxes incurred by 'virtual' (internet-only) retailers are significantly lower than for 'physical' retailers.

- 6.34 For the reasons set out in Section 3 we have tested Experian's '*constant floorspace*' growth scenario³⁰, which assumes greater efficiency in existing floorspace due to the more limited scope and demand for new retail development. This year-on-year growth rate reflects current and future market conditions in the retail sector, and the fact that retailers will need to increase their overall "productivity" and "profitability" to cover rising costs and to remain viable.

RETAIL COMMITMENTS

- 6.35 The next step in the retail capacity assessment takes account of all the major retail (food/non-food) floorspace commitments and policy-led floorspace allocations in the District at the time of preparing this study. The assessment of pipeline floorspace and the predicted turnover of this new floorspace is necessarily focused on permitted schemes that will provide circa 250 sqm (gross) or more of net additional retail. It should be noted that the retail commitments refers to Class A1 retail floorspace under the former Use Class Order.
- 6.36 Three major planning consents for retail floorspace have been identified:
- **Brook Park West, Little Clacton Bypass, Clacton** – detailed planning permission was granted in June 2017 for foodstore, hotel, public house, restaurants, retail warehouse units (Planning ref: 16/01250/OUT). As highlighted in Section 4 of this report, the retail warehouse floorspace (5,167 sqm gross) has yet to be built. Planning permission is currently being considered by the Council (Planning ref: 20/00295/FUL) for an additional retail warehouse unit (1,034 sqm gross), which is intended to accommodate Pets at Home. For the purpose of the capacity assessment, only the extant retail warehouse floorspace is considered.
 - **Clacton Trade and Leisure Park (Gas works site, Old Road, Clacton)** - planning permission was granted in February 2020 for a new retail, leisure and trade counter park adjacent to Waterglade Retail Park (Planning ref: 19/00338/FUL). The consent allows for 597 sqm gross of floorspace to support flexible Class A1/A3/A5 uses. For the purpose of the capacity assessment it is assumed that all of the proposed A1/A3/A5 floorspace will support new retail operators.
 - **'Harwich Valley' (Land East of Pond Hall Farm, Harwich)** – full planning permission was granted in June 2016 for non-food retail units (6,352 sqm gross/ 5,399 sqm net sales), a foodstore (6,422 sqm gross/ 4,078 sqm net sales), and petrol filling station (Planning ref: 14/01431/OUT). The consent is part of a hybrid planning application that also granted outline planning permission for wider mixed-use scheme (including employment space, commercial leisure uses, and residential dwellings).
- 6.37 In addition to the above, there is currently a resolution to grant planning permission (subject to completion of a Section 106 agreement) for a new 'neighbourhood centre' as part of a 950 dwelling scheme at Rouses Farm, to the west of Clacton (Planning ref: 17/01229/OUT). The centre will include a local healthcare facility and up to 700 sqm gross for use classes A1, A3 and/or D1 use. For the purpose of this assessment, we have assumed that half of this floorspace would support convenience retail, such as a small convenience store. We also understand that similar sized neighbourhood centres are likely to come forward within the study period (i.e. by 2033) for strategic housing schemes at Hartley Gardens and Oakwood Park, both close to Clacton. A neighbourhood centre could form as part of the Tendring Colchester Borders Garden Community. However, a centre is not expected to come forward within the study period and is therefore, not considered in the capacity assessment.

³⁰ Retail Planner Briefing Note 17 (January 2020), Figures 3b and 3c.

RETAIL CAPACITY ASSESSMENT

- 6.38 The capacity forecasts for new retail floorspace up to 2033 are set out in Tables 3-13 (Appendix A7) for convenience goods and Tables 4-12 (Appendix A8) for comparison goods³¹. The footnotes to Table 3 (Appendix 7) and Table 4 (Appendix 8) explain the key steps underpinning the assessment.

Convenience Goods Capacity

- 6.39 In order to convert the forecast residual expenditure capacity into a net sales figure we have assumed that new convenience goods floorspace will achieve an average sales density³² of circa £10,000 per sqm in 2020. This average turnover level for new floorspace is informed by the latest Mintel 'Retail Rankings' report, which sets out the published company turnovers for all the main food and non-food retailers in the UK. In this case the average turnover figure of £10,000 per sqm broadly represents the midway point between the higher company average turnovers achieved by the main grocers (including Tesco, Sainsbury's, Asda and Morrisons) and the Limited Assortment Discounters ('LADs') (e.g. Lidl and Aldi), compared with the lower benchmark turnovers recorded by smaller format supermarket operators (e.g. Co-op, Nisa, Budgens, etc.).
- 6.40 The 'baseline' residual expenditure and floorspace capacity forecasts are summarised in the table below.

Table 6.4: Baseline Convenience Goods Capacity Assessment: 2025 - 2033

	2025	2030	2033
Clacton Town Centre	226	427	518
Other centres in Clacton Settlement Area ^{(1) (2)}	56	104	127
Harwich/ Dovercourt Settlement Area ⁽¹⁾	37	74	95
Frinton/ Walton Settlement Area ⁽¹⁾	44	82	99
Brightlingsea Town Centre	42	84	104
Manningtree Town Centre	11	21	27
All other smaller centres	47	90	111
Out of Centre	528	1,017	1,267
Total Convenience Goods Floorspace Capacity	991	1,900	2,347

Notes:

(1) Excludes out of centre retail facilities

(2) Includes Holland-on-Sea, Jaywick, Great Clacton, & local shops near Clacton

Source: Appendix A7, Tables 3-13.

- 6.41 As the table above shows, after allowing for the growth in the 'productivity' of existing/new floorspace, forecasts identify capacity for 991 sqm of convenience floorspace in the short term to 2025. Forecast capacity increases to 1,900 sqm net by 2030 and 2,347 sqm by 2033. For Clacton Town Centre, capacity for up to 518 sqm net sales is by the end of 2033. In contrast, the majority of identified District capacity is supported by residual expenditure generated from the District's out of centre foodstores. The results indicate that there is potential capacity to support a two new foodstores in the District over the assessment period (up to 2033). Focusing on need over the next

³¹ Please note that all quoted retail floorspace capacity figures refer to net sales area unless otherwise stated.

³² Also commonly referred to as 'turnover to floorspace ratios'.

ten years to 2030 (and in line with the NPPF), there is capacity to support one large foodstore, which should as a priority be directed to Clacton Town Centre.

- 6.42 However, the quantitative capacity findings need to be assessed against market demand. In this case, there is limited demand for foodstore development, with demand for new development focused on the Limited Assortment Discounter market (e.g. Lidl and Aldi). For Clacton Town Centre Lidl is already present in the town centre and out of centre, along with Aldi. There is unlikely to be market demand from mainstream grocers unless there is potential to support the relocation or extension of an existing operator, such as Sainsbury's. A new or extended foodstore could help to strengthen the town centre's market share and its competitive position against the out of centre foodstores, and in turn increase footfall and associated linked trips within the town centre.
- 6.43 In any case, the Council should seek to ensure that any proposal for new convenience floorspace in the District is directed to existing town centres, with the priority for Clacton. Alternatively, some of the identified capacity could form part of a new centre serving the Tendring Colchester Garden Community.

Comparison Goods Capacity

- 6.44 We have assumed that new comparison goods floorspace will achieve an average sales density of circa £5,500 per sqm in 2020³³. This turnover level is informed by the latest Mintel '*Retail Rankings*' report and reflects the published company averages and reported performance of a range of multiple and independent retailers. On this basis, the 'baseline' residual expenditure and floorspace capacity forecasts are summarised below.

Table 6.5: Baseline Comparison Goods Capacity Assessment: 2025- 2033

	2025	2030	2033
Clacton Town Centre	122	309	433
Other centres in Clacton Settlement Area ^{(1) (2)}	15	23	29
Harwich/ Dovercourt Settlement Area ⁽¹⁾	87	162	219
Frinton/ Walton Settlement Area ⁽¹⁾	28	30	39
Brightlingsea Town Centre	28	52	69
Manningtree Town Centre	30	56	71
All other smaller centres	17	30	38
Out of Centre	-1,262	-1,016	-845
Total Comparison Goods Floorspace Capacity:	-935	-354	54

Notes:

(1) Excludes out of centre retail facilities

(2) Includes Holland-on-Sea, Jaywick, Great Clacton, & local shops near Clacton

Source: Appendix A8, Tables 4-12.

³³ It should be noted that average sales levels will vary between different locations, different retail formats and different operators. 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 consider this when preparing its development plans and when it comes to assessing and determining applications for different operators and different types of retail floorspace in different locations. For example, 'DIY/bulky goods' retailers generally achieve average sales levels below the turnover figures we have tested.

- 6.45 The capacity figures identified in the table above allow for the growth in the '*productivity*' of existing/new floorspace and committed floorspace, which result in no capacity at District level in the short to medium term. By the end of the study period, only 54 sqm gross of comparison retail floorspace emerges.
- 6.46 At centre level, the forecasts identify capacity for 433 sqm net sales for Clacton Town Centre by 2033. Forecast need is more limited for the District's other settlement areas and smaller centres reflecting the limited comparison shopping role that these centres support. The table shows negative capacity for the District's out of centre retail facilities. This means that the turnover of planned retail floorspace will outstrip the residential expenditure generated by existing retailers. This highlights a potential oversupply in future for out of centre retail floorspace, which could lead to challenges in securing tenants for planned developments. This is likely to lead to increased competition between the District's retail parks to secure new tenants, and also increase competition with the town centre. This highlights the need to diversify the town centre's retail offer away from mainstream retailing, but at the same time providing an adequate range of high street brands that appeal to the wider shopper/resident profile.
- 6.47 Whilst identified District-wide capacity is limited it is unlikely to discourage market demand for new retail development, which should be directed to the District's town centres as a priority. Proposals for edge or out of centre floorspace should be rigorously tested in terms of the sequential and impact tests, and supplemented by up to date market demand evidence. Opportunities to promote new retail floorspace in Clacton Town Centre must be prioritised, particularly within the Primary Shopping Area. Whilst the planned redevelopment of the former gas works site on Old Road for new retail and leisure uses falls within the town centre, there is a concern that it will consolidate the town centre's peripheral retail offer (alongside the Waterglade Retail Park) and in particular shift footfall away from the town centre. Similarly, there is a concern that further retail development at Brook Park West will draw more expenditure from the town centre.

IMPACT OF VACANCIES ON CAPACITY FORECASTS

- 6.48 The capacity forecasts do not take account of the potential to re-occupy and re-use existing vacant retail floorspace within the District, which could 'absorb' forecast residual expenditure. As reported in Section 4 the Experian Goad data for Clacton Town Centre identified 6,085 sqm gross of vacant floorspace in March 2019. Of this total, three units are considered to have the best potential to attract a new retail operator including no. 35-41 Pier Avenue (formerly occupied by Marks and Spencer), 48 Pier Avenue (formerly occupied by Mothercare), and 20-22 West Avenue. In addition, as of May 2020, 22-24 High Street (currently occupied on a temporary basis to Community Furniture & Appliances) was on the market for a new tenant. Together, these units amount to a floor area of 2,155 sqm gross. Subject to targeted marketing and potential incentives to encourage take-up, the reoccupation of these units could meet all of the forecasted capacity for new retail floorspace identified for the study period.
- 6.49 It should be noted that this study does not assess the potential to re-occupy prime vacant floorspace in other town centres in the District or the out of centre retail parks, which may further address forecast need for new retail floorspace.

Summary

- 6.50 The baseline projections identify sufficient forecast need for new convenience floorspace in the District to support a new foodstore over the study period (by 2033), the majority of which is supported by residential expenditure generated from out of centre foodstores. These foodstores maintain considerable market share of District expenditure and the market share analysis (Section 5)

indicates that those out of centre to Clacton are competing with foodstores in the town centre. Whilst capacity to support new convenience floorspace in Clacton is modest and market demand for new foodstore development nationally is limited, opportunities to enhance foodstore provision in the town centre should be encouraged. This could take the form of extending existing foodstores serving the town centre, particularly where they encourage linked trips with other town centre businesses. Alternatively, forecast need could serve a foodstore for the Tending Colchester Border Garden Community. Proposals to expand out of centre foodstore provision should be resisted.

- 6.51 In respect to comparison floorspace, the assessment identifies no forecast need over the medium to long term with a de minimis quantum identified by the end of the study period. This is a result of committed out of centre comparison goods floorspace, which outstrips forecast residual expenditure for the District as a whole. At centre level, capacity is identified for the District's centres, the majority of which is supported in Clacton Town Centre. Vacant floorspace in the town's main shopping streets could absorb identified capacity for the study period. Therefore, there is no requirement to identify additional sites to support new comparison floorspace in the District.
- 6.52 It should be noted, that capacity forecasts beyond a five-year (short-term) time period should be interpreted with caution as they are subject to increasing margins of error. Furthermore, the forecasts identified in this assessment are based on identified retail market shares remaining constant over the study period. Market shares are based on the shopping habits of study area residents before the COVID-19 pandemic. It is yet unknown how the Government's enforced lock down will change the shopping habits of residents, particularly in respect to online shopping, which could impact on the market share of Clacton Town Centre. In addition, as Local Plan housing allocations come forward over the plan period this may alter the profile of the District and shopping patterns. It is for these reasons that retail capacity is updated by way of a new household survey every two to three years.

7. COMMERCIAL LEISURE NEEDS ASSESSMENT

- 7.1 Having assessed the capacity for new retail floorspace, this section focuses on the potential need for new leisure uses and facilities in the District and specifically in Clacton Town Centre over the plan period.
- 7.2 This assessment necessarily focuses on the following main leisure, entertainment and cultural uses identified by the NPPF (Annex 2). These uses are widely accepted as making a significant contribution to the overall vitality and viability of town centres, and should be located in town centres first in accordance with national and local plan policy objectives.

Use Class:	Use:	Description:
Class E	Commercial, Business and Service	Includes: Restaurants and cafes (selling food and drink mainly consumed on the premises) Indoor sport, recreation or fitness
Class F1	Learning and non-residential institutions	Includes art galleries and museums.
Class F2	Local community	Includes an area or place for outdoor sport or recreation; indoor or outdoor swimming pool or skating rink.
Sui Generis	Sui Generis	Includes: Public houses, wine bars or other drinking establishments Hot food takeaways Cinemas, music and concert halls, bingo and dance halls

Source: Town and Country Planning (Use Classes) Order 2020

- 7.3 It should be noted, at the outset that forecasting the need for new leisure uses is more problematic than for retailing, as the sector is highly complex and dynamic. The demand for existing and new leisure uses and facilities is particularly sensitive to changes in economic, demographic, lifestyle and fashion trends. Consequently, the methods and approaches developed to forecast the need for new leisure uses are necessarily more flexible and high level.
- 7.4 Furthermore, the forecasts for leisure expenditure do not take account of the likely impact of COVID-19 on expenditure growth, particularly the certain drop in expenditure for most categories as a result of closures of all town centre leisure businesses (the exception being takeaway and home delivery food services) during the Government's 'lock down' period. It is unknown how the Government's response to the pandemic will impact on leisure businesses in the short term.
- 7.5 In this context LSH has developed robust and transparent approaches to assess the needs for new leisure uses based on the following key inter-related workstreams:
- Stage 1: A review of the key trends driving expenditure growth and market demand in the leisure sector over the last decade;
 - Stage 2: An audit of existing leisure provision in the District and Clacton Town Centre to help identify whether there are significant 'gaps' in provision;
 - Stage 3: A review of current leisure participation rates and preferences across the study area based on the results of the household survey; and
 - Stage 4: For some leisure uses we have applied a robust economic need assessment based on accepted approaches.
- 7.6 Where relevant, Appendix A9 contains the detailed economic tables and forecasts setting out the need for new commercial leisure uses and facilities. The following provides a summary of the key

trends, current provision and participation in the District its main centres and the potential need for new uses and facilities over the plan period.

EXPENDITURE GROWTH & PARTICIPATION LEVELS

- 7.7 The leisure sector has experienced significant growth in consumer and market demand since the mid-1990s; fuelled by a buoyant economy, growing disposable income and low unemployment levels. Although the sector has not been immune to the impact of the recent economic downturn, leisure and entertainment activities remain an important lifestyle and entertainment choice for many consumers over other areas of spending.
- 7.8 Tables 1-5 in Appendix A9 set out the forecasts of leisure expenditure growth across the Study Area and Zones based on the latest expenditure figures and growth forecasts provided by Experian. In summary these tables show:

Tables:	Description
1	Baseline population and projected growth for the period 2020 to 2036.
2	Baseline expenditure per capita figures for different leisure categories (expressed in 2018 prices), as derived from LSH's Experian-based MMG3 Geographic Information System (GIS).
3	Forecast year-on-year growth in leisure expenditure per capita based on the latest forecast by Experian set out in Retail Planner Briefing Note 17 (see Section 3).
4	Forecast growth in leisure expenditure per capita figures by category (Table 2 multiplied by Table 3).
5	Forecast growth in total available leisure expenditure by category up to 2036 (Table 1 multiplied by Table 4).

