

Update Report:

**Retail Assessment of Potential Locations For A
Foodstore In or Adjacent To Ashford Town Centre**

On Behalf of Ashford Borough Council

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1 INTRODUCTION

1.1 Savills prepared a report on behalf of Ashford Borough Council in March 2008 that assessed the need and availability of sites for a foodstore in and around Ashford Town Centre. Savills has been asked to provide an update of this report to take account of recently approved development commitments. Foremost amongst these is the ZED Homes proposal for a major foodstore on land to the south of the Town Centre bound between the railway line and Victoria Road/Gasworks Lane. This report will be used as part of the evidence base for the forthcoming Ashford Town Centre Area Action Plan (ATCAAP) that is due to be submitted to the Secretary of State during 2009.

1.2 Accordingly, this update report adopts the same structure as that used in the March 2008 report, which is set out below:

- **Section 2** sets out a revised assessment of convenience goods need, having regard to changes in population, spend per head and development commitments within the catchment area, together with other proposals elsewhere within the district;
- **Section 3** provides an update on retail formats being progressed by national multiple retailers and their appropriateness for the sites within Ashford;
- **Section 4** provides an update of the availability of the various sites identified within and adjacent to Ashford Town Centre to determine the most appropriate site for allocations in the forthcoming ATCAAP; and
- Accordingly, **Section 5** sets out our conclusions.

2 ASSESSMENT OF RETAIL NEED

- 2.1 The March 2008 report used a number of assumptions adopted by CBRE in its report for English Partnerships and Ashford Borough Council in 2003. The CBRE assessment included a household survey that covered an extensive catchment area (Appendix 1). As there has been little foodstore development since that time, the household survey is considered to provide a sound basis for the assessment of existing shopping patterns. However, there are a number of other variables that have changed since both the CBRE and the March 2008 report. These changes are set out below.
- 2.2 The CBRE assessment indicated that a number of stores in the catchment area were trading significantly in excess of their company average, which is indicative of potential capacity. Table 2.1 summarises the estimate of expenditure capacity estimated by CBRE.

Table 2.1 - CBRE Convenience Goods Capacity Assessment (2000 Prices)

Year	Expenditure Capacity (£ million)	Convenience Goods Floorspace Requirement (sq m net)
2006	37.9	3,850
2011	55.8	5,650
2016	75.2	7,550
2031	142.9	14,450

Notes: Based on Table 3.1, page 13 of CBRE in 2000 prices.

- 2.3 CBRE had adopted the then most up-to-date Data Consultancy Information Brief 99/2 which suggested growth at 0.1% per annum. The March 2008 report used Information Brief 07/02 which suggested spend per head growth at 1% per annum.
- 2.4 Table 2.2 below provides the revised estimates reported in the March 2008 report (The equivalent document to that used by CBRE). There is a slight difference between the two tables due to different price bases being used.
- 2.5 In providing an update for the March 2008 report there are a number of further changed assumptions that need to be recorded. These are:-
- A review of the appropriateness of high population growth forecasts in Zone 1 given recent completion rates;

- The use of the most recent MapInfo Information Brief on convenience goods spending suggesting a further increase in spend per head; and
- Further convenience goods development commitments together with other development proposals which might affect forecasts of capacity in the longer term.

2.6 Each of these is dealt with in turn below.

Table 2.2 - Revised Estimates of Convenience Goods Capacity - 2003 Prices

Year	Expenditure Capacity less Development Commitments	Floorspace Requirement (sq m net)
2006	34.6	3,459
2011	13.8	1,383
2016	35.0	3,503
2021	49.7	4,969

Notes: Assumed population growth in Zone 1 at 3.7% per annum and Zone 2 at 0.2% per annum based upon CBRE 2003 population estimates and growth in convenience goods spending at 1% per annum based upon MapInfo 07/02. Development Commitments including:

