

c p w planning



## **Retail, Leisure and Town Centre Study 2024**

prepared for

**Colchester City Council**

November 2024

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# 1. Introduction

## Purpose of the Study

- 1.1 CPW Planning has been commissioned by Colchester City Council to prepare a new Retail, Leisure and Town Centre Study. It updates and supersedes the Retail and Town Centre Study Update 2020 prepared by CPW Planning ('2020 Study Update').
- 1.2 The Study provides the evidence base to assist the Council with its work on the emerging Local Plan, and to support the development management function of the local planning authority.
- 1.3 The Study reflects the requirements of the National Planning Policy Framework ('NPPF')<sup>1</sup> and the *Town centres and retail* section of the Planning Practice Guidance ('PPG')<sup>2</sup> and has been prepared in the context of recent events, including a challenging financial climate, and the latest available information.
- 1.4 The main objectives of this Study, as identified in the brief issued by the Council, can be summarised as follows:
  - a) review national and local trends in the retail and commercial leisure sectors;
  - b) updated healthcheck reviews of the main centres;
  - c) updated assessment of retail and commercial leisure needs;
  - d) review the hierarchy of centres;
  - e) review the definition of primary shopping areas; and
  - f) advice on strategic policy responses to existing or emerging issues.

## Structure of the Study

- 1.5 This Study is structured as follows:
  - Section 2 – Market Context & Trends
  - Section 3 – Centre Hierarchy & Healthchecks
  - Section 4 – Catchment Area & Market Shares
  - Section 5 – Retail Capacity Assessment: Approach & Baseline Evidence
  - Section 6 – Retail Capacity Assessment: Forecasts
  - Section 7 – Commercial Leisure Needs Assessment
  - Section 8 – Key Findings & Recommendations

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<sup>1</sup> Published in December 2023.

<sup>2</sup> Last updated 18 September 2020.

## 2. Market Context & Trends

### Introduction

- 2.1 Fundamental to any assessment of future retail and leisure development needs in Colchester is consideration for market conditions and the trends influencing change and investment decisions.
- 2.2 The retail and leisure sectors are dynamic; and the rate of change is fast paced. New concepts and formats continue to emerge to satisfy modern consumer demands, while long-term retail trends (such as the growth of online shopping and retailer failures/closures) are having significant implications for city and town centres.
- 2.3 The Covid-19 pandemic served to accelerate these trends and resulted in new shopping (and lifestyle) habits. The pandemic forced businesses to re-evaluate their space requirements – and not just in the retail sector. The pandemic also had long-lasting and potentially permanent impacts on the leisure and hospitality sectors.
- 2.4 For Colchester City Centre, as set out in the Colchester BID's Future of Retail Strategy 2023, retail remains part of the solution to enabling economic prosperity, but not the solution alone, emphasising the *need to understand the 'oversupply' landscape before we address supporting retail in a way that creates social cohesion and a City Centre community that allows retail to revive and thrive in an experiential environment that visitors want to be involved in.*
- 2.5 Against this background, we provide an overview of the UK economy as well as the retail and leisure markets. We further consider changes to the Use Classes Order introduced in September 2020.

### UK Economic Outlook

- 2.6 The UK economy has experienced a significant shock over the past 4-5 years arising from the Covid-19 pandemic and subsequent restrictions. The economic uncertainty led to lower investment with a decline in both employment and sales. Rising prices, inflation and a cost-of-living crisis have emerged, prompting weaker consumer spending – with direct consequences for high streets.
- 2.7 The UK economy fell into a mild technical recession in the second half of 2023. According to Experian, the volume of retail sales declined by 3.3% in December 2023 – the largest monthly fall since January 2021 – although rose by 3.4% in January 2024. Experian expects GDP to accelerate marginally in 2024 (relative to 2023) but forecasts that retail sales growth will take longer to rebound, with a recovery not starting until 2025.<sup>3</sup>
- 2.8 In terms of the two main retail categories (convenience and comparison), Experian reports:  
*Convenience spending in real terms boomed during the pandemic as eating out at restaurants was not an option during lockdowns, though it has been falling in every year since and is expected to contract in 2024 as well, before rebounding in 2025 and beyond as cost-of-living pressures ease.*  
*Comparison spending is also projected to decline this year [2024], particularly in the bulky component, with consumers still postponing major purchases, such as the replacement of white goods, which should pick up again in 2025.*

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<sup>3</sup> Retail Planner Briefing Note 21, February 2024, Experian.

- 2.9 The leisure sector, meanwhile, has seen reduced spending in 2023 (circa -0.9% compared to the previous year due in part to the cost-of-living crisis). Experian forecasts that leisure sales will increase marginally in 2024 although the sector will continue to experience weak demand.<sup>4</sup>

### **Retail Market**

- 2.10 The retail sector endured a particularly difficult pandemic, with multiple lockdowns and online competition resulting in the permanent closure of many shops and businesses. Coupled with a significant drop in lettings, this large-scale disruption led to increasing vacancies, with less affluent towns and shopping centres most severely impacted. Shopping centres were hit disproportionately hard due to their higher proportion of occupiers within fashion and hospitality – two of the sectors most affected by the pandemic – while retail parks generally prospered and have remained the most robust type of retail location. Smaller ‘localised’ centres also tended to be more resilient as more people worked from or close to home and/or chose to shop locally where possible.
- 2.11 The pandemic accelerated the growth of online shopping (i.e. non-store retail sales). According to UK figures published by ONS, online retail sales as a proportion of total retail sales peaked at above 30% in January 2021, before falling in the following months as restrictions were gradually lifted over the spring and summer. In preparing the retail capacity forecasts for this Study, informed by Experian’s estimates of online retail sales<sup>5</sup>, we have assumed that online currently accounts for 5.5% of convenience goods expenditure and 24.5% of comparison goods expenditure.
- 2.12 The impact of online shopping on business models and store viability has been clear to see over the last decade, with many major retailers either falling into administration (e.g. the Arcadia Group including BHS) or ‘downsizing’ their store portfolios to a smaller number of larger and/or more accessible locations (e.g. M&S). These trends, together with changes to shopping, work and lifestyle habits, have resulted in reduced footfall and an increasing number of store closures.
- 2.13 Some retailers are closing their ‘bricks-and-mortar’ stores and transforming into online-only brands. Examples include Wilko, Cath Kidson and Ted Baker (each of which have closed stores in Colchester City Centre in recent years) and TM Lewin and Maplin. The trend is not limited to retail, either, with Thomas Cook (travel agent) and others also relaunching as online-only businesses. Success is not guaranteed, however, as seen with the collapse of MADE.com in November 2022.
- 2.14 The Local Data Company’s UK-wide analysis<sup>6</sup> reveals a significant rise in closures over 2023, increasing from 48,694 units in 2022 to 55,514 units in 2023. This represents a 14% year-on-year increase – the highest annual closures figure recorded in the last decade – with closures also exceeding new openings since 2014.
- 2.15 The LDC reports that the national retail vacancy rate has remained stable at 15.3% throughout FY 2023. However, retail vacancy remains circa 2% above pre-pandemic levels; and above both the leisure vacancy rate (by +4.4%) and the overall vacancy rate (by +1.3%) indicating the particular challenges facing the retail sector.
- 2.16 The report adds that units vacant for more than three years are unlikely to return to the market and goes on to consider the reoccupation of former large-format stores, including BHS. It says:

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<sup>4</sup> Retail Planner Briefing Note 21 – Leisure, February 2024, Experian.

<sup>5</sup> Retail Planner Briefing Note 21, February 2024, Experian.

<sup>6</sup> FY2023 Retail and Leisure Trends Analysis, LDC, March 2024.

*79% of BHS stores have been reoccupied, with a further 10% having been repurposed. Now, only 7% of ex-BHS stores stand vacant with no confirmed plans for reoccupation or redevelopment. The rate of reoccupation has slowed, and, given the time elapsed since the collapse of BHS, many of the remaining vacant spaces are likely to be demolished.*

- 2.17 The changing fortunes of department stores and other large-format stores is well documented. High streets across the UK – including in Colchester City Centre – have been affected by BHS, Debenhams and M&S store closures; while even John Lewis failed to justify the reopening of all its stores following the pandemic. A challenge with former large-format stores is typically their age, physical condition, and identifying viable ways to utilise their large and often inflexible spaces. The limited store frontages, compared to the total floorspace, can make them difficult to sub-divide or convert.
- 2.18 While many retailers are ‘right-sizing’ or even abandoning their store portfolios, others – notably the discounters such as Aldi, Lidl and B&M – continue to expand throughout the UK. To that end, since the 2020 Study Update, Aldi has moved into Stane Retail Park (a relocation from London Road, Lexden); Lidl has invested in new locations; and B&M has opened a new store at Turner Rise.
- 2.19 Smaller convenience store formats are benefitting from an increase in consumers shopping locally and more frequently – identified by the Local Data Company as a ‘top 5’ fastest-growing category in 2023. The pandemic-induced shift in work patterns affected the grab-and-go food market, which relies heavily on office workers and commuters, coinciding with Pret and Costa Coffee making widespread closures in the UK. However, this market is forecasted to outperform pre-pandemic levels in 2024, driven by convenience stores with grab-and-go offers<sup>7</sup> – while Colchester has seen an increase in the number of openings by the likes of Pret, Costa Coffee and Greggs.
- 2.20 Service-based retail uses (i.e. financial services, travel agents) have seen a gradual contraction in store numbers in recent years, due to the continued growth of internet alternatives which provide convenient access to online banking and holiday price-comparison websites. This form of structural change has consequences for footfall and consumer spending, most notably in secondary town centres which are more dependent on such uses.
- 2.21 Another service sector use, health and beauty, is seeing a major expansion on the high street. The recent research by the Local Data Company identifies beauty salons, nail salons and barbers each within the ‘top 5’ fastest-growing categories.<sup>8</sup> Beauty uses are increasingly fragmenting into specialist treatment businesses (e.g. nails, eyelashes, facials, Turkish barbers) – all physical uses that cannot be delivered online – and their presence is often a good indicator of regular, local resident footfall.
- 2.22 The foregoing highlights the structural changes facing town centres and other retail locations across the UK. The future vitality and viability of town centres much depends on how they adapt to reduced retailer demand; stay relevant and convenient to the consumer; and become more multi-purpose in their offer, use and experience. For the larger centres, addressing the retail ‘over-supply’ landscape and finding solutions for their former large-format stores (i.e. repurpose or redevelop for alternative uses) will also be important.

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<sup>7</sup> [www.talkingretail.com](http://www.talkingretail.com)

<sup>8</sup> FY2023 Retail and Leisure Trends Analysis, LDC, March 2024.

## Leisure Market

- 2.23 A strong leisure offer provides a reason to visit a centre other than to shop, and can widen catchment areas, and increasingly, as set out in the Colchester BID's Future of Retail Strategy 2023, successful retailers are those who can create aspirational retail experiences that straddle leisure and entertainment. Leisure is therefore key, and can play a major role in extending dwell times and supporting the evening economy of city and town centres.
- 2.24 Consumers have been spending more on leisure activities and experiences in recent years, albeit the sector has faced headwinds during the cost-of-living crisis. The leisure sector was also heavily impacted by the pandemic-induced closures and social distancing measures. For instance, cinemas and other indoor entertainment venues were forced to close from March 2020 and did not fully re-open until July 2021. The falling admissions led to a number of large cinema operators facing financial hardship. This includes Cineworld, whose parent company was placed into administration in July 2023 and recently announced a restructuring plan that is likely to involve the closure of several sites across the UK. It has also resulted in Cineworld not being able to proceed with its lease at the Northern Gateway Leisure Park in Colchester (we understand the Council is actively seeking an alternative operator for this purpose-built cinema unit).
- 2.25 Even before the pandemic, the leisure sector was challenged by the structural changes affecting retail businesses, with high street footfall in decline as consumers shopped online or at the most prime locations. To that end, the food and beverage (F&B) sector, which for several years has been subject to high levels of competition and discounting, and over-supply in some locations, has seen many 'casual dining' chains downsize across the UK (e.g. Carluccio's, Jamie's Italian, Prezzo).
- 2.26 The sector remained relatively active throughout the pandemic, with takeaway and fast food outlets able to remain open. In March 2021, Just Eat reported that it had seen a 600% increase in orders in the first two months of the year compared to 2020. The momentum appears to have continued with the Local Data Company identifying fast-food takeaway outlets as a 'top 5' fastest-growing category (with 309 net new openings across the UK) in 2023.<sup>9</sup>
- 2.27 There has been a shift in demand for experienced-based activities. Research conducted by OpenTable revealed that 78% of millennials prefer spending their money at a spot offering them a unique experience. As such, more bars offering an additional entertainment element (such as darts, table football, crazy golf and/or axe throwing) are appearing on the market – like No Name Bar & Games in Colchester City Centre. Other examples (not currently represented in Colchester) include Flight Club and Boom Battle Bar, which has sites in Chelmsford, Ipswich and many more locations across the UK.
- 2.28 Food halls have emerged as a perfect fit for the modern consumer seeking a destination for leisure and gathering (i.e. not just for eating), embracing the need for convenience, authenticity and variety, often in big and iconic spaces. They act as social hubs and support smaller and local businesses, with 66% of consumers expressing a desire to purchase more goods from small-scale enterprises and particularly those with strong sustainability credentials<sup>10</sup>. Other experience-led concepts, which cater for a wider audience including groups and corporate events, include escape rooms, bungee towers and giant slides.

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<sup>9</sup> FY2023 Retail and Leisure Trends Analysis, LDC, March 2024.

<sup>10</sup> Food Halls of Europe, Cushman & Wakefield, 2024/25 Edition.

## Changes to the Use Classes Order

- 2.29 One of most significant planning reforms affecting town centres in recent years is the changes to the Use Classes Order (see the guide included at Appendix A). These were introduced in September 2020 to provide a more flexible approach to ‘controlling’ retail, commercial, business and service uses.
- 2.30 The previous definition of Class A uses including A1 shops has been replaced, in part, with Class E; although previous A4/A5 uses are not covered within Class E and are defined as Sui Generis. Class E also encompasses previous B1 uses (including offices) and some, but not all, previous D1 non-residential institutions and D2 leisure uses. In addition to this, the changes have seen the introduction of Class F1 (Learning and non-residential institutions) and F2 (Local community) and the restructuring of Sui Generis uses (i.e. theatres, laundrettes, cinemas, hot food takeaways etc).
- 2.31 Class E therefore includes some, but not all, *main town centre uses* as well as some uses (e.g. creche, day nursery, medical and health services) excluded from the definition of main town centre uses. Annex 2 (Glossary) to the NPPF defines main town centre uses as:
- Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities.*
- 2.32 The changes to the Use Classes Order have implications for primary and secondary shopping frontages, which have been adopted and used by local authorities as a development management tool to protect against the loss of retail uses within frontage(s) inter alia. This is because under Class E there is less control, and changes of use between Class E uses (e.g. shops to restaurants/cafes) do not constitute development and therefore do not require planning permission.
- 2.33 Whilst the ability to use space more flexibly and/or co-locate two or more asset classes within the same premises is important in a fast-moving retail sector, the changes are more problematic when defining town centre boundaries and primary shopping areas for plan-making purposes. In particular, the NPPF (Annex 2) defines a primary shopping area as ‘*where retail development is concentrated*’ which fails to recognise that A1 retail is now encompassed in Class E and thus a change of use to non-retail can occur without planning permission providing it is a Class E use.
- 2.34 It is further to be noted that a new permitted development right was introduced in April 2021 allowing changes of use from Class E uses to residential without the need for planning permission (albeit subject to ‘Prior Approval’ and the need to satisfy certain criteria).
- 2.35 These planning reforms result in more flexibility and have implications for the degree to which local authorities can effectively manage the composition of uses in city and town centres, including with the primary shopping areas.

