

9 Prospects for Retail: Capacity Assessment

- 9.01 This section summarises the key findings of DTZ's broad quantitative retail capacity assessment. To meet the objectives of this study we have modelled the potential capacity for new convenience ⁽¹⁾ and comparison ⁽²⁾ goods retailing within the town up to 2016.
- 9.02 It is important to state at the outset that current planning policy guidance stresses that town centre, edge-of-centre and local centres should be the first choice for all new retail and leisure development. In accordance with PPG6, and specifically the 'sequential' test, we have therefore necessarily assumed that the optimum location for new 'bulky' comparison goods ⁽³⁾ floorspace should be in, or on the edge of, existing town centres (provided that suitable and viable sequential sites are available).
- 9.03 In the context of PPG6 (and draft PPS6 for consultation) it is also incumbent upon developers and occupiers to be more flexible and innovative in the scale, design and layout of new retail and leisure proposals. The key issue to be considered, therefore, is whether the 'class of goods' (in this case 'bulky' goods) can be sold from one or more town centre sites, rather than being constrained by the retail format (i.e. retail warehousing).
- 9.04 This section summarises the key assumptions and inputs driving the DTZ *Re:Map* retail capacity model, along with a more detailed description of the key floorspace capacity outputs.

DTZ *Re:Map* Retail Capacity Model

- 9.05 DTZ has developed the *Re:Map* model specifically to forecast the potential capacity for (and impact of) new retail floorspace. DTZ *Re:Map* is based on a conventional manual step-by-step approach which is both transparent and robust, in accordance with advice set out in PPG6 (and PPS6 draft for consultation). Its main advantage over other approaches is that the sensitivity of the key assumptions can be tested at all stages in the analysis.
- 9.06 The key inputs to the model are estimates of a centre's and/or store's market share (i.e. the proportion of spending in the defined study or catchment area which is currently attracted to the existing retail floorspace) and trade draw (i.e. the proportion of a centre's and/or store's turnover derived from outside the study area). In this case our market share assumptions are informed by the household survey results, which provides a broad indication of the pattern and level of convenience and comparison goods shopping across the study area and beyond.
- 9.07 However, it is important to emphasise that there is no one simple or single solution to quantifying capacity. For the purpose of this study we have modelled a baseline scenario for both convenience and comparison goods retailing as follows:

1 - Convenience goods: Normally defined as food retailing, as undertaken say as part of a main weekly grocery shop and/or 'top-up' shop, and includes: food and non-alcoholic beverages, alcoholic drink (off-licence sales), tobacco, non-durable household goods and newspapers and magazines.

2 - Comparison goods: Normally defined as non-food shopping and includes: books, clothing and footwear, furniture, floor coverings and household textiles, audio-visual equipment and other durable goods, hardware and DIY supplies, chemists' goods, jewellery, watches and clocks, bicycles and recreational and other miscellaneous goods.

3 – Bulky goods: Normally defined as being DIY, hardware, furniture, carpets and large electrical goods

- **Scenario 1: 'Baseline'** – Assumes that the 2004 market shares for comparison and convenience goods will remain constant over the forecast period, up to 2016. For comparison goods only we have tested an efficiency ratio of 1% (the *Re:Map* tables are set out in Appendices 7 and 8).

9.08 We have necessarily assumed that the centres and stores in the Newhaven catchment are trading at “**equilibrium**” at the base year (2004). In other words, the existing retail businesses are assumed to be achieving average turnover to floorspace levels in line with their national company averages (as detailed in the annual Mintel ‘Retailing Rankings’ reports), and other ‘benchmark’ indicators of centre and store turnover performance. As a result we calculate that there is no residual convenience or comparison goods expenditure available to support new floorspace at the base year (i.e. 2004). This is a conventional assumption in retail capacity assessments, as it is extremely difficult to calculate the potential capacity for new retail floorspace at the base year without detailed information on actual centre and store turnover levels.

9.09 The following commentary briefly describes the key stages in the DTZ *Re:Map* capacity assessment and sets out the baseline assumptions underpinning our analysis.

STAGE 1: Population and Spend Forecasts

9.09 The starting point for the capacity assessment is to define the study area and to understand current shopping patterns. For the purpose of the capacity assessment we have defined the study area based on the zones used for the household interview survey:

Study Area	Household Survey Zones
‘Core’ Catchment	Zone(s) 1 to 2
‘Outer’ Catchment	Zone(s) 3 to 6

9.10 The base year population and average spend estimates set out in Table 9.1 below have been derived in-house by DTZ using the *MapInfo* Geographic Information System (GIS), which runs the *TargetPro* demographic (formerly know as URPI Illumine) and *ACORN* lifestyle datasets. This is a standard source and is widely used by planning professionals and accepted at Public Inquiries.