1. Ashford Barracks - £12.5 million – 1,120 sq. m net convenience sales
2. Cheeseman's Green - £25.1 million – 1,890 sq. m net convenience sales
3. Sainsbury's The Warren - £5.8 million – 1,228 sq. m net convenience sales
4. Tesco Kingsnorth - £4.5 million – 626 sq. m net convenience sales

Spend Per Head Forecasts

2.7 The March 2008 report, together with the evidence that we presented on the Council's behalf to the recent ZED Homes Inquiry, used the MapInfo (Information Brief 07/02) trend-based estimate for convenience goods growth. This estimates growth at 1% per annum in the short-term period 1998 to 2006. This brief has now been superseded with the publication of Information Brief 08/02, published in September 2008. The equivalent short-term trend-based estimate suggests a growth rate of 1.1% per annum. The two Information Briefs also provide estimates of growth prepared by Oxford Economics. These estimates allow for anticipated changes in shopping patterns and the economy to be taken into account that are not reflected in the other trend-based estimates. In 2007, this figure was 1.2% and the revised 2008 figure is now 1.5%. The 2008 brief states that:-

"Convenience goods retail expenditure has been erratic over the last 40 years, with low trend growth over the period as a whole. But the statistical relationship is unreliable and there appear to have been some trend breaks. Using a shorter run of data, the correlation coefficient rises, as does the trend growth rate. The most statistically robust estimate of trend growth calculated is for the period 1998 to 2007, where the annual growth rate averaged 1.1% - not only does the trend estimate show a much higher correlation coefficient for this period than for the longer term periods, but the graph clearly shows the

recent spending is inconsistent with the ultra long-term trend and only just within the confidence intervals associated with the longer term trend."

- 2.8 It is considered that the forecast estimates provided by Oxford Economics are likely to provide a more realistic assessment of growth. The 2008 brief provides the following commentary in relation to these estimates. It states that:-

"These forecasts are consistent with past trends, but are also based upon expected changes in other economic variables of interest according to historic relationships. Short-term growth rates, particularly for comparison goods, are clearly unsustainable and some correlation is necessary to revert to levels dictated by medium and long-term trends....Convenience goods annual growth expenditure is expected at 2.2% over the period 2006 to 2008 with average annual growth rates projected to increase in the medium term around 1.5%, somewhat above the ten year trend but in line with the average over the past five years."

- 2.9 Our update report has adopted the higher forecast growth rate estimated by Information Brief 08/02.
- 2.10 Conventionally, planning consultants have not made an allowance for the improvement in floorspace efficiencies for convenience goods retailers. This arises from low levels of expenditure growth which have previously been recorded by MapInfo. For example, Information Brief 92/2 (September 1999) estimated convenience goods growth at 0.2% per annum in the period 1991 to 1997. This contrasts with far higher levels of growth recorded for comparison goods (3.6% per annum in the same Brief) where an allowance is often made for improvements in sales efficiency. Given the recent improvement in growth in convenience goods spend per head, it might be appropriate to make a small allowance for an improvement in sales efficiencies.
- 2.11 MapInfo provide no indication of an appropriate level of sales efficiency growth for convenience goods retailing, however Experian do provide an estimate in their Retail Planner Brief Note No. 6 in paragraph 8.6. It suggests that a sales efficiency rate of 0.8% might be appropriate for convenience goods. This represents about 50% of the available growth in spending suggesting that a residual will still exist that can support new floorspace. Accordingly, in the context of growth at the higher 1.5% level, an allowance for improvements in sales efficiency might be appropriate.
- 2.12 Whilst it might be appropriate to test the two alternative scenarios, their actual effect in the short term is neutral. The March 2008 report assumed convenience goods growth at 1% but made no allowance for improvements in sales efficiency. If the higher growth rate is

adopted at 1.5%, but is combined with an allowance for an improvement in sales efficiencies say at 0.8%, the net growth rate (being 1.5% minus 0.8%) is actually lower at 0.7% per annum. Therefore the combined effect of higher growth in spend per head together with growth in sales density results in an overall lower forecast of capacity.