## Summary

- 2.36 This section has provided an overview of the UK economy as well as the retail and leisure markets, including the trends influencing change and investment decisions. It has also identified relevant planning reforms including the changes to the Use Classes Order.



- 2.37 The trends have potential implications for Colchester's main centres. Each centre will continue to be affected in different ways: relevant factors include their respective size, function, composition of town centre uses, location and competition.
- 2.38 Future performance will much depend on how each centre adapts to future changes and remains relevant and attractive to shoppers and other town centre users. They will all, regardless of scale, need to be more multi-purpose in their offer, use and experience. It will be important to develop a policy response which considers how change can be supported and managed within the centres to ensure their future vitality and viability.

### 3. Centre Hierarchy & Healthchecks

- 3.1 Colchester's existing network and hierarchy of centres is set out in Policy SG5 of the Colchester Borough Local Plan Section 2.
- 3.2 The focus of this Study is on Colchester's main centres, comprising the City Centre and District Centres, defined as follows under Policy SG5:
- **Town Centre**  
Colchester Town (now City<sup>11</sup>) Centre
  - **District Centres**  
Tiptree  
West Mersea  
Wivenhoe  
Tollgate  
Peartree Road  
Turner Rise  
Highwoods
- 3.3 Beyond these main centres and the scope of this Study, Colchester's network of centres includes several Local Centres (see Policies SG5 and SG6a of the Colchester Borough Local Plan Section 2).
- 3.4 Policy SG5 includes the following centre definitions:
- *Town Centre: the Borough's principal and a sub-regional centre for comparison goods shopping, services, culture, leisure, with 'regional' aspirations.*
  - *District centre: important role serving the day-to-day needs of their local populations as well as providing access to shops and services for neighbouring areas across and beyond the Borough, but not to a level comparable with Colchester Town Centre.*
  - *Local centre: essential role providing a range of small shops and services to meet the basic needs of local communities, serving a small catchment.*
- 3.5 We have prepared updated healthcheck reviews of Colchester City Centre and each of the District Centres. Our reviews are informed by our own site inspections during August 2024 and the most up-to-date information available, having regard to the healthcheck indicators set out in the *Town centres and retail* section of the PPG (paragraph 006).
- 3.6 We draw upon the findings of the 2020 Study Update for comparative purposes insofar as possible, to identify any changes affecting the vitality and viability of each centre.
- 3.7 Our updated healthcheck reviews are included at Appendix B.
- 3.8 There are competing retail/leisure offers elsewhere within Colchester, outside of the main centres, and Figure 3.1 below includes a profile of the main facilities.

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<sup>11</sup> Colchester was granted city status in November 2022.

**Figure 3.1 – Overview of competing retail/leisure facilities outside of town centres**

Location	Summary description
Stane (Retail & Leisure) Park	<p>Situated on the north-west edge of Tollgate District Centre, adjacent to the A12 Junction 26.</p> <p>Stane Leisure Park opened in 2018 and includes a small number of food &amp; beverage uses (KFC, Nando's, Starbucks, McMullen's public house) and a veterinary practice (Vets4Pets).</p> <p>Stane Retail Park opened in 2021 and is fully let. The retailer line-up includes Aldi, M&amp;S (including M&amp;S Foodhall), Furniture Village, Mountain Warehouse, Card Factory, Pets Corner and B&amp;Q Extra. Aldi relocated from London Road, Lexden; M&amp;S relocated from High Street, Colchester City Centre; and the B&amp;Q Extra relocated from Lightship Way, Hythe</p>
Colchester Retail Park	<p>Situated off Sheepen Road to the northwest of Colchester City Centre. Existing provision includes Matalan, Go Outdoors, Pure Gym, Subway and Starbucks.</p> <p>Go Outdoors has relocated from Turner Rise since the 2020 Study Update.</p> <p>The unit formerly occupied by Shoe Zone has planning permission for the subdivision of the existing unit, for Class E(a) retail use and Class E(b) restaurant/café use. It is understood the end-users will be Greggs and KFC respectively.</p>
Colne View Retail Park	<p>Situated off Cowdray Avenue to the north of Colchester City Centre. Existing provision includes Aldi, DFS, Halfords and Pets At Home.</p>
Northern Gateway Leisure Park	<p>Situated in North Colchester, adjacent to the A12 Junction 28. Existing provision includes Hollywood Bowl and two restaurants (Slim Chicken's and Wendy's). Occupancy of the scheme's purpose-built cinema unit is uncertain following the announcement that Cineworld is not able to proceed with its lease.</p>
Other 'solus' retail warehouses and foodstores	<p>Large format retail warehouses include Wickes (Clarendon Way Retail Park); The Range (Cowdray Avenue); Cowdray Carpet Centre (Mason Road); and several trade warehouses and depots near Peartree Road.</p> <p>Notable foodstore provision (in addition to those identified above) includes Aldi (Magdalen Street); Lidl (St Andrew's Avenue); Lidl (Gosbecks Road); Lidl (Abbot's Road); and Waitrose (St Andrew's Avenue).</p>

3.9 There are several main competing centres and other shopping destinations beyond the administrative boundary of Colchester. Based on the household telephone survey conducted by NEMS Market Research in July/August 2024 (full details set out in sections 4 and 5 of this report), this main competition includes:

- Braintree – The historic town centre, together with the 'non-central' Braintree Retail & Leisure Park and Braintree Village Outlet Shopping Centre, provides an overall strong retail and leisure offer to the west of the Colchester catchment area.
- Chelmsford – The city centre is colloquially referred to as the 'Capital of Essex' and attracts a high proportion of expenditure on fashion and luxury comparison goods from the Colchester catchment area (particularly to the west). It has benefitted from

the delivery of the Bond Street retail and leisure development, which includes John Lewis and Everyman Cinema.

- Clacton – Clacton town centre is Tendring District's highest order centre situated approximately 20km to the southeast of Colchester, with beaches and seafront attractions enhancing its appeal. Clacton Common / Shopping Village is also a popular destination, formerly a purpose-built factory outlet centre now including several high street and discount-orientated brands (e.g. M&S Outlet).
- Ipswich – The city centre (like most larger centres) has been affected by the challenges facing the retail sector but remains a relevant competitor, while the city's wider visitor attractions include John Lewis (Futura Park) and Martlesham.

3.10 The main competition identified above is not an exhaustive list, and there are other retail/leisure facilities beyond the administrative boundary of Colchester (including major regional shopping destinations e.g. Bluewater) which influence consumer behaviour across the Colchester catchment area.

## 4. Catchment Area & Market Shares

- 4.1 Having reviewed the current health and function of Colchester's main centres, and identified in high-level terms the competition profile, in section 3 above, we describe the catchment area defined for the purpose of this Study and the shopping patterns (or market shares) indicated by the household telephone survey conducted by NEMS Market Research in July/August 2024.
- 4.2 The survey-derived market shares have informed our updated assessment of retail capacity in Colchester. Full details of our approach to retail capacity forecasting and the shopping destinations modelled are provided in section 5 of this report.

### **Catchment Area**

- 4.3 The catchment area sets the sampling framework for the new household telephone survey. We have adopted the same catchment area and zones as the 2020 Study Update. This is because:
  - a) the previously defined catchment area and zones provide an appropriate basis on which to establish the 'baseline' market shares and turnovers of Colchester's main centres and other shopping destinations in 2024; and
  - b) it allows for comparative analysis of the survey-indicated market shares in 2016 (used for the purpose of the 2020 Study Update) relative to those in 2024.
- 4.4 The catchment area and (9) zones are shown in Figure 4.1 below. A larger map is included at Appendix C. The catchment area zones are based on postcode geography<sup>12</sup> and extend beyond Colchester's administrative boundary to reflect shopping patterns and expenditure flows.
- 4.5 Although our analysis considers the market shares currently secured by most of Colchester's main centres and other shopping destinations, this has not been possible for the 'rural' main centres of West Mersea and Wivenhoe on the basis these centres (and their respective catchments) are too small and therefore do not feature notably in the results of the household telephone survey.
- 4.6 More information on the household telephone survey is included in section 5 of this report.

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<sup>12</sup> Refer to Table 1 at Appendix D for details of the relevant postcode sectors.

**Figure 4.1**



4.7 The catchment area zones shown in Figure 4.1 (and on the map at Appendix C) that broadly encompass Colchester’s administrative boundary are:

- Zone 1 (Colchester)
- Zone 2 (Rural North)
- Zone 3 (Rural South)
- Zone 6 (Rural West)

4.8 For the market share analysis set out below, these 4 zones comprise Colchester’s Primary Catchment Area (PCA) from where the main centres and other shopping destinations secure a substantial proportion of their market shares and turnovers.

### **Market Share Analysis**

#### ***Convenience Goods Market Shares***

4.9 The survey-derived market share (%) analysis for convenience goods shopping in Colchester City Centre is set out in Table 6 included at Appendix D; in Table 14 for Tollgate; and in the equivalent tables for each of the other shopping destinations modelled.

4.10 Each of these tables include ‘main food’ and ‘top-up food’ shopping market shares across the 9 catchment area zones, which are then merged into a weighted average (i.e. 70% for main food and 30% for top-up food) reflecting the estimated proportion of expenditure accounted for by each type of convenience goods shopping.

4.11 The weighted average convenience goods market shares for Colchester’s main centres and other shopping destinations are set out in Figure 4.2 below on a zone-by-zone basis. The zones comprising Colchester’s PCA are highlighted **bold**.

**Figure 4.2**

	<b>Zone 1</b>	<b>Zone 2</b>	<b>Zone 3</b>	Zone 4	Zone 5	<b>Zone 6</b>	Zone 7	Zone 8	Zone 9	<i>Table no.</i>
Colchester City Centre	<b>8%</b>	-	<b>1%</b>	-	1%	<b>2%</b>	-	-	-	6
Tollgate	<b>17%</b>	<b>2%</b>	<b>9%</b>	1%	-	<b>31%</b>	4%	-	1%	14
Turner Rise	<b>10%</b>	<b>1%</b>	<b>1%</b>	-	-	<b>1%</b>	1%	-	-	23
Peartree Road	-	-	<b>1%</b>	-	-	<b>1%</b>	-	-	-	32
Highwoods	<b>23%</b>	<b>7%</b>	<b>4%</b>	-	-	-	-	-	-	41
Tiptree	-	<b>1%</b>	<b>1%</b>	-	-	<b>30%</b>	-	-	-	50
Non-central stores in Colchester	<b>31%</b>	<b>6%</b>	<b>24%</b>	-	3%	<b>3%</b>	-	1%	1%	58

Source:

Tables 1-66, Appendix D.

Notes:

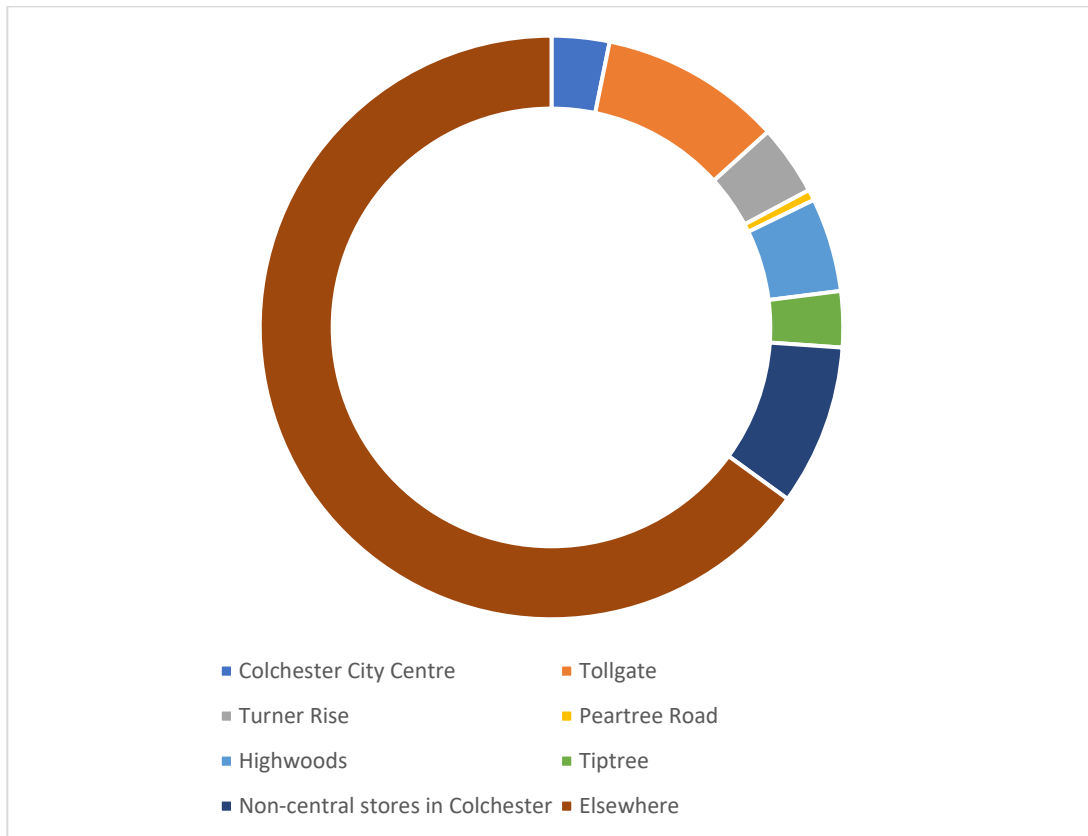
All market shares (%) rounded up to the nearest percentage point.

4.12 From these 'baseline' shopping patterns, the key findings are:

- Colchester City Centre secures a limited market share of convenience goods expenditure from its 'home' zone (i.e. Zone 1) and even lower – or no – market shares from the other catchment area zones, reflecting the localised nature of food shopping trips and the City Centre's relatively limited convenience goods shopping offer and function.
- Foodstore provision at Tollgate (comprising Sainsbury's, Iceland as well as Aldi and M&S Foodhall at Stane Retail Park) retains the highest market share of convenience goods expenditure from Zone 6 to west (31%) and more than double the market share secured by the City Centre from the Colchester 'home' zone (17%).
- Non-central stores in Colchester, including the network of Aldi and Lidl stores in addition to the Waitrose at St Andrew's Avenue, are the main destination(s) for convenience goods shopping in Zones 1 (31%) and 3 (24%).
- Highwoods (i.e. Tesco Extra) and Tiptree (i.e. Asda and Tesco) retain strong market shares of convenience goods expenditure from their respective 'home' zones, commensurate with their role and function as District Centres, with Highwoods securing 23% from Zone 1 and Tiptree securing 30% from Zone 6.

4.13 Figure 4.3 below presents the overall catchment area market share analysis for Colchester's convenience goods shops and stores. As we discuss in section 5 of this report, it has been necessary (for the purpose of retail capacity forecasting) to make market share adjustments in respect of some of the shopping destinations modelled, to make the analysis represent reality more accurately. The analysis shown below therefore represents the market shares after 'correction' based on our professional judgements.

**Figure 4.3**



Source:  
Tables 13, 22, 31, 40, 49, 57 and 66 at Appendix D.