- 7.9 Based on the detailed analysis and forecasts, the total available leisure expenditure in the defined study area (Zones 1-9) will increase by £229.9m (+29.1%) between 2020 and 2033, from £789.4m to £1,019.3m.

Table 7.1: Study Area - Total Forecast Growth in Available Leisure Expenditure by Category

	2020	2025	2030	2033	Growth (£m):	
					2020-2025	2020-2033
Accommodation services (hotels, guesthouses, B&Bs)	£52.7	£58.5	£64.50	£68.11	£5.8	£15.4
Cultural services (cinema, theatre, concerts, etc)	£119.7	£132.9	£146.4	£154.6	£13.1	£34.9
Games of chance (bingo, casino, betting)	£113.1	£125.5	£138.3	£146.0	£12.4	£32.9
Personal grooming (hairdressers, barbers, etc)	£39.5	£43.8	£48.3	£51.02	£4.3	£11.5
Recreational and sporting services (gym, fitness, etc)	£38.8	£43.0	£47.4	£50.0	£4.2	£11.3
Restaurants, cafes, bars, etc	£396.3	£439.7	£484.6	£511.7	£43.4	£115.4
Total	£789.4	£875.9	£965.4	£1,019.3	£86.5	£229.9

Source: Appendix A9. Table 3.

- 7.10 The table above disaggregates leisure expenditure by sector for the study area. It shows that the 'food and beverage' ('F&B') sector accounts for over half (50.2%) of total available leisure spend in the study area, followed by 'cultural services' (15.2%), 'recreation services and sporting events' (4.9%), 'games of chance' (14.3%), accommodation services (6.7%), and 'personal grooming' (5%).
- 7.11 For Tendring District, leisure expenditure will increase by £100.4m (28.8%) over the study period (2020 to 2033) from £348.9m to £449.3m. This represents approximately 43% of the total leisure expenditure growth for the wider Study Area.

Table 7.2: Tendring District - Total Forecast Growth in Available Leisure Expenditure by Category

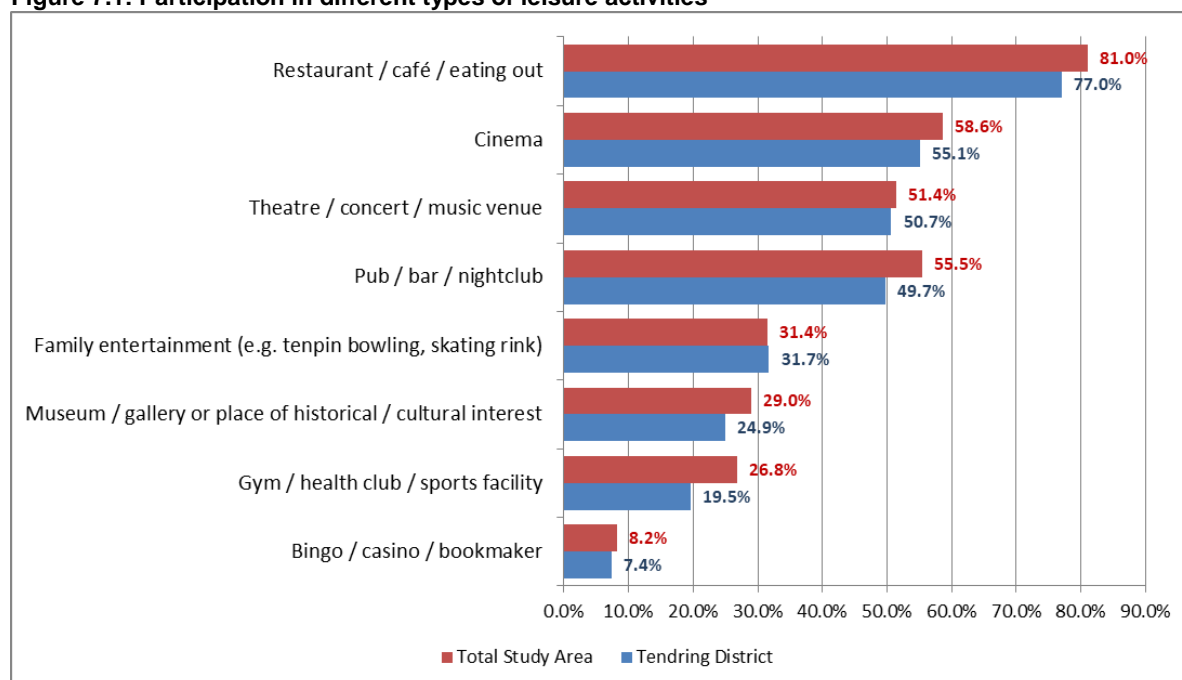
	2020	2025	2030	2033	Growth (£m):	
					2020-2025	2020-2033
Accommodation services (hotels, guesthouses, B&Bs)	£21.9	£24.22	£26.7	£28.2	£2.3	£6.3
Cultural services (cinema, theatre, concerts, etc)	£55.4	£61.2	£67.5	£71.3	£5.9	£15.9
Games of chance (bingo, casino, betting)	£52.3	£57.8	£63.7	£67.3	£5.6	£15.0
Personal grooming (hairdressers, barbers, etc)	£18.3	£20.2	£22.3	£23.52	£1.9	£5.3
Recreational and sporting services (gym, fitness, etc)	£17.9	£19.8	£21.8	£23.1	£1.9	£5.2
Restaurants, cafes, bars, etc	£183.2	£202.7	£223.2	£235.9	£19.5	£52.7
Total	£348.9	£386.0	£425.2	£449.3	£37.1	£100.4

Source: Appendix A9. Table 4.

7.12 As for the wider Study Area, F&B spend accounts for the majority of the available leisure spend in the District (53%). Spend in this category is forecast to increase by +£52.7m by 2033, from £183.2m to £235.9m. In summary, the broad leisure expenditure profile and forecasts show that the majority of the growth in expenditure will be weighted towards the food and beverage sector.

7.13 This expenditure profile is broadly reflected by the participation rate for different types of leisure activities by respondents to the household survey (see figure below).

Figure 7.1: Participation in different types of leisure activities



Source: Household Telephone Interview Survey (2020). Appendix C: Question 32 (n=1,001 study area responses).

7.14 The headline results show for:

- **Restaurants:** The vast majority of respondents across the overall Study Area (81%) eat out and this is the most popular leisure activity. In the Tendring District, the participation rate is lower at 77.7%. The participation rates across the different study zones within the District area indicate that households Zone 3 (Frinton/ Walton) and Zone 6 (Brightlingsea) are more likely to eat out (86.2% and 84.5%, respectively) with households living in the Clacton Catchment Area (CCA) less likely to eat out (72.1%).
- **Cinemas:** On average, 58.6% of households in the study area visit the cinema compared to 55.1% in the District and 55.3% for the CCA. It is noted that participation levels for cinema

going are higher in zones outside of the District, particularly Zone 7/ Colchester (64%), which is likely to correlate with the availability of cinema facilities in Colchester.

- **Pubs and Clubs:** On average, over half of households interviewed visit pubs and clubs within the Study Area compared to 49.7% for Tendring District and 47.2% for the CCA.
- **Performing Arts:** Representing the third most popular leisure activity. Some 51.4% and 50.7% of households in the study area and District, respectively, visit theatres, concerts and music venues. The participation rates for this leisure activity is slightly higher in CCA (52%).
- **Other Cultural Activities:** On average, 29% and 24.9% of households in the study area and the District area visit museums, galleries, places of historical/cultural interest. Participation rate is slightly lower for the CCA at 24.4%.
- **Family Entertainment:** On average, 31.4% of households in the study area participate in family entertainment activities, such as ten pin bowling and ice-skating. The participation rate is higher for these activities in the District area and CCA (37.1%).
- **Gyms and Health & Fitness Clubs:** Over a fifth (26.8%) of households in the Study Area visit gyms and health and fitness facilities. Participation in this activity is noticeably lower for the District area and CCA at 19.5% and 21.1%, respectively.
- **Bingo:** This was the least popular activity of all those recorded, with only 8.2% participating across the Study Area, while slightly lower for the District area (7.4%). However, participation is notably higher for the CCA, with over a tenth (10.2%) of households stating they participate in gambling activities.

7.15 Generally, the assessment of participation rates across the different types of leisure categories show a higher rate of participation in the different types of leisure categories for those living in the District area compared to the wider study area. This will be influenced by differences in the availability and quality of offer in Clacton, compared to Colchester, but also the socio economic profile of the District's population. In this context, the following provides a broad assessment of the potential District-wide need and market demand for new leisure uses, specifically focusing on Clacton Town Centre.

CINEMAS

7.16 The UK cinema sector has evolved dramatically since the 1990s when it was largely dominated by a handful of operators. Today the sector offer ranges from larger multiplexes³⁴, to smaller independent operators and 'pop up' screens in mixed-use venues. The table below sets out some of the main cinema operators in the UK.

Table 7.3: Main cinema operators in the UK

Operator/ Brand:	No. of Cinemas	Position	Description:
Cineworld	116	Multiplex	Established in 1995 and is now the leading cinema operator in the UK by box office market share (based on revenue).
Odeon/UCI	120	Multiplex	Established in 1930s. In July 2016, Terra Firma sold Odeon/UCI to the Chinese-owned AMC Entertainment group for £921m.
Vue	93	Multiplex	Established in 2003, following the acquisition of Warner Village for £250m. It has since grown through new development and acquisitions.
Showcase	19	Multiplex	Established in 1986. Owned by National Amusements Inc
Empire	14	Multiplex	Established in 2005 following the purchase of 11 former UCI and Odeon cinemas. Cineworld acquired 5 cinemas from Empire in 2016 for £94m, including the flagship cinema in Leicester Square.

³⁴ In general a multiplex is considered to be any cinema with five screens or more, though some of the largest multiplex sites have as many as 12 or 16 screens

Operator/ Brand:	No. of Cinemas	Position	Description:
Picturehouse (Cineworld)	25	Independent	Established in Oxford in 1989. Differentiated by its unique locations, homely atmosphere, art-house film choices and quirky features like lounge bars and rare snack options. Entire chain now owned by Cineworld.
Reel	10+	Independent	Established in 2001, following the purchase of Curzon in Loughborough. Independently owned and branded as Reel Cinemas Ltd in 2005.
Everyman	35	Independent	Established in 2000. Pitched at offering premium customer comforts.
The Light	9	Independent	Established in 2007. Small multi-screen operator that offers some premium cinema experiences, but at standard ticket prices.
Merlin	17	Independent	Established in 1990. Mainly one to six screen cinemas, with venues focused in Devon and Cornwall and in a small number of regional town centres across the UK.
Movie House	3	Multiplex	Established in 1990. Based in Northern Ireland and acquired the UGC (ex MGM/Virgin) multiplex in Belfast City Centre. Also owns two other multiplexes in Northern Ireland.
Curzon	13	Independent	Established in 1934. Operates 7 luxury 'art house' cinemas in London. Other cinemas in Canterbury, Colchester, Knutsford, Oxford, Ripon and Sheffield.
Savoy	5	Independent	Based in Nottingham and operates cinemas in the East Midlands: Nottingham, Boston, Worksop, Corby and Grantham.

Source: Various

7.17 Notwithstanding the greater variety and choice in the cinema sector, the three largest cinema operators still account for around 70% of total UK screens, and the six largest operators are collectively responsible for about 85% of the sector. Recent research³⁵ shows the following key trends in the sector:

- UK box office receipts reached £1.28bn in 2018, which was +0.2% higher than in 2017.
- Total admissions in 2019 stood at 176.1 million.
- Admissions in 2019 were down from 2018 (177m), but higher than in 2017 (170.6m), 2016 (168.3m), 2015 (171.9m) and 2014 (157.5m).
- Total admissions in 2018 (177m) was the highest since 1970. Since records began in 1935 the lowest ever annual cinema admissions was in 1984, at just 54m.
- London accounted for 40m (22.6%) out of the 177m admissions recorded in 2018, followed by 21.7m (12.3%) for the South and South East, 21.3m (12%) for the Midlands, 17.5m (9.9%) for the North West and 15.3m (8.6%) for Yorkshire.
- Of the five major European Union (EU) territories, the UK was the only one that saw an increase in admissions compared with 2017. Attendances were down in France (-4.0%), Germany (-13.9%), Spain (-2.9%) and Italy (-7.0%).
- The number of cinemas has increased from 697 in 2006, to 801 in 2017 and 840 in 2019.
- The number of cinema screens has increased from 3,741 in 2010, to 4,150 in 2015, 4,264 in 2017 and 4,564 in 2019.
- Approximately three-quarters (78.2%) of the screens are in multiplexes.
- The average population per screen in 2019 was estimated to be 14,529.
- The average ticket price was £7.11, which is +21.7% higher than in 2010.

7.18 Although year-on-year admissions and box-office takings are notoriously volatile — driven as they are by the appeal of individual films and principally Hollywood 'blockbusters' — the long-term trend since the mid-1980s has been upward, and has principally been driven by the development of new

³⁵ Dodona Research; The Big Picture; BFI

cinemas. The growth in the cinema sector over the last 10-20 years is even more impressive when one considers that this has occurred against the increase in new and sophisticated in-home entertainment, driven by new technology, choice and flexibility (including, for example, Sky, Netflix and Amazon)

- 7.19 As the competition in the sector has increased over recent years, cinema operators have responded by introducing changes to the cinema experience, through new innovations in technology, improvements to the auditoriums and the introduction of higher quality refreshments, alcohol and food. For example, Cineworld has installed 'DBOX' seats in selected cinemas, which 'react' to the film and provide a more immersive experience. Vue has also rolled out their innovative '*Evolution*' concept in some cinemas, with luxury seating, beanbags and settees. Odeon has introduced their luxury '*Luxe*' branding in 2017. Showcase also introduced their '*Cinema De Lux*' branded multiplexes in 2014. The subsidiary brands for Odeon and Showcase put emphasis on customer service, décor, high quality food and other high-end amenities. The nearest cinema to Tendring District that offers an enhanced cinema experience is in Ipswich (Cineworld).
- 7.20 There has also been a growth in smaller (Digital) cinemas serving smaller catchment areas. These Digital cinemas are more flexible and less "*space-hungry*", as they do not require the large auditoriums needed to accommodate traditional projectors. There are therefore opportunities to provide a modern cinema offer in existing (repurposed) buildings, or as part of a mixed use offering. Other trends in the sector include the growth of 'pop-up' cinemas. Analysts estimate that the sector has a market value of circa £10m and has the potential to grow at between 20-25% per annum. Luna Cinema is the market leader and other niche operators in this market include Rooftop Film Club London, Backyard Cinema, Secret Cinema, Pop-up Screens and The Nomad Cinema.
- 7.21 As discussed previously, the household survey revealed that 55.1% of all households in the Tendring District area (Zones 1 to 6) visit a cinema. There is a variance between participation rates across the District zones. For example, households in Zone 3 (Frinton/Walton) more likely to visit a cinema (59.2% participation rate) than households in Zone 5 (Manningtree) where the participation rate is the lowest (48.2%). Generally, the participation rates identified across the District zones are considered modest and based on LSH's experience in analysing cinema participation rates from household surveys. As highlighted before, participation rates for Tendring most likely reflect the absence of a mainstream cinema facility. By comparison, participation rates in Zones 7 to 9 are higher and may reflect the availability of cinemas in Colchester and Ipswich.

Existing & Planned Cinema Provision in Tendring District

- 7.22 There is currently one operational cinema in Tendring District, the Century Cinema in Clacton, which is run by an independent operator (Picturedrome Cinemas). The cinema dates back to the 1930s and has two screens and a total seat capacity of 496 seats. The cinema benefited from refurbishment in 2014 and adds to the general mix of leisure uses for the town centre. As the market share analysis confirms below, the cinema is popular with local residents. This is likely to be influenced by the cinema's ticket prices which are particularly affordable (maximum ticket price is £4.50), compared to mainstream cinemas (e.g. standard ticket price for Odeon and Curzon in Colchester is circa £10 and £13 respectively). A small historic cinema is also located in Harwich (Electric Palace), which is currently closed for major restoration work. The cinema was intended to reopen in 2020, but this is likely to be delayed as a result of the Government's closure of cinema facilities in response to COVID-19.
- 7.23 Currently, there is no mainstream cinema operator in the District. Planning permission was granted in 2014 for a six screen cinema at Clacton Shopping Village, which would cater to a mainstream operator. Reel Cinema was originally tied to the scheme, but we understand that there is currently no

operator attached and there is no indication as to when the cinema will be developed. There is also extant planning permission for a six screen cinema that forms part of the Harwich Valley scheme. No operator is attached to this scheme.