Population Growth and Housing Completions

- 2.13 The CBRE assessment and the March 2008 report had assumed an annual growth rate in Zone 1 (the urban area of Ashford) of 3.7% per annum. This is consistent with the housing completion rates proposed in the Greater Ashford Development Framework (2005). In the period 2006-2011, this equates to an annual completion rate of 935 units per annum with an allowance for background growth in the Zone 1 at 0.2% per annum (Appendix 3).
- 2.14 The Ashford Core Strategy proposed a phased development of the Greater Ashford housing requirement as follows:
- 2001 to 2006 - 4,250 units averaging at 850 units per annum;
 - 2006 to 2016 - 11,000 units averaging at 1,100 units per annum; and
 - 2016 to 2021 - 6,600 units averaging at 1,320 units per annum.
- 2.15 The Council's most recent Annual Monitoring Report (AMR) (2007/2008 published in December 2008) states that only 566 units were completed in the period to March 2008. This is below the target of 1,100 units required in the period to 2016. Moreover, the cumulative average in the period 2001 to 2008 is estimated at 695 units which is also below the anticipated target for the early part of the plan period 2001 to 2006 (850 units). This suggests that there is likely to be fewer housing completions relative to the assumptions used in the CBRE study.
- 2.16 Nevertheless, the AMR suggests that housing completions will be back on target by 2015. If an annual completion rate of 850 per annum is adopted, this would reduce the population growth rate in Zone 1 from 3.7% to 3.4% per annum. If a completion rate of 500 units per annum is used, the annual growth rate for Zone 1 falls to 2.6%. Appendix 3 provides a full breakdown of the population estimates in Zone 1 for each of the following scenarios:
- CBRE Base Position – 935 annual completion equal to growth at 3.7% per annum;
 - Mid Growth Position – 850 annual completions equal to growth rate at 3.4% per annum; and
 - Low Growth Position – 500 annual completions equal to growth at 2.6% per annum.

Development Commitments

- 2.17 Table 2.3 of the March 2008 report summarised the existing retail commitments that were deducted from the capacity estimates. These are again summarised in Table 2.3 below with the full analysis included at Appendix 2.

Table 2.3 - Previous Foodstore Development Commitments

Scheme	Net Convenience Floorspace (sq m)	Turnover (£ million)
Ashford Barracks	1,120	12.5
Cheeseman's Green	1,890	25.1
Tesco Extension Kingsnorth ¹	626	4.5
Sainsbury's Extension The Warren ¹	1,228	5.8
Total	4,914	47.9

Notes: ¹Assumes a 50% discount on the company average sales density being adopted to the extended sales area

- 2.18 Since the preparation of the March 2008 report, there have been a number of additional retail commitments. These are summarised in Table 2.4 below.

Table 2.4 - New Convenience Goods Retail Commitments

Variable	Charter House	Old Railway Works	ZED Homes
Gross convenience goods floorspace (sq m)	500	500	3,716
Net sales area (sq m)	375	375	2,230
Net convenience sales area (sq m)	356	356	1,920
Sales density	4,500	4,500	14,275
Turnover 2009 in 2003 prices (£ million)	1.6	1.6	27.4

- 2.19 In the March 2008 report, a number of development commitments were taken into account in estimating floorspace capacity. An allowance was made for a new foodstore in the Cheeseman's Green area as part of a mixed use residential development. The Core Strategy also proposes a further residential expansion area at Chilmington Green, which at present has no planning permission. Therefore it might be appropriate to make a further allowance for additional foodstore provision in this location to secure a sustainable pattern of development where residents are able to meet their day-to-day convenience shopping needs locally. The Chilmington Green site is not, however, a development commitment in the terms of PPS6.
- 2.20 In addition, there is an outstanding planning application for alterations to the former MFI unit at The Warren Retail Park to permit the sale of food in order for the unit to be occupied by a discount style food retailer. If approved, the application would account for a further 977 sq m of net convenience floorspace or a turnover of £4.5m in 2009. In addition to the

above, we have been asked to assess the implications of a revised proposal on the ZED Homes site, increasing the convenience sales area from 1,920 sq m to 3,624 sq m. As a consequence, the projected turnover increases from £27.8 million to £52.6 million, being an increase of £24.7 million. Table 2.5 below summarises the additional development proposals that are considered in the capacity assessment below.