4.14 Our main observations are as follows:

- Figure 4.3 confirms that Colchester's strongest convenience goods shopping destinations are Tollgate and Non-central stores in Colchester, securing total catchment area market shares of 10.1% and 8.9% respectively.
- Highwoods (i.e. Tesco Extra) also secures a notable proportion of catchment area expenditure on convenience goods (5.2%), while Colchester City Centre retains just 3.2% given its relatively limited convenience goods shopping offer and function.
- Overall, the analysis indicates that Colchester's main centres and other shopping destinations retain around 35% of total catchment area expenditure on convenience goods. The remainder is secured by shopping destinations 'elsewhere' including the Colchester shopping destinations not modelled (e.g. West Mersea, Wivenhoe, Local Centres and other neighbourhood-type convenience goods shopping facilities), competing provision outside Colchester, as well as online.



### Comparison Goods Market Shares

- 4.15 The survey-derived market share (%) analysis for the various categories of comparison goods<sup>13</sup> shopping in Colchester City Centre is set out in Table 7 included at Appendix D; in Table 15 for Tollgate; and in the equivalent tables for each of the other shopping destinations modelled.
- 4.16 Figure 4.4 below sets out the weighted average comparison goods market shares on a zone-by-zone basis. Again, the catchment area zones comprising Colchester's PCA are highlighted **bold**.

**Figure 4.4**

	<b>Zone 1</b>	<b>Zone 2</b>	<b>Zone 3</b>	Zone 4	Zone 5	<b>Zone 6</b>	Zone 7	Zone 8	Zone 9	Table no.
Colchester City Centre	<b>35%</b>	<b>17%</b>	<b>24%</b>	8%	13%	<b>17%</b>	6%	2%	5%	7
Tollgate	<b>33%</b>	<b>11%</b>	<b>25%</b>	6%	8%	<b>40%</b>	17%	6%	6%	15
Turner Rise	<b>8%</b>	<b>2%</b>	<b>3%</b>	1%	1%	<b>1%</b>	5%	1%	-	24
Peartree Road	<b>1%</b>	-	<b>3%</b>	1%	1%	<b>2%</b>	1%	1%	-	33
Highwoods	<b>2%</b>	<b>1%</b>	<b>2%</b>	1%	-	-	1%	-	-	42
Tiptree	-	-	-	-	-	<b>8%</b>	-	-	1%	51
Non-central stores in Colchester	<b>7%</b>	<b>2%</b>	<b>3%</b>	1%	-	<b>2%</b>	-	1%	-	59

Source:

Tables 1-66, Appendix D.

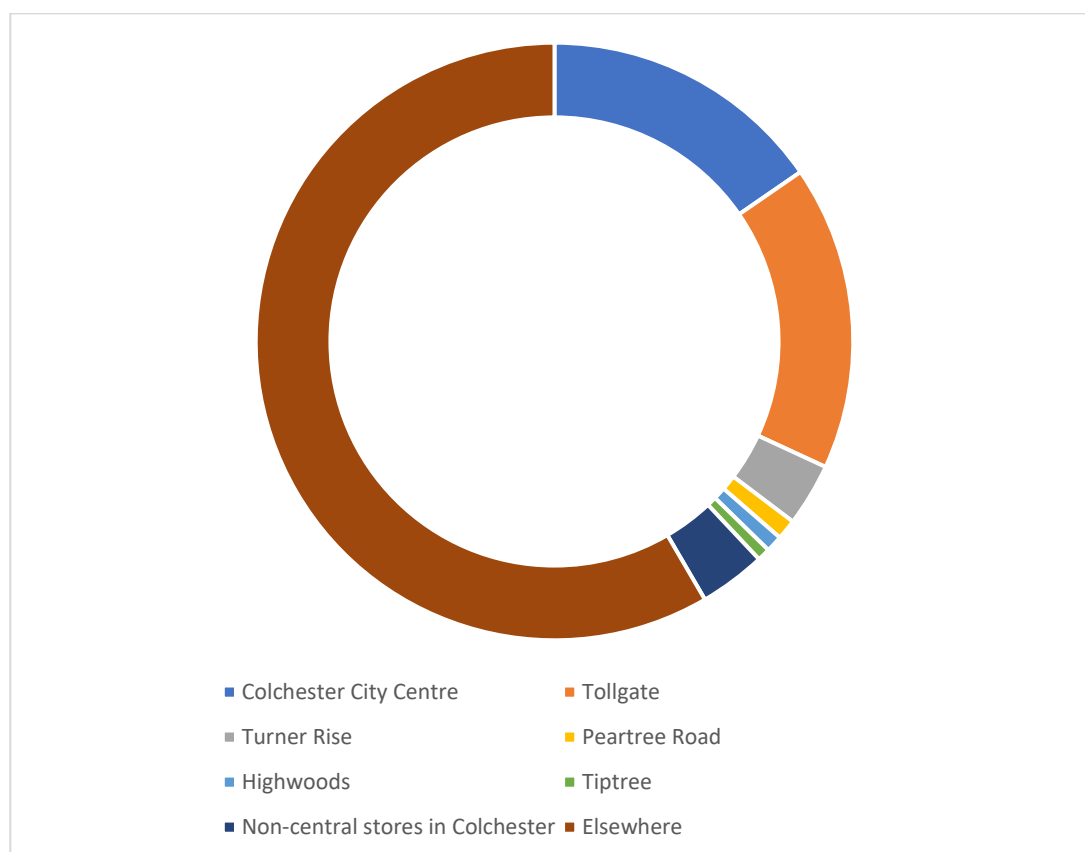
Notes:

All market shares (%) rounded up to the nearest percentage point.

- 4.17 From these 'baseline' comparison goods shopping patterns, the key findings are:
- Colchester City Centre retains the highest market share of comparison goods expenditure from Zone 1 (35%) in addition to 24% from Zone 3 and 17% each from Zones 2 and 6. The City Centre's market shares range from 2% to 13% outside the PCA zones.
  - Tollgate secures notable market shares of comparison goods expenditure from Zone 6 to the west (40%), Zone 1 (33%) and Zone 3 (25%). Tollgate also penetrates beyond Colchester's administrative boundary, given its accessibility and relative attractiveness as a major shopping destination, securing comparison goods market shares ranging from 6% to 17% outside the PCA.
  - Beyond these two locations, the other main centres and shopping destinations modelled secure relatively limited comparison goods market shares.
- 4.18 Figure 4.5 below sets out analysis of the overall catchment area market shares (as adjusted) for Colchester's comparison goods shops and stores in each of the main centres and other shopping destinations.

<sup>13</sup> The household telephone survey comprised questions on the 8 main groups of comparison goods expenditure, including clothing and footwear; furniture and floor coverings; household textiles; household appliances; audio-visual equipment; hardware, DIY and garden products; chemist, medical and beauty goods; and all other comparison goods (e.g. books, jewellery, watches).

**Figure 4.5**



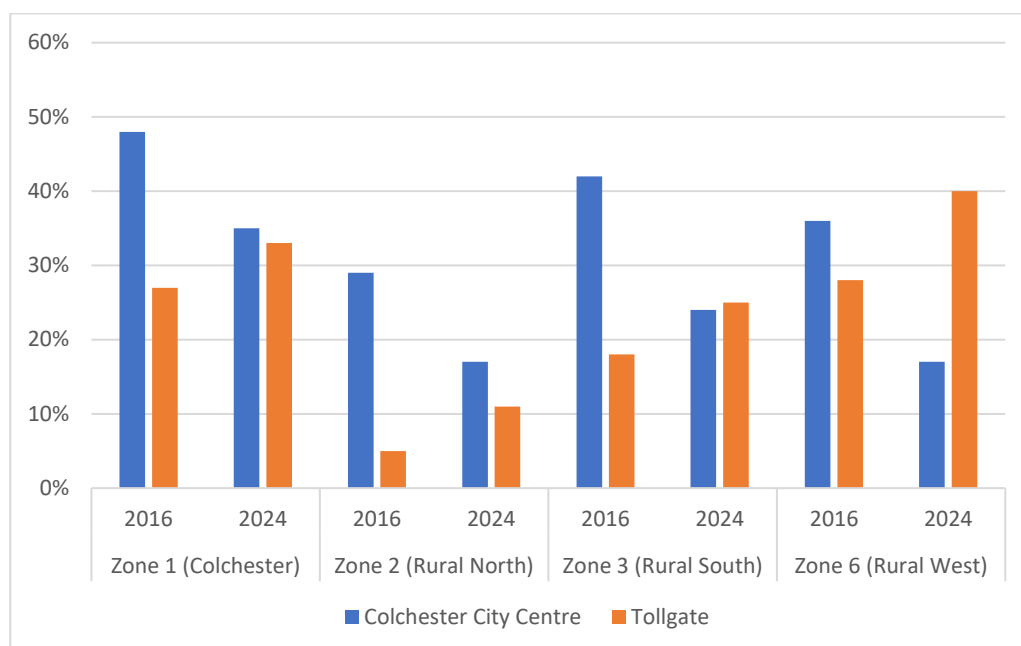
*Source:*  
Tables 13, 22, 31, 40, 49, 57 and 66 at Appendix D.

#### 4.19 Our main observations are as follows:

- Figure 4.5 indicates that Tollgate secures a higher market share of catchment area expenditure on comparison goods (16.5%) than Colchester City Centre (15.4%).
- In terms of the other shopping destinations modelled, Non-central stores in Colchester and Turner Rise secure total catchment area market shares of 3.6% and 3.4% respectively.
- Overall, the analysis indicates that around 58% of catchment area expenditure on comparison goods is spent 'elsewhere' including online and competing provision outside Colchester.

#### 4.20 Further to the headline finding shown in Figure 4.5 that Tollgate secures a slightly higher market share of catchment area expenditure on comparison goods than Colchester City Centre, we consider how their respective market shares have changed in the light of recent new developments and store closures/openings. Figure 4.6 below is therefore focused on Colchester City Centre and Tollgate, comparing the survey-indicated market shares across the PCA in 2016 (used for the purpose of the 2020 Study Update) relative to those in 2024.

**Figure 4.6**

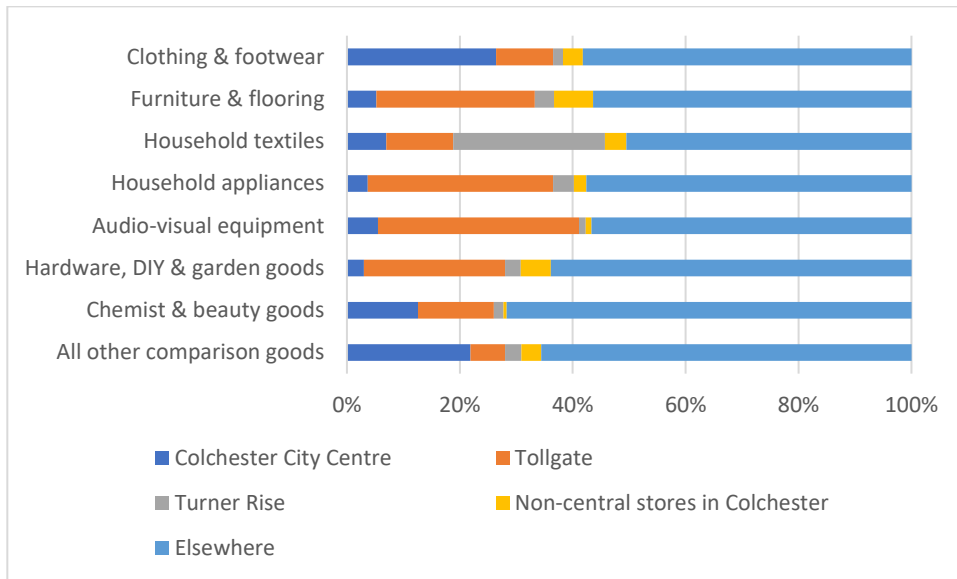


*Source:*

*Table 7 for Colchester City Centre and Table 15 for Tollgate at Appendix D; and the equivalent tables in the 2020 Study Update.*

- 4.21 It is clear from Figure 4.6 that Colchester City Centre's comparison goods market share has decreased substantially in each PCA zone since the 2016 survey research. Meanwhile, the levels of market share secured by Tollgate have increased, including to the extent that Tollgate now secures more comparison goods expenditure from Zones 3 (Rural South) and 4 (Rural West) than the City Centre and has eroded the market share 'gap' in Zones 1 (Colchester) and 2 (Rural North).
- 4.22 Figure 4.7 below presents an overview of the catchment area market shares by type of comparison goods. In addition to Colchester City Centre and Tollgate, we have included Turner Rise and Non-central stores in Colchester within this analysis because these shopping destinations secure notable market shares in some categories. Colchester's other main centres (i.e. Peartree Road, Highwoods and Tiptree) secure relatively limited market shares across all categories and therefore these centres are grouped with 'elsewhere' in the analysis below.

**Figure 4.7**



Source:  
Tables 9, 17, 26 and 61 at Appendix D.

4.23 Our main observations are as follows:

- Colchester City Centre is the main shopping destination in terms of its market share of expenditure on clothing and footwear (26%). It further secures a strong market share relating to personal and luxury goods (i.e. the 'all other comparison goods' category) (22%) and is broadly level with Tollgate for chemist and beauty goods (13%).
- Tollgate attracts higher market shares of expenditure in relation to audio-visual equipment (36%); household appliances (33%); furniture and flooring (28%); and hardware, DIY and garden goods (25%).
- Of the shopping destinations modelled, Turner Rise secures the highest market share of expenditure on household textiles (27%) owing to its retailer line-up which includes B&M, Dunelm and Home Bargains.
- Non-central stores in Colchester, comprising retail parks and other large format retail warehouses, attract reasonably high market shares relating to furniture and flooring (7%) and hardware, DIY and garden goods (5%).

## 5. Retail Capacity Assessment: Approach & Baseline Evidence

- 5.1 In this section, we outline our approach to retail capacity forecasting. We then set out the baseline assumptions and forecasts underpinning the assessment of new retail (comparison and convenience goods) floorspace capacity in Colchester over the plan period.
- 5.2 Our capacity forecasts distinguish between convenience goods and comparison goods, defined as follows:
- Convenience goods: *Food, alcoholic drink, tobacco products, newspapers and periodicals, non-durable household goods.*
  - Comparison goods: *Clothing and footwear; household textiles and soft furnishings; Furniture and floor coverings; household appliances; audio visual equipment; hardware, DIY goods, decorating supplies; chemist and medical goods, cosmetics and beauty products; books, jewellery, watches, china, glassware and kitchen utensils, recreational, personal and luxury goods.*

### Approach

- 5.3 Our assessment adopts the Excel-based model used for retail capacity forecasting in the 2020 Study Update, applying the most up-to-date baseline evidence available including a new household telephone survey conducted by NEMS in July/August 2024.
- 5.4 Consistent with the NPPF and established best practice, we forecast the expenditure-based capacity for new retail floorspace as follows:
- define an appropriate catchment area for Colchester, sub-divided into 9 zones based on postcode sectors;
  - calculate the total amount of comparison and convenience goods expenditure available within each of the 9 zones comprising the catchment area, at the base and forecasting years;
  - allocate the available expenditure to Colchester's main centres and other shopping destinations based on the results of the 2024 household survey to estimate current sales and forecast future sales in each shopping destination;
  - identify any committed developments (i.e. retail floorspace with planning permission and/or under construction) and assess their likely turnover contribution to future sales; and
  - compare the estimated sales in Colchester's main centres and other shopping destinations with existing floorspace, so as to assess the current trading performance of each shopping destination and the capacity to support additional comparison and/or convenience goods floorspace (after allowing for committed developments).
- 5.5 We set out below further details relating to the scope and format of the retail capacity assessment.