Cinema Capacity and Market Demand

- 7.24 The table below shows that Tendring District retains high market share of cinema trips from Zones 1 to 3, where more than four in five visits are made to Century Cinema in Clacton Town Centre. The cinema is also favoured by the majority of households in Zone 6 (Brightlingsea). Competition from cinemas outside of the District is most apparent in Zones 4 (Dovercourt/ Harwich) and 5 (Manningtree), with the main competition being cinemas in Ipswich (Cineworld at Cardinal Park and Empire in Ipswich Town Centre) and Odeon in Colchester Town Centre. Only 13.3% of households in Zone visit Century Cinema in Clacton. This is not surprising given the zone's position to the north of the District and the proximity of cinemas in Ipswich, which account for over 60% of cinema visits from this zone.

Table 7.4: Cinema – Market shares for Tendring District

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Tendring District (Zones 1-6)	CCA (Zones 1&2)
Century Cinema, Pier Avenue, Clacton	85.4%	88.9%	82.0%	43.7%	13.3%	60.9%	69.1%	87.4%
Odeon, Head Street, Colchester	13.5%	5.4%	12.9%	19.2%	12.7%	19.6%	13.1%	8.9%
Cineworld, Cardinal Park, Ipswich	1.1%	1.3%	1.2%	24.8%	36.6%	3.9%	8.7%	1.2%
Empire, Buttermarket SC, Ipswich	0.0%	1.0%	1.5%	6.2%	24.2%	0.0%	3.6%	0.6%
Other	0.0%	3.4%	2.3%	6.2%	13.2%	15.6%	5.5%	1.9%

Source: Household Survey. Appendix C: Question 34.

- 7.25 The assessment of the potential need for new cinema provision in the District area is based on standard approaches that draw on published national and regional 'screen density' averages (i.e. the number of screens per 100,000 population). According to the latest available research³⁶, the current UK average is 6.6 screens per 100,000 people, which represents an increase from 6.1 screens in 2014. The equivalent figure for the East of England region is 4.6 screens per 100,000 people. This compares with a screen density of 7.3 for London, 7.4 for the South West, 6.1 for the West Midlands and 5.3 for the North East. The table below shows the potential quantitative need for additional cinema screens for Tendring District only.

Table 7.5: Indicative Capacity for New Cinema Screens in Tendring District

	2025	2030	2033
Population - Tendring District	152,962	159,359	162,972
Screen density per 100,000 people	4.6	4.6	4.6
Screen potential	7.0	7.3	7.5
Existing screens	2	2	2
Century Cinema - 2 screens			
Indicative screen capacity	5.0	5.3	5.5

Note: The average screen density is for the East of England region is 4.6 per 100,000 people.

- 7.26 The forecasts show that there is additional capacity to sustain approximately five new cinema screens in the District over the forecast period. This identified capacity will be absorbed the extant consents for two new cinemas in the District, which together will provide 12 new cinema screens.

³⁶ Dodona Research, Office for National Statistics (ONS) and BFI

- 7.27 Notwithstanding this broad assessment, the market reality is that different cinema operators are actively looking to expand their venue portfolios in the right locations. This demand is being generated by both the larger multiplexes at one end of the spectrum and by the more mid-market and 'niche/specialist cinema operators at the other end. There is unlikely to be strong demand for multiplex cinema operator in Tendring given their availability in Colchester and Ipswich. This may reflect why the extant scheme at Clacton Shopping Village has not come forward. The potential to attract a new operator to Tendring will be influenced by co-locating uses, particularly food and beverage offer and other active leisure uses.
- 7.28 There is an obvious gap in cinema provision for Tendring, specifically for a mainstream cinema. One or both of the extant cinema schemes will meet this need. However, given the current challenges to the cinema market, demand for new cinema openings in Tendring is likely to be muted until the market has recovered from restrictions imposed by COVID-19.

EATING AND DRINKING OUT

- 7.29 The food and beverage (F&B) sector includes restaurants, cafés, bars and pubs (Class E and Sui Generis). These uses are an integral part of a town centre's wider offer and economy. A good choice and quality of F&B uses can help to complement other town centre uses, by generating trips, stretching 'dwell times' (i.e. the time people spend in centres), increasing 'linked' expenditure to other shops and businesses as part of the same trip, and strengthening both daytime and evening economies.

F&B Market Overview

- 7.30 As identified above, the F&B sector dominates average household expenditure and participation in leisure across the Study Area. Spend on F&B is also forecast to experience the greatest volume growth up to 2036. In theory, this expenditure growth should support the potential to enhance the scale, quality and choice of F&B uses in Clacton Town Centre. In reality though, this growth will be determined by current and future trends in the sector and market demand, which in the short term will be impacted by the COVID-19 lockdown. The table below summarises some of the current trends that are driving changes in the food and beverage sector.

Table 7.6: Key trends in the food and beverage sector

Use:	Headline Market Trends:
Restaurants	This sector has experienced mixed fortunes during the economic downturn. Some of the key trends driving change in this sector include an increase in ' <i>eating at home</i> ', which has increased sales for takeaways and deliveries. Restaurants are increasingly entering the home delivery market using online third-party delivery companies (such as Just Eat, Deliveroo and Uber Eats). Customers are increasingly basing their decisions to eat out on ' <i>value for money</i> ', but not at the expense of quality in terms of service, food and the overall experience.
Pubs and Wine Bars	Pub operators have widened their food and non-alcoholic beverage offer the last decade, resulting in the growth of so-called " <i>gastro-pubs</i> " and, most recently, the rise in 'micro pubs'. Notwithstanding this trend, the sector has also been characterised by increasing consolidation and closures. This is mainly explained by high occupancy costs (e.g. business rates) and beer duty, and changes in consumer demand and drinking habits. As a consequence there has been a significant increase in the conversion and/or redevelopment of pubs to alternative uses over the last decade; including for residential uses and/or convenience retailing (e.g. Tesco Express and Sainsbury's Local). Recent research by CAMRA indicates that some 854 pubs closed in 2018 and there were approximately 41,500 pubs open in early 2019. On a positive note the number of closures slowed from 980 in 2017. This slowdown most likely reflected the impact of new planning policies and the recognition of pubs as ' <i>Assets of Community Value</i> ' (ACV). Nevertheless, the figures for 2018 still represented more than 14 closures per week. Figures from the ONS show that the number of small pubs in the UK (defined as having fewer than 10 employees) has almost halved since the turn of the century; from 38,830 in 2001 to 22,840 in 2018. The latest figures show a slight (+0.4%) increase to 22,925 in 2019, which also probably reflects the impact of policy changes and also the rise of 'micro pubs'.

Cafés and Coffee Shops	This sector has experienced strong growth over the last decade. Latest figures show that the UK coffee shop market comprises some 25,500 outlets and is valued at £10.1bn ³⁷ . Costa Coffee, Starbucks and Caffè Nero are the three largest chains in the UK, with 2,655 outlets and a total market share of 53%. The UK branded coffee shop market is estimated to exceed 10,000 outlets by 2023, equivalent to a 5-year compound annual growth rate of 5%. Notwithstanding the rise of the multiples, this sector has also been characterised by growth in independent and specialist cafés and coffee houses, particularly those serving a more luxury or specialist offer (e.g. organic, in-house roasted beans, and Fairtrade). In the specialty segment, artisan concepts continues to grow (such as 'Department of Coffee' and 'Social Affairs'). Others include London-based 'Grind' and 'Caravan'. The strong independent coffee sector has also fuelled many new start-up businesses in local centres. While many forecasters considered the café market to be saturated a few years ago, the continued growth of the coffee shop market is one of the most successful in the UK economy
------------------------	---

- 7.31 Research shows that the multiple chains mainly dominated the expansion of the F&B sector up to 2017 when they accounted for almost half of all net new business openings. However, since 2017 a number of multiples in the casual dining sector have struggled against a backdrop of increased competition, rising costs and a tightening of consumer spending due to wider Brexit and economic concerns. The reality is that too many F&B operators expanded too quickly into increasingly marginal locations, funded by private equity, and the market became saturated and unsustainable. The growth in the availability, convenience and speed of home deliveries driven by new technology and apps represents a further significant challenge to more traditional F&B operators. Research predicts that the food delivery market in 2020 will have a value of almost £5bn, which represents a growth of +17% since 2018.
- 7.32 These new challenges and pressures have resulted in a radical restructuring of businesses across the sector, resulting in the closure of many loss-making branches. It is estimated that some 1,412 UK restaurants closed in the year to the end of June 2019³⁸. This represented a +25% increase on the previous year and was the highest number of insolvencies recorded since 2014, when approximately 750 restaurants closed. Both the larger multiples and smaller independent restaurant operators have been affected. The table below shows some of the higher profile “casualties” over the last two years:

Table 7.7: The “casual dining” sector – trends and “casualties”

Operator/Brand:	Headline Market Trends:
Strada	The Italian restaurant chain has just three restaurants now operating in London after closing most of its restaurants across the UK since 2017.
Jamie's Italian	Jamie Oliver's Restaurant Group, which was established in 2008, went into administration in May 2019. It closed 22 out of its 25 restaurants, with the loss of over 1,000 jobs. The brand's only remaining UK operation is trading via a franchise in Gatwick Airport.
Byron Burger	The burger chain closed 19 outlets in 2018 under a Company Voluntary Agreement (CVA) after reporting post-tax losses of \$47.2m to June 2018. Since then it has undertaken a “complete overhaul” of the design, menu and service in its remaining 53 restaurants. As part of its repositioning, it is also investing in its takeaway and delivery offer, as this contributed a 14% increase in its sales for 2017/18 compared with 4.7% decline in overall like-for-like sales.
Prezzo	Closed over 100 outlets in 2018, resulting in the loss of over 1,000 jobs. This was equivalent to approximately one-third of the chain's restaurant portfolio, which includes Prezzo, Mexico and Cleaver brands and all 33 Chimichanga restaurants.
Carluccio's	The Italian restaurant group closed 35 of its 105 restaurants in 2018 as part of a Company Voluntary Agreement (CVA), resulting in the loss of some 500 jobs. The operator admitted that its problems stemmed from “opening too many restaurants in too many marginal sites”. It has since introduced a new business strategy – called ‘Project Fresca’ – which involves transforming selected restaurants funded by £10m of private investment (including in Richmond) to position the business in the ‘premium casual dining’ sector.
Restaurant Group	The Group owns a number of different brands (including Wagamama, Chiquito and Frankie & Benny's). Although Wagamama has performed relatively well, the Group announced in 2020 that it would close up

³⁷ Source: Allegra World Coffee 2019 (Project Café UK 2019)

³⁸ Research by UHY Hacker Young. Reported in The Guardian <https://www.theguardian.com/business/2019/sep/16/more-than-1400-uk-restaurants-close-as-casual-dining-crunch-bites>

	to 90 of its Chiquito and Frankie & Benny's restaurants by 2021. It had previously announced that the closures would be staggered over a 6-year period.
Pizza Express	Operates over 480 outlets in the UK and Ireland, but had a reported debt of over £1bn in 2019. There is speculation that they will be forced to close a number of their poorly performing outlets. However as at March 2019 the operator that there were no plans for closures.
GBK	Gourmet Burger King entered into a CVA in November 2018. It reported operating losses of over £4.5m in the year end to February 2019. It has since closed 24 of its 80 restaurants (including in Hull and Leicester), with the loss of c.250 jobs. This has help to stabilise the business.
Patisserie Valerie	Forced into administration in January 2019 after the fall-out from its debts and an accounting scandal in October 2017. Some 71 out of 200 cafés were closed, resulting in the loss of c.920 jobs. It was bought of out administration by Irish private equity firm Causeway Capital Partners in February 2019 for a reported £5m. The new owners are seeking to reposition the businesses as a 'premium' brand and closed a further 14 outlets in July 2018 that did not fit their vision.

Source: Various

- 7.33 The recent coronavirus pandemic is also likely to lead to a further wave of “casualties” in the F&B sector. Experts predict that after a further “shakeout” in the sector only the proactively managed multiple and independent businesses that have strong brand loyalty and/or a clear differentiated offer will survive. Notwithstanding these trends, there are a number of recent success stories that provide hope for the sector, including Nando’s restaurant chain, which recorded bumper sales in 2018/19, and Wagamama. The bakery sector has also benefitted from new brands, including the Nordic-owned Ole & Steen and Gail’s Artisan Bakery.
- 7.34 Pubs and takeaway outlets should also continue to outperform restaurants as they are better positioned to satisfy the demand for lower-cost, convenient meals. For example, McDonalds reported a +5.9% year-on-year growth in global sales in 2019 and opened 40 new sites in the UK in 2019. It is committed to investing £1bn in UK over the next three years, with focus on new openings, refurbishments and improving the “digital experience” for customers. This format may become more popular as a result of social distancing requirements in response to COVID-19, which is expected to make significant operational changes to how pubs can operate once the Government’s ‘lockdown’ restrictions for pubs (and restaurants) are relaxed.
- 7.35 F&B operators, like retailers, will also need to understand and cater for the needs of the changing demographic and consumer market to remain relevant and viable. For example, Section 3 identified that Millennials (under 35s) make-up almost one-quarter of the UK population and research shows that they spend a substantial 13% of their disposable incomes on eating and drinking out. Looking ahead, by 2025 it is estimated that Millennials will make up over 80% of all parents in the UK, meaning that restaurants, pubs and cafés will also need to evolve and adapt to cater for the changing needs of new ‘Millennial families’. This could be driven for example, by increasing emphasis on convenience, affordability, entertainment, uniqueness and the use of technology and apps and more emphasis on organic, vegetarian/vegan and local sustainably sourced produce that respond to customers’ changing tastes and concerns with regard to climate change.
- 7.36 There is also the potential for restaurants and pubs to tap more into the growth in home deliveries, with the potential to reach new audiences and increase turnover at quieter times. However, operators will also face the challenge that commissions payable to these platforms are typically in the range of 20-25% of the total order value, with the loss of drink sales also associated with delivered food.
- 7.37 In this context it is no coincidence that the popularity of street food, market halls and “meanwhile”/“pop-up” restaurants and bars has also coincided with the growth in the spending power and influence of the Millennials. These more informal drinking and eating venues fulfil their desire to experiment and explore different styles of drink, food and new cuisines in exciting new and more informal environments. Trialling a “pop-up” site also represents an opportunity to test a new concept,

gain a following, fine-tune details and secure investment before making a long-term commitment. The pop-up concept is also attractive to landlords and property companies who are increasingly nervous about signing long leases following numerous high profile restaurant closures. For Clacton, there may be demand for pop up food markets during summer months, which would help to broaden the town's F&B offer. This in turn, could help to attract new visitors to Clacton, as well as give an affordable platform for local food businesses and start-ups. Provision could come in the form of traditional street stalls or 'container village' (subject to site availability) or in the form of an indoor foodhall.

Food & Beverage (F&B) Provision in Clacton

- 7.38 Turning to the food and beverage (F&B) provision in Clacton, the table below summarises the current provision benchmarked against the Goad national average for all circa 2,500 shopping locations audited by Experian.

Table 7.8: Clacton Town Centre - Food & Beverage Provision

	Outlets			Floorspace		
	No.	% of Total	% UK Average	Sqm Gross	% of Total	% UK Average
Bars & Wine Bars	3	1.0	1.9	1,003	1.9	2.2
Cafes	17	5.6	4.8	1,431	2.7	2.7
Fast Food & Take Away	20	6.6	5.8	2,230	4.2	2.9
Public Houses	1	0.3	2.6	548	1.0	3.5
Restaurants	10	3.3	4.7	1,858	3.5	4.2
Total Food & Beverage Provision	51	16.8	19.9	7,070	13.4	15.4

Source: Clacton Experian Category Report, March 2019

- 7.39 The figures show that Clacton has some 51 Class A3-A5 businesses are trading from a total floorspace of 7,070 sqm. The number A3-A5 outlets account for 16.8% of all town centre outlets, which is below the national average figure (19.9%). Similarly, the proportion of A3-A5 floorspace (13.4%) is below the national average (15.4%).
- 7.40 Measured by the number of outlets only, the table shows that the town centre has a strong representation for cafes and takeaways, but is under-represented by bars, pubs and restaurants. of Typically, we would expect town centres that support high levels of visitors to have a higher proportion of restaurants outlets.

F&B Market Share and Potential Demand

- 7.41 The headline results of the HTIS and in-centre surveys provide a further layer of analysis to inform the robust assessment of current provision, potential 'gaps' in provision and future potential needs. The headline survey results show:

- **Participation levels (Q29, HTIS):** As described above eating and drinking out are popular leisure activities. In the District, for example, over three quarters (77.7%) of respondents visit restaurants and cafes, although households in the Clacton Catchment Area (CCA) are less likely to eat out (72.1%). Just under half of all households in the District (49.7%) visit pubs and clubs, with participation lower for households in the CCA (47.2%).
- **Where do households go most regularly to eat out (Q39, HTIS)?** The HTIS results show very strong levels of market share for restaurants and cafes in the District. Some 90% of households in the District stated that they normally visit cafes and restaurants in the District, with Clacton being the most popular location (31%), followed by Frinton (21%) and Harwich (10%). The District's market share for cafes and restaurant visits is higher in Zones 1 to 4. Whilst the District's market share is still strong for Zone 4 (Dovercourt/Harwich) and Zone 5

(Manningtree), the survey shows that households are also choosing locations outside the District. For Zone 5, this includes Colchester, while for Zone 6 (Brightlingsea) households are visiting a broad range of locations.