2.21 In the March 2008 report, a number of potential foodstore sites within and adjacent to the Town Centre were assessed. Currently, Ashford has a poor representation of main foodstores within close proximity to the Town Centre; the closest being the ASDA store adjacent to the Designer Outlet Centre. The recent Secretary of State approval of the ZED Homes scheme presents an opportunity for a modest foodstore to be located close to the Town Centre. However, given the potential scale of capacity in the longer term, there may be an opportunity to accommodate further foodstore provision in and around the Town Centre. Accordingly, a further proposal for an additional store in the town centre has been assessed (Other Ashford Town Centre).

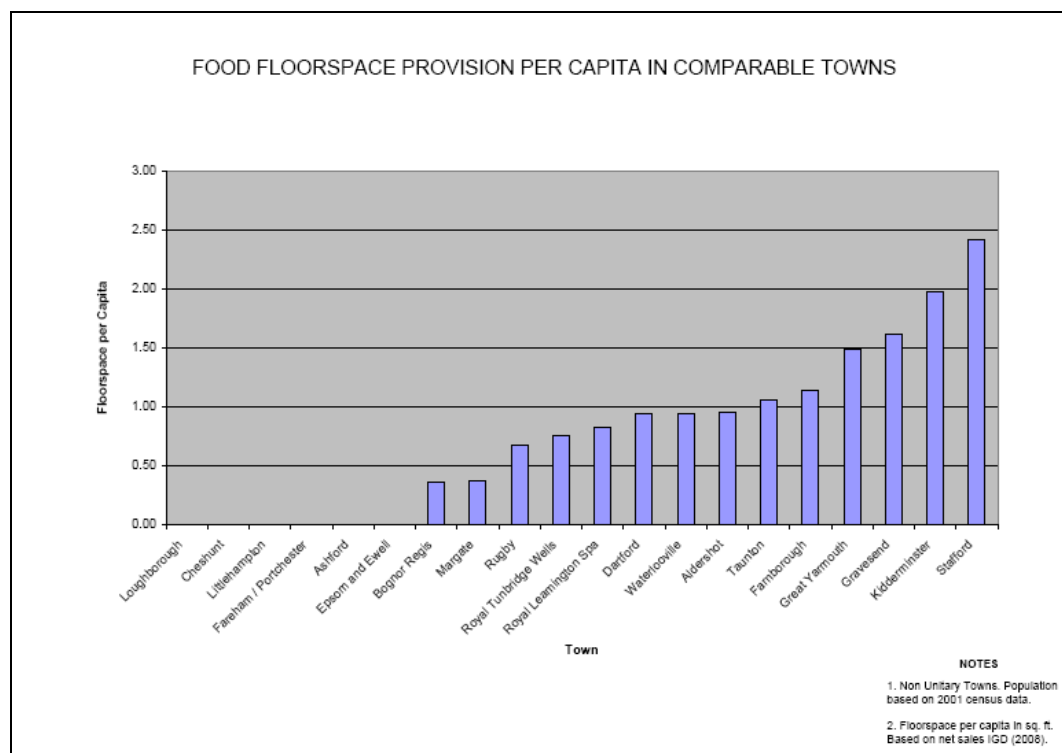
Table 2.5 - Additional Convenience Goods Development Proposals (2003 Prices)