### ***Shopping destinations and scenarios assessed***

- 5.6 The shopping destinations modelled are:
- Colchester City Centre;
  - Tollgate;

- Turner Rise;
- Peartree Road;
- Highwoods;
- Tiptree; and
- Non-central stores in Colchester.

- 5.7 We assess the ‘baseline’ scenario for new retail floorspace in Colchester, in which we assume that the 2024 pattern of market shares of convenience and comparison goods expenditure in each shopping destination (indicated by the new household telephone survey) remains unchanged throughout the forecasting period. The implicit assumption in this scenario is that any new retail floorspace in the shopping destinations modelled would not change the market shares of expenditure attracted from the catchment area. This ‘constant market share’ approach is widely used and accepted for strategic retail capacity forecasting.
- 5.8 We have been unable to prepare retail capacity forecasts for Colchester’s other (rural) main centres, namely West Mersea and Wivenhoe. This is due to their small scale and localised catchments, meaning neither of the centres feature notably in the results of the household telephone survey. As such, there is a lack of reliable data on the market shares of convenience and comparison goods expenditure which they attract. The absence of such capacity forecasts is, in our view, of little consequence for the Local Plan review.

### ***Base and forecasting years***

- 5.9 We have used 2024 as the base year for forecasting. The model therefore provides estimates of current sales in Colchester’s main centres and other shopping destinations as at 2024.
- 5.10 As agreed with the Council, we have prepared capacity forecasts at 2026, 2031, 2036 and 2041 (so as to cover the forthcoming plan period).

### ***Limitations of retail capacity forecasting***

- 5.11 It is important to note that the retail capacity forecasts serve only as a guide for future planning policies and decisions on planning applications. They are not prescriptive and the further ahead the forecasting year, the less certain the forecasts. Of particular note, the Council should be aware that capacity forecasts beyond five years should be treated with a degree of caution, as they are based on various assumptions and forecasts that can and will change.

### ***Format of the retail capacity tables***

- 5.12 In the remainder of this section, all references to *Tables* are those comprising our assessment of new retail floorspace capacity set out at Appendix D:
- Tables 1 to 5 show the population and expenditure forecasts for the catchment area.
  - Tables 6 to 13 are the tables for Colchester City Centre. Tables 6 and 7 indicate the pattern of market shares of expenditure on each category of comparison and convenience goods respectively attracted from the catchment area, as indicated by the 2024 household survey before correction. Table 8 shows the corrected pattern of market shares. Table 9 is the product of Tables 5 and 7, indicating the amounts of expenditure on each comparison goods sub-category attracted. Table 10 sets out forecast retail sales for both comparison and convenience goods, on a zone-by-zone basis and overall. Table 11 accounts for the sales capacity of existing main foodstores and other convenience goods shops in the City Centre, and Table 12 sets out any committed retail developments and their expected sales levels (for both comparison and convenience goods). Table 13 brings together the

expenditure attracted, existing floorspace and commitments to arrive at the retail capacity forecasts for Colchester City Centre. It also shows the overall market shares of total catchment area expenditure on comparison and convenience goods attracted by the City Centre.

- Tables 14 to 22 are the tables for Tollgate. These tables follow the same arrangement as the tables for Colchester City Centre; however, an additional table is included (Table 20) indicating 'benchmark' comparison goods sales in the existing retail warehouses and foodstores.
- Tables 23 to 31 are the tables for Turner Rise; Tables 32 to 40 are the tables for Peartree Road; and Table 41 to 49 are the tables for Highwoods. These tables follow the same arrangement as the tables for Tollgate.
- Tables 50 to 57 are the tables for Tiptree and follow the same arrangement as the tables for Colchester City Centre.
- Tables 58 to 66 are the tables for Non-central stores in Colchester and follow the same arrangement as the tables for Tollgate.

## **Baseline Evidence**

### ***Household survey of shopping patterns***

- 5.13 For this Study we designed and commissioned a new household telephone survey of shopping patterns in the catchment area – the results of which are included at Appendix E. It covered the area shown on the map at Appendix C which was divided into the 9 catchment zones identified. A total of 912 telephone interviews were undertaken by NEMS in July/August 2024, distributed across the 9 catchment zones to ensure a minimum of 100 interviews per zone.
- 5.14 The survey asked questions about households' shopping habits for main food and top-up food (i.e. convenience goods) shopping. The survey also asked questions about households' shopping habits for 8 different sub-categories of comparison goods shopping (these sub-categories are closely matched with the widely recognised retail expenditure categories to ensure compatibility with our retail capacity model). We combined the results of Questions 15 to 22 of the household telephone survey to provide weighted average market shares of all comparison goods expenditure attracted to each of the shopping destinations modelled, using weights according to the amount of expenditure on each of these 8 sub-categories of comparison goods shopping. These are set out in Table 4 (bottom row) of the model.

### ***Market share adjustments***

- 5.15 The household telephone survey provides a detailed picture of where households in each of the 9 catchment zones do 'most of' their shopping for convenience goods and the different categories of comparison goods. This is common practice for a survey of this nature, since it is not practical within the limitations of the sample to quantify how much households spend on convenience goods and the various categories of comparison goods, and where and how often. Shopping patterns are too dynamic and unpredictable. Therefore, the results of the household telephone survey do not directly indicate actual expenditure flows but are the best available data to use as a proxy for modelling retail expenditure flows from residential areas to shopping destinations.
- 5.16 However, like all such surveys, this means that its results cannot be applied uncritically in the retail capacity model. Thus for example, in our extensive experience, such surveys (undertaken by ourselves and by other consultants) often tend to over-emphasise shopping in larger centres

and stores, and under-represent it in small centres<sup>14</sup>. The main reason is because in a small sample survey, the probability of interviewing the small number of people who use small centres is much less than the probability of interviewing the much larger number of people who use larger centres.

- 5.17 It is therefore sometimes necessary to make market share adjustments, or ‘correction’ factors, so as to transfer expenditure in the model from one or more locations to others, to balance (or calibrate) the model and make it represent reality more accurately<sup>15</sup> based on our professional judgements.
- 5.18 To that end, we consider using the convenience goods market shares from the household telephone survey without correction would generate an unrealistically low sales density for Colchester City Centre. Although some of the centre’s convenience goods shops and stores occupy sub-optimal trading locations (namely Sainsbury’s in Priory Walk and Iceland in St John’s Walk), we have increased the survey-indicated convenience goods market shares for every catchment zone by the market share correction factor of 120% indicated at the top of Table 8 (i.e. we have increased them by 20% from the no-change default factor of 100%) to generate a more likely level of sales.
- 5.19 Meanwhile, we have reduced the survey-indicated comparison goods market shares for the City Centre by the market share correction factor 85% (i.e. we have reduced them by 15%) to provide a more realistic sales density considering the current profile of the City Centre’s comparison goods retail offer.
- 5.20 Adjustments for the other shopping destinations modelled are indicated in the equivalent tables at Appendix D.

### ***Catchment population***

- 5.21 Catchment population data has been supplied in the form of the latest Experian Retail Planner data (September 2024) which includes current estimates and the projected future population of each catchment area zone. The result is that, for the catchment area as a whole, the population is expected to increase from 519,682 in 2024 to 567,932 by 2041 (representing an increase of about 9%).
- 5.22 This catchment population data is based on Census 2021 and the ONS 2022 mid-year estimates. The population projections therefore account for estimated population growth within the catchment area but do not explicitly reflect the housing growth targets across North Essex, including Colchester. Notwithstanding, retail capacity forecasts are relatively insensitive to population growth assumptions, principally because:
- Any population growth is likely to be only a small proportion of total catchment area population (and its available expenditure); and
  - The expenditure arising from any population growth is likely to be attracted by a number of shopping destinations (as shopping patterns vary greatly), therefore having only a small effect on capacity forecasts in any individual centre or other shopping destination.

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<sup>14</sup> This is confirmed by the now revoked DCLG ‘Practice Guidance’ which states, ‘Also, surveys that use simple questions about where people shop, provide answers that relate to trips and not spending flows. They can also overstate the importance of the larger centres and stores, and can understate the smaller and less frequently visited stores.’ (Appendix B, paragraph B.34).

<sup>15</sup> There is an approximate correlation between the size of a centre and its average sales density, with larger centres generally having higher sales densities than smaller centres (and hence higher shop rental values).



- 5.23 Retail capacity forecasts (particularly for comparison goods floorspace) are much more sensitive to the assumptions about growth in per capita expenditure. We therefore consider the catchment population data used to be robust; while not applying the housing growth targets across North Essex is, in our view, of limited consequence to the retail capacity forecasts prepared for this Study.

### ***Per capita expenditure***

- 5.24 The latest Experian Retail Planner data sets out average per capita expenditure on convenience and comparison goods in each catchment area zone, at the various forecasting years. These estimates and forecasts take account of differences in average per capita expenditure on convenience and comparison goods from zone to zone. The resulting estimates and forecasts of per capita expenditure on both convenience and comparison goods, including expenditure on Special Forms of Trading, are set out in the top half of Table 2 at Appendix D.
- 5.25 The forecast growth in per capita expenditure in Table 2 is specific to the catchment area. The use of such local growth forecasts is expected to be more reliable than relying on national forecasts. Notwithstanding, they broadly reflect UK-wide expenditure trends.

### ***Special Forms of Trading (SFT)***

- 5.26 We have made deductions from the per capita expenditure figures contained in the Experian Retail Planner data to allow for expenditure via SFT. This includes online shopping, mail order and expenditure at temporary market stalls; and is therefore expenditure not made in shops and stores. Table 2 shows the growing deductions we have made.
- 5.27 We have applied an SFT deduction of 5.5% for convenience goods expenditure in 2024, increasing to 8% by 2041. Our SFT deductions for comparison goods expenditure are much greater; from 24.5% in 2024 to 31% by the end of the forecasting period.
- 5.28 These deductions are based on our professional judgements<sup>16</sup> at this moment in time. Whilst the total volume of online retail sales is greater than the percentages assumed within the model, it is necessary to recognise that, with the growth of multi-channel retailing, physical stores can function as showrooms and a source of stock for online-based sales. Therefore, not all online retail sales are 'lost' from the turnover of physical stores and our SFT deductions seek to account for this.

### ***Visitor expenditure***

- 5.29 We have made allowances for visitor expenditure in Colchester City Centre and Tollgate as they are likely to secure some of their comparison goods expenditure (in particular) from outside the catchment area<sup>17</sup>. These allowances are the same as those assumed in the 2020 Study Update, which we consider remain realistic.

### ***Existing shop floorspace***

- 5.30 The existing shop floorspace in Colchester City Centre and Tiptree is derived from the most recent Experian Goad surveys for these centres (both August 2023). For the other shopping destinations modelled, which are not covered by Experian Goad, we have obtained shop floorspace data from a range of sources including Edozo Occupiers, the 2020 Study Update and the Council's planning portal.

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<sup>16</sup> Supported by information for the UK published in the Experian Retail Planner Briefing Note 21 (February 2024).

<sup>17</sup> We have made no such allowance for the other main centres and Non-central stores in Colchester given that they are unlikely to secure significant expenditure from outside the catchment area.

### ***Committed shop floorspace***

- 5.31 We have included in the model the new retail floorspace expected to result from committed developments in Colchester. These are identified in Figure 5.1 below.

***Figure 5.1 – Committed new retail floorspace***

<b>Tollgate</b>
Tollgate Village (application ref. 211610)
<b>Non-central stores in Colchester</b>
Former B&Q warehouse, Lightship Way (application ref. 222681)

*Source: Colchester City Council.*

- 5.32 Our assumptions pertaining to the convenience and/or comparison goods net floorspace and sales capacity of these committed developments are set out in Tables 21 (for Tollgate) and 65 (for Non-central stores in Colchester) at Appendix D.
- 5.33 In addition, for Tollgate, we have assumed that the vacant former Argos store is likely to be reoccupied for retail purposes – specifically for comparison goods floorspace. We have therefore treated this as a committed development within the model (see Table 21 at Appendix D).
- 5.34 We have made no such allowances for vacant retail floorspace to become reoccupied in any of the other shopping destinations modelled, including Colchester City Centre, taking into consideration the reduced retailer demand and recent stores closures (i.e. the direction of travel) and given the changes to the Use Classes Order, which provide more flexibility to change from retail to other commercial, business and service uses.

### ***Growth in sales densities***

- 5.35 We have assumed that both existing and new comparison goods floorspace will increase its sales density by approximately 2% per annum throughout the forecasting period. This allocates a proportion of the forecast growth in expenditure to existing shops and stores, before new floorspace becomes necessary.
- 5.36 We have made no allowance for increases in sales densities of convenience goods floorspace over the forecasting period.

## 6. Retail Capacity Assessment: Forecasts

- 6.1 In this section, we set out and discuss the implications of our retail capacity forecasts for Colchester.
- 6.2 As outlined in section 5, our forecasts represent the 'baseline' scenario for new retail floorspace, in which we assume that the 2024 pattern of market shares of convenience and comparison goods expenditure (as indicated by the new household telephone survey) remains unchanged throughout the forecasting period – notwithstanding the potential impact of any new or replacement retail development and/or any existing shop floorspace 'lost' to alternative uses.
- 6.3 The capacity forecasts, particularly beyond the next five years, should be treated with a degree of caution as they are based on various assumptions and forecasts that can and will change. The uncertainty in forecasting long-term retail trends is recognised in the PPG, which states that assessments '*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed*' (paragraph 004). Therefore, greater weight should be placed on the capacity forecasts over the next 5-10 year period.

### **Convenience Goods Floorspace**

- 6.4 Our forecasts in respect of the need for new convenience goods floorspace in Colchester are summarised in Figure 6.1 below.
- 6.5 Before we comment on the capacity forecasts, we would note that the forecasts are on the assumption that, where existing foodstores and other convenience goods floorspace is shown in the model to be trading above average benchmark levels, the sales density will fall to that benchmark level from 2026 onwards. In reality, however, some stores may continue to trade above (or below) average benchmark levels.
- 6.6 The forecasts are also on the assumption that potential new convenience goods floorspace would be delivered in the form of a new foodstore(s) trading at a 'generic' average sales density of £12,000 per sqm net. Some operators would trade above this level whilst other foodstores (and convenience goods shops) would trade below. Therefore, the format in which new convenience goods floorspace is provided will affect the amount of such floorspace that can be supported in terms of expenditure-based capacity.

**Figure 6.1 – Summary of capacity forecasts: convenience goods (sqm net sales area)**

	2026	2031	2036	2041	Table number (Appendix D)
Colchester City Centre	-700	-600	-500	-400	13
Tollgate	-550	-350	-50	150	22
Turner Rise	-1,300	-1,200	-1,100	-950	31
Peartree Road	-400	-400	-350	-350	40
Highwoods	650	800	950	1,100	49
Tiptree	-550	-500	-450	-400	57
Non-central stores in Colchester	100	350	600	850	66
<b>Combined forecasts for Colchester</b>	<b>-2,750</b>	<b>-1,900</b>	<b>-900</b>	<b>0</b>	n/a

Source:

Tables 1-66, Appendix D.

Notes:

a) The forecasts are 'baseline' forecasts after allowing for the committed developments.

b) The forecasts are cumulative i.e. the forecasts for each year include the forecasts for the previous years and are not additional to those earlier forecasts.

c) Forecasts rounded to the nearest 50 sqm net.