- **Which pubs and clubs do households visit regularly for a “social drink” (Q38, HTIS)?** Similarly, for eating out, Tendring District retains a strong market for those seeking to drink out, with over three quarters of households choosing venues in the District. Market share is strongest for Zones 1 (Clacton) and 5 (Manningtree), at 92.4% and 80%, respectively, while the District’s market share is lowest in Zone 6 (Brightlingsea) at 45.3%. In this zone, households are more likely to visit venues in Colchester (30.2%). Overall, Clacton Town Centre is the most popular destination for District households and accounts for over a quarter of visits to pubs and clubs, and supports a stronger market share from its local catchment (57.7% of visits from the catchment area).
- **What improvements could potentially increase Clacton Town Centre’s attraction as a place to eat and drink (Q27 & Q28 HTIS)?** Responses to this question are summarised in Section 4 based on responses to the study area as a whole. Looking at the responses in more detail the HTIS indicates that a large proportion of the District are satisfied with existing food and drink provision, with 76.8% citing no need for improvements to restaurant and café provision, increasing to approximately 79.8% when questioned about drinking out offer (i.e. bars, pubs, nightclubs). Respondents from the CCA were less satisfied than the District as a whole, with 68.6% and 72.9% citing no need for improvements to eating out and drinking out offer, respectively. However, these figures still show strong levels of satisfaction amongst catchment area residents. The most frequently suggested improvement to the town’s dining offer was the need for more and better quality cafes; accounting for 8.3% and 12.3% of the suggested improvements raised by respondents in the District area and CCA, respectively. This was followed by more/ better evening time policing around restaurants and cafes. In respect to drinking out, the need for a safer environment and more/better security is a key priority for District respondents (9.7%) and particularly those resident in the CCA (16.9%).

7.42 In summary, the survey results confirm that eating and drinking out are popular leisure activities for most households in the District and in Clacton’s catchment. Although “*satisfaction levels*” with current provision in Clacton Town Centre appear to be very positive on the basis that a high proportion of respondents do not suggest any improvements to F&B offer, this response could infer underlying dissatisfaction with the town centre (i.e. that no improvements to F&B offer would encourage more visits). Nevertheless, there does appear to be demand from residents to improve restaurant and café provision in the town centre. We identified above that the town centre has a strong representation in café provision. Therefore, the focus should be on improving restaurant offer, which could encourage greater participation in dining out from those living in the District and improve the town centre’s appeal to visitors.

7.43 The potential need for new F&B uses/floorspace over the short, medium and long term is further supported by the forecast growth in population and expenditure in this leisure sector. Table 3 (Appendix A9) sets out the detailed forecasts of expenditure growth for the 9 study area zones based on the latest Experian figures and forecasts. The table below summarises the growth in available F&B spend for the four geographic catchment areas.

Table 7.9: Food & Beverage: Total available spend and forecast growth

		2020	2025	2030	2033	Growth (£m)	
						2020-2025	2020-2036
Zone 1	Jaywick & St Osyth	£35.6	£39.2	£43.1	£45.9	£3.7	£10.4
Zone 2	Clacton & Holland on Sea	£43.5	£47.8	£52.4	£55.9	£4.3	£12.4
Zone 3	Frinton & Walton	£27.2	£29.5	£32.1	£34.0	£2.4	£6.9
Zone 4	Harwich & Dovercourt	£31.4	£34.8	£38.7	£41.6	£3.4	£10.2
Zone 5	Manningtree	£19.2	£21.4	£23.8	£25.5	£2.1	£6.2
Zone 6	Brightlingsea	£28.1	£31.2	£34.7	£37.3	£3.1	£9.2
Zone 7	Colchester Town	£159.4	£177.2	£195.9	£209.1	£17.8	£49.7
Zone 8	Colchester North	£60.1	£66.9	£74.1	£79.2	£6.8	£19.0
Zone 9	Capel St Mary	£20.3	£22.0	£23.7	£25.1	£1.6	£4.8
Total Study Area:		£424.8	£470.0	£518.6	£553.6	£45.3	£128.8
Tendring District		£181.6	£200.3	£220.8	£235.9	£18.7	£54.3
Clacton Catchment Area (Zones 1 & 2)		£79.1	£87.0	£95.6	£101.8	£7.9	£22.7

Source: Table 5 (Appendix A9)

- 7.44 As the table shows, total available F&B expenditure in the wider study area is forecast to increase by £128.8m up to 2033, from £424.8m in 2020 to £553.6m. For Tendring District, F&B expenditure increase by £54.3m over the same period, from £181.6m in 2020 to £235.9m. The CCA will account for £22.7m (41.8%) of forecast F&B expenditure growth for the District. This total available expenditure can be further broken down as follows based on Experian's figures and market share allocations for different types of F&B spend. The tables below provide a breakdown on F&B expenditure by category for the District area and the CCA:

Table 7.10: Food & Beverage: Total available spend & forecast growth by category: Tendring District

	% Spend by Category	2020	2025	2030	2033	Growth (£m)	
						2020-2025	2020-2033
Restaurant and café meals	53.0%	£96.25	£106.2	£117.0	£125.05	£9.9	£28.8
Alcoholic drinks (away from home)	21.3%	£38.7	£42.6	£47.0	£50.2	£4.0	£11.6
Take away meals eaten at home	12.6%	£22.9	£25.2	£27.8	£29.7	£2.4	£6.8
Other take-away and snack food	12.5%	£22.6	£25.0	£27.5	£29.42	£2.3	£6.8
Contract catering (food)	0.6%	£1.1	£1.3	£1.4	£1.5	£0.1	£0.3
Total District Spend on F&B	100%	£181.6	£200.3	£220.8	£235.9	£39.2	£54.3

Source: Table 9 (Appendix A9)

Table 7.11: Food & Beverage: Total available spend & forecast growth by category: Clacton Catchment Area (CCA)

	% Spend by Category	2020	2025	2030	2033	Growth (£m)	
						2020-2025	2020-2033
Restaurant and café meals	51.4%	£40.6	£44.7	£49.1	£52.33	£4.1	£11.7
Alcoholic drinks (away from home)	21.3%	£16.9	£18.6	£20.4	£21.7	£1.7	£4.9
Take away meals eaten at home	13.7%	£10.8	£11.9	£13.1	£13.9	£1.1	£3.1
Other take-away and snack food	13.0%	£10.3	£11.3	£12.4	£13.21	£1.0	£3.0
Contract catering (food)	0.6%	£0.5	£0.5	£0.6	£0.6	£0.0	£0.1
Total CCA Spend on F&B	100%	£79.1	£87.0	£95.6	£101.8	£16.5	£22.7

Source: Table 10 (Appendix A9)

- 7.45 The figures show that eating/drinking out in restaurants and cafés accounts for the majority (53%) of total District F&B expenditure. The figure is slightly lower for the CCA (51.4%). Drinking alcohol outside the home in pubs and bars accounts for over a fifth (21.3%) of District and CCA spend. Other F&B expenditure is principally accounted for by takeaway meals eaten at home (12.6% and 13.7% of District and CCA spend, respectively) and other takeaway/snack food (over 12% for the District and CCA). This results in a forecast growth in spend on eating out (i.e. restaurant, café, and take away meals) of £42.4m up to 2033 for the District, with the CCA accounting for 42% of this growth (£17.7m). District-wide expenditure on drinking out will increase by £11.6m by 2036, with 42% generated by residents in the CCA (£4.9m). Not all this spend growth will be available to support new F&B businesses, as a proportion of the growth will need to be absorbed by existing businesses to cover rising operational/occupancy costs and inflation³⁹.
- 7.46 Notwithstanding this, it is clear that there is forecast growth available within the CCA and wider District to sustain new cafés, restaurants and bars will be subject to market demand. In compliance with the objectives of the NPPF, any forecast need should be directed to the District's town centres first, and principally Clacton Town Centre, to help increase competition and consumer choice, and to underpin both daytime/evening economies for residents and visitors.

GYMS AND HEALTH & FITNESS FACILITIES

- 7.47 Notwithstanding the impact of the economic downturn and Brexit on household incomes and confidence, the most recent research⁴⁰ shows that the UK health and fitness industry is stronger than it has ever been as measured by number of gyms, membership and market value. The headlines for the 12 month period up to the end of March 2019 show:
- The number of fitness facilities in the UK increased from 7,038 to 7,239 this year (compared with 6,435 in 2016).
 - Total membership grew by 4.7% to 10.4 million.
 - Total market value increased by 4.2% to £5.1 billion up from £4.4bn in 2016.
 - The UK penetration rate increased to 15.6%, up from 13.7% in 2015. In other words, one in every seven people in the UK has gym membership.
- 7.48 Gyms and health/fitness facilities make an important contribution to the health and well-being of the population across all age levels. The structure of the UK health and fitness industry has evolved significantly over the last decade to reflect changes in consumer choice and trends. The main operators in the health and fitness sector include:

Table 7.11: Main gym operators in the UK

Operator/Brand	UK Sites	Position	
Pure Gym	250+	Budget	Most locations are open 24 hours and offer cardio equipment, fixed/free weights and exercise classes. No fixed contract and memberships vary by location and club, but average circa £14.99/month.
Anytime Fitness	166	Budget	24-hour health and fitness club. Membership rates vary by club.
The Gym Group	159	Budget	24-hour access. No fixed contract and membership starts from £10.99/month.
Snap Fitness	123	Mid-Market	Established in 2003. A privately owned and operated club.

³⁹ Like for retail capacity assessments, an allowance needs to be made for the increase in the turnover "efficiency" or floorspace "productivity" of existing F&B operators for them to remain profitable and viable in line with forecast increases in their underlying costs.

⁴⁰ *State of the UK Fitness Industry Report* (2019). Leisure DB (formerly the Leisure Database Company). The research is compiled by independent leisure market analysts,

Operator/Brand	UK Sites	Position	
DW Sports Fitness	120	Mid-Market	Established in 2009 when Dave Whelan purchased the 50 JJB Sports Fitness Clubs and the attached retail stores for £83m.
David Lloyd Leisure	112	Premium	Provide a family orientated, high quality fitness and leisure facility. Purchased by TDR Capital in 2013 for £750m.
Nuffield Health	111	Mid-Market	Acquired 35 Virgin Active clubs in 2016 at a reported cost of £80m. Membership rates vary by locations, but start from circa £60/month.
Energie Group	100+	Mid-Market	Clubs are typically between 5,000-25,000 sqft and comprise a café/ lounge area, fitness area, studio, etc. Many include spa areas, swimming pool, treatment rooms and spinning studios.
Bannatyne's	70	Premium	Established in 1997. Expanded through the purchase of the LivingWell Premier Health club chain in 2006.
Exercise4Less	50+	Budget	Gyms are mainly located in the Midlands and North. Differentiate from competition by offering a full boxing ring and combat classes. Membership starts from £9.99/month.
Virgin Active	43	Premium	Originally part of Virgin Group. Sold 25 clubs to Nuffield Health in 2016 and 15 clubs to David Lloyd in 2017.
JD Gyms	39	Mid-Market	30 gyms were operating in Spring 2020. Nine others are scheduled to open. No contract and membership starts from £19.99/month.
Sports Direct	21	Mid-Market	Gyms in Glasgow, Cheltenham, Fareham, Guildford, Lincoln, Liverpool, Manchester and Rugby. Memberships starts from £9.99/month.
Fitspace	20	Specialist / Boutique	A "boutique concept" which can operate in space ranging from 2,000-5,000 sqft.
Total Fitness	17	Mid-Market	Its 17 clubs are concentrated in northern England. Membership at any Total Fitness club allows access to any other Total Fitness club
Easygym	16	Budget	Franchise business model. Membership fees vary by club but start from £8.99/month outside London.
TruGym	12	Budget	Originally started in Kent. Its coverage now extends to Stockton and Plymouth. No contract options. Membership starts from £14.99/mth
SimplyGym	11	Budget	Gyms in regional towns. Some gyms have spa facilities. No contract options and membership starts from £16.99/month.
Fitness4Less	9	Budget	Gyms in London and regional towns and cities. Gyms are fully staffed. No contract options and memberships start from £15.99/month.
Gold's Gym	4	Specialist	Specialist American-owned gyms that specialise in cardio and strength training group exercise programs. Operate from London currently.

Source: Various

- 7.49 The value and budget gym operators have experienced the most significant growth in the sector in recent years. According to figures by Leisure DB budget gyms now account for over one-third of gym memberships in the UK. There has been a rapid expansion of budget gyms lead by the success of Pure Gym (not currently trading in Tendring) in 2007 and has seen many new entrants to this now crowded sector.
- 7.50 The growth of the budget gym operators has 'squeezed' the memberships and viability of some of the mid-market chains, such as LA Fitness and Fitness First. This has resulted in the increasing polarisation of the gym sector between the budget operators at the value end of the spectrum, and the more exclusive health and fitness centres at the higher, more expensive end. As a result, analysts predict that those mid-market gym operators that are neither very cheap nor particularly exclusive will struggle to maintain market share in the competitive market place unless they revise their business models. Operators now compete against the "at-home fitness" revolution (e.g. Peloton), boutique studios and tech-enabled fitness; they will need to evolve to be more than "just gyms". As with trends in the retail sector, experiences and entertainment will be key to attracting and retaining customers.

- 7.51 In this context, the table below shows some of the main public and private gyms and leisure facilities in the District at the time of preparing this study.

Table 7.12: Tendring District – Key gyms and leisure facilities

Facility	Location	Commentary / Facilities
Anytime Fitness	North Road, Clacton	Budget operator with 24 hour access. The facility comprises a fitness studio and offers fitness classes. Memberships available on a no contract basis. Information on membership prices was not available at the time of reporting
Clacton Leisure Centre	Vista Road, Clacton	The centre is operated by the Council. The facility includes a gym, exercise studios, all weather football pitch, racquet courts, and swimming pool. Memberships start at £28/month.
Harwich Sports Centre	Hall Lane, Dovercourt	The centre is operated jointly by the Council and Dovercourt High School. The facility includes courts for tennis, racquetball, and badminton, as well as table tennis facilities. pitch, racquet courts, and swimming pool.
Walton on the Naze Lifestyles	Prince's Esplanade, Walton	The centre is operated by the Council. The facility includes a gym, exercise studios, 25m swimming pool and toddler pool. Memberships start at £28/month.
Manningtree Sports Centre	Colchester Rd, Manningtree	The centre is operated by the Council. The facility includes a gym, exercise studios, and climbing wall. Memberships start at £28/month
Brightlingsea Sports Centre	Church Road, Brightlingsea	The centre is operated by the Council. The facility includes two gyms, exercise studios, all weather football pitch, racquet courts, tennis courts, and swimming pool. Memberships start at £28/month.
Dovercourt Bay Lifestyles	Low Road, Dovercourt	The centre is operated by the Council. The facility includes a gym, exercise studios, and astro-turf football pitch. Memberships start at £28/month

Note: Town Centre (TC)

Source: Various.

- 7.52 In addition to the key gym facilities identified in the table above, the District has a number of smaller independent and community run gyms. Overall, there appears to be a relatively good choice of gyms and leisure facilities across the District. For Clacton, the nearest main gyms are Anytime Fitness and the Clacton Leisure Centre, both of which are located outside the defined town centre boundary. The latter is operated by Tendring Council who also own and manage leisure centres in Walton, Harwich, Dovercourt, Manningtree and Brightlingsea.
- 7.53 In terms of gaps in offer, the District is served by only one national gym operator (Anytime Fitness). Given the growth in the budget market we would expect there to be demand for an additional budget gym in the District. This is confirmed by recent published market demand listings, which show a requirement from Snap Fitness for gyms in Clacton. It is noted that an additional gym is planned for Clacton as part of the recent consent for the retail, leisure and trade park on the former Gasworks site. It is likely that the scheme will attract a national gym brand and within the budget market.
- 7.54 The results of the household survey provide a further layer of analysis to inform the robust assessment of current participation levels in the District and the market share of existing facilities, as well as any potential 'gaps' in provision. The detailed survey results are summarised in the table below and the headlines are as follows:

- **Participation levels:** Some 19.5% of respondents across the District area indicated that they visit the gym and/or health and fitness clubs. Within the CCA, the participation level is slightly higher at 21.1%. There is potential to increase participation levels in Clacton through the provision of additional gym and fitness facilities.
- **Where do households go most regularly to the gym and health/fitness facilities (Q35)?** Gym and fitness facilities in Clacton are chosen by almost half (48.2%) of all respondents in the District area, increasing to over 80% of respondents from the CCA. Anytime Fitness is the most popular facility for District residents (22.6%); closely followed by Clacton Leisure Centre (21.8%). The Council operated leisure centres in Walton and Harwich are relatively popular.