Table 9.1: Estimated Population and Available Spend at Base Year (2004)					
	Population	Average Spend per Capita		Total Available Spend (£million)	
		Non-Food	Food	Non-Food	Food
‘Core’ Catchment	49,687	£2,719	£1,475	£135.1 m	£73.3m
‘Outer’ Catchment	247,257	£2,791	£1,487	£690.1m	£367.7m
TOTAL:	296,944	~	~	£825.2m	£440.9m

9.11 DTZ has forecast the potential increase in the population and spend estimates between 2000 – 2016 using the following growth projections:

- **Spend Projections** - For both comparison and convenience goods we have tested the more cautious “ultra long term” growth rate for spending of +3.6% and +0.1% per

annum respectively. These forecasts are based on historical trends derived from The Data Consultancy Information Brief 99/2, which states that growth rates around the long term trends, or between the ultra long term and long term trends, “...*still appear the most realistic*”. These average spend projections represent a more conservative approach and have been successfully defended and scrutinised at a variety of public inquiries. Nevertheless, we accept that growth rates will vary across regions and catchments and the growth rates tested could, therefore, be regarded as possible ‘minimum’ forecasts.

- **Population Projections** – DTZ has used the population growth rate for Lewes District (1991 – 2011) put forward by East Sussex District Council on their website¹. The growth rate used is the derived annualised rate of growth of the population projected for the period 2001 and 2010. We therefore assume that each zone will increase at the rate set out in the table below.

Study Area	Annual Growth Rate
‘Core’ Catchment	+0.25%pa
‘Outer’ Catchment	+0.25%pa

- **Total Available Spend** – Combining the average spend (of all zones) and population forecasts, we calculate the potential total available spend on comparison goods will increase by 58% from £825.2 million to £1,299.9 million between 2004 – 2016. In contrast, spend on convenience goods is only forecast to increase by 4% from £440.9 million to £459.8 million.

9.12 The outputs of Stage 1 clearly demonstrate that the growth in Newhaven’s comparison goods market will significantly outstrip spending on convenience goods. This has important implications for the capacity for new retail development in these two retail sectors over the forecast period.

STAGE 2: Floorspace Stock and Commitments

9.13 This stage in the analysis sets out DTZ estimates of existing non-food and food retail floorspace within Newhaven town centre and out of centre. However, the lack of consistent and reliable floorspace data at the town level has meant that DTZ has had to draw on a number of sources, including figures provided by Lewes District Council, Experian Goad, the Trevor Wood Retail Warehouse national dataset and the Sussex Retail Study, Volume 1 (1996).

9.14 Additionally we understand that there are no major unimplemented consents for both comparison and convenience goods retailing within Newhaven.

STAGE 3: Market Share Estimates

9.15 Stage 3 sets out our estimates of the share of available comparison and convenience goods spend which is currently being attracted to existing centres and stores in the District. This stage of DTZ *Re:Map* drives our assessment of the total turnover (Stage 5) and average sales densities (Stage 6) of existing comparison and convenience goods floorspace in Newhaven, as well as the potential capacity for new floorspace over the forecast period (Stage 7).

¹ The hyperlink to the website is as follows:
<http://www.eastsussexcc.gov.uk/NR/rdonlyres/179FEF31-516E-44AA-B608-C3FC637D30CA/0/LewesPopulationProjections.xls>

- 9.16 The robustness of this market share approach is necessarily dependent on judgements as to the relative scale, quality and location of existing retail facilities within the town and beyond. To help inform these market share judgements we have drawn on the results of the household interview survey, which specifically asked, where people shop for convenience goods (for both “main” and “top-up” food items) and comparison goods (for “clothing & footwear”, “furniture/carpets”, “large and small electrical” and “bulky DIY goods”).
- 9.17 Nevertheless, it is important to state at the outset that the household survey can only provide a broad indication of shopping patterns and market shares within the study area. The advantage of the DTZ *Re:Map* model over other approaches lies in the fact that we are able to analyse the relative robustness of the market share assumptions through a series of sensitivity tests. In this case the outputs of the model, namely turnover potential (Stage 5) and average sales densities (Stage 6), provide a critical test of the market share assumptions. If adjustments are necessary, then by a process of iteration we are able to arrive at more robust and realistic market share levels. This has not been required for this study.
- 9.18 The table below illustrates the ‘baseline’ market shares for the main non-food and food retail floorspace within Newhaven:

Comparison Goods Retailing: Market Shares at 2004		
	Core Catchment	Outer Catchment
Newhaven town centre	3.7%	0.6%
Newhaven out of centre	10.4%	1.1%

Convenience Goods Retailing: Market Shares at 2004		
	Core Catchment	Outer Catchment
Newhaven town centre	10.4%	0.2%
Newhaven out of centre	24.6%	1.5%

- 9.20 Based on MapInfo estimates, we also assume that 7.6% of comparison goods spend and 3.2% of convenience goods spend is on ‘*special forms of trading*’ (SFT). This pertains to spending that does not take place in shops (i.e. vending machines, mail order and Internet shopping).