- 6.7 Figure 6.1 shows there will be a theoretical over-supply of convenience goods floorspace in Colchester (all shopping destinations modelled as a whole) from 2026 onwards. The amount of 'surplus' floorspace decreases from about -2,750 sqm net sales area to about -900 sqm net sales area by 2036, before returning to equilibrium by 2041, owing to the effects of population and expenditure growth.
- 6.8 Forecast levels of over-supply are greatest in Colchester City Centre (about -700 sqm net sales area by 2026) and Turner Rise (about -1,300 sqm net sales area by 2026). More moderate levels of over-supply are forecasted for Tollgate, Peartree Road and Tiptree.
- 6.9 Highwoods and, to a lesser degree, Non-central stores in Colchester (modelled as a group) are shown to have the potential to support limited additional convenience goods floorspace over the plan period. However, this does not mean that the limited capacity forecasted for Non-central stores in Colchester should necessarily be accommodated in the form of 'non-central' foodstore development or extensions; rather, the sequential approach should be applied. Moreover, the combined forecasts for Colchester reveal a picture of over-supply and as such, there is no quantitative need to plan for new convenience goods floorspace.

### **Comparison Goods Floorspace**

- 6.10 Our 'baseline' capacity forecasts for comparison goods floorspace in Colchester are summarised in Figure 6.2 below.

**Figure 6.2 – Summary of capacity forecasts: comparison goods (sqm net sales area)**

	2026	2031	2036	2041	Table number (Appendix D)
Colchester City Centre	-4,300	-2,150	-600	1,450	13
Tollgate	-2,400	-200	1,350	3,450	22
Turner Rise	-550	50	450	1,050	31
Peartree Road	-900	-700	-600	-400	40
Highwoods	-350	-200	-100	50	49
Tiptree	0	100	150	250	57
Non-central stores in Colchester	-3,600	-3,000	-2,550	-900	66
<b>Combined forecasts for Colchester</b>	<b>-12,100</b>	<b>-6,100</b>	<b>-1,900</b>	<b>4,950</b>	n/a

Source:

Tables 1-66, Appendix D.

Notes:

a) The forecasts are 'baseline' forecasts after allowing for the committed developments.

b) The forecasts are cumulative i.e. the forecasts for each year include the forecasts for the previous years and are not additional to those earlier forecasts.

c) Forecasts rounded to the nearest 50 sqm net.

- 6.11 Figure 6.2 shows that, after allowing for commitments and for existing comparison goods floorspace to become more efficient by 2% per annum, there will be a substantial theoretical over-supply of comparison goods floorspace in Colchester (all shopping destinations modelled as a whole). That is, about -12,100 sqm net sales area by 2026 and about -1,900 sqm net sales area by 2036. Forecast levels of over-supply are most notable in Colchester City Centre, Non-central stores in Colchester, and Tollgate.
- 6.12 There is no quantitative need to plan for new comparison goods floorspace in Colchester. Although the combined forecasts indicate some capacity by 2041, capacity forecasting towards the end of the plan period is considered to be less certain. It is also to be noted that the forecast 'over-supply' (over the period to 2036) is additional to the quantum of existing vacant comparison goods floorspace in the shopping destinations modelled.
- 6.13 Forecast over-supply is not uncommon in the face of reduced (comparison) retailer demand and the increasing volume of sales attributed to the internet, as considered in section 2 of this report as well as in the Colchester BID's Future of Retail Strategy 2023. There will be a need to consider the contraction and/or repurposing of comparison goods floorspace and how the main centres and especially Colchester City Centre should adapt and diversify to ensure its vitality and viability.

## 7. Commercial Leisure Needs Assessment

- 7.1 Leisure uses and activities are an important part of successful city and town centres; and can play a major role in attracting visitors, extending dwell times, and supporting the evening economy.
- 7.2 In this section, we identify the current supply of key leisure facilities in Colchester and assess whether there are any deficiencies or ‘gaps’ in the existing commercial leisure offer – with a particular focus on eating and drinking out (i.e. food and beverage uses); cinemas; bingo / casino; gyms and other sports facilities; and other commercial leisure facilities associated with family entertainment or a day out (e.g. ten-pin bowling, indoor golf, trampolining, axe throwing). We also recognise the important role of non-commercial leisure attractions such as theatres, museums and events.
- 7.3 It should be noted that forecasting the need for commercial leisure provision is more problematic than for retailing. This is due to the unpredictable and highly elastic nature of leisure trips (and associated spending) in addition to a lack of reliable performance data. Consequently, there is no robust method for assessing commercial leisure needs in quantitative terms. Our review is therefore based on high level qualitative analysis informed by the following:
- the leisure market context and trends identified in section 2;
  - our updated healthcheck reviews at Appendix B;
  - the results of the 2024 household telephone survey (Appendix E); and
  - desktop research.

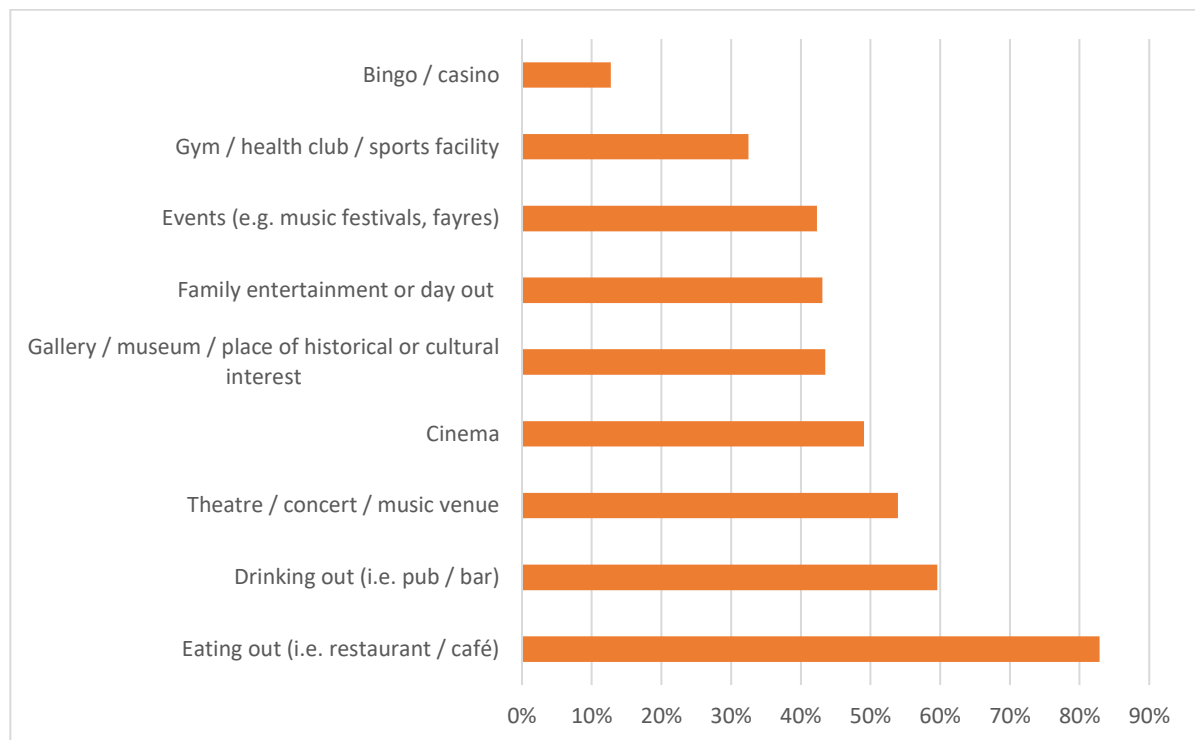
### Participation Levels

- 7.4 Figure 7.1 below shows the level of participation in different types of leisure-based activities by respondents to the household telephone survey<sup>18</sup> which, as described earlier in this report, is based on a catchment area comprising 9 zones (as shown on the map included at Appendix C).

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<sup>18</sup> The chart identifies the percentage of respondents who participate more than once a year in the relevant activity.

**Figure 7.1 – Participation in leisure-based activities across the catchment area**



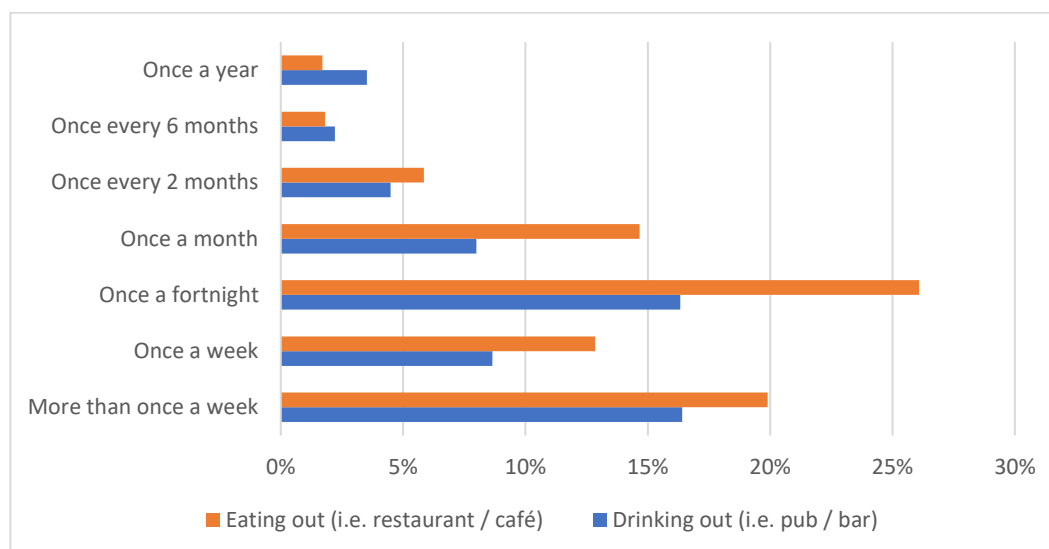
#### 7.5 The main findings include:

- The most popular activity relates to eating out, with over 80% of respondents visiting restaurants/cafes more than once a year. We consider below respondents' frequency of visits to such facilities and the most popular destinations in the catchment area.
- Drinking out is the next most popular leisure-based activity (almost 60% of catchment area respondents visit pubs/bars more than once a year) followed by visits to a theatre / concert / music venue (about 54%). Interestingly, participation levels for such activities are five percentage points higher than visits to the cinema (about 49%) which is perhaps indicative of the challenges facing the cinema sector as highlighted previously in section 2.
- Around 43% of respondents visit events, family entertainment or day out 'destinations' and a gallery / museum / place of historical or cultural interest more than once a year.
- Only a third of catchment area respondents indicated that they use gyms and other sports facilities more than once a year, while an even lower proportion (about 13%) visit the bingo / casino.

#### **Eating and Drinking Out**

- 7.6 The food and beverage (F&B) sector includes cafes, restaurants, pubs and bars. A good quality and choice of F&B uses can help to support a centre's retail function and complement the wider offer by generating footfall and extending dwell times into the evening.
- 7.7 As identified in Figure 7.1 above, eating out and (to a lesser extent) drinking out comprise the most popular leisure-based activities in terms of participation levels across the catchment area; and Figure 7.2 below sets out the frequency of visits.

**Figure 7.2 – Frequency of visits to restaurants/cafes and pubs/bars**



- 7.8 On the face of it, such trips and spending should support the potential to enhance the scale and choice of F&B uses in Colchester’s main centres. However, the level of growth will be subject to market conditions and demand.
- 7.9 To that end, a number of major chains (particularly in the ‘casual dining’ sector e.g. Carluccio’s, Jamie Oliver, Prezzo) downsized pre-pandemic against a backdrop of increased competition and discounting, rising costs, and a tightening of consumer spending in the light of economic uncertainty. Many operators expanded too quickly into increasingly marginal locations and thus the market became saturated and unsustainable.
- 7.10 The pandemic and (more recently) the cost-of-living crisis has resulted in further challenges to the F&B sector, which, after the ‘bounce-back’ in spending on eating and drinking out that followed the relaxing of lockdowns and other restrictions, will need to cater for changing consumer demands to remain relevant and viable. This considers the shift in demand for experience-based activities (such as bars offering an additional entertainment element e.g. darts, bowling or golf) as identified in section 2.
- 7.11 Figure 7.3 below provides a breakdown of existing F&B provision in Colchester City Centre relative to the 2019 findings (as set out in the 2020 Study Update).

**Figure 7.3 – Existing F&B provision in Colchester City Centre**

Category	November 2019		August 2023	
	Units (count)	% of Total Leisure Units	Units (count)	% of Total Leisure Units
Bars & Wine Bars	15	11.7%	15	11.5%
Cafes	41	32.0%	42	32.1%
Fast Food & Take Away	28	21.9%	30	22.9%
Public Houses	13	10.2%	13	9.9%
Restaurants	31	24.2%	31	23.7%
<b>TOTAL</b>	<b>128</b>	<b>100</b>	<b>131</b>	<b>100</b>

Source:

August 2023 figures from Experian Goad.

November 2019 figures derived from the Retail and Town Centre Study Update 2020.



- 7.12 The F&B offer is a strength for the City Centre and Figure 7.3 shows that provision has remained relatively stable since 2019 despite the cost-of-living crisis and wider macro-economic conditions impacting on the sector.
- 7.13 F&B uses continue to account for circa 20,000 sqm (gross) of floorspace in Colchester City Centre which is about 17% of the centre's total amount of floorspace. The offer comprises a mix of national 'chain' and independent operators. Family and fast-casual catering options are reasonably well represented including Bills, Five Guys, Pizza Express and Wagamama, while the pubs/bars provide an additional evening and night-time economy offer.
- 7.14 F&B provision in Colchester's other main centres is more limited and has been summarised in Figure 7.4 below.

**Figure 7.4 – Overview of existing F&B provision in Colchester (outside City Centre)**

<b>Centre</b>	<b>Summary description</b>
Tiptree	Tiptree has a modest F&B offer comprising hot food takeaways (8), cafes (2) and a restaurant. The main foodstores, Asda and Tesco, have in-store cafes.
West Mersea	The centre has a small number of cafes and delicatessens that are popular with locals and visitors. There is also a public house, an Indian restaurant and some hot food takeaways.
Wivenhoe	Limited F&B provision, with a public house and a small number of cafes/restaurants.
Tollgate	The centre's F&B offer comprises McDonalds, Costa Coffee, Harvester and Frankie & Benny's. Stane Park – adjacent to the centre – includes Greggs, KFC, Nando's, Starbucks and a McMullen's public house.
Peartree Road	Peartree Road has a Domino's Pizza hot food takeaway and a Greggs.
Turner Rise	The centre's F&B offer is limited to Pizza Hut and Costa Coffee.
Highwoods	There is little F&B provision, comprising the Tesco Extra in-store café and an independent coffee shop.
Non-central provision	<p>Stane Park (mentioned above) on the edge of Tollgate includes Greggs, KFC, Nando's, Starbucks and a McMullen's public house.</p> <p>Colchester Retail Park off Sheepen Road includes Subway and Starbucks, while we understand the former Shoe Zone unit is to be sub-divided to accommodate Greggs and KFC respectively.</p> <p>Northern Gateway Leisure Park – currently anchored by Hollywood Bowl – includes two restaurants (Slim Chicken's and Wendy's).</p>

- 7.15 Respondents to the household telephone survey were asked where they visit most often for the purpose of eating and drinking out. The market shares secured by Colchester City Centre and the other main centres for restaurants/cafés (Figure 7.5) and pubs/bars (Figure 7.6) respectively are summarised below.