Overall, Tendring's gym and fitness venues are chosen by 73% of District respondents, which we consider to be a strong market share. The figure increases to 91.9% for respondents in the CCA. As a consequence, 'leakage' in gym and fitness trips to venues outside of the District is limited. Where these occur, they are mainly to facilities in Colchester.

- 7.55 In summary, the survey results show strong market shares for gym and fitness facilities, with a preference for local facilities.
- 7.56 Finally, we have applied our standard forecast model to identify the potential need for new gyms and health/fitness centres in the District and the CCA over the short, medium and long term. These forecasts are based on applying average national gym membership levels to the projected growth in the District and the CCA population up to 2033, based on the survey-derived 2020 participation levels. The table sets out the forecasts and the key steps are described in more detail below.

Table 7.13: Forecast potential capacity for new gyms and health/fitness facilities in Tendring District and Clacton Catchment Area (CCA)

	Tendring District	CCA (Zones 1&2)
1. Population Growth - 2020 to 2033	16,491	6,994
2. Gym Participation Level - Market Share 2020	19.5%	21.1%
3. Forecast Gym Participation / Potential Memberships	3,222	1,479
4. UK Average Gym Membership	1,426	1,426
5. Potential Capacity for New Gyms	2	1

Screen Capacity Methodology:

- **Step 1:** the District and Clacton Catchment Area's (CCA) baseline population is projected to increase by +16,491 and +6,994, respectively over the forecast period.
- **Steps 2:** show the survey-derived gym participation levels for households in the District as a whole (19.5%) and the CCA (21.1%). It has been assumed for the purpose of this assessment that these participation levels will remain constant over the forecast period, although there should be a clear aspiration to raise the levels in the CCA to the average for the District area, if not higher.
- **Steps 3:** participation levels are applied to the population growth scenarios to derive the number of potential new gym members that should be available over the forecast period. The potential new gym members based on baseline population projections is 3,222 for the District and 1,479 for the CCA by the end of the study period (i.e. 2020 to 2033).
- **Step 4:** current research shows that the average number of gym memberships in the UK is currently circa 1,426 per club⁴¹. This is the figure that has been applied here to forecast the potential for new gyms in the District and CCA. However, it should be noted that gym memberships range significantly, from an average of 726 members per club for independent venues, up to 2,198 members per club for the national operators. Furthermore, average membership levels increase to 2,897 per club for the larger fitness chains (such as, for example, David Lloyd, Virgin Active, LA Fitness, etc.) and levels for the budget chains are even higher at 3,452 members per club.
- **Step 5:** applying the average UK membership figure (step 4) to the potential new gym "population" (steps 3) indicates that could be potential for up two new gyms in District by 2033 based on current participation levels and longer term population growth based on

⁴¹ State of the UK Fitness Industry. Leisure DB

ONS/Experian forecasts. Of this total, growth in the CCA population over the study period could support one new gym.

- 7.57 The forecasts do not show whether there is currently an under or over provision of gym and health/fitness clubs in 2020, as the information detailing current membership levels for the District's different facilities is not available. The popularity of Anytime Fitness suggests there is likely to be demand for further gym brands in the District. The planned opening of a new gym as part of the redevelopment of the gas works site on Old Road, Clacton will help fill the gap in provision. However, as strong growth market, there may further interest for additional gym operators. Meeting any current and forecast need will necessarily depend on market interest and demand from the different gym operators.

GAMBLING

- 7.58 Gambling represents a significant component of the leisure industry. The main sectors of the gambling industry comprise 'games of chance', namely bingo clubs, casinos, betting shops and amusement arcades. The sector has experienced significant growth and dynamic structural changes over the last decade. The latest research⁴² figures show that the gambling industry in Great Britain generated a Gross Gambling Yield (GGY) for the year-end to March 2019 of £14.4bn. This represented a +4.2% growth from the 2017 GGY of £13.8m. Remote (online) gambling accounted for £5.3bn of total GGY, equivalent to a market share of 37.1%, and the national lottery accounted for a further £3.1bn. The growth of remote and online gambling, alongside changes in regulations reducing maximum stakes for slot machines, has resulted in the fifth consecutive year of decline in betting premises and a -10% fall in the GGY of casinos to March 2019.
- 7.59 The following assesses the main trends in this sector, current provision in the District and the potential need/demand for new uses and facilities.

Bingo

- 7.60 The latest statistics⁴³ show that the Bingo sector achieved a total turnover of £1.03bn to year-end March 2019. Total turnover has fallen by almost 30% over the last decade, from £1.43bn in March 2009. The total number of licensed premises has also fallen from 710 in 2014 to 651 in 2019. Gala Leisure (129 premises) and Mecca Bingo (88 premises) are the leading operators in the UK and accounted for one-third (33%) of all premises in 2019.
- 7.61 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 includes 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. At the opposite end of the scale, research⁴⁴ shows that 55-64 age group has generated the biggest growth in online gambling as more mature bingo players switch to online bingo sites, as they grow in confidence with the new technology.

⁴² The Gambling Commission – Industry Statistics (November 2019)

⁴³ The Gambling Commission - Industry Statistics (November 2019)

⁴⁴ Gambling Commission (February 2019). Gambling Participation in 2018: behaviour, awareness and attitudes – Annual Report.

- 7.62 There is one dedicated bingo hall in Tendring; Buzz Bingo in Clacton Town Centre. The household survey confirmed that 7.4% of households in the District visit bingo halls/casinos and bookmakers, with participation increasing to 10.2% for the CCA.
- 7.63 Over half of respondents from the District area visit Buzz Bingo in Clacton (i.e. Buzz Bingo), increasing to 61.6% for respondents from the CCA. The household survey results show that Buzz Bingo largely serves District residents and does not draw expenditure from zones located beyond the District. In terms of competition, only 10% of respondents from the District visit bingo halls in competing centres (e.g. Colchester and Ipswich). Whilst bingo halls have lost their appeal to the wider public it is clear that the facilities in Tendring are popular and they will play an important role in as a leisure activity for visitors and residents.
- 7.64 As for most other leisure sectors, there is limited evidence of market demand for new bingo halls or venues in the District. Notwithstanding this, there is unlikely to be demand for new dedicated bingo facilities in the District over the study period.

Casinos

- 7.65 The latest figures published by the Gambling Commission show that casinos achieved a GYY of £1.059bn in the year-end to March 2019. Although this was 10% down on GGY for 2018, there has been a circa 85% increase over the last decade from £751.1m in 2009.
- 7.66 Casino attendances in Great Britain were estimated to be 19.24 million in 2017/18, which was down on attendances in 2014 (20.99m) and 2015 (20.44m). The figures show that London casinos had the highest attendances (5.74m), followed by the North (5m), Midlands and Wales (3.72m), the South (3.18m) and Scotland (1.45m).
- 7.67 There were some 154 casinos in 2019 and the number of venues has increased steadily from 143 in 2009. The casino sector is dominated by two companies: the Rank Group with 67 venues has a 44% market share and Genting UK has 44 venues and a 29% market share. There has been some consolidation of the sector in the past few years, such as Rank Group's purchase of Gala Coral Casinos.
- 7.68 There are no formal casino venues in Tendring District. The closest to the District are the Genting and Grosvenor Casinos in Westcliff-on-Sea and Southend-on-Sea. Any need for new casinos in the District will be driven by market demand from operators and at present it is our judgement that the town does not have the critical mass of uses or catchment to support a formal Casino offer. Where demand does arise over the plan period, it should be directed to Clacton Town Centre, in line with national and local plan objectives.

Betting Shops

- 7.69 There were some 8,320 betting shops in the UK in March 2019. William Hill accounts for 27% (2,264) of all premises, Ladbrokes has a 22% share (1,828 premises), Tote's market share is 19% (1,620) following its purchase of Betfred, and Gala Coral Group's share is 18% (1,529).
- 7.70 Regulatory changes in 2015 led to a fall in revenue and profit resulting in fall in the number of active premises from 9,111 in 2014. As gambling activities continue their shift to online channels, so the demand for physical outlets will inevitably dampen in the future and betting shops will inevitably close. Notwithstanding this, the presence of betting shops in high streets is a contentious issue in any case due to the perceived social and economic impacts on households. The Government has recognised that betting shops have specific impacts and in 2016 reclassified their use from Class A2

to 'Sui Generis'. This reclassification means local authorities have greater planning powers to manage the number of outlets and therefore greater potential to limit impacts.

- 7.71 There are three betting offices in Clacton Town Centre operated by Ladbrokes, Coral, and William Hill. Additional betting officers are located in nearby Holland-on-Sea (Ladbrokes and Bobby Swift), Jaywick (Premier Racing), and St John's Road (Ladbrokes).
- 7.72 In our judgement, there is no demonstrable need to increase the number of betting shops to improve competition and choice at the local level. This is particularly the case for Clacton, which is represented by three of the industry's main operators. Any market demand and proposals for new betting shops will need to be determined on a case-by-case basis and should be directed to the town centres first in accordance with national and local plan policy.

FAMILY ENTERTAINMENT USES

- 7.73 Other commercial leisure facilities can be grouped together under 'family entertainment venues' ('FEV'). These FEVs appeal to adults and children and established activities in the UK include tenpin bowling, roller skating, ice skating, and similar uses. In Tendring District, participation levels are relatively strong at 31.9%. In other words almost one in three households visit FEVs.

Tenpin Bowling

- 7.74 Tenpin bowling is possibly the most popular activity in the 'family entertainment' sector. After a period of decline in the 1970s, there are now 316 venues in the UK according to Mintel figures. The UK tenpin bowling market was valued at £285m in 2017. This represented a +9.7% year-on-year growth, and was higher than the +6.7% growth recorded in 2016. It also marked the fifth consecutive year of growth.
- 7.75 The growth of this sector has been largely 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. The critical mass of leisure uses "*under one roof*" help to underpin the viability of tenpin bowling centres, as they tend to struggle as standalone destinations. The sector is evolving from old-style bowling alleys, to modern, multi-generational entertainment centres where bowling is blended with other forms of activity alongside an enhanced dining offer. Most of this market growth is being driven by the following two leading operators:
- **Hollywood Bowl:** Formed in August 2010 when AMF Bowling merged with Hollywood Bowl. It is now the clear market leader in the tenpin bowling sector. It operates 59 venues under the Hollywood Bowl, AMF and Bowlplex brands. It has led the way in making bowling more family friendly, investing heavily in both product (such as VIP lanes and virtual reality) and service to reduce costs and drive sales. The bowling centres are located across the UK and some three-quarters are in retail and leisure parks. Hollywood Bowl's expansion is more orientated towards opening new sites, including new venues in Dagenham and Yeovil.
 - **Ten Entertainment:** Operates 44 venues and, in contrast to Hollywood Bowl, its growth strategy is focussed more on acquisitions of distressed assets than opening new venues, and then modernising the facilities to drive growth and value. It has repositioned its business over the last six years and has transitioned away from the late night/nightclub type of operation towards more family-orientated venues. Research indicates that this strategy is working, with the market share of family trips increasing from 27% to more than 40% of visitors over this period.

- 7.76 There are a number of other smaller independent and specialist operators in this sector, including **All Star Lanes**, which operates five bowling venues, of which four are in London (Brick Lane, Holborn, Stratford City and White City) and the other is in Manchester (Deansgate). It is largely targeted at the corporate/private hire market. **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, a small cinema and a venue for bands and live performers/comedy nights.
- 7.77 It is estimated that the 316 venues in the UK represent approximately four venues for every one million people, which compares with 13 per 1m in the USA. This implies that there is scope for additional capacity in the UK in the right locations, subject to market demand.
- 7.78 There are two ten pin bowling venues in Tendring, both of which are located in Clacton – Ten Pin Bowling & Fun Centre at Clacton Pavilion (10 lanes) and The Lanes Bowling Centre on Clacton Pier (6 lanes). A wide variety of other FEV attractions are located on Clacton Pavilion (adventure golf, fun park, and water park) and Clacton Pavilion (amusement rides, soft play, adventure golf, sea aquarium, go-karting, and family arcade). Both the Pavilion and Pier have undergone significant investment in recent years to help retain and attract new visitors.
- 7.79 The household survey identified that 31.7% of households visit FEVs, increasing to 37.1% for households in the CCA. The household survey asked respondents which FEVs they visit most frequently (question 40). Overall, the District is retaining 71.7% of FEV trips made by District residents, increasing to 89.9% for the CCA. Venues in Clacton are chosen by almost two thirds of households in the District and over four fifths of households in the CCA. As the table below shows, the most popular venues with District households are The Lanes 10 Pin Bowling (40.8%) and Clacton Pier (24.3%). Over half (56.6%) of households from the CCA visit The Lanes 10 Pin Bowling, followed by attractions on Clacton Pier (29.9%).
- 7.80 Whilst, the survey did not identify responses for Clacton Pavilion this could be as a result of respondents not differentiating between bowling facilities at Clacton Pier (i.e. The Lanes) and Clacton Pavilion.

Table 7.14: Family Entertainment Venues - Market Shares

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Tendring District (Zones 1-6)	CCA (Zones 1&2)
The Lanes 10 Pin Bowling, Clacton	70.8%	48.6%	22.5%	26.5%	0.0%	27.6%	40.8%	56.6%
Clacton Pier, Clacton-on-Sea	20.4%	35.3%	29.8%	5.4%	7.5%	22.0%	24.3%	29.9%
Walton Pier, Walton-on-the-Naze	6.9%	1.3%	13.4%	5.3%	15.9%	0.0%	5.5%	3.3%
Other, Tendring District	0.0%	0.0%	2.1%	0.0%	3.7%	5.1%	1.1%	0.0%
District Retention	98.1%	85.2%	67.8%	37.2%	27.1%	54.7%	71.7%	89.9%
Tenpin, Cowdray Avenue, Colchester	1.9%	10.4%	32.2%	62.8%	33.5%	34.3%	23.1%	7.4%
Other Colchester	0.0%	0.0%	0.0%	0.0%	16.0%	0.0%	1.0%	0.0%
Ice rink, Riverside Leisure Centre, Chelmsford	0.0%	1.3%	0.0%	0.0%	3.8%	11.0%	2.0%	0.9%
All Other	0.0%	3.0%	0.0%	0.0%	19.7%	0.0%	2.3%	1.9%
Outside District	1.9%	14.8%	32.3%	62.8%	72.9%	45.3%	28.3%	10.1%

Source: Household Telephone Interview Survey. Appendix C: Question 40 N = 303 District area (Zones 1-6) respondents.

Note: responses that reference The Lanes and Clacton Pier are likely to cover attractions at Clacton Pavilion.

- 7.81 The main competing FEV venue outside of the District is Tenpin in Colchester, which attracts almost two thirds (62.8%) of FEV trips from Zone 4, and at least a third of all trips from Zones 3, 5 and 6. The ice rink in Riverside Leisure Park in Chelmsford is popular with households in Zone 5 (11%). Generally, Clacton is competing with venues in Colchester for FEV trips from Zones 3 to 6, which

suggests there may be a gap in provision. Demand for FEV investment is market-led and opportunities to support new FEV facilities will be better served as an extension to existing attractions. This could be delivered through expanding activities linked to Clacton Pier and Clacton Pavilion.

Ice Skating

- 7.82 These range from permanent venues owned and operated by local authorities and/or the private sector, to temporary ice rinks in centres, retail outlets and leisure destinations normally over the Christmas period. These venues can help to generate new trips and increase footfall, dwell times and expenditure in centres to the benefits of other shops and businesses. The nearest venues to Tendring District is the ice rink at Riverside Leisure Centre in Chelmsford and Planet Ice in Gillingham. There may be opportunities to support a temporary ice-rink as part of a winter event, but beyond this there is unlikely to be market demand for dedicated facility.