STAGE 4: Trade Draw Estimates

- 9.21 At this stage in our analysis we calculate the proportion of total estimated turnover of each centre and store that is drawn from outside the defined catchment area (i.e. outside the ‘core’ and ‘outer’ study areas). This trade draw estimate, in combination with the market share assumptions (Stage 3), are the two main inputs to the DTZ *Re:Map* model and drive the assessments of retail floorspace capacity.
- 9.22 The trade draw of a centre or store from within its defined catchment areas (i.e. the ‘core’ and ‘outer’ areas) is an output of the market share estimates (at Stage 3) and can be used to test whether the assumed market shares are reasonable or not. Dependent on their size, location, accessibility and quality of shopping provision, we normally assume that a certain

proportion of the total estimated turnover of a centre or store will also be derived from beyond the study area (in this case from beyond the 'outer' study area).

- **Comparison Goods** – Research and survey evidence clearly demonstrates that town and city centres with a significant 'critical mass' of retail floorspace, as well as a diverse mix and quality of retail, leisure, service, tourist and cultural attractions draw shoppers and visitors from wide catchment areas. Based on the scale and quality of their retail offer, and the findings of the household survey, we therefore assume that Newhaven town centre will draw 2% of its total sales from outside the study area and Newhaven's out of centre stores will draw 4%.
- **Convenience Goods** – The growth in foodstore provision since the 1980s generally means that people do not travel more than ten minutes drive time to fulfil their main food shopping requirements. Nevertheless, there are some exceptions where people do make choices based on price, ease of access, quality of offer and brands. For the purpose of this analysis we have assumed that both Newhaven town centre and out of centre, will not draw any convenience goods spend from outside the study area given the surrounding level of provision and competition.

STAGES 5 & 6: 'Potential' Turnover Forecasts and Average Sales Densities

9.23 The main outputs of DTZ *Re:Map* are total 'potential' turnover estimates (Stage 5) and the resultant average turnover to floorspace ratios, or average sales densities (Stage 6). These turnover estimates are derived from main inputs to the model (Stages 1 – 4) and they have been used at all stages of the analysis to test the main inputs to ensure that the final turnover assumptions are reasonable and robust. Stages 5 and 6 also forecast the potential growth in turnover up to 2016 based on the population and spending growth forecasts.

9.24 The DTZ estimates for comparison and convenience goods turnover and sales density, based on the adjusted market shares, are set out in the tables below:

Comparison Goods Turnover Potential, 2004 - 2016				
@2000 prices	Total 'Potential Turnover (£ million)		Average Sales Density (£ per sq.metre)	
	2004	2016	2004	2016
Newhaven Town Centre	£9.1m	£14.3m	£2,409	£3,794
Newhaven Out of Town Centre	£22.8m	£36.0m	£3,995	£6,293

Convenience Goods Turnover Potential, 2004 - 2016				
@2000 prices	Total 'Potential Turnover (£ million)		Average Sales Density (£ per sq.metre)	
	2004	2016	2004	2016
Newhaven Town Centre	£8.2m	£8.5m	£6,975	£7,274
Newhaven Out of Town Centre	£23.5m	£24.5m	£6,912	£7,208

STAGE 7: Retail Capacity Assessment

9.25 This final stage in the analysis sets out our assessment of the capacity for new comparison and convenience goods retail floorspace at 2008, 2012 and 2016. It is important to restate that none of our calculations include inflation and are expressed in terms of constant 2000 prices. As explained in the introduction to this section, we have also assumed that all existing floorspace and retail businesses are trading at “equilibrium” at the base year.

9.26 There are a number of other fundamental assumptions underpinning our analysis:

- **“Efficiency”** – For existing comparison goods retailers in the Newhaven catchment we allocate a proportion of the forecast growth in spend to allow for the increased “efficiency” of existing floorspace. This is a standard approach used in retail studies and it is generally assumed that retail businesses need to grow at between 1.0% - 1.5% per annum in real terms to remain commercially viable. It is argued that this growth allows businesses to maintain their current trading performance and customer service through new investment. It therefore helps existing town and shopping centres to maintain their vitality and viability in accordance with policy guidelines. We do not, however, apply this growth rate to out-of-centre shops and stores, as this is not supported by policy guidance. For comparison goods, we have tested an annual ‘efficiency’ growth rate of 1%, but we do not model a growth rate for food retailing, as the forecast nominal growth in average convenience goods spend of +0.1% per annum does not support this assumption.
- **“Derived” & “Potential” Turnover** – By constraining the growth of existing businesses using the “efficiency ratio”, the model produces a lower “derived” turnover than the ‘potential’ calculated at Stage 5 (*which is based on the estimated market share of higher forecast growth in population and spending*). The difference between the ‘derived’ and ‘potential’ turnover produces the ‘surplus’ or ‘residual’ expenditure, which represent spend over and above that required by existing floorspace in the study area to remain viable.
- **“Capacity”** – The final steps in the capacity assessment involve the application of an average sales density for new food and non-food retailing, to the surplus expenditure, to calculate the residual net and gross floorspace that can be supported within Newhaven to 2016. For the purpose of this analysis we assume that the average sales density of new floorspace tested at Step 5 is the same for existing floorspace. We also assume that this new comparison goods floorspace will increase its “efficiency” by between 1% per annum, so that existing businesses and new businesses are treated similarly in terms of their future performance.