Variable	Chilmington Green	Elwick Road Top-Up Store	Former MFI Unit, The Warren	Other Ashford Town Centre	ZED Homes Revised (net addition)
Gross convenience goods (sq m)			1,286	3,846	
Net sales area (sq m)			1,029	2,500	
Net convenience sales area (sq m)	1,890	300	977	2,125	1,704
Sales density (£psm)	14,413	14,413	4,570	14,413	14,413
Turnover 2009 in 2003 prices (£m)	27.2	4.3	4.5	30.6	24.6
Design Year	2016	2011	2011	2016	2011

2.22 Appendix 4 contains an analysis of foodstore representation in non-unitary towns with similar population to Ashford (plus or minus 10% of the 2001 census population). The sample includes 20 towns. Six of the towns, including Ashford, have no supermarket provision within their Town Centre. Two of the towns have two or more supermarket/superstores with four towns having two or more superstores. Figure 2.1 below outlines the foodstore provision (expressed as floorspace per capita with floorspace taken from the IGD store directory using a net sales area (food and non-food)). It shows that Ashford currently has one of the lowest levels of representation. Therefore it would be a

reasonable policy aspiration for Ashford to accommodate two food superstores that might include a food only focus as well as a store with a wider food and non-food offer. With this in mind, a range of development scenarios have been considered below.

Figure 2.1 – Food Floorspace Provision Per Capita in Comparable Towns



Findings

2.23 Appendix 3 sets out the capacity estimates. There are three population estimates, each of which has sub options for expenditure growth (either 1.1% per annum or 1.5% per annum together with an allowance for improvements in sales efficiency). Therefore, there are potentially six variations. In addition, there are also different combinations of new development proposals that need to be tested against the estimated capacity. Rather than generate a complex series of tables, the analysis seeks to determine at which date the catchment area reaches saturation i.e. beyond which it is not possible to support existing and proposed floorspace trading at company average turnovers. For the purposes of the Appendices, the order in which development commitments and proposals have been introduced is as follows:

1. Existing development commitments (Table 2.3);
2. New development commitments (Table 2.4);
3. New development proposals
 - a. Chilmington Green – by 2016

- b. Elwick Road – by 2016
- c. The Warren Retail Park – by 2011
- d. A new Town Centre store – by 2016
- e. The revised Zed Homes scheme – by 2016

2.24 This ordering should not be viewed as providing an indication of the relative merits of the schemes but is simply as a means to deal with a large number of development proposals.

2.25 In summary, the best case for capacity (Scenario 1, Appendix 3) is represented by:

- CBRE population growth with completions at 935 per annum; and
- Spend growth at 1.1% with no allowance for sales efficiency.

2.26 The worst scenario (Scenario 6, Appendix 3) is represented by:

- Annual housing completion at 500 per annum in the period 2009 to 2016; and
- Spend growth at 1.5% with a sales efficiency growth at 0.8% per annum.

2.27 The mid case scenario (Scenario 3, Appendix 3) is represented by:

- Annual housing completions at 850 per annum in the period to 2016; and
- Spend growth at 1.1% per annum with no allowance for sales efficiency growth.

2.28 Table 2.6 below provides a summary of the residual capacity estimated in each scenario after the deduction of development commitments outlined in Tables 2.3 and 2.4 above, namely:

- Ashford Barracks;
- Cheeseman's Green;
- Sainsbury's extension, The Warren;
- Tesco extension, Kingsnorth;
- Zed Homes;
- Charter House; and
- Old Railway Works.

2.29 Therefore the residual capacity would be available to support new floorspace.

Table 2.6: Residual Capacity After Development Commitments in 2021 (£m)

	CBRE	850 dpa Option	500 dpa Option	Variance from Best to Worst Case
1.1% Sales Efficiency Growth	61.3	56.4	49.1	12.2
1.5% Sales Efficiency Growth	54.0	48.9	41.2	12.8

2.30 The turnover of the development proposals at 2021 with and without an allowance for growth in sales density is set out in Table 2.7 below. Convenience goods spending capacity ranges from £41.2m to £61.3m in the various Scenarios that are set out in Appendix 3. Adopting a mid point of say £55m by 2021, for ease of reference, this would support approximately 50% of the turnover of development proposals.