**Figure 7.5 – Restaurant/café catchment area market share**

Destination	Catchment area % market share
Colchester City Centre	25.9%
Tollgate (town centre)	2.1%
Tiptree (town centre)	1.7%
Main competing destinations:	
Clacton-on-Sea Town Centre	10.8%
Braintree Town Centre	9.6%
Chelmsford City Centre	5.0%

Source: Question 25 of household telephone survey (Appendix E).

- 7.16 Figure 7.5 above indicates that Colchester City Centre is the catchment area's principal destination for eating out, with an overall market share of 25.9% according to the survey research. The main competing destinations are Clacton-on-Sea Town Centre and Braintree Town Centre.

**Figure 7.6 – Pub/bar catchment area market share**

Destination	Catchment area % market share
Colchester City Centre	25.0%
Wivenhoe (town centre)	2.7%
West Mersea (town centre)	2.3%
Main competing destinations:	
Braintree Town Centre	11.2%
Clacton-on-Sea Town Centre	7.7%

Source: Question 24 of household telephone survey (Appendix E).

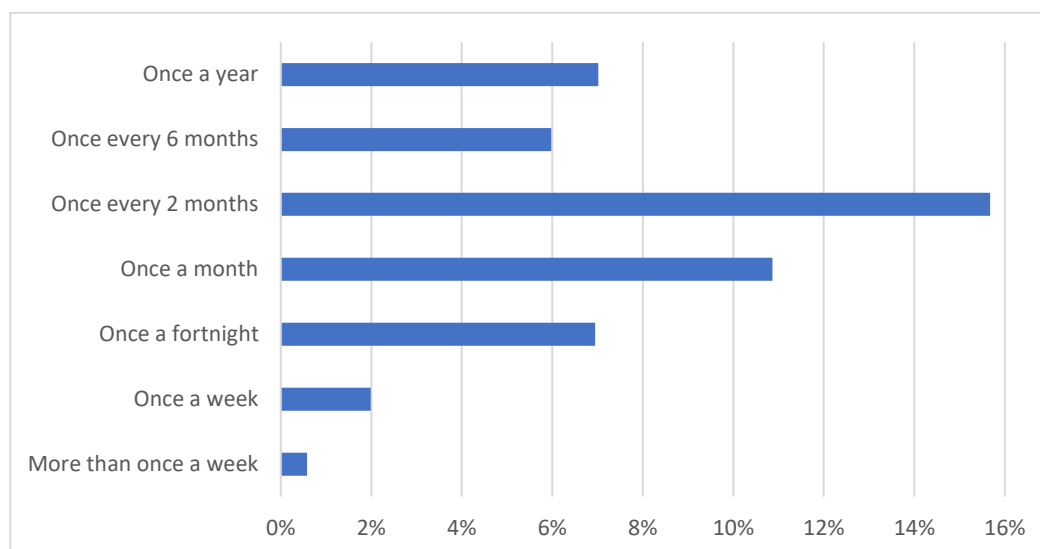
- 7.17 Figure 7.6 above reveals a similar picture for drinking out, with Colchester City Centre securing a total catchment area market share of 25% and it is therefore the principal destination for this type of activity. Again, the main competing destinations are Braintree Town Centre and Clacton-on-Sea Town Centre.
- 7.18 The planning permission granted for the Tollgate Village development in December 2023<sup>19</sup> allows for substantial new F&B provision, up to 6,500 sqm gross, alongside a cinema and/or other uses.

### **Cinema**

- 7.19 Figure 7.7 below reveals how often respondents to the household telephone survey visit the cinema. Around 16% of respondents visit once every 2 months, followed by about 11% once a month, about 7% once a fortnight and about 2% once a week. Although not represented in Figure 7.7 it is also to be noted that about 46% said they visit the cinema less than once a year. These findings suggest relatively modest levels of participation across the catchment area.

<sup>19</sup> Planning application ref. 211610.

**Figure 7.7 – Frequency of visits to the cinema**



- 7.20 There are currently two cinemas in Colchester – both situated in the City Centre – namely the Odeon (Head Street) and Curzon (Queen Street). The 8-screen Odeon cinema is the second most popular cinema destination amongst catchment area respondents, securing a 27% market share, behind Cineworld at Braintree Retail & Leisure Park (29.1% market share), as shown in Figure 7.8 below. The more premium, 3-screen Curzon cinema within the repurposed Roman House building secures a 12.3% catchment area market share.

**Figure 7.8 – Cinema catchment area market share**

Destination	Catchment area % market share
Odeon, Head Street, Colchester City Centre	27.0%
Curzon, Queen Street, Colchester City Centre	12.3%
Main competing destinations:	
Cineworld, Braintree Retail & Leisure Park, Braintree	29.1%
Century Cinema, Pier Avenue, Clacton-on-Sea	12.6%

Source: Question 26 of household telephone survey (Appendix E).

- 7.21 There have been plans for a new 12-screen Cineworld multiplex cinema at the Northern Gateway Leisure Park in Colchester. However, as set out in section 2, the operator's parent company was placed into administration in July 2023 and has recently announced a restructuring plan that means Cineworld is not able to proceed with its lease. We understand the Council is actively seeking an alternative operator for this purpose-built cinema unit.
- 7.22 Meanwhile, the Tollgate Village permission<sup>20</sup> allows for a cinema not exceeding 9-screens.

### **Bingo / casino**

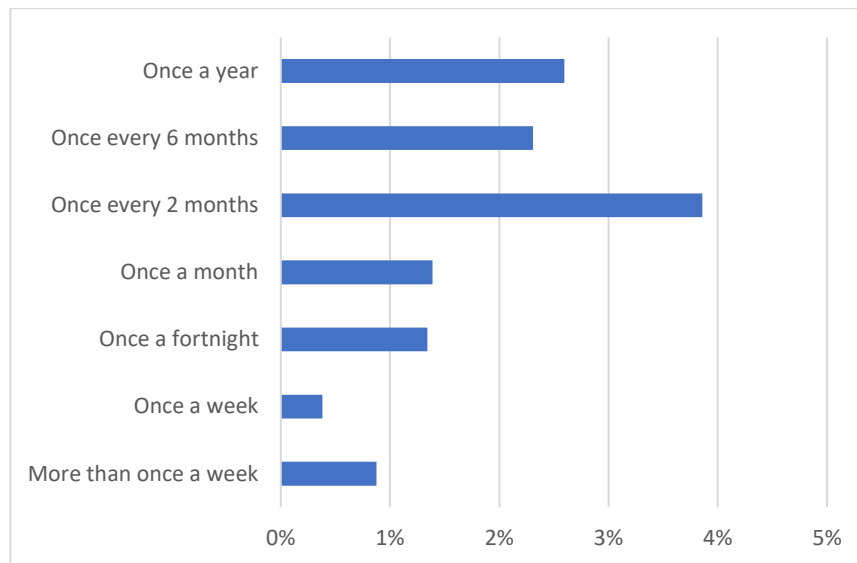
- 7.23 The gaming and gambling sector has been faced with falling admissions and therefore closures in the past ten years or so, driven by the indoor smoking ban and a shift to online-based

<sup>20</sup> Planning application ref. 211610.

platforms. To that end, about 87% of respondents to the household telephone survey said they go to the bingo / casino less than once a year or never.

7.24 Figure 7.9 below illustrates low frequency of visits to bingo / casino facilities.

**Figure 7.9 – Frequency of visits to the bingo / casino**



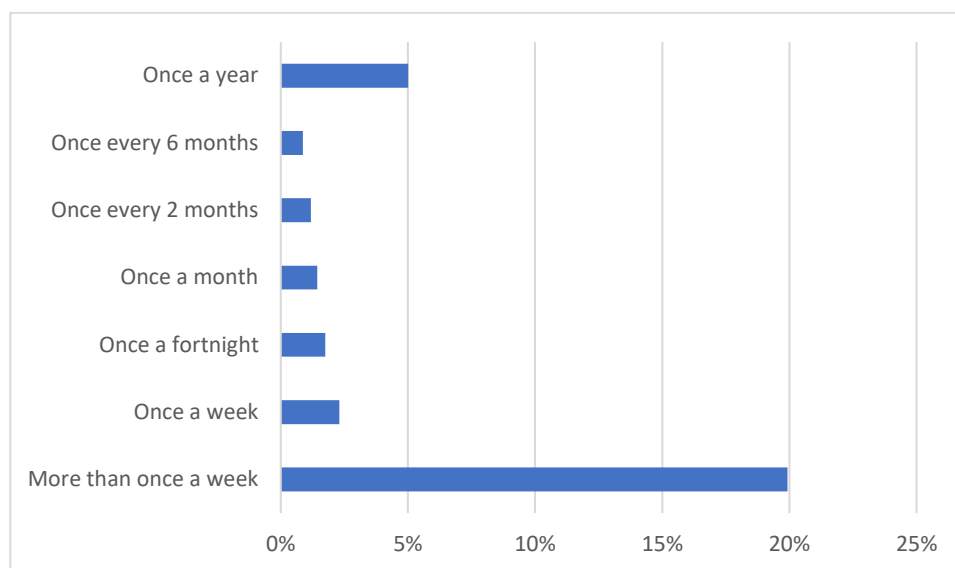
7.25 Buzz Bingo (Osborne Street) in Colchester City Centre is the most popular facility. According to the survey research, Buzz Bingo secures a 40.7% catchment area market share. The main competing facilities include the Buzz Bingo in Clacton-on-Sea (12.6% market share) and Central London / West End (9.8% market share).

### **Gym / health club / sports facility**

7.26 Notwithstanding the impact of the pandemic on this sector, gyms and other sports facilities can make an important contribution towards town centre footfall and activity. The budget gym operators offering flexible and discounted subscriptions have experienced the most significant growth in recent years, while female-only gyms are growing in popularity – yet all operators are faced with increasing competition from ‘at home’ digital fitness platforms and equipment. This is less the case with swimming, badminton, squash and those other types of sports which tend to be enjoyed outside of the home at specialist facilities.

7.27 Figure 7.10 below shows that around 20% of respondents to the household telephone survey visit gyms and other sports facilities more than once a week.

**Figure 7.10 – Frequency of visits to the gym / health club / sports facility**



7.28 Figure 7.11 below identifies some of the main public and private gyms and other sports facilities in Colchester, as identified through the household telephone survey and our healthcheck reviews.

**Figure 7.11 – Gyms and other sports facilities in Colchester**

Facilities	Location
Anytime Fitness	Peartree Leisure Park, Moss Road, Colchester
Atlantis Gym & Spa	Chapel Road, Tiptree
Bannatyne Health Club & Spa	Kingsford Park, Layer Road, Colchester
Bannatyne Health Club	Whitehall Industrial Estate, Colchester
Colchester Fitness Centre	Queensway Warehouse, Peartree Road, Colchester
Colchester Sports Park	Cuckoo Farm Way, Colchester
David Lloyd	United Way, Colchester
Energie Fitness	Stanway Retail Park, Peartree Road, Colchester
Everlast Gyms	Clarendon Way, Colchester
Fitness 4 Less	Wyncolls Road, Highwoods
Jetts 24HR Gym	Tollgate West, Tollgate
Leisure World	Cowdray Avenue, Colchester
Pump Gyms	Grange Way, Colchester
The Gym Group	Queen Street, Colchester City Centre

7.29 There are plans for a new gym use as part of the reconfiguration of the former B&Q Extra warehouse<sup>21</sup> on Lightship Way, Hythe. It is understood the end-user is likely to be a budget gym operator.

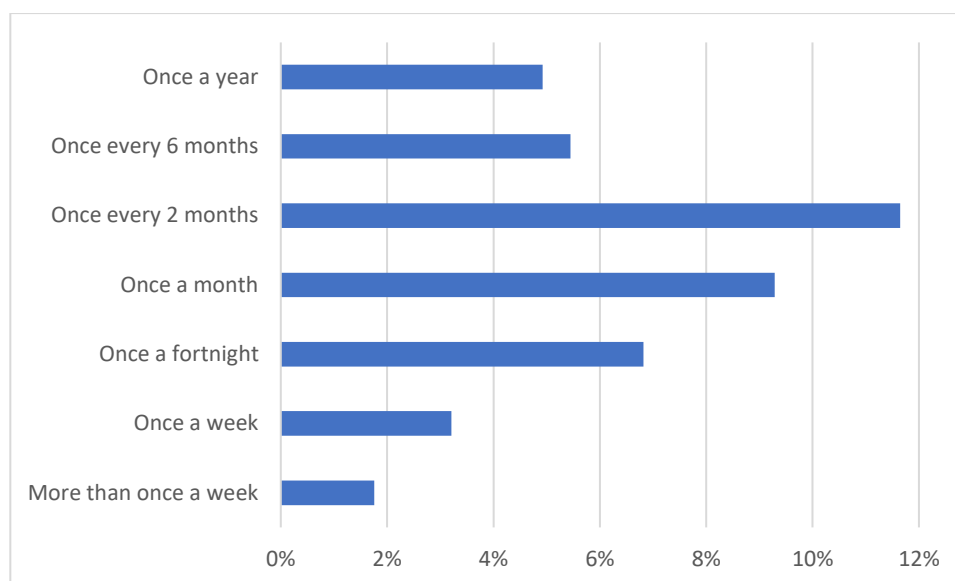
### Other commercial leisure facilities

7.30 Figure 7.12 below shows catchment area respondents' frequency of visits to other commercial leisure facilities associated with family entertainment or a day out (e.g. ten-pin bowling, indoor

<sup>21</sup> Planning application ref. 222681.

golf, trampolining, axe throwing). Visits tend to be once every two months (11.7%), once a month (9.3%) or once a fortnight (6.8%).

**Figure 7.12 – Frequency of visits to the other commercial leisure facilities**



7.31 Based on the results of the household telephone survey, the main commercial leisure facilities for family entertainment or a day out in Colchester (excluding cinemas) currently include:

- Tenpin (Cowdray Avenue, Colchester);
- Hollywood Bowl (Northern Gateway Leisure Park, Colchester);
- Colchester City Centre;
- Colchester Zoo (Heckfordbridge, Colchester); and
- Jump Street (Mason Road, Colchester).

7.32 The main competing facilities include Clacton Pier and Namco Funspace (i.e. indoor climbing, soft play, bowling etc) at Braintree Retail & Leisure Park.

7.33 Meanwhile, the Tollgate Village permission<sup>22</sup> includes provision for ten-pin bowling and/or indoor golf (up to 10,000 sqm gross).