9.27 The outputs of our retail capacity assessment for comparison and convenience goods retailing are briefly described below:

Comparison Goods Retail Capacity

9.28 Table 9.2 sets out our forecasts of the potential capacity for new non-food floorspace in existing centres and stores in Newhaven up to 2016, and the key findings are briefly described below:

Table 9.2 'Baseline' Scenario Potential capacity for new comparison retail floorspace, 2004 – 20164				
(Gross square metres)	2004	2008	2012	2016
Town Centre	0	500	1,200	2,000
Out of Town Centre	0	1,100	2,400	3,900

Source: DTZ *ReMap*, (Appendix 9, Stage 7)

- Newhaven Town Centre** – Based on an average sales density for new comparison goods businesses of £2,409 per sq. m in 2004 (at 2000 prices) and assuming an efficiency growth rate of 1% per annum, we estimate a residual comparison goods expenditure of £4 million at 2016 (please note that all figures have been rounded up). This translates to a broad potential capacity for new town centre retailing (i.e. excluding retail warehouse floorspace) of 2,000 sq. m gross.
- Newhaven Out of Town Centre** – Based on the forecast residual comparison goods expenditure of £13 million by 2016, this results in a broad potential capacity for new space of 3,900 sq. m gross. This assumes an average sales density of £3,995 per sq.m (based on no 'efficiency' growth between 2004 - 2016).

9.29 In accordance with PPG6 and the sequential test, however, DTZ advise that any potential residual expenditure for new non-food retail floorspace over the forecast period should be directed towards town centre and then edge-of-centre locations in the first instance. DTZ also advise the Council that if new retail warehousing is proposed in or close to the town centre, then the impact on the vitality and viability of the town centre as a whole will need to be carefully examined.

Convenience Goods Retail Capacity

9.31 Table 9.3 summarises the output of the retail capacity assessment. It shows that there will be a total capacity for an additional 200 sq. m gross of food retailing in the Newhaven catchment at 2016 (including both town centre and out-of-centre space).

Table 9.3 Baseline Scenario Potential capacity for new convenience retail floorspace, 2004 – 2016 (Assume no 'efficiency ratio')				
(Gross square metres)	2004	2008	2012	2016
Town Centre	0	0	0	100
Out of Town Centre	0	0	100	100

Source: DTZ *Re:Map*, (Appendix 8, Stage 7)

9.32 As for new retail warehousing proposals, DTZ advise that any new foodstore developments should be located in or on the edge of Newhaven town centre to help increase the range and choice of food shopping to the local population. Any new development should satisfy the sequential test and should have no adverse impact on the vitality and viability of existing centres, in accordance with PPG6.

Summary

- 9.33 In conclusion, whilst there is some capacity for comparison goods in Newhaven town centre, particularly if one assumes that the forecast residual expenditure for out-of-centre retailing should be directed to the town centre first, in accordance with the sequential test. DTZ forecast there is negligible capacity for convenience goods floorspace over the period 2004 - 2016.

10 Town Centre Futures: Newhaven Town Centre

10.01 This final section sets out our main findings and recommendations as to the future role and market potential of Newhaven town centre.

10.02 The proposed strategy is based on a thorough understanding of the town's strengths and weaknesses in retail terms, as well as the opportunities and potential constraints to future growth. It draws on the following main strands of research:

- Detailed centre healthchecks and benchmarking
- Physical SWOT assessment
- Household telephone interview survey
- Stakeholder consultation
- Retail capacity assessment
- Market demand appraisal
- Assessment of potential town centre development opportunity sites

10.03 The findings and recommendations are intended to inform Newhaven Strategic Network's strategy for the future development of the town centre as a place to shop, as well as a place to live, work and visit for a range of activities and uses. One of the key objectives of the study is to establish whether Newhaven has the economic and physical capacity of mainstream comparison goods shopping to retain existing retailers and businesses, as well as attract new retailers and facilities to serve the needs of its residents.

10.04 This final section is divided into two areas, as follows:

- The first sub-section provides a broad overview of the main SWOTs of Newhaven's general retail and leisure offer.
- The second sets out DTZ's view as to the potential future role of the town centres. It specifically examines the potential for growth in the context of current and forecast market and physical capacity trends

10.05 The headline findings are set out in the remainder of this section. An additional summary of priorities and timescales can be found at Appendix 9.