Table 2.7: Turnover of Development Proposals in 2021

	Chilmington Green	Elwick Road Top Up Store	Former MFI Unit The Warren	Other Ashford Town Centre	Zed Homes Revised	Total
Net Convenience Sales (sq. m)	1,890	300	977	2,125	1,704	6,996
Turnover 2021 Without Sales Efficiency Growth (£m)	27.2	4.3	4.5	30.6	24.6	91.2
Turnover 2021 With Sales Efficiency Growth (£m)	30.0	4.7	4.9	33.7	27.0	100.3

2.31 This reports seeks simply to update the capacity assessment of the March 2008 report rather than provide a definitive guide to what foodstore schemes should or should not be supported. The analysis above shows that some but not all of the development commitments can be supported. The final store selection can provide for both a geographical distribution as well as accommodating different trading formats.

2.32 We have then reviewed the sales densities of the larger development schemes (revised Zed Homes, Chilmington, Other Ashford Town Centre) and considered a lower sales density of £11,235 per sq. m. This exercise was done to see if an alternative assumption enabled all of the development proposals to be supported. The lower sales density reduces the turnover for commitments by £20m. However, the reduction is not sufficient to support all of the schemes set out in Table 2.7. This suggests the enlarged Zed Homes scheme and the Ashford Town Centre store are therefore substitutes for one another with only one scheme being justified even if a lower assumption is made on sales density.

- 2.33 If the original Zed Homes appeal proposal were not to progress this would re-introduce circa £30m of capacity that may be used to support other development proposals elsewhere in the District.

3 RETAIL FORMATS

- 3.1 The March 2008 report, identified a range of different store formats for food retailing in the UK. These comments remain valid. Whilst press reports suggest that discount retailers will take an increasing number of small stores with a net sales area of about 900 sq m, it is likely that their store expansion programme will stimulate competition from the main foodstores. Tesco have already responded in their advertising campaigns to suggest that it represents the same value for money as that provided by the traditional discount retailers such as Aldi, Netto and Lidl.
- 3.2 It is anticipated that the foodstore market (including both main food and top-up provision) will remain active in the coming years. Retailers are likely to adapt existing store formats to maximise market share in previously under represented areas. These adaptations will be limited to maintain a profitable trading format with the greatest flexibility being used for top-up foodstores where existing buildings are often adapted. In the case of a purpose built store, retailers still need to stock a core range of facilities. Compromises are likely to be made on ancillary facilities such as coffee shops/kiosks/car parking ratios and servicing arrangements.

4 ASSESSMENTS OF POTENTIAL SITES

4.1 The March 2008 report assessed the suitability of six sites for a food superstore. They were:

- Park Mall;
- Vicarage Lane;
- Mace Industrial Estate;
- Former Powergen site;
- Elwick Road; and
- Dover Place/Tannery Lane (Post Office)

Park Mall

4.2 Park Mall is now looking tired and suffers from a high level of vacancy as a number of retailers have relocated to the new County Mall extension. This suggests that the scheme's redevelopment will take place sooner rather than later as a new attractive anchor is needed to re-establish the scheme. The scheme's redevelopment could be anchored by a major foodstore provided that sufficient car parking can be accommodated.

4.3 It is recommended that an allocation is made in the ATCAAP to encourage the site's landowners to consider a range of development options. The policy might simply support a continued retail use rather than attempt to prescribe specific floorspace combinations. However, it will be important to secure an early implementation to re-balance the recent shift in the centre of attraction within Ashford as a result of the County Square extension. The recent approval for a foodstore on the ZED Homes site increases the need for regeneration sooner rather than later.

4.4 The Council will need to monitor carefully the availability of the site in the context of Park Mall being classified as an available sequential site. There is a risk that the potential complexities in achieving a comprehensive redevelopment will result in continued delays. It may be argued that other sites are more readily available but less well located could be developed in advance.