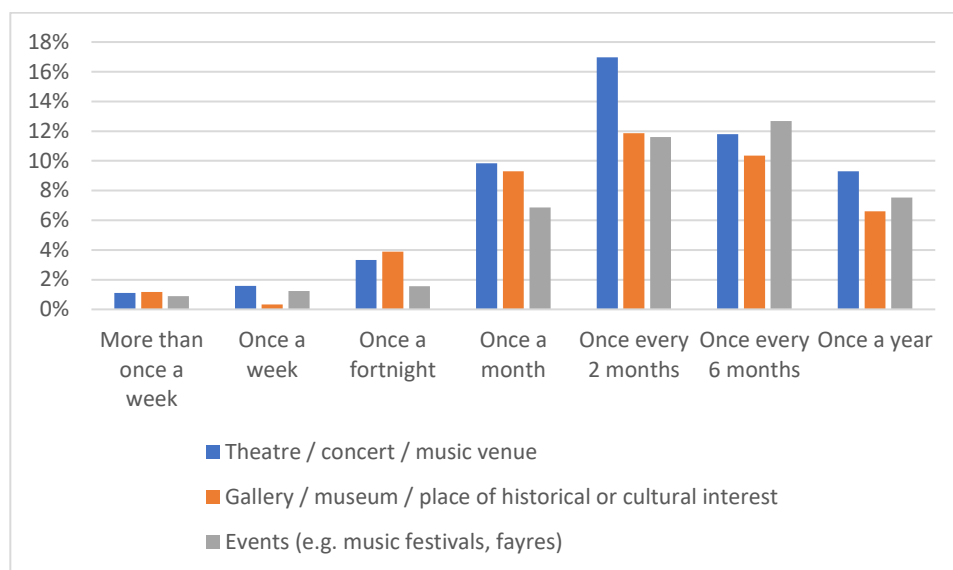
### **Non-commercial leisure facilities**

7.34 Non-commercial leisure facilities have an important role supporting town centre vitality and viability and to that end, Figure 7.13 below reveals how often catchment area respondents visit the following types of attractions:

- Theatre / concert / music venue
- Gallery / museum / place of historical or cultural interest
- Events (e.g. music festivals, fayres)

<sup>22</sup> Planning application ref. 211610.

**Figure 7.13 – Frequency of visits to non-commercial leisure facilities**



7.35 Figure 7.14 below identifies the non-commercial leisure facilities or attractions visited “most often” by respondents to the household telephone survey, together with the percentage of responses.

**Figure 7.14 – Main non-commercial leisure facilities**

<b>Theatre / concert / music venue</b>	<b>Total % responses</b>
Mercury Theatre, Colchester City Centre	17.9%
Colchester City Centre	4.8%
Colchester Arts Centre, Church Street, Colchester	4.0%
Mercury Theatre public square, Colchester City Centre	3.5%
Colchester Castle & Park, Colchester City Centre	2.1%
Headgate Theatre, Colchester City Centre	1.5%
Main competing locations:	
Central London / West End	41.5%
West Cliff Theatre, Clacton-on-Sea	6.1%
Princes Theatre, Town Hall, Clacton-on-Sea	3.1%
Ipswich Regent Theatre, Ipswich	2.5%
<b>Gallery / museum / place of historical or cultural interest</b>	<b>Total % responses</b>
Colchester City Centre	11.5%
Colchester Castle & Park, Colchester City Centre	10.9%
Firstsite, Lewis Gardens, Colchester City Centre	3.2%
Main competing locations:	
Central London / West End	56.0%
Bury St Edmunds Town Centre	2.2%
Bocking Arts Theatre, Braintree	1.9%
Brightlingsea Museum, Dove House, Brightlingsea	1.9%

Events (e.g. music festivals, fayres)	Total % responses
Castle Park, Colchester City Centre	11.8%
Colchester City Centre (excluding Culver Square)	8.9%
Highwoods (town centre)	3.7%
Peartree Road (town centre)	3.4%
West Mersea (town centre)	1.8%
Culver Square, Colchester City Centre	1.0%
Main competing locations:	
Central London / West End	25.2%
Brightlingsea Town Centre	7.0%
Braintree Town Centre	5.8%
Clacton-on-Sea Town Centre	5.5%

*Source: Questions 27, 30 and 32 of household telephone survey (Appendix E).*

- 7.36 It is clear that Colchester City Centre is a main destination for trips to non-commercial leisure facilities. Key attractions include the Mercury Theatre, Colchester Castle & Park, Colchester Arts Centre and Firstsite.

### **Potential Improvements**

- 7.37 The preceding analysis has considered Colchester's existing commercial and non-commercial leisure offer, as well as identifying planned or committed provision, including at Tollgate (i.e. Tollgate Village) and the Northern Gateway Leisure Park. We have used survey research to establish levels of participation, frequency of visits, and provide a high-level indication of market share where possible.
- 7.38 Taking this a step further, the household telephone survey asked respondents what improvements could be made to Colchester's leisure offer to encourage them to visit more often than they currently do. Figure 7.15 below identifies the 'top 20' most cited improvements.
- 7.39 Although a third of catchment area respondents indicated that no improvements to the leisure offer would encourage them to visit Colchester more often, the survey findings suggest there is scope for improvement and certain new facilities subject to market demand.
- 7.40 It is noteworthy, however, that none of the top 5 responses concern the quality or variety of the existing leisure offer in Colchester. Rather, three of the five main potential improvements relate to transport and parking; while another references the need for more / better public toilets. Delivering such improvements to the accessibility and 'convenience' of visiting Colchester will therefore be important to enhance its all-round offer and appeal as a leisure destination; and would require intervention beyond the planning functions of the Council.
- 7.41 It is also to be noted that improved F&B provision falls outside the 'top 20' most cited improvements, with 2.3% of respondents citing restaurants/cafes and only 2.1% citing pubs/bars. This is a good indication that Colchester, particularly the City Centre, is well served by F&B facilities.



**Figure 7.15 – Suggested improvements to Colchester’s existing leisure offer**

<b>Suggestion</b>	<b>Total % responses</b>
Cheaper prices to access leisure facilities	9.5%
Improved car parking facilities	8.4%
More / better car parking at leisure venues	6.5%
Improved public transport	6.3%
More / better public toilets	5.2%
More / better leisure facilities for young children	5.0%
Better shopping facilities	5.0%
Food / farmers markets	4.2%
Swimming pool – outdoor	4.0%
Ice rink	3.6%
Improved safety and security	3.6%
More outdoor entertainment / events / festivals	3.5%
Swimming pool – indoor	3.5%
Live music venues	3.4%
More / better parks and green spaces	3.4%
Better disabled access	3.2%
More / better leisure facilities for teenagers	3.1%
Better / easier access by car	3.1%
More / better leisure facilities for families	3.0%
Cleaner streets	2.9%
(Nothing / no improvements)	33.3%
(Don’t know)	14.2%

*Source: Question 33 of household telephone survey (Appendix E).*

### **Summary and Accommodating Commercial Leisure Needs**

- 7.42 The commercial leisure sector is dynamic and changing rapidly. As highlighted earlier, there is no robust method for assessing commercial leisure needs in quantitative terms owing to the unpredictable nature of leisure trips and a lack of reliable performance data.
- 7.43 This section has therefore reviewed Colchester’s commercial leisure needs in qualitative terms, supported by the results of the household telephone survey and other sources of data.
- 7.44 Having assessed the current supply of key leisure facilities in the area, including consideration for participation rates and the potential improvements identified, we consider the quantity and quality of commercial leisure provision in Colchester City Centre and elsewhere in Colchester continues to be reasonably strong.
- 7.45 The City Centre’s **F&B** offer has remained stable and competitive throughout a challenging financial climate for the sector; and the centre is the principal destination for eating and drinking out in the catchment area. This is unsurprising given its size and offer, together with its wider leisure attractions including two (and Colchester’s only) cinemas, theatres, events and other cultural interests, in addition to its role as a comparison goods shopping destination.
- 7.46 The scale of any growth in F&B provision will largely be dependent on market demand. Much will depend on macro-economic conditions and the City Centre’s ability to continue to attract shoppers and other visitors which, in turn, will generate footfall and activity to support new (and existing) F&B outlets. There will be a need for a flexible approach to accommodating such

uses in Colchester City Centre – as the changes to the Use Classes Order provide for – as and when suitable units (including former large-format comparison goods stores) become available and attractive to the market.

- 7.47 There is unlikely to be substantial market demand for new F&B provision in Colchester's other main centres, other than potentially at Tollgate. It remains to be seen whether the significant amount of F&B floorspace approved as part of the Tollgate Village development will come forward: this is likely to be dependent upon the delivery of a commercial leisure 'anchor' such as a cinema, ten-pin bowling and/or indoor golf.
- 7.48 Turning to **large-format commercial leisure facilities**, Colchester's cinema offer comprises the existing Odeon and Curzon cinemas in the City Centre. These serve different cinema experiences and secure a circa 40% catchment area market share. The long-standing plans for a new 12-screen multiplex cinema at the Northern Gateway Leisure Park are currently uncertain given Cineworld's decision not to proceed with its lease, although the Council is actively seeking an alternative operator for this purpose-built cinema unit. The potential non-delivery of a cinema in this location could see provision for a new cinema at Tollgate Village subject to operator demand<sup>23</sup>.
- 7.49 It is not considered there is a need to plan for any new cinema provision (additional to the Northern Gateway and Tollgate Village commitments) over the plan period; and we reach the same conclusion in relation to other larger format commercial leisure facilities including bingo / casino, ten-pin bowling, indoor golf etc.
- 7.50 The extant Tollgate Village permission allows for ten-pin bowling and/or indoor golf and therefore provides an opportunity to meet any operator demand that exists or emerges. Meanwhile, consumer demand for bingo / casino facilities has fallen considerably in recent years and the survey research has indicated low participation in this type of activity, and thus no additional 'need' is identified.
- 7.51 Existing provision and usage of gyms and other sports facilities is largely dominated by facilities outside Colchester City Centre. The relative lack of provision in the City Centre would suggest there is scope for additional facilities, subject to market demand and the availability of sites/premises that can meet operational requirements (which may or may not require a flexible planning approach as and when suitable sites/premises become available as opposed to the allocation of specific sites).
- 7.52 Despite identifying no immediate requirement to plan for new commercial leisure facilities, in the longer term, as the catchment area population increases and new development proposals emerge, there may be additional demand for commercial leisure facilities, in which case any such provision should be directed to the 'town centres first' in accordance with the sequential approach to strengthen their diversity of uses and overall vitality.
- 7.53 Non-commercial leisure facilities or attractions such as theatres, museums and events are also important and there will be a need to support the continued improvement of the quality and choice of such experiences – including existing facilities – as a key ingredient of city and town centre vitality.

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<sup>23</sup> The Light was previously earmarked to operate a new multi-screen cinema at Tollgate Village although it is unclear whether this interest remains.

## 8. Key Findings & Recommendations

8.1 This section brings together the up-to-date evidence and key findings of the Study to assist the Council with its work on the emerging Local Plan, and to support the development management function of the local planning authority.

8.2 Our advice covers:

- i. The need for new retail (convenience and comparison goods) and commercial leisure floorspace, and the implications for town centre strategy and/or the allocation of suitable sites.
- ii. A review of the hierarchy of centres in Colchester.
- iii. A review of the definition of the primary shopping areas (including primary and secondary shopping frontages) in the light of the updated evidence base and national planning reforms.
- iv. The setting of a local floorspace impact threshold as relevant to the assessment of new retail and leisure development proposals outside of town centres.
- v. Other bespoke policy recommendations in response to existing or emerging issues.

8.3 Where appropriate, our advice includes a critical review of the relevant policies set out in the Colchester Borough Local Plan Section 2. In particular:

- Policy SG5: Centre Hierarchy
- Policy SG6: Town Centre Uses
- Policy TC1: Town Centre Policy and Hierarchy
- Policy TC2: Retail Frontages
- Policy TC3: Town Centre Allocations
- Policy WC1: Stanway Strategic Economic Area

8.4 We consider whether these policies are fit-for-purpose, or whether any revisions and/or additional provisions are necessary to ensure the emerging Local Plan reflects the updated evidence base and is consistent with the NPPF.

### **Retail Needs and Strategy**

8.5 Our capacity forecasts presented in section 6 represent the 'baseline' scenario for new retail floorspace in Colchester, in which we assume that the 2024 survey-derived pattern of market shares of convenience and comparison goods expenditure, in each of the shopping destinations modelled, remains unchanged throughout the forecasting period.

8.6 The retail capacity forecasts have been prepared in the context of many issues and challenges facing the retail market, including but not limited to:

- the continued growth of online shopping (particularly for comparison goods);
- the cost-of-living crisis and weaker consumer spending; and
- reduced (comparison) retailer demand.

- 8.7 The forecasts, particularly beyond the next five years, should therefore be treated with a degree of caution as they are based on various assumptions and forecasts that can and will change.
- 8.8 In addition, there is no longer a national policy requirement for local planning authorities to allocate sites to meet the needs for retail (and other main town centre uses) *in full*<sup>24</sup>. The current NPPF is clear that local planning authorities should plan to meet such needs by *‘looking at least ten years ahead’* (paragraph 90d). The PPG also states that assessments *‘...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed’* (paragraph 004). Therefore, greater weight should be placed on the capacity forecasts over the next 5-10 year period.
- 8.9 The summary table below shows our individual capacity forecasts for convenience goods floorspace in the main centres and ‘non-central’ shopping destinations modelled, together with our overall (i.e. combined) forecasts for Colchester. The combined forecasts show there will be a theoretical over-supply from 2026 onwards and as such, there is no quantitative need to plan for new convenience goods floorspace.

***Summary of capacity forecasts: convenience goods (sqm net sales area)***

	2026	2031	2036	2041	Table number (Appendix D)
Colchester City Centre	-700	-600	-500	-400	13
Tollgate	-550	-350	-50	150	22
Turner Rise	-1,300	-1,200	-1,100	-950	31
Peartree Road	-400	-400	-350	-350	40
Highwoods	650	800	950	1,100	49
Tiptree	-550	-500	-450	-400	57
Non-central stores in Colchester	100	350	600	850	66
<b>Combined forecasts for Colchester</b>	<b>-2,750</b>	<b>-1,900</b>	<b>-900</b>	<b>0</b>	n/a

Source:

Tables 1-66, Appendix D.

Notes:

a) The forecasts are ‘baseline’ forecasts after allowing for the committed developments.

b) The forecasts are cumulative i.e. the forecasts for each year include the forecasts for the previous years and are not additional to those earlier forecasts.

c) Forecasts rounded to the nearest 50 sqm net.

- 8.10 The position in respect of comparison goods floorspace is also one of over-supply, as set out in the summary table below, with the ‘surplus’ exceeding 12,000 sqm net sales area by 2026 before falling over the plan period, when capacity forecasting is considered to be less certain. It is also to be noted that the forecast ‘over-supply’ (over the period to 2036) is additional to the quantum of existing vacant comparison goods floorspace in the shopping destinations modelled.
- 8.11 There is therefore no quantitative need to plan for new comparison goods floorspace in Colchester. Instead, it will be necessary to consider the contraction and/or repurposing of comparison goods floorspace and how the main centres and especially Colchester City Centre should adapt and diversify to ensure its vitality and viability.

<sup>24</sup> This was a requirement of the NPPF 2012 and reflected in the Colchester Borough Local Plan Section 2.

### **Summary of capacity forecasts: comparison goods (sqm net sales area)**

	<b>2026</b>	<b>2031</b>	<b>2036</b>	<b>2041</b>	Table number (Appendix D)
Colchester City Centre	-4,300	-2,150	-600	1,450	13
Tollgate	-2,400	-200	1,350	3,450	22
Turner Rise	-550	50	450	1,050	31
Peartree Road	-900	-700	-600	-400	40
Highwoods	-350	-200	-100	50	49
Tiptree	0	100	150	250	57
Non-central stores in Colchester	-3,600	-3,000	-2,550	-900	66
<b>Combined forecasts for Colchester</b>	<b>-12,100</b>	<b>-6,100</b>	<b>-1,900</b>	<b>4,950</b>	n/a

Source:

Tables 1-66, Appendix D.

Notes:

a) The forecasts are 'baseline' forecasts after allowing for the committed developments.

b) The forecasts are cumulative i.e. the forecasts for each year include the forecasts for the previous years and are not additional to those earlier forecasts.

c) Forecasts rounded to the nearest 50 sqm net.