SWOT Assessment: Newhaven

10.06 DTZ has identified the following key issues and trends impacting on Newhaven's shopping offer and attraction.

- Newhaven is a small town with a tightly drawn catchment area.
- Its close proximity to larger neighbouring centres, such as Eastbourne and Brighton, has a significant influence on shopping and leisure habits, as confirmed by the household survey.
- The town's demographic profile closely mirrors national trends, although it does have a higher proportion of elderly people and fewer middle aged. There are proportionally far more "prosperous pensioners" and "skilled workers" than the national average, which helps to raise the relative affluence of the town's local catchment.
- Newhaven's comparatively small retail and leisure offer explains its relatively low standing in the national retail rankings.

- Newhaven town centre plays an important (and strong) role in terms of its food and convenience shopping, for its local population. Its comparison goods offer is limited, due primarily to the competitive effects of its neighbouring centres.
- The town's retail offer comprises mainly smaller unit shops. These smaller unit sizes are not attractive to the needs of modern retailers. The retail and leisure offer is concentrated on the High Street in Newhaven Square (which is subject to a proposed redevelopment/reconfiguration) and Bridge Street, which is the main focus for A3 uses.
- The Somerfield store in Newhaven Square is a key convenience anchor for the town centre. Woolworths, Peacocks, MacKays and Boots are the key comparison multiples.
- The town has a low vacancy rate when benchmarked against the national average.
- Out of town locations for both comparison and convenience shopping are popular destinations. The Drove is the main out-of-town destination in Newhaven and draws expenditure from the town centre.
- There are an under-representation of A3 (i.e cafes, restaurants, etc) in the town, with residents choosing to go to Brighton, Lewes or Eastbourne for an evening out. Nevertheless, the area around Bridge Street is emerging as an informal evening economy quarter.
- The town's tightly constrained retail core, combined with historically small shop units, do not match the requirements of larger retailers.
- Research shows there is little demand from multiple retailers for representation in either Newhaven town centre or out of town.
- Based on demographic, expenditure and trading analysis, DTZ forecast negligible capacity for convenience goods shopping to 2016. In terms of comparison goods shopping we forecast potential capacity of up to 2,000 sq. m (gross) in the town centre. However this capacity is the growth in out-of-centre residual spend is directed to the town centre, in accordance with the sequential test.

Town Centre Futures: Newhaven

10.07 Recent planning policy guidance has reinforced the role of town centres as the most suitable locations for a range of uses to achieve the policy objectives of diversity, amenity, accessibility and sustainability. There is a broad policy consensus that new development should be concentrated in the compact functionally mixed town centre. Central to this is the requirement to integrate leisure and shopping, both as an attraction to visit a particular town, as well as an incentive to stay longer when visiting. As the recent DETR (2001) research report concluded:

“To remain vital and viable (that is, successful and sustainable alternatives to out-of-centre leisure developments), town centres require constant renewing and updating of infrastructure including tourism and leisure facilities. Without this continuing investment, their competitive position will worsen, even though this may be disguised whilst growth in leisure spending is strong”.

- 10.08 PPG6 states that diversification of uses may be the best way forward and that the vitality and viability may be promoted by a wider mix of uses that fits better with the surrounding community (paragraph 2.6). In particular, it is recognised that different but complementary uses, during the day and in the evening, can reinforce each other, making town centres more attractive to local residents, shoppers and visitors. PPG6 states that leisure and entertainment facilities, museums and libraries, hotels and conference centres, street markets, restaurants, pubs, bars and cafés, universities and colleges all add variety (paragraph 2.12).
- 10.09 Based on the research findings, DTZ consider that Newhaven's wider role as a shopping and leisure destination is at an important 'crossroads'. The survey findings have confirmed that there is a significant 'leakage' of comparison goods spend (and particularly "bulky goods" spend) to larger centres outside the town. This 'leakage' is further exacerbated by the relatively poor leisure/A3 uses in the Town and its limited evening economy.
- 10.10 Competition from larger regional centres will continue to impact on the market share and attraction of Newhaven over the next 5-10 years. At the same time the shopping 'public' are increasingly demanding environments with a range of offers – not just shopping, but also entertainment, experiences and facilities. Future shopping patterns will be leisure and interest-led, and consumers will shop where the best experiences are on offer. Local authorities, town centre managers and shopping centre investors will need to embrace these trends and be more imaginative in the way they market and 'brand' their centres if they are to maintain market share.
- 10.11 In the context of these wider planning and market trends, some key themes and issues have emerged from our analysis, which we believe will provide the framework for the future prosperity and growth of Newhaven town centre:
- 1) Retail and Leisure**
- 10.12 Recently adopted (2003) local planning policy reflects central government commitment to locate major trip generating uses, such as large-scale retail and leisure units, in town centres in the first instance. For locations such as Newhaven Retail Park draft PPS 6 is clear that unless otherwise designated (which it is not) it cannot be regarded as a retail 'centre.' From the household survey, the attraction of units at Newhaven Retail Park is clear. However further proposals which may impact on the town centre's important retail function should be considered in light of the need to maintain and enhance its long term vitality and viability and secondly, the potentially damaging impact on the delivery of new alternative development at opportunity sites in the town centre (e.g. post office and other sites, more detailed investigation required). Key operators such as Somerfield must also be consolidated and enhanced as a priority for the continued vitality and viability of the town centre.
- 10.13 As noted previously, the retail unit sizes in Newhaven are generally small and not suited to the needs of modern retailers, in addition, property appears to be in many different ownerships. The ability to create more modern, large units will be dependant on either bringing forward new sites for development (such as some of the opportunity sites) or 'knocking through' existing adjoining properties. The latter option is complex and involves major land assembly issues, the former option could be more straightforward, but still relies on complex dealings with existing landowners. All this is set against a backdrop of overall limited retailer demand. For NSN an enabling and encouraging role appears most realistic.
- 10.14 At Railway Quay, DTZ believe that whilst the employment, prestige and 'branding' potential which may arise from the development of a Factory Outlet Centre is recognised, the (already under pressure) town centre would struggle to offer the variety of retailers