Elwick Road

4.5 The March 2008 report identified that the site had capacity to accommodate additional retail floorspace and might incorporate a new foodstore. However, this aspiration needs to

be judged against the Council's wider objectives to remove, or at least control, traffic levels on the former Ring road and in particular the new shared surface outside County Square and along Elwick Road. Therefore, any development should seek to accommodate this requirement and not create significant additional car movements on the former Ring road and in particular along Elwick Road, Forge Lane and West Street. For this reason, the site's ability to accommodate a major foodstore should be reviewed in the light of this requirement. Nevertheless, it may provide an opportunity to accommodate a top-up food facility associated with a wider comparison goods led mixed use development with residential units on upper floors. The scale of convenience goods retailing is therefore anticipated to be relatively modest in the order of 300 sq m net convenience goods floorspace.

Former Powergen Site/ZED Homes

- 4.6 Planning permission was granted by the Secretary of State for a foodstore on the former Powergen site in April 2008. Conditions were attached to limit the net sales area of the convenience store to 2,230 sq m with no more than 35% of the sales area being used for comparison goods. Other planning conditions limited the size of the comparison goods offer to units no greater than 300 sq m.
- 4.7 The approved scheme has potential benefits in accommodating a foodstore close to an expanded Town Centre as well as providing car parking, both for the store (704 spaces) and the other residential elements, as well as making a contribution to the provision of new Town Centre public parking (500 spaces). In addition, this provision should place significant additional traffic movements away from the former Ring road.
- 4.8 ZED Homes has presented revised proposals to the Council for an enlarged store to accommodate the food and non-food offer of a main foodstore operator. Table 4.1 summarises the changed variables in relation to the scheme assessed at the recent inquiry.
- 4.9 The proposed change results in a significant increase in the scheme's convenience goods turnover. Whilst the comparison goods turnover changes little, the floorspace would be occupied by a single national multiple rather than as small individual units as initially proposed. In the evidence presented to the inquiry, concern was expressed by the Council as to the potential adverse impacts this scale of comparison goods retailing might have on the continued vitality and viability of the traditional High Street. There will be a 'technical' comparison goods need for the scale of floorspace proposed. However, the quantity of floorspace already in the development pipeline is likely to result in an oversupply of

floorspace relative to operator demand. The County Square extension has already resulted in the displacement of retail activity from Park Mall.

Table 4.1 - Summary of Floorspace and Turnover of the Appeal and Revised Scheme

	Appeal Scheme	Revised Scheme	Difference
Gross Sales (sq m) (GIA)	6,105	7,900	+1,795
Net Sales (sq m)	4,030	6,040	+2,010
Convenience Sales (sq m)	1,920	3,624	+1,704
Comparison Sales (sq m)	2,110	2,416	+306
2009 Turnover Estimates			
Convenience Goods (£m)	27.8	52.6	+24.7
Comparison Goods (£m)	12.0	13.7	+1.7

Notes: Convenience and comparison goods sales density based on the average of ASDA, Morrison's, Tesco and Sainsbury's recorded by Verdict Research 2006. Growth in sales efficiency at 0.8% and 1.5% for convenience and comparison goods respectively.

- 4.10 Further comparison floorspace will be provided through the Elwick Road/SEEDA site which may dilute retail activity from the central area of the Town Centre. Moreover, the provision of a large format food superstore on the ZED Homes site (based on an enlarged scheme) might attract the key anchor that could otherwise deliver the regeneration of Park Mall. Therefore, the merit of a combined food and non-food offer on the ZED Homes site needs to be viewed in the context of the availability of Park Mall as a potential sequentially preferable site. In particular, Park Mall might represent a longer term development opportunity for a further foodstore to serve the northern parts of the district with the already proposed ZED Homes' proposal serving the southern areas.