Trampoline Parks

- 7.83 Since the opening of the first indoor parks in the UK in 2014, trampolining has become one of the UK's fastest growing sport and leisure trends. It is estimated that there were some 150 parks in the UK in 2017/18, with the potential capacity for between 250-300 parks before saturation is potentially reached. This mirrors the growth in the United States and Australia, where parks first emerged in the early to mid-2000s. There are an estimated 800 venues in the US. The main operators in this sector include:
- **Oxygen Freejumping:** Its growth has been driven by opening parks in Acton (West London), the O2 in Greenwich, Croydon, Derby and Southampton. It also acquired Air Space in 2017, a subsidiary of the high wire adventure company Go Ape, in a multi-million pound deal funded by a London-based private investment company. Air Space had three parks in East Kilbride, which opened in November 2014, Stevenage and Wolverhampton. However Oxygen subsequently closed the park in East Kilbride in June 2018 and the Wolverhampton park closed in December 2018 due to "trading difficulties".
 - **Ryze:** The Scotland-based operator currently operates three parks in Edinburgh, Glasgow and Dundee. The Edinburgh park is located in the Mayfield Industrial Estate in Dalkeith and covers 1,208sqm (13,000 sqft). The Glasgow park extends to 929 sqm (10,000 sqft) in a former warehouse in Kinning Park
 - **Gravity Active Entertainment:** The Castleford-based operator has 11 parks, mainly as part of existing shopping or adventure centres. Its venues include the Xscape in Castleford and Milton Keynes, Rockingham Leisure Park (Corby), Bluewater Shopping Centre, Fountain Park (Edinburgh), Soar Braehead (Glasgow), St Stephen's Shopping Centre (Hull), Cardigan Fields (Leeds), Lockmeadow Entertainment Centre (Maidstone), Sol Central (Northampton) and Riverside Entertainment Centre (Norwich).
- 7.84 The public sector is also investing in this activity. For example, Eastbourne Borough Council, Waltham Forest Council and Tameside Metropolitan Borough Council in Manchester are just three of the many local authorities that have invested in indoor trampoline parks as part of their leisure provision. At Tameside, for example, the new *Total Adrenaline* trampoline park, which opened in November 2016, forms an important part of a £20m investment project that aims to get people more physically active.
- 7.85 Research shows that, on average, over one-third of "jumpers" are aged between 6-10 years and over one-quarter are aged between 11-15 years. These younger age groups require a parental guardian or authorised person for entry and, as a result, the trampoline venues are attracting wider families and groups, who are generating 'spin-off' expenditure to other uses and facilities both within and outside the venues.

- 7.86 In response to the broad range of “jumpers”, not just the young, trampoline parks are increasingly offering a range of activities and experiences that cater to the needs of a broader demographic, including dodge-ball tournaments, rock-climbing, ninja courses, laser tag and other social events.
- 7.87 There are no dedicated trampoline parks in Tendring District. The nearest facility is in Colchester (Jump Street). We are not aware of any requirements from trampoline operators for the District, although recent trends have seen trampolines introduced into vacant and repurposed shop units that meet the minimum floor to ceiling height requirements. We are aware that some trampoline operators require a minimum eaves height of 6 metres.

CULTURAL ACTIVITIES

- 7.88 This assessment is concerned with the provision and potential need for live performance venues (e.g. theatres, concert halls, music venues) and cultural attractions (e.g. galleries and museums) in the District.
- 7.89 As described above, visits to theatres and other live performances is the fourth most popular leisure activity for households in the study area (58.6%). Participation levels are slightly lower for the District area and CCA (55.1% and 55.3%, respectively). The table below shows the most popular theatre venues for residents in the District.

Table 7.15: Live Performance Venues: Market shares for District Zones

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Tendring District (Zones 1-6)	CCA (Zones 1&2)
West Cliff Theatre, Clacton	41.4%	22.1%	11.5%	12.6%	7.0%	13.2%	24.6%	23.4%
Princes Theatre, Clacton	26.4%	33.9%	17.9%	8.5%	6.5%	5.7%	19.9%	29.8%
Other, Tendring District	0.0%	0.0%	0.0%	5.4%	2.5%	0.0%	1.0%	0.0%
District Retention	67.8%	56.0%	29.4%	26.5%	15.9%	18.9%	45.5%	53.2%
Central London / West End	13.8%	29.7%	18.6%	41.0%	20.8%	19.3%	24.6%	23.4%
Mercury Theatre, Colchester	1.7%	4.5%	5.9%	19.5%	26.6%	30.8%	13.2%	3.4%
Ipswich Regent Theatre, Ipswich	10.4%	4.5%	8.9%	4.7%	20.3%	24.0%	11.0%	6.8%
The O2, Greenwich	0.0%	3.1%	17.8%	0.0%	0.0%	0.0%	3.0%	1.9%
Other	6.4%	2.1%	19.3%	8.3%	16.4%	7.1%	2.6%	11.3%
Outside District	32.2%	44.0%	70.6%	73.5%	84.1%	81.1%	54.5%	46.8%

Source: Household Survey. Appendix C: Question 36. N = 223 District area (Zones 1-6) respondents.

- 7.90 The District retains a reasonable market share of trips to live performance venues, with 45.5% of District households choosing venues in Tendring, increasing to 53.2% based on households in the CCA. The most popular venue is the West Cliff Theatre and Princes Theatre in Clacton. Households in Zones 3 to 6 are less likely to choose venues in Tendring, choosing instead venues in Central London, the Mercury Theatre in Colchester and the Ipswich Regent Theatre in Ipswich.
- 7.91 Clacton appears to be well served by theatre venues and there is unlikely to be demand to support a new dedicated live performance venue. However, there may be an opportunity in the future to provide a new multi-purpose events venue in Clacton, which can be used for a variety of uses (e.g. meeting rooms, library, theatre, etc.).
- 7.92 Some 29% of households in the study area visit museums and other cultural attractions, with a lower rate of participation for the District and CCA (25.9% and 24.4%, respectively). As the table below shows, the vast majority of households in the District seek out cultural attractions at venues outside of the District, particularly in London and Colchester.

Table 7.16: Galleries and Museums: Market shares for District Zones

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Tendring District (Zones 1-6)	CCA (Zones 1&2)
West Cliff Theatre, Tower Road, Clacton	0.0%	8.5%	0.0%	0.0%	0.0%	0.0%	2.1%	4.8%
Other, Tendring District	0.0%	0.0%	0.0%	5.4%	2.5%	0.0%	1.0%	0.0%
District Retention	0.0%	8.5%	0.0%	5.4%	2.5%	0.0%	3.1%	4.8%
Central London / West End	54.3%	64.0%	51.6%	53.5%	47.6%	58.8%	56.3%	59.8%
Colchester Castle, Colchester	2.7%	19.8%	12.5%	0.0%	10.0%	11.1%	10.4%	12.4%
Other Colchester Town Centre	22.9%	7.7%	3.8%	4.1%	15.8%	23.1%	13.8%	14.3%
Ipswich	14.7%	0.0%	3.8%	19.1%	24.1%	0.0%	8.7%	6.4%
Other	5.4%	0.0%	28.3%	17.9%	0.0%	6.9%	7.7%	2.4%
Outside District	100.0%	91.5%	100.0%	94.6%	97.5%	100.0%	96.9%	95.2%

Source: Household Survey. Appendix C: Question 37. N = 258 District area (Zones 1-6) respondents.

- 7.93 The results are not surprising given the proximity of Colchester and the relatively good access to London. However, the findings suggest a lack of cultural activity for local residents and there may be opportunities to develop visitor attractions based on the District's historical and cultural heritage. Such opportunities could come forward as part of the Council's vision for the town centre.

CONCLUSION

- 7.94 The commercial leisure industry is a dynamic and evolving sector, but like the retail sector it is facing significant challenges and pressures from changes in the economy, policy and consumer trends. It is clear, for example, that consumers are becoming increasingly selective in terms of where and how they spend their disposable income on discretionary leisure. The growth in "at-home" entertainment and activities, particularly screen-based entertainment, and the growing share of home deliveries represents a further challenge for town centres and leisure operators to attract customers and particular younger generations away from their homes and screens.
- 7.95 Our review of the District's commercial leisure sector and offer, and the results of the household survey, has highlighted some gaps in Clacton's commercial leisure offer. Whilst the town centre benefits from a small cinema it is clear that the town centre is losing trips to Colchester and Ipswich from residents beyond the town's surrounding catchment. A quantitative assessment of screen capacity identifies the potential to support new cinema screens in the District and this need would be met by the extant planning permission for a new cinema at Clacton Shopping Village (and at Harwich Valley).
- 7.96 The household survey highlighted that District and residents in Clacton's catchment would like to see an improvement in restaurant and café offer. This would also help to draw visitors from Clacton Pier and Clacton Pavilion, and support the town's evening time economy. Alternative F&B concepts such as a food market or indoor foodhall could help to diversify the town centre's offer and help to attract new visitors.
- 7.97 Opportunities are also identified to support a new gym facility in Clacton. There is also the potential to include family entertainment attractions, which are limited in the District. The District and Clacton are losing custom to certain leisure activities (including family entertainment venues and cultural attractions) to higher order centres, particularly Colchester and Ipswich.
- 7.98 The town could benefit from investing in new attractions that promote the District and town's heritage.

- 7.99 Notwithstanding this, opportunities to enhance Clacton's commercial leisure offer will be dependent on market demand and changing consumer tastes and trends, but more crucially how the sector recovers from the closure of attractions from the COVID-19 pandemic. The leisure sector is expected to be badly impacted from the loss of custom during the period of 'lock down' and it is expected that many business that have closed with not reopen. The extent to which leisure businesses in Clacton can rebound will depend on a number of major factors such as the ability adapt to social-distancing requirements and the extent to which such measures will be in place, and Government support during such time.

8. RETAIL & TOWN CENTRE POLICY RECOMMENDATIONS

- 8.1 This section sets out our advice on how the Council can effectively plan for, manage and promote the vitality and viability of Clacton over the development plan period. Section 1 of the joint Local Plan for Tendring is now subject to further review following the latest comments from the examining Inspector. Section 2 of the Local Plan focuses on policies specific to each of the local authority areas including guidance on the sustainable development of town centre uses.
- 8.2 From 31st August 2020 Permitted Development Rights (PDR) were extended to allow the redevelopment of vacant buildings for residential development and the development of upper floors for certain buildings without the need for planning permission. Subsequently, on 1st of September 2020 new legislation on the Use Class Order came into force creating flexibility for town centres to react to market changes and to protect key service uses, which we review below.
- 8.3 Given the significant changes to the planning system it is likely that there will be a requirement by Government to revise all draft local plans so that they are in line with new legislation. This provides the opportunity to review policies in the draft Section 2 Local Plan for Tendring District pertaining to managing the development of town centre development and incorporating legislation changes. Our advice also considers how the Council may seek to manage potential negative implications arising from the legislative changes, which we consider below.
- 8.4 Our advice is informed by the quantitative and qualitative need assessment for new town centre uses as identified in Sections 6 and 7 of this study (Part 1) and in the context of national and development plan policy guidance. This includes the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG). Both 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.

Changes to the Use Class Order

- 8.5 A new and broad Use Class E. 'Commercial, Business and Service' use class has been created that represents town centre uses. From the 1st September 2020 a new Use Class E will replace the following existing use classes:
- Class A1 - shops;
 - Class A2 - financial and professional services;
 - Class A3 - restaurants and cafes; and
 - Class B1 - business.
- 8.6 Use Class E will also include certain former D1 and D2 uses such as indoors sport, recreation and fitness facilities, medical and health facilities, crèches and day nurseries, research and development facilities, and light industrial uses.
- 8.7 Changes to another use, or mix of uses, within the new Class E will not require planning permission, which the Government hopes will allow greater flexibility for business to "*adapt to changing circumstances and to respond more quickly to the needs of their communities*".
- 8.8 Licenced drinking venues (previously A4) hot food takeaway (previously A5) will be considered 'Sui Generis' uses alongside concert, dance and bingo halls (previously D2). Changes to and from these uses will be subject to planning permission.

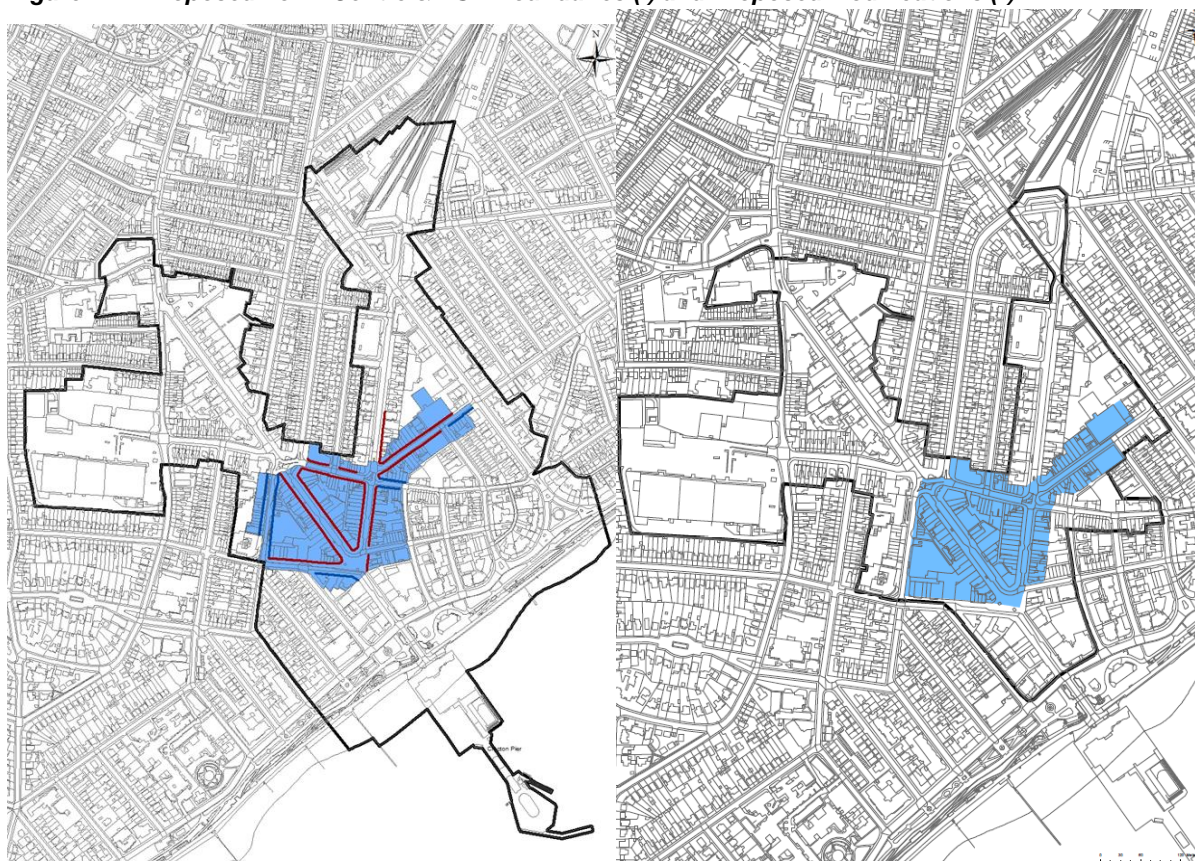
- 8.9 There will also be a new Use Classes F1 and F2. The new F1 Class will cover learning and non-residential institutions, that relates to educational uses; the display of works of art (otherwise than for sale or hire), museums, libraries, public hall or exhibition hall, places of worship law courts. The new F2 Class will include small shops (up to 280 sqm) that mostly sell essential goods, including food, and where there is no other such facility within 1,000 metre radius of the shop's location. The F2 Class will also include a hall or meeting place for the principal use of the local community, outdoor sport or recreation area, and swimming pool or skating rink.
- 8.10 The changes to the Use Class Order calls into question the relevance of many policies that promote the town centre approach to new development as the provisions of Use Class E will apply equally to town centre, edge and out of centre locations. Therefore, for edge and out of centre sites that do not have conditions in place that limit the permitted uses and sale of goods, the new E Class Use could allow for retail and leisure uses to come forward without any requirement to satisfy the sequential and impact tests. The legislation also raises questions on how local authorities can appropriately plan for town centre uses given the flexibility afforded to different town centre uses that fall within the new Use Class E.
- 8.11 For now, the current NPPF and PPG still requires that development plans continue to apply the sequential and impact tests, define town centre boundaries and primary shopping areas primary shopping areas, and plan for the growth town centre uses across their plan period (10 years for new retail development).
- 8.12 It is against this background that we set out our recommendations to help guide the development of new retail, leisure, and other town centre uses in the District. Specifically, our recommendations focus on positive policies that will help with the management and potential growth of Clacton Town Centre over the plan period and in compliance with the NPPF. Recommendations will consider:
- Potential changes to the Town Centre boundary and the Primary Shopping Area for Clacton;
 - Identify an appropriate threshold for requiring a retail impact assessment for retail proposals that are edge or out of centre; and
 - Review current and draft Local Plan (Section 2) policy regarding the requirement for a proposal to satisfy the NPPF's sequential test and whether there is a need to revise the wording of policy to be more prescriptive.

CLACTON TOWN CENTRE AND PRIMARY SHOPPING AREA BOUNDARIES

- 8.13 We have provided a high-level review the Primary Shopping Area (PSA) and the wider town centre boundary (TCB) for Clacton Town Centre. The review has taken account of where commercial activity is focused, the prevalence of commercial uses, vacancies, and forecast need for new retail and leisure floorspace.
- 8.14 In setting out policies for the management and growth of centres over the plan period, and promoting competitive town centre environments, local planning authorities are required by the NPPF (paragraph 85(b)) to define the extent of town centres and primary shopping areas and keep them under review (paragraph 85(d)).