currently found. In market terms, we are not aware of any FOC operators requesting a presence in Newhaven and additionally planning policy does not generally support this type of facility unless there is a clear and demonstrable need. DTZ believe that to serve the proposed 200+ residential units, only small scale (convenience) retailing and services may be appropriate. However work in putting together a masterplan for this area should include establishing whether retailers consider this a viable location, bearing in mind the adjacent Sainsburys.

- 10.15 Non-retail attractions, such as the leisure centre and restaurants, bars and hotels are important complementary town centre offers. Currently Newhaven's evening economy is under-represented and the survey has confirmed that residents would rather travel to Brighton, Lewes or Eastbourne for an evening out. Positive planning and marketing for a quality evening economy may curtail some of this leakage.
- 10.16 The market days also appear to generate additional footfall for the town centre. DTZ recommend that improvements to the market, particularly in terms of its frequency and offer, should be discussed with the current promoter of the market, Countrywide. The additional day currently available for trading in terms of the traffic order in place could be taken on by local traders/business and should be the subject of further investigation.

2) Residential Development

- 10.17 Residential development is already present in the town centre either on a small scale (such as above shop units), or on a more comprehensively developed scale (such as the three individual developments fronting North Way). It is recognised that the introduction/intensification of residential uses in town centres can have a positive effect in terms of security and surveillance, particularly in the evening. In addition residential use brings increased vitality and viability to town centres through increased footfall and spend.
- 10.18 In line with current planning policy, DTZ believe that residential development would be appropriate at certain locations in the town centre. This could come forward as part of a mixed use schemes (such as that previously proposed at 1-13 Bridge Street, or as an element of the opportunity sites), or incrementally, such as conversion of retail unit's upper floors. At more peripheral areas of the town centre wholly residential schemes may be more appropriate. However, erosion of the town centre's retail units by residential uses would not be desirable.

3) Physical Environment

- 10.17 Linking the town's core retail area **southwards** with West Quay, the marina, The Fort and beach should be a key component of the overall strategy for the town centre. Bridge Street as a link is critical. There is also the potential to improve **eastwards linkages**, to help reinforce the town centre and the railway station/ferry/port and Railway Quay. Here, whilst in infrastructure terms, opportunities may be difficult with the positioning and the static nature of the swing bridge, the physical attributes of new development along West Quay and the potential to create landmark buildings at say Bridge Street and Denton Island should provide a more positive image from this area. More modest landmark developments would be more appropriate at Railway Quay if this area is to send a clear signal as to its own status, as proposed in the draft design brief (new residential area, craft, workshop, café style environment), but not overwhelm regeneration focus in the town centre itself. Improved signposting would also assist.
- 10.18 **Northwards**, across to Denton Island, the new 'draws' of the Training Centre, the (under construction) nursery facility and individual uses such as Fludes Carpets will all assist, in the medium term, to improve this area's image, usage and perception as a town centre destination.

- 10.19 Perhaps the most consistent issue to arise during this (and other) studies is the actual streetscape and urban realm which the town centre consists. It is probably the most difficult to tackle given the longevity of works to the built environment, streetscape and fragmented land ownership. Major streetscape works are currently taking place and due to continue. As new development occurs policies in the local plan should ensure high design standards.