- 8.12 The retail capacity forecasts serve as a guide for future planning policies and decisions on planning applications. As already highlighted, the forecasts should be reviewed regularly in the light of actual population and (in particular) expenditure growth, the outlook for which is subject to change given macro-economic conditions.
- 8.13 Considering retail market trends and the lack of capacity forecasted for new retail floorspace over the next 5-10 year period in the context of **Policy TC3**, which allocates sites in Colchester City Centre (namely Priory Walk, St Botolph's and Vineyard Gate) for retail and/or mixed use development, the Council should continue to support through policy the redevelopment of these priority sites. However, we recommend a more flexible policy approach which recognises retail as a suitable use (as part of a wider mix of uses including residential) rather than retail floorspace being a 'requirement' of policy, which could have unintended consequences for development viability and/or occupancy.

### **Commercial Leisure Needs and Strategy**

- 8.14 This Study has set out how commercial leisure uses and activities (and non-commercial e.g. theatres, museums, events) play an important role in contributing to the vitality and viability of Colchester's main centres.
- 8.15 As is to be expected, Colchester City Centre is the main destination for eating and drinking out, with the F&B offer remaining stable and competitive throughout a challenging financial climate. The scale of any growth in F&B provision will largely be dependent on market demand. Much will depend on macro-economic conditions and the City Centre's ability to continue to attract shoppers and other visitors which, in turn, will generate footfall and activity to support new (and existing) F&B outlets. There will be a need for a flexible approach to accommodating such uses in Colchester City Centre – as the changes to the Use Classes Order provide for – as and when suitable units (including former large-format comparison goods stores) become available and attractive to the market.
- 8.16 There is unlikely to be substantial market demand for new F&B provision in Colchester's other main centres, other than potentially at Tollgate. It remains to be seen whether the significant amount of F&B floorspace approved as part of the Tollgate Village development will come forward: this is likely to be dependent upon the delivery of a commercial leisure 'anchor' such as a cinema, ten-pin bowling and/or indoor golf (as approved).

- 8.17 As regards large-format commercial leisure facilities, it is not considered there is a need to plan for any new provision over and above the Tollgate Village and Northern Gateway (i.e. cinema) commitments. There is potentially scope for additional gym facilities in Colchester City Centre, subject to market demand, which may require a flexible policy approach as and when suitable sites/premises become available as opposed to the allocation of specific sites.
- 8.18 In the longer term, as the catchment area population increases and new development proposals emerge, there may be additional demand for commercial leisure facilities, in which case any such provision should be directed to the ‘town centres first’ in accordance with the sequential approach to strengthen their diversity of uses and overall vitality.
- 8.19 **Policy TC3** should be reviewed to ensure there is sufficient flexibility for the priority redevelopment sites in Colchester City Centre to accommodate suitable commercial leisure facilities as part of a wider mix of uses including residential. The current policy wording for St Botolph’s should be reviewed given that some of the allocated uses (e.g. cinema) have now been delivered.

### **Network and Hierarchy of Centres**

- 8.20 We have reviewed Colchester’s existing network and hierarchy of centres in accordance with the advice set out in the NPPF (paragraph 90a) and PPG (paragraph 004).
- 8.21 **Policy SG5** identifies Colchester’s network and hierarchy of centres. It also includes a description of the role and function of centres at different levels of the hierarchy, while **Policy TC1** outlines a strategy for the development and improvement of Colchester City Centre.
- 8.22 Based on the updated evidence base, we consider it is appropriate to:
- i. define Colchester City Centre at the apex of the hierarchy of centres, reflecting its role as the principal focus for shopping, services, culture, leisure and other commercial activity in Colchester.
  - ii. define Tiptree, West Mersea, Wivenhoe, Tollgate, Turner Rise and Highwoods as District Centres. Although these centres are varied in their scale and character, they each have an important role principally serving the convenience-based needs of their local catchments. Although it is to be acknowledged that Tollgate has a substantial retail offer which serves a wider catchment, it does not function in a way that is comparable with Colchester City Centre given the relative lack of services, community and cultural uses etc. We therefore consider it would be inappropriate and unjustified to elevate Tollgate to the apex of the hierarchy alongside the City Centre.
  - iii. define Peartree Road as a Local Centre. As shown in the table below, the centre secures a relatively low catchment area market share of convenience goods expenditure (attributed to the Co-op convenience store); while the comparison goods market share can largely be attributed to the existing trade warehouses and depots to the east and south of the main centre (i.e. Stanway Retail Park) which we suggest, in the section below, are excluded from the primary shopping area.

### ***Summary of catchment area market shares***

	<b>Market share: convenience goods</b>	<b>Market share: comparison goods</b>
<i>Colchester City Centre</i>	3.2%	15.4%
Tiptree	3.1%	0.7%
West Mersea	n/a	n/a
Wivenhoe	n/a	n/a
Tollgate (including Stane Park)	10.1%	16.5%
Peartree Road	0.6%	1.1%
Turner Rise	3.9%	3.4%
Highwoods	5.2%	0.9%

*Source:*

*Tables 1-66, Appendix D.*

- 8.23 Although we have not considered Colchester's Local Centres in any detail (given this is beyond the scope of this Study), the Council may wish to consider whether it is appropriate to designate the small-scale retail and service uses in North Colchester – namely Eden Drive and Leda Way respectively – given their role serving basic local needs. According to the results of the household telephone survey informing this Study, the Sainsbury's Local at Eden Drive secures a top-up (only) food shopping market share of 1.3% from its 'home' zone (i.e. Zone 2); while the Co-op at Leda Way secures a top-up (only) food shopping market share of 3.8% from this zone.
- 8.24 There may be other areas, outside the scope of this Study, comprising small-scale retail and other main town centre uses which the Council considers should be defined as Local Centres.
- 8.25 We have further considered the appropriateness of designating the Northern Gateway Leisure Park in North Colchester as a 'town centre' in NPPF terms. However, it is assessed that the Leisure Park does not have the mix of uses and/or function required to perform the role of a town centre. Should the Local Plan review include an updated policy approach for delivering development and growth in North Colchester (as per Policy NC1), the Council may wish to consider a preference for new main town centre uses of a suitable scale to be accommodated at the Northern Gateway Leisure Park subject to addressing the sequential test and (as relevant to retail and leisure development only) the impact test. For the avoidance of doubt, the identification of any North Colchester policy area is beyond the scope of this Study.
- 8.26 It is therefore recommended that the Northern Gateway Leisure Park and all other retail/leisure facilities outside of the designated centres in Colchester should retain their status as either edge-of-centre or out-of-centre locations in the terms of the NPPF; where future development proposals, including changes of use and extensions, should be subject to the sequential and impact tests (considered further below).

### **Town Centre Boundaries and Primary Shopping Areas**

- 8.27 The NPPF states that planning policies should '*...define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre*' (paragraph 90b).
- 8.28 Annex 2 (Glossary) to the NPPF defines a primary shopping area as '*where retail development is concentrated*' and we consider this definition further below in the context of the changes to the Use Classes Order.
- 8.29 The extent of a centre's primary shopping area (PSA) determines whether a site or building should be considered in-centre (i.e. within the primary shopping area), edge-of-centre or out-

of-centre; and is therefore key to the application of the sequential and impact tests set out in the NPPF.

8.30 Edge-of-centre is defined as:

*For retail purposes, 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.*

8.31 Out-of-centre is a location which is not in or on the edge of a centre.

8.32 The NPPF sets out that a town centre<sup>25</sup> is an 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' (Annex 2).

8.33 There is no longer a national policy requirement to define primary and/or secondary shopping frontages<sup>26</sup>. The PPG (paragraph 002) does state that local planning authorities may, where appropriate, wish to define frontages where their use can be justified in supporting the vitality and viability of particular centres. However, we consider that the definition and application of primary and secondary frontages is now outdated – not least since the changes to the Use Classes Order<sup>27</sup> introduced in September 2020 – and too inflexible. In our view, frontage policies can constrain the delivery of a mix of non-retail uses and activities that, as well as helping to support retail, can add significantly to the vitality and viability of town centres in a manner that Class E generally provides for.

8.34 We therefore recommend the Council's current approach to controlling the proportion of retail uses in Colchester City Centre's primary and secondary shopping frontages, as outlined in **Policy TC2**, is reconsidered as part of the Local Plan review.

8.35 Meanwhile, given the replacement of the previous Class A uses (including shops) with Class E and a new permitted development right allowing changes of use from Class E uses to residential without the need for planning permission<sup>28</sup>, the definition of a PSA (i.e. *where retail development is concentrated*) is more problematic. PSAs can and will increasingly include a diversity of uses beyond just shops because this is what the UCO and the wider planning reforms provide for – albeit the NPPF has not kept pace with these developments. Thus, the purpose of a PSA is now largely restricted to its critical role in the application of the sequential and impact tests.

8.36 It is in this context we have reviewed the current PSA boundaries, and where necessary suggested changes to these boundaries so they are aligned with the NPPF and wider planning reforms.

8.37 Our reviews for Colchester's main centres are shown on the maps at Appendix F.

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<sup>25</sup> References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

<sup>26</sup> Previously, national policy defined primary shopping areas as areas *where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage)*.

<sup>27</sup> Including the 'new' Class E encompassing retail, commercial, business and service uses.

<sup>28</sup> Albeit subject to 'Prior Approval' and the need to satisfy certain criteria.



8.38 The table below provides an overview of the changes recommended for each centre. Except for Colchester City Centre, we assess that the main centres do not lend themselves to the identification of a town centre (i.e. District or Local Centre) boundary which is different to the recommended PSA.

<b>Centre</b>	<b>Suggested changes</b>
Colchester	<p>Remove the primary and secondary shopping frontages.</p> <p>Amend the current PSA boundary to reflect the distribution of existing retail and Class E uses and opportunity sites. Specifically:</p> <ul style="list-style-type: none"> <li>- Include bar/restaurant uses on the west side of North Hill</li> <li>- Include the St Botolph's area and adjacent land on the east side of Queen Street</li> </ul> <p>Town centre boundary to reflect the 'core city centre area' defined in the Colchester City Centre Masterplan.</p>
Tiptree	<p>Amend the current PSA boundary to exclude sites/buildings that do not comprise retail and Class E uses. Specifically:</p> <ul style="list-style-type: none"> <li>- Exclude church and residential uses on the east side of Church Road</li> <li>- Exclude fire station on the east side of Church Road</li> </ul> <p>Town centre boundary to be the same as the recommended PSA.</p>
West Mersea	<p>Amend the current PSA boundary to exclude sites/buildings that do not comprise retail and Class E uses. Specifically:</p> <ul style="list-style-type: none"> <li>- Exclude fire station on the north side of Barfield Road</li> <li>- Exclude church (St Peter &amp; St Paul's) on the east side of Coast Road</li> <li>- Exclude residential uses (former bank) on the south side of Yorick Road</li> </ul> <p>Town centre boundary to be the same as the recommended PSA.</p>
Wivenhoe	<p>Amend the current PSA boundary to exclude sites/buildings that do not comprise retail and Class E uses. Specifically:</p> <ul style="list-style-type: none"> <li>- Exclude garages and scout hut on the west side of High Street</li> <li>- Exclude garages on the east side of High Street</li> <li>- Exclude church (St Mary's) on the north side of East Street</li> </ul> <p>Town centre boundary to be the same as the recommended PSA.</p>
Tollgate	<p>No suggested changes except for combining the various sites that comprise existing or committed retail and Class E uses.</p> <p>Town centre boundary to be the same as the recommended PSA.</p>
Peartree Road	<p>Amend the current PSA boundary to exclude the existing trade warehouses and depots to the east and south of Stanway Retail Park.</p> <p>Town centre boundary to be the same as the recommended PSA.</p>
Turner Rise	<p>Amend the current PSA boundary to exclude areas of land (i.e. green space) around the perimeter of the centre.</p> <p>Town centre boundary to be the same as the recommended PSA.</p>
Highwoods	<p>Amend the current PSA boundary to exclude areas of land (i.e. green space) around the perimeter of the centre.</p> <p>Town centre boundary to be the same as the recommended PSA.</p>

## The Sequential and Impact Tests

- 8.39 Having considered Colchester's network of centres and PSA boundaries, it will be important for policy to identify the requirements of the sequential and impact tests set out in the NPPF, as relevant:
- for sequential test purposes when assessing planning applications *for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan* (paragraph 91); and
  - for impact test purposes when assessing planning applications *for retail and leisure development outside town centres, which are not in accordance with an up-to-date local plan* (paragraph 94).
- 8.40 These two tests are currently addressed within the provisions of **Policy SG6** and broadly repeated for Tollgate District Centre in **Policy WC1** (Zone 2 criterion ii). We suggest those provisions relating to the sequential and impact tests are appropriate and aligned with the NPPF. Nevertheless, with regards to the impact test, we recommend the Council reconsiders its locally set floorspace threshold (discussed further in the section below) to ensure sufficient control in the assessment and determination of planning applications for new retail and leisure development outside of town centres.

### Local Floorspace Impact Threshold

- 8.41 The NPPF (paragraph 94) makes it clear that the impact test only applies to retail and leisure development proposals over 2,500 sqm gross unless there is a different proportionate, locally set floorspace threshold.
- 8.42 **Policy SG6** sets out the current impact thresholds. These are:
- 1,500 sqm gross outside the defined centres of Colchester, Tollgate, Peartree Road, Turner Rise and Highwoods; and
  - 1,000 sqm gross outside the defined centres of Tiptree, West Mersea and Wivenhoe.
- 8.43 Some local authorities are introducing a 'blanket' impact threshold of 280 sqm. This level of floorspace is significant for two main reasons:
- a) The changes to the Use Classes Order include Class F2(a) defined as '*Shops (mostly) selling essential goods, including food, where the shop's premises do not exceed 280 square metres and there is no other such facility within 1000 metres*' (our emphasis); and
  - b) Shops with an internal display and sales area below 280 sqm are exempt from Sunday trading restrictions (on the basis the Sunday Trading Act defines a 'large shop' as generally being over 280 sqm measured internally).
- 8.44 The implicit assumption is that shops below 280 sqm would probably not have a significant adverse impact, whereas shops exceeding this level of floorspace are unlikely to be a purely local facility and would be capable of drawing trade from outside their immediate local catchment with potential consequences for existing shops and stores in city/town centre locations.
- 8.45 An impact threshold of 280 sqm or 350 sqm gross<sup>29</sup> can further be justified in the Colchester context given even this scale of floorspace would exceed the retail (convenience and

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<sup>29</sup> Gross floorspace is a more appropriate measure for determining when the impact test should be applied: 350 sqm gross assumes a gross to net (i.e. internal display and sales area) ratio of 80%.

comparison goods) capacity forecasts for most of the main centres and other shopping destinations modelled within the next five years or so (i.e. when the forecasts are likely to be less uncertain). There is also a broad correlation between the capacity for retail floorspace and the likely trading impacts of any new floorspace on existing floorspace; that being the lower the capacity forecasted, the higher the trading impacts are likely to be.

- 8.46 If a 'blanket' impact threshold of 350 sqm gross is to be adopted, then policy should make it clear that impact assessments should be proportionate to the scale and nature of retail and/or leisure development proposed, as indicated by the PPG (paragraph 017) which states:

*The impact test will need to be undertaken in a proportionate and locally appropriate way, drawing on existing information where possible. Ideally, applicants and local planning authorities should seek to agree the scope, key impacts for assessment, and level of detail required in advance of applications being submitted.*