- 8.15 The difference between the definition of the PSA and TCB is defined by NPPF (Glossary) as follows:
- Primary Shopping Area (PSA) – “The defined area where retail development is concentrated”.
 - Town Centre Boundary (TCB) – Area defined on the local authority's policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area.
- 8.16 The definition of a centre's PSA and TCB is important in retail planning terms in a number of important respects:
- First, for the purposes of plan-making and development management, sites and applications for new retail, leisure and other main town centre uses that are not in an existing centre and not in accordance with an up-to-date Local Plan will be subject to the sequential and impact 'tests' in accordance with the NPPF (paragraphs 86-89).
 - Second, in terms of applying the sequential approach for both plan-making and decision-taking, an 'edge-of-centre' site is defined for retail purposes by the NPPF (Annex 2) as a location that is “well connected to, and 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” and preference should be given to “accessible sites that are well connected to the town centre” (NPPF, paragraph 87).
- 8.17 It is against this policy background and guidance that we have reviewed and identified the extent of the TCB and PSA for Clacton Town Centre. The review focuses on the TCB and PSA proposed in the draft Tendring Local Plan (Section 2) and its accompanying policy, Policy PP 5 (Town Centre Uses). Consideration is given to the recent modifications put forward by the Council to the proposed PSA and TCB in the submitted draft Tendring Local Plan (Section 2).
- 8.18 The proposed modification to draft Policy PP 5 removes provisions previously in place for primary and secondary shopping frontages, which are no longer required under the updated PPG. The modification also moves away from the PSA being retail focused and instead supports a wider range of uses that broadly reflect the new Use Class E. The revised policy places greater emphasis on the development of residential uses above shop units whilst ensuring residential amenities are in place.
- 8.19 The TCB and PSA boundaries for Clacton Town Centre defined in the draft Local Plan are set out in the figure below. The figure also presents the proposed modification to the PSA and TCB boundaries, which has been put forward by the Council following consultation with the Clacton Town Centre Working Group.

Figure: 1.1: Proposed Town Centre & PSA Boundaries (l) and Proposed Modifications (r)



- 8.20 The proposed modification to the town centre boundary seeks to allow more flexibility for residential development to take place on the periphery of the shopping area and to help focus investment in town centre uses within the core commercial area. Key changes to the boundary include removing Clacton pier and frontages on the seafront, as well as parts of the town centre that mainly comprise residential areas.
- 8.21 We broadly agree with the changes proposed, which should allow development to come forward in line with market demand. For the pier area, there may be benefit in identifying this area in the future as a leisure and tourism allocation to ensure that these important visitor attractions are supported and retained.
- 8.22 Minor changes are proposed to the draft PSA boundary. The proposed new boundary excludes properties on: the western side of Jackson Road (nos. 21 to Magnet House); the south side of West Avenue (nos. 1 to 17), the south of Station Road (nos. 2 to 10); south side of Pallister Road (nos. 2 to 8); and the eastern end of High Street (nos. 26 to 42). It is noted that the draft PSA no longer covers the entirety of the Sainsbury's unit on High Street.
- 8.23 We recommend that the PSA is revised to include the entire Sainsbury's property and its car park given contribution of this store towards the town centre's convenience turnover. The Council should also consider the potential to extend the boundary to include the properties to the east of Sainsbury's should they envisage any potential to expand the Sainsbury's store along within this area in the future. This could help to direct new convenience floorspace to the town centre, which would help to address forecast convenience need (Section 6) and help to draw back expenditure from edge and out of centre foodstores.

- 8.24 Similarly, the new PDR, which allows the redevelopment of building units for residential uses could lead to a ‘broken teeth’ effect along shopping streets and creating dead frontage. Without any restrictions in place to protect retail uses the PDR and Use Class Order changes could have a detrimental impact on the commercial function of a street or area. Restrictions on PDR can be adopted through Article 4 Directions, which could for example protect key retail frontages or specific units on Pier Street and/or Station Road.
- 8.25 As highlighted earlier in this section the new Use Class E will allow the change of use of units that fall within a broad range of town centre commercial uses including. Whilst the new use class may help to reoccupy vacant units in Clacton Town Centre, we are concerned that it could further erode the town’s shopping function through the loss of retail units to other E Class uses that achieve higher rents. Furthermore, the introduction of Use Class E raises questions on the relevance of the PSA as it is currently defined.

LOCAL IMPACT THRESHOLD

- 8.26 As described in Section 2, the NPPF requires an impact assessment to be undertaken for “*retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan*” (paragraph 89). The Framework states that local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold. If there is no locally set threshold, then the NPPF default threshold of 2,500 square metres (gross) should be applied.
- 8.27 To help inform the setting of a locally appropriate impact threshold the PPG states that it will be important to consider the following:
- 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.
- 8.28 However, it is important to state at the outset that the threshold is not something that determines whether or not an application should be refused, only whether an application should be subject to an impact assessment. Furthermore, the PPG advocates that the level of information pertaining to the impact test (and the sequential test) provided in support of any application should be proportionate and considered in a locally appropriate way. We therefore advise the Council that they should proactively engage with any applicant at an early state in the pre-application process in terms of scoping and agreeing the level of supporting retail information required on a case-by-case basis.
- 8.29 Draft Policy PP 4 of the submission Local Plan identifies local impact thresholds for the District’s centres, which is set out in the table below.

Table 1: Draft Local Plan Policy PP 4 - Local Impact Thresholds

Centre	Local Impact Threshold (sqm gross)
Clacton Frinton-on-Sea	929 sqm
Dovercourt, Walton-on-the-Naze, Brightlingsea, Manningtree, Harwich	250 sqm

- 8.30 The draft policy requires an impact assessment for proposals for retail, leisure and office located outside the defined PSA boundary for Clacton and Frinton-on-Sea where they go beyond 929 sqm gross. For the District's smaller towns, the local threshold is set at 250 sqm gross. The previous retail study advised that the thresholds should apply to new floorspace and to changes of use and variations of conditions to remove or amend restrictions on how units operate.
- 8.31 We consider that thresholds supported in draft Policy PP 4 for Clacton and Frinton should be lowered, particularly given the extent of new and committed retail and leisure uses at edge and out of centre locations to Clacton. As they currently stand, the draft threshold levels do not prevent the incremental growth of smaller retail and leisure developments at edge and out of centre.
- 8.32 Section 3 of this report highlights how growth in the grocery market is now focused on Limited Assortment Discounter store openings, but also the expansion of 'local' format stores by mainstream grocers (e.g. Sainsbury's Local, Tesco Express, M&S Simply Food, Little Waitrose, etc.). Most 'local' format supermarkets fall under the 500 sqm threshold that currently applies to market towns and larger villages, whilst M&S Simply Food and Co-op are opening stores that are under 1,000 sqm gross.
- 8.33 In terms of proposals for comparison retail floorspace, the current thresholds will mostly apply to new retail park proposals or applications to extend existing facilities, albeit where the proposal is for 1,000 sqm gross or more. The existing thresholds do not allow the Council the opportunity to identify impact associated with incremental increases to existing facilities or the change of use or applications to vary conditions on individual units within a retail park. The latter is of particular relevance as retail park asset owners seek to remove restrictions on the sale of retail goods. Retail parks typically include units that fall under 1,000 sqm and a review of the accommodation schedules for a sample of retail parks confirms this.
- 8.34 We consider that it is reasonable for applicants proposing developments for new comparison and convenience goods retailing of **350 sqm gross** and above at sites defined as edge or out of centre to Clacton and Frinton demonstrate that they will not have a significant adverse impact cumulatively with other commitments in the area, in accordance with the NPPF. This will ensure that proposals for smaller stores and applications to incrementally expand existing edge and out of centre retail offer are appropriately assessed in terms of their potential impact on existing centres. This would also include applications that seek to vary conditions that restrict the sale of goods (e.g. bulky goods) on say retail parks, to allow a broader range of goods for sale, which could impact on existing centres. The proposed 350 sqm threshold would allow for small scale retail provision (e.g. a small convenience store) to come forward without the need for an impact assessment, particularly where it will serve a new or existing local community.
- 8.35 The recommended threshold for Clacton and Frinton will provide the local planning authority with sufficient flexibility to assess the merits and implications of edge and out-of-centre retail floorspace proposals (also applying to change of use applications and applications seeking variations of conditions) on all town centres (as defined by the NPPF) in the District area. This will be particularly relevant in light of the new Use Class E, which will still require a planning application to remove restrictive conditions on the sale of goods.
- 8.36 No changes are proposed to the 250 sqm threshold for other centres in the District.
- 8.37 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. In all cases the local planning authority should adopt a pragmatic and reasonable approach with regard to the scope and detail of evidence required in support of planning applications. Setting a lower impact threshold in this case will provide the local planning authority with the flexibility, as decision-taker, to assess whether an RIA is needed on a case-by-case basis.

9. COMMERCIAL POTENTIAL ASSESSMENT

- 9.1 This section considers the future role, function, attraction and competitive positioning of Clacton Town centre, to be taken forward within a town centre strategy. Our advice takes account of the forecast need for town centre uses identified in Sections 6 and 7, the reality of bringing forward new town centre development from a market perspective, and potential interventions that could encourage the revitalisation of Clacton. Consideration is given to the proposals contained within an emerging masterplan for the town centre, which is informing the Council's High Street Fund Bid.

POTENTIAL MARKET DEMAND FOR IDENTIFIED RETAIL & LEISURE NEED

- 9.2 It is necessarily to balance the outputs of the economic capacity forecasts in Sections 6 and 7 with an assessment of the market capacity (demand) for representation for retail and commercial leisure in Clacton. In our experience of advising other local planning authorities, significant problems can arise for the effective planning, management and regeneration of town centres where forecasts are produced in isolation, without any understanding of market demand, and/or whether there are actually suitable and viable sites available in centres that can reasonably accommodate the identified needs.
- 9.3 The unintended consequences of promoting unrealistic (theoretical) capacity forecasts in some local authority areas where market demand and/or development sites are limited, has been to create pressures for new edge and out of centre retail and leisure floorspace over the early part of the plan period, and contrary to the "town centre first" approach.
- 9.4 The following considers the likely demand for new retail and leisure development in Clacton Town Centre.

Convenience Retail

- 9.5 The retail capacity assessment identified a District-wide need for 1,900 sqm net and 2,347 sqm net of new convenience retail floorspace by 2030 and 2033. Focusing on the next ten years, the figures indicate the potential to support one new large foodstore in the District; although it will depend on the turnover of the end operator. The majority of capacity identified for the District is generated from residual turnover of out of centre foodstores. However, opportunities to redistribute expenditure to the District's centres should be prioritised, with investment in new convenience retail directed to Clacton Town Centre in the first instance and in line with the retail hierarchy.
- 9.6 Growth in the grocery market is currently led by the limited assortment discount (LAD) and the frozen food sector. Opportunities for these grocery formats in Clacton is limited given that the town centre is already represented by the UK's two dominant LADs, Lidl and Aldi (with a second Lidl located at Brook Park West). Iceland and Farmfoods, the UK's main frozen food grocers, are located at Waterglade and Valleybridge Road, respectively. It is unlikely that either operator would consider a second store in the town centre. Both grocers are only focusing store openings at locations that will meet specific store 'box' accommodation and adjacent car parking.
- 9.7 Opportunities to enhance Clacton's existing convenience retail offer is likely to be limited to improving existing foodstore provision. The Sainsbury's store on High Street is an older generation store and subject to securing further land and interest from the Sainsbury's there could potential to upgrade or extend the store.

Comparison Retail

- 9.8 Despite the District retaining a relatively strong level of comparison retail expenditure given the proximity to higher order centres such as Colchester, capacity to support new comparison goods floorspace is limited (54 sqm net over the study period). This is partly due to pipeline development for new comparison retail floorspace over the study period (mainly located at edge and out of centre locations to Clapton), but also limitations on residual expenditure influenced by the District's socio-economic profile.
- 9.9 In February 2020, before the impact of COVID-19 began to take effect in town centres from the closure of all non-essential businesses, there were no identified requirements from comparison retail multiples seeking to open in Clacton. The Government's response to managing the pandemic, primarily through a period of lockdown and on-going requirements for social-distancing in commercial places is having a significant impact on high street retailers as shoppers are reluctant to return to physical stores and are choosing to make online purchases instead.
- 9.10 The comparison retail sector has been hit more than the convenience sector and the biggest impact is being felt by retailers who do not have an online presence. There is further added pressure on physical stores where tenants have been unable to obtain rent reductions or holidays, which impacts on the viability of stores that are already experiencing a drop in in-store sales. As a result, there are an increasing number of retail multiples seeking to reduce their store portfolio, a trend that was already occurring pre-COVID-19, but is now accelerating and involving more high street multiples.
- 9.11 The consequence for Clacton is that there are likely to be more store closures within the comparison retail sector over the coming year. This could be mitigated by incentivising existing retail tenants to remain, such as through rent reductions and more favourable lease arrangements. Although, it is acknowledged that this will not be a favourable solution for many commercial landlords.
- 9.12 As the economy recovers, it is likely that most major retail brands that are interested in opening in the District will seek accommodation at the District's expanding edge and out of centre locations. Those most likely to seek space in Clacton will be within the budget to mid-market sector reflecting the shopper profile of the surrounding catchment.

Alternative/ Independent Retail

- 9.13 There is an urgency in diversifying the town's retail offer away from a reliance on retail multiples and ensuring that Clacton still meets the shopping needs of the shopping catchment and wider District. As such, there is an opportunity to encourage investment in the town centre's independent retail offer, which could help meet the gap in retail offer that could be lost from the closure of retail multiples.
- 9.14 However, the promotion of flexible commercial uses under the new Use Class E could lead to fewer opportunities for available and affordable retail space if landlords replace existing retail units with higher value town centre uses. Commercial units that are in public sector ownership (namely Tendring District Council and Essex County Council) could be used to support independent retailers by offering affordable rents and shorter lease periods, thereby creating more support conditions to attract and encourage start up retail businesses or existing businesses seeking new premises.

Commercial Leisure Sector

- 9.15 The commercial leisure sector is facing significant challenges as result of COVID-19. Whilst the retail sector has benefited from a surge in online sales the commercial leisure sector has had no such opportunity given that most commercial leisure activities rely on physical custom.

Food & Drink Market

- 9.16 The re-opening of food and drink establishments following over five months of closure (of non-essential businesses during the COVID-19 lockdown) has provided relief within the sector and helped by the Government's 'Eat Out' initiative. However, the food and drink market remains particularly vulnerable. This is especially the case for Clacton where many food and drink businesses are likely to rely on summertime trade to compensate for lower trading levels during out of season months. The loss of earnings for businesses over the lockdown period and lower levels of trade post lockdown is likely to result in the closures of sit-down food and drink venues over the coming year.
- 9.17 The commercial leisure needs assessment identified a gap in provision for restaurants offer as current offer is largely served by the fast food market. There is unlikely to be much scope in attracting branded food and drink operators to Clacton Town Centre in the short term, with demand from operators expected to be focused on fast food and drive-thru formats, which have traded better than other food and drink formats during COVID-19 as they do not rely on trade from sit down dining.
- 9.18 Like with retail, there is an opportunity to promote independent food and drink businesses to improve the town centre's restaurant offer, particularly when there is more certainty about a post-COVID economic recovery. Alternative food and beverage formats such as foodhalls and market halls that have gained popularity in many other towns and cities could be successful in Clacton. This could help to attract a new customer base, particularly young adults, and enhancing the town's visitor appeal. A successful and well-known example Altrincham Market, a former derelict market building that now supports 10 independent food businesses and has become a destination in itself.

Cinema Market

- 9.19 The commercial leisure needs assessment identified the potential to support a new cinema in the District, but this need would be met by existing consents for cinemas at Clacton Shopping Village and the Harwich Valley scheme.




Gym and Fitness Market

- 9.20 Potential operator demand for other commercial leisure uses will be mainly focused on the gym and fitness sector. The sector was performing relatively well pre-COVID, but has been hard hit from lockdown and the ability to trade in line with social distancing requirements. However, it is anticipated that the sector will recover to pre-COVID trading levels when there is more certainty on controlling the pandemic. Opportunities are likely to remain focused within the budget fitness market as highlighted in Section 7. For Clacton, the leisure needs assessment identified potential capacity to support a new gym. The new Use Class E includes gym and fitness uses, which could encourage a budget operator to take up space in the town centre.

ACCOMMODATING FORECAST NEED & MARKET DEMAND IN CLACTON

- 9.21 A high level review was carried out on potential sites within the town centre boundary that could meet to accommodate new town centre uses or where there may be benefit in diversifying existing uses over the study plan period (up to 2033). For retail, the NPPF requires need is met over a 10 year period (i.e. up to 2030 for the purpose of this assessment). The review focuses on sites identified in the emerging masterplan for Clacton.
- 9.22 The draft Local Plan does not allocate sites in Clacton Town Centre for specific town centre uses. However, the emerging Masterplan for Clacton identifies three development sites that are intended to accommodate a variety of commercial uses. The table below summarises the proposed uses for each site.