Vicarage Lane

- 4.11 This site is capable of accommodating a modest foodstore facility but is compromised in its layout and may result in potential adverse environmental impact on adjacent uses. Therefore we consider that it would be unsuitable for redevelopment to provide a new foodstore. The site may accommodate some convenience goods offer as part of a comprehensive redevelopment, although it is anticipated the scale of convenience goods floorspace would be limited.
- 4.12 The site should continue to be allocated in the ATCAAP for mixed uses including retail.

Mace Industrial Estate

- 4.13 In the March 2008 report this was identified as being capable of accommodating a large format foodstore. No detailed investigation has been made on land ownership to

determine its potential availability. However the values created by a retail based development are likely to secure the purchase of the outstanding interests. Subject to an assessment of the scheme's highways impact, and in particular the number of additional movements onto the former Ring road, the site might represent an opportunity for a new foodstore in the longer term.

Dover Place/Tannery Lane

- 4.14 This site was also identified as being capable of accommodating a large format retail use, although it has a non-retail allocation in the 'saved' policies of the Borough Local Plan. Similar comments to those raised on the Mace Lane site apply in relation to its availability and its impacts upon the former Ring road. However, it is understood that the Council envisages this area as being the most suitable for major commercial office development in the expanded Town Centre due to its proximity to the railway station.

5 CONCLUSIONS

- 5.1 This report provides an update on a previous assessment undertaken by Savills in relation to potential foodstore sites in and around Ashford Town Centre. The report responds specifically to revised proposals for an enlarged foodstore at the Zed Homes site. This report has reviewed and updated the previous assumptions on retail need and updates the assessment on sequential sites.
- 5.2 In relation to the revised assessment on retail need, an allowance has been made for lower housing completion rates in the period to 2016 in comparison to those used in our original assessment and a previous study undertaken by CBRE. The needs assessment has also taken into account more recently published information on growth in convenience goods spending. An allowance has been made for recently approved schemes, including an enlarged store on the Zed Homes site as well as other small scale schemes in the Town Centre. In addition, new potential development proposals are also introduced to the capacity assessment to determine when estimated capacity will be exhausted. Accordingly, there are a number of permutations that result from the interplay of the various assumptions.
- 5.3 In overall terms the analysis shows that there would be expenditure capacity for all existing development commitments. This includes the recently approved Zed Homes scheme. In addition, emerging development proposals that include a new foodstore at Chilmington Green and a top-up store as part of the Elwick Road/SEEDA site could also be accommodated by 2021.
- 5.4 In the most optimistic development scenarios, there will also be capacity for an additional foodstore elsewhere in the Town Centre. This might be located in the northern sector to provide a balanced distribution or alternatively as an enlarged Zed Homes store. In the pessimistic scenarios, an additional foodstore in Ashford cannot be supported in the period to 2021.
- 5.5 Put simply, if the enlarged Zed Homes proposal progresses, it will prejudice any further foodstore provision in the Town Centre other than existing development commitments and the Elwick Road/SEEDA site until the period beyond 2021. If the regeneration of Park Mall is dependent upon a food use to provide a key anchor, the enlarged Zed Homes scheme would put this opportunity out of reach.

- 5.6 The capacity assessment has adopted a traditional approach where it is assumed all existing stores can be sustained if their turnovers are maintained at company average. A number of these stores are located at out of centre sites which are not subject to planning protection. It might be argued that these stores could sustain trade diversion to levels below their respective company average in order to maximise provision on sequential sites in and around the Town Centre. This argument needs to be balanced against the desire for residents to complete their day to day shopping needs in the local area. This might suggest that foodstore provision should be distributed evenly across the District.
- 5.7 In reviewing sequential sites, the Park Mall scheme represents a sensible location for new convenience retail development given the current high level of vacancies and the shift in the centre of attraction within the town as a result of the County Square extension. Accordingly, a supportive policy framework should be included in the forthcoming ATCAAP to promote the site's redevelopment. The Council will need to monitor carefully the timescale within which a redevelopment can proceed to ensure that other less centrally located proposals do not prejudice its implementation.