5) Other Town Centre Uses

- 10.20 The feasibility and combination of a 'flagship' library with wider community facilities, such as training, careers advice, job opportunities or as part of a major town centre mixed use development (Bridge Street, Post Office, Somerfield redevelopment, Denton Island) warrants further investigation.
- 10.21 Such diverse facilities as recreation areas, premises for youth activities and the arts and cultural sector are all important facets for the community. Given their often non-statutory nature and operation for little or no commercial gain, such facilities and activities can become sidelined. In Newhaven this sector has a strong voice, but the availability of suitable premises is an issue which can only either be addressed by accessing suitable funding, sharing premises or establishing new premises. Further investigations need to be undertaken.
- 10.22 The market currently functions two days a week, with the opportunity for a third days trading currently available. DTZ believe that the market acts as an important 'draw' to the centre. The stakeholder consultation revealed broad support for the market, but its current lower-quality offer and issues of management and competition with existing retailers were highlighted. DTZ believe that Newhaven market would be best placed to build on either its links with France by holding French markets or the surrounding countryside and natural environment with farmers or even fish markets. These themes have been tried before and found to work, however the main obstacle to increasing their frequency is finding the funding required to promote, host and buy in equipment for the event and also ensuring that the existing market is not unduly harmed. DTZ believe that the third remaining market day be used to promote bi or tri-monthly themed farmers, French or 'fish/aquatic' markets. In order for this to occur further investigations as to a sustainable source of funding to manage and promote these days is required.

6) Highways and Parking

- 10.23 In respect of highways, much work has occurred in trying to ameliorate the effects of the one-way system and constrained access from the east. Given current funding priorities and the sheer scale of investment required, works continue on an incremental basis to improve pedestrian access to the town centre across the ring-road. The overall issue of how to cope with the ring-road, how it may be possible to re-route/reverse/narrow the road, and the possibility of re-introducing traffic to the High Street has been raised by several stakeholders and in other studies. However the technical areas of this issue lie outside the scope of this study. Nevertheless, we are aware that the current streetscape/highways improvements to the town centre would allow potential re-introduction of (limited, probable one-way) traffic to the high street.
- 10.24 In terms of parking, most local concern is with regard to the cost of parking and (particularly the commercial sector) the perceived injustice of having to pay to park in the town centre when parking is free at other (Newhaven Retail Park, Sainsburys) locations. In addition, the planning application, seeking to re-configure the Somerfield store, proposes a reduction in the number of car parking spaces serving both the store and the town centre. It would require a decision from the district council to alter/abandon car parking charges. In the short to medium term we believe radical change is unlikely, particularly given central

government's reluctance to countenance the levy of parking spaces at out-of-centre locations. However the potential to introduce some form of incentive scheme to benefit regular uses of the town centre, (retailers, commercial and social/community) should be investigated.

7) Threats to the town centre

- 10.25 DTZ forecast little convenience floorspace capacity to 2016. As it stands, we consider that the Lidl proposal could threaten the long-term vitality and viability of the town centre. Combined with the powerful attractions of Brighton, Eastbourne and (to a lesser extent, Lewes) the retail attraction of Newhaven, even to its existing, small catchment is finely poised.
- 10.26 Stakeholder consultations have also highlighted the potential threat of incinerator and other waste treatment proposals to the town centre. The outcome of the incinerator proposal will be via public inquiry. We do not believe that this will be a major determining factor when prospective retailers are considering representation in the town centre, although it has clearly generated significant debate at the local level.

6) Management Issues

- 10.27 The importance of effective and dedicated town centre management is well recognised. A town centre manager has previously been appointed for Newhaven with some success, and we believe that a town centre manager could be instrumental in driving forward the town centres' prosperity. Funding options require further investigation.