Table 2.1: Clacton Town Centre Masterplan Opportunity Sites

Electric Parade	
<p>Overview:</p> <ul style="list-style-type: none"> The site is located within the core retail area and will replace a single large retail (currently occupied by Poundland) unit with up to 30 units to accommodate micro and small businesses including start-ups. Provides for 200 new car parking spaces, including electric charging infrastructure. Enhanced public realm. 	
Savoy Place	
<p>Overview</p> <ul style="list-style-type: none"> 1,161 sqm (12,500 sqft) retail space. 34 residential units above - mix of 1 and 2 bed units. 8 start-Up business spaces. Refurbishment of the historic nightclub and the potential to transform it into an arts venue. 	
Carnarvon Towers	
<p>Overview</p> <ul style="list-style-type: none"> Public sector hub, including new Adult Community Learning and a flagship library providing a visible and accessible route into learning and employment Accommodation for 28 street food and/or maker-space kiosks in an area of formerly unused land, extending the attraction of the town centre and creating a second 'hub'. 129 residential units including 70 social housing mixed with high-quality private sale to create a balanced community. Enhanced multi-story car park with 300 spaces including electric charging infrastructure. 	

- 9.23 The indicative plans for the three masterplan sites are aimed at diversifying town centre uses, with a particular focus on promoting community uses, including the creation of a public sector hub and the refurbishment of the former Savoy Theatre/nightclub and its potential as an arts venue. These are often overlooked uses and that are now playing more important role in helping to increase footfall in town centres
- 9.24 Some 1,161 sqm gross of retail accommodation is identified in the masterplan compared to the District-wide need for 1,900 sqm net and 54 sqm net of new convenience floorspace and comparison floorspace, respectively by 2030. From a market perspective the retail proposal for Savoy Place is more likely to appeal to independent convenience and comparison retailers or if lease arrangements are particularly favourable, a high street comparison retailer. As such, the Council will still need to identify sites to accommodate forecast need for convenience retail floorspace over the plan period. However, this could be met in other centres in the District.

- 9.25 The potential to promote the town's independent food and beverage operators would be supported by proposed food market within the Carnarvon Tower site. The proposal would help to diversity the town centre's dining out offer in line with market demand in this particular sector.
- 9.26 A key feature of the masterplan is the provision of business space for start-up business, which also helps to diversity the centre's offer and encourage new employment opportunities. This in turn will help to bring trade to other daytime businesses.

COMMERCIAL & TOWN CENTRE STRATEGY

- 9.27 The health check assessment confirms that Clacton is a vital and viable centre, and is important shopping and service centre for the District. However, the town centre is vulnerable, particularly macro-economic conditions that have been further exacerbated by COVID-19, and increasing competition from edge and out of centre locations.
- 9.28 The regeneration of the town centre must go beyond addressing physical improvements and diversification of commercial uses. The profile of the town centre's catchment and that of the wider District show that unlike many struggling town centres, Clacton attracts a reasonable share of expenditure. Retail and leisure market shares show the town is particularly relied upon by its local catchment, which highlights the need to ensure that the town's retail function is protected. However, the issue is that the expenditure base is low due to a population profile that has a lower level of disposable income (e.g. those no longer working such as pensioners and low income households).

Regeneration of Seaside Towns – Case Study Examples

- 9.29 In considering an appropriate strategy for Clacton we have reviewed other coastal town centres that have had success in regenerating their centres. A high-level review has been undertaken of Margate, Hastings, and Folkestone town centres where private and public sector investment and intervention has helped to improve the town centre's economy. These share similar traits to Clacton Town Centre, such as a reliance on seasonal tourism and underlying socio-economic challenges. The aim of this exercise is to identify examples of best practice could be applied to revitalising Clacton Town Centre's visitor and leisure economy.

MARGATE: INVESTMENT IN EXISTING AND NEW VISITOR MARKETS

Margate was identified as one of the most deprived areas in the UK in 2010. The economic crash of 2008 accelerated the decline of a once booming seaside resort, which then became synonymous with rows of boarded up shops.

The opening of the Turner Gallery has helped reinvent the town centre as an cultural destination and arts hub. The gallery hosted the Turner Prize in 2019. Dreamland amusement park, which has struggled since its reopening in 2015 is now trading successfully; attracting 700,000 visitors in 2019. The Margate Caves have recently reopened.

A factor in the reinvention of Margate was the success in repositioning the town centre as a cultural destination that is within easy reach of London, thereby increasing its visitor market, particularly for day trippers. This is likely to have influenced the opening of new restaurants aimed at a more premium market. However, this is not necessarily the measure of Margate's success. Instead, the key success for Margate's reinvention is that it is now appealing to a wider customer base by reinvigorating its original attractions that appeal to families and younger people, whilst creating a new arts based tourism sector.

Thanet District Council is currently preparing a business case and application for the Government's Town Deal Fund.

HASTINGS: INVESTMENT IN CULTURAL & CREATIVE ECONOMIES

Like Margate, Hastings faces challenges with social deprivation. It is identified as the most deprived town in the South East and in the most deprived 10% nationally. The demographic profile of the town centre has been evolving over the years through international migration and a noted uplift in people moving to the area from London.

Hastings is known for its rich history associated with the Battle of Hastings and its historical fishing industry, which has traditionally been the main source of visitors and tourism for the town centre.

Hastings District Council has focused regeneration of the town centre on enhancing visitor and cultural assets. In 2005 the Council adopted a seafront strategy (Leading from the Front) with the aim of attracting new investment and employment opportunities, supporting social development, and supporting a unique urban and seafront environment. The strategy has helped to secure new investment such as the opening of the Jerwood Gallery, improving hotel accommodation, and rebuilding the Marina Pavilion. It also led to more seafront events including markets and festivals. The strategy also promoted the redevelopment of Hastings Pier, which was subsequently delivered through community led development. The scheme won the RIBA Stirling Prize in 2017.

More recently, the Council has adopted a culture-led regeneration strategy with the aim of transforming Hastings into a highly desirable place to live, work, visit and invest by 2021. Key objectives focused on supporting creative and cultural businesses and practitioners to develop a 'creative economy'. This ties with another key objective to support and develop a high quality year round cultural programme, also making the most of the town's existing cultural and heritage assets.

Tourism is growing for the centre, which is driven by the Council's focus on promoting the town's cultural economy and the delivery of key projects such as the new Pier and the Jerwood Gallery. This has helped to and broaden the town's economic base and visitor market.

Hastings District Council is in the process for applying for the Government's Town Deal Fund.

FOLKESTONE – INVESTMENT IN CREATIVE INDUSTRIES

Folkestone was once a thriving port and affluent Victorian holiday resort, but like Clacton its popularity as a seaside destination was impacted from the shift of UK domestic tourism to foreign destinations from the 1960s. Social deprivation is also an issue for parts of Folkestone.

In 2003 Folkestone's theme park was sold and subsequently demolished in 2007, which began the transformation from the town's traditional seaside visitor offer towards a focus on arts and cultural industry and tourism. The change was kick started by the establishment of Creative Folkestone (previously known as the Creative Foundation) in 2002, which was primarily funded by the Roger De Haan Charitable Trust. The foundation is aimed at investing in the creative arts and has helped to deliver five key projects to date:

- Folkestone Artworks - the UK's largest urban contemporary art exhibition.
- Folkestone Book Festival – annual book festival that takes place in November.
- Creative Quarter - came forward through the acquisition of 80 buildings the town centre to

provide studio space and apartments for arts and media-based industries.

- The Folkestone Triennial - art exhibition launched in 2008 and attracts in excess of 100,000 visitors.
- The Quarterhouse - a new theatre / performance space for 250 seating and 500 standing, was opened in 2009.

Future Folkestone, is another initiative from by Creative Folkestone, which is based at a landmark building complex in the town centre. It is aimed at accommodating the growing demand for digital and tech companies seeking to locate to Folkestone. A key aim of the initiative is to stem migration of young people to London and other towns by investing in projects that might persuade the younger generation to remain in Folkestone.

The area of Folkestone Town Centre known as 'Harbour Arm' was focus of regeneration in recent years. It originally serves as the railway terminal for the Folkestone- Boulogne Ferry. The area is now a focal point for small independent businesses and hosts seasonal events.

POTENTIAL COMMERCIAL STRATEGY

9.30 A commercial strategy for Clacton needs to focus on potential opportunities and actions that can help improve the town's resilience to economic impacts, such as changing consumer trends, seasonal trading patterns, and unexpected impacts like COVID-19.

9.31 Taking account of the above, a commercial strategy for the town centre should focus the following key themes to help meet forecast need for town centre uses and strengthen the centre's customer appeal:

1. Diversification of town centre uses

9.32 The impact of COVID-19 has highlighted the extent to which town centres rely on traditional retail and service formats, particularly how many businesses are unprepared for sudden closure or the need to adapt to social distancing requirements. The Government's temporary relaxation of trading restrictions help many businesses to adapt, which helps to ensure their survival, maintain jobs, and meet the needs of the local community.

9.33 Many businesses operate on small margins and a loss in revenue operational costs to help mitigate against future impacts on the retail sector. At the same time, caution should be applied to relying on the leisure sector for growth. Trends point to increasing demand for experience-led commercial uses, such as creative markets, foodhalls, and state of the art entertainment venues (e.g. new generation cinema multiplexes).

9.34 For Clacton, there may opportunity to improve the indoor market by relocating the existing market to a larger unit that could offer the potential to provide more modern accommodation and attract new traders, creative industries, and local start-ups; particularly young entrepreneurs.

2. Greater flexibility of uses

9.35 Revisions to the Primary Shopping Area (PSA) aimed at strengthening Clacton's core shopping area and allowing greater flexibility for alternative and market-led uses. Greater flexibility within planning policy to allow land uses to adapt to changes market trends and consumer preferences will be important, but balanced by ensuring core retail and service provision is/ protected.

- 9.36 The new Use Class E will effectively result in the mix of town centres uses to be market-led. However, it will be important to ensure that core retail and service uses are provided for, including identified need over the Local Plan period. This is particularly necessary for Clacton given that the household survey evidence indicates that the town centre is relied upon by its surrounding resident catchment for shopping and leisure. Policy needs to ensure that allocated sites are retained for particular uses within Class E and that the shopping function of Clacton's PSA is not undermined.

3. Increased residential living

- 9.37 Increasing residential uses in town centres is vital to sustaining economic growth and this is particularly important for Clacton in generating higher levels of expenditure to support existing and new commercial uses, particularly retail.
- 9.38 The potential for upper floor residential conversions and airspace development for residential uses is being encouraged by the Government through the new PDR legislation, which is already supported in draft Local Plan policy.
- 9.39 The Clacton Town Centre Masterplan provides for new residential uses on upper floors, while the proposed modifications to draft Local Plan Policy PP 5 and accompanying PSA boundary within the Proposals Map for Clacton will make it easier to bring forward new residential development.

4. Improve parking provision within the town centre

- 9.40 The provision of free parking at out of centre shopping facilities has contributed to encouraging shoppers away from town centres where parking can be less convenient and where parking charges generally apply. This is an issue that affecting town centres nationally, including Clacton.
- 9.41 The household survey confirmed that study residents carried out more trips to Clacton Shopping Village as a direct result of the expansion of parking facilities at the shopping park. The survey findings demonstrate how shoppers are swayed by the provision of free and available parking.
- 9.42 To encourage shoppers back to Clacton we recommend that the Council explore the potential to maximise parking capacity within the town centre, such as diagonal parking on boulevards (e.g. Pier Avenue and Station Road) and opportunities for new multi-storey car park provision. Two hour parking limits should be in place for on-street parking and longer-term parking should be directed to car parks outside the primary shopping area. This will ensure that parking is prioritised for shoppers and service users, who will typically only need to visit the town centre for a short period.
- 9.43 Whilst we understand that parking fees are a key source of revenue for the Council we would encourage the Council to assess the cost benefit of providing free parking for up to two hours. This could apply initially on a Saturday. We are aware of a number of local authorities that trialled free parking in their town centres, which has led to increased footfall in their centres and the longer term application of free parking provision. Free parking schemes are also common during festive periods, such as the run up to the Christmas holiday period.
- 9.44 For Clacton, we recommend a free parking trial on quieter days of the week or on Saturdays after 1pm. A trial period of at least six months would allow a sufficient period to monitor any correlation between parking take up and footfall levels. It would also help to encourage shoppers to the town centre as part of a COVID-19 recovery plan for the town centre's economy.

5. Attracting younger customers

- 9.45 The Pier and Pavilion offer a good range of paid leisure attractions for young people. However, the retail offer for young people aged 18 to 34 is lacking. As a result, this demographic group will be

more likely to shop online or at Clacton Shopping Village and Colchester, which offers more 'young' fashion brands.

- 9.46 Comparison retail spend for those between the ages of 18 and 34 exceeded that of over 55s (£48.1bn versus £47.7bn) in 2014, and is projected to surge to £53.8bn in 2019. Encouraging independents that cater to young people should be encouraged. Promoting Clacton Town Centre through targeted marketing on social media platforms could encourage more visits from this demographic, which could in the longer-term help to attract 'young' retail brands and independents that serve this customer market to the town centre.

6. Improving perceptions of safety and security

- 9.47 The household survey indicates that residents have a negative image of safety and security in the town centre, which is discouraging people from visiting Clacton, particularly in the evening time. We are aware from discussions with town centre stakeholders anti-social behaviour is a problem that needs to be addressed. Better policing during summer months and the funding of stewards in the evening time could help to promote a safer environment and help improve the town centre's image with residents and visitors.

7. Clacton Vision and Masterplan

- 9.48 The delivery of the town centre masterplan and vision will be key in driving change for Clacton and providing the opportunity to increase employment opportunities through affordable business space and increasing the resident population through new residential development.
- 9.49 Other areas for consideration:
- **Affordable employment accommodation/ workspace** – COVID-19 has increased demand for satellite office hubs and the decentralisation of office space to promote flexible working. This in turn has increased demand for share workspace locations. Furthermore, there is an increase in demand for affordable office space brought on by the loss of office accommodation to residential uses under PDR. It is anticipated that the new PDR legislation (which further promotes office to residential PDR) will result in more demand for alternative affordable office space.
 - **Improving pedestrian connections** – particularly connections between the train station and the town centre through improved signage, which appear to be lacking when travelling by foot/bicycle from the station area.
 - **Creation of a town centre Business Improvement District (BID)** – explore the opportunity to create a BID that covers businesses within the core shopping area and down to and including the seafront (e.g. the Pier and Pavilion). There are many successful BID examples that support a wide variety of town centre improvements. For Clacton, a BID could bring forward cross sector marketing initiatives and events aimed at increasing footfall to the town centre and seafront.
 - **Events programming** – the town centre already supports annual festivals and there may be scope to explore the potential to host other events, which could be niche events that encourage new visitors to Clacton. Events outside of the summer season could also help to support trade during quieter months of the year.

DELIVERING A STRATEGY FOR CLACTON

- 9.50 A short term strategy should come forward for the town centre to address the on-going impact from COVID-19; focusing on a recovery plan that seeks to bolster trade lost from the forced closure of non-essential businesses and those that remain under-trading as a result of social distancing measures and the reluctance of shoppers to return to the UK's high streets. Minimising further vacancies and encouraging town centre users back to Clacton will be key to prevent the collapse of

businesses, particularly as the summer season ends. There will be a greater urgency in the need to diversify town centre offer and this will be more easily delivered through the new Use Class E. A short-term strategy should include measures to improve parking provision in the town centre and the potential to trial a free parking initiative to aid a COVID-19 recovery plan for town centre businesses.

- 9.51 A medium to longer-term strategy should look at repositioning the town centre and attracting new expenditure. The challenge for the Council is to attract a younger resident demographic and improve employment opportunities, which would help to increase the spending potential of the catchment. However, at the same time, in order to attract new families and employers to Tendring the infrastructure and services need to be in place, which includes a town centre that meets the needs of its community. What the market demand assessment has shown is that retail operators are only seeking opportunities in stronger centres and where the requisite demographic profile already in place. The allocation of major housing sites in and around Clacton within the draft Local Plan represents the opportunity to provide housing that would attract young families and those with higher disposable income. COVID-19 has resulted in many companies embracing working from home as a viable alternative to full time office working. This presents the opportunity to attract employees who no longer are required to live close to key employment centres, but have the option to commute on a less frequent basis and where there is access to share workspace accommodation.
- 9.52 The second area of focus in improving expenditure in the town centre is through opportunities to broaden Clacton's traditional visitor base. Clacton Pier and Clacton Pavilion are primarily aimed at the family visitor market that together offers an impressive range of attractions alongside the popular beachfront. However, there may be potential to explore other tourist markets in a similar vein to Margate, Hastings, and Folkestone, which could help to broaden Clacton's visitor appeal. This could come in the form of a unique attraction or an iconic landmark that gives more people another reason to visit Clacton beyond its current offering.

---- End ----