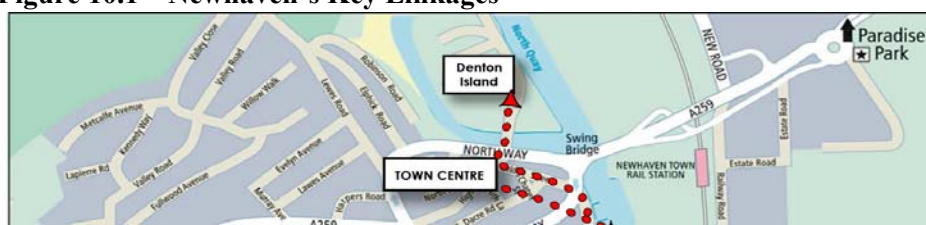
Conclusions and Future Actions

- 10.28 It is clear that further action and investment is needed to help enhance the relative attraction and status of Newhaven town centre. To "do nothing" is not an option. The potential for growth in retail terms is supported by the retail capacity assessment, which has indicated that there is the potential for new non-food floorspace within the town. There is very limited capacity for new convenience goods floorspace due to the nominal growth in forecast spend. The challenge for NSN and the local authority is to identify the optimum location for this new floorspace, such that it does not have an adverse impact on the future vitality and viability of Newhaven town centre. Whilst capacity has been identified limited retailer demand indicates that NSN and its partners will have to work vigorously if forecast capacity is to be taken up by retailers.
- 10.29 One clear option for the future growth of the area's shopping and leisure provision is the redevelopment and expansion of Newhaven town centre to create an integrated, sustainable and comprehensive mixed-use location. The "worse case" scenario for Newhaven is that the cumulative impact of new investment planned for out-of-town retailing and larger centres outside the area, undermines the long-term investment and performance of Newhaven.
- 10.30 DTZ has worked with NSN to identify potential development opportunity sites in the town centre. The possible timescale for new development could be as follows:
- If planning permission is granted, the **Newhaven Square** redevelopment is most likely to be realised in the short term.
 - With revised proposals expected in the next six months the potential redevelopment of **1-13 Bridge Street** represents a short to medium term opportunity.

- With uncertainty surrounding space requirements of **Royal Mail**, the former post sorting office on the High Street represents a medium term opportunity.
- Given operational commitments by BT (including anticipating potential future demand from broadband operators) redevelopment of the **Telephone Exchange** is, from our discussions, unlikely to be feasible.
- The **Summerhayes** site requires further investigation. Comprehensive redevelopment would require demolition of the office building occupied by the County Council, this would be a very sensitive issue locally, given its historic nature. If a major retailer could be attracted to the town, this may represent the only site capable of allowed at a large floorspace unit. DTZ believe that if this is not possible a mixed use (including residential) development may be appropriate. Further detailed investigations on this site are recommended.

- 10.31 We have also assessed the potential opportunities for both forms of comparison goods retailing, recognising the different trading patterns and requirements of both 'high street' retailers and 'bulky goods' operators. We conclude that the residual non-food spend forecast for 2016 of approximately £17.2 million should be directed towards the town centre as a priority, and new out-of-centre proposals should be resisted.
- 10.32 The long term viability of Newhaven as a place to live, work, shop, study, visit and be entertained will depend on developing a strategy that recognises and reinforces the role of the town centre.
- 10.33 DTZ believe that the future of Newhaven town centre depends on building on its strengths and exploiting the opportunities to create an attractive and sustainable town centres. The town centre needs to differentiate itself from its larger neighbours and provide complementary facilities, rather than trying to compete on a like-for-like basis. It is therefore important that new town centre development is sympathetic to the existing scale and form of the built environment. High quality urban design is integral to the development of a town centre that inspires and attracts local residents and visitors from further afield.
- 10.34 We therefore strongly recommend that NSN considers a more detailed and wider strategy and masterplan which takes better account of the types of complementary uses and linkages between the town centre and the Wharf, Marina, Fort, Beach, Station and Ferry terminal. Figure 10.1 below illustrates the linkages between the key area/uses which should be made.

Figure 10.1 – Newhaven’s Key Linkages



- 10.35 DTZ strongly believe that aquatic activities centred around the beach and marina are particularly strong potential selling points for the town. Whilst work is well underway to creating a highly attractive marina destination with complimentary retail and leisure development, the beach still requires significant attention. Detailed work would need to be undertaken to establish the scale, viability and prospects for regeneration at this location if an appropriate balance between ensuring commercial development respects the natural setting of the beach. It is appreciated that given physical constraints, seasonality and the size of the beach, that any redeveloped commercial operation would necessarily need to be initially small-scale.
- 10.36 At the same time this strategy will need to be supported by positive and creative marketing of the town centre. In an increasingly competitive market, a strong positive image is crucial. For a town of Newhaven's size the ability to attract major new developing arts, sporting venues and tourism facilities, such as top class hotels, conference centres and major new attractions will be limited. In a few cases, leisure centres and public libraries have been developed as feature buildings and/or as gateways to centres. Even at this scale, without major public sector investment, single use projects such as these are unlikely to be realised by a town of Newhaven's standing. The benefits of image creation are still largely subjective and difficult to predict. Nevertheless, the evidence suggests that new publicly-supported tourist attractions, a quality accommodation offer and beacon architecture can be used to successfully change the image of town centres. Again this is an area where Newhaven could benefit significantly.
- 10.37 There is also a concern as to the potential impact of 'e-commerce' and 'e-tailing' on the high street and more traditional forms of retailing and leisure pursuits. Although 'e-commerce' is very much in its infancy and is expected to grow considerably over future years, the research indicates that the main impact is likely to be on those business and retail

sectors, that have been most aggressively marketed on the internet – namely books, holidays, music, and film. The response of traditional shopping centres to the challenge of 'e-commerce' could be to move further towards being perceived as a leisure activity from which consumers derive pleasure, rather than as a basic fulfilment of need. This again reinforces the potential to increase the leisure and cultural attractions in the town centre, dependent on market conditions and demand.