



South Hampshire Town Centres: Sub-Regional Study 2005

Summary Report

Volume 1
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Private and Confidential

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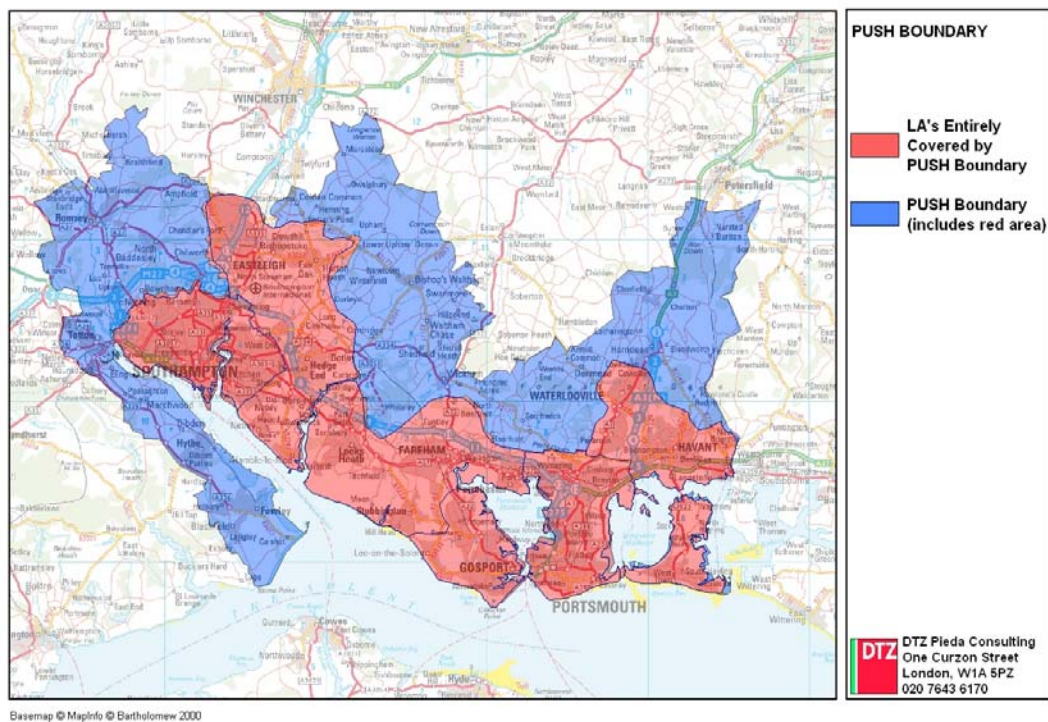
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1 Introduction

- 1.01 DTZ was commissioned by Southampton City Council in July 2005 to develop a strategy for town centre uses in South Hampshire on behalf of the Partnership for Urban South Hampshire (PUSH).
- 1.02 The study seeks to provide additional evidence for the sub-regional strategy component of South East of England Regional Assembly (SEERA) Draft South East Plan. It will also help to inform and support the preparation of a number of Local Development Frameworks (LDFs) in South Hampshire over the forecast period (i.e. 2011, 2016, 2021 and 2026).
- 1.03 South Hampshire covers the whole districts of Southampton, Eastleigh, Fareham, Gosport, Portsmouth and Havant and parts of New Forest, Test Valley, Winchester and East Hampshire District (**Figure 1.1**). The sub-region is home to almost one million people and is the largest area in the South East. PUSH (which includes these authorities, plus Hampshire County Council) is committed to an economic regeneration-led strategy for South Hampshire. This is based on steadily rising economic growth over the plan period, supported by additional housing and other developments as necessary to meet the requirements of the sub-region.

Figure 1.1: PUSH Sub-Region and Local Authority Boundaries



- 1.04 This important study has been prepared in the context of the revised PPS6: *Planning for Town Centres* and the draft South East Plan, both of which reinforce the government's town centres "first" message. One of the government's key objectives for town centres is to promote their vitality and viability by planning for the growth and development of existing centres in order to strengthen and, where appropriate, regenerate them. Another key objective is to promote and enhance existing centres, by focusing new high quality (high density) development in them and encouraging a wide range of services in a good environment, accessible to all.

1.05 Regional planning bodies and local authorities are at the forefront of delivering the government's objectives by adopting a proactive, plan-led approach to planning for town centres. Set within the regional planning context, local authorities are responsible for actively planning growth and managing change in town centres over the period of their development plan documents. This will involve, for example, identifying centres that can realistically accommodate the identified need for growth and/or planning for new centres of an appropriate scale in areas of significant growth, or where there are deficiencies in the existing network of centres (PPS6: Chapter 2).

1.06 Our study therefore covers the full range of main town centre uses namely retail, leisure and offices, as well as arts, cultural and tourism facilities. The brief does not cover the need for major sporting venues, although a high level view on current provision and need is provided in **Section 4** to this report. The main aims of this study (in accordance with the Brief) are as follows:

1) Develop a Vision and Strategy

To address the sub-regional planning requirements for town centre uses within South Hampshire, as defined by PPS6 and the draft South East Plan. The study will aim to:

- set out a vision and strategy for higher level centres and their roles as the focus for major retail, leisure, office and other main town centre development.
- identify a hierarchy and network of centres.
- assess the need for further main town centre uses and ensure there is (physical) capacity to accommodate them.
- develop a strategic framework for the development of the network of centres – taking into account the need to avoid an over-concentration of growth in the higher level centres.
- make strategic choices about South Hampshire's main centres.
- identify those centres where growth should be encouraged.
- identify any need for new or expanded centres in areas of planned major growth.

2) Need and Capacity Assessment

To add further detail to the production of the sub-regional LDFs. This will concentrate on the major regional and sub-regional centres and will aim to:

- assess the quantitative and qualitative need for new floorspace for retail, leisure and other main town centre uses.
- identify deficiencies in provision and assess the capacity to accommodate new development.

1.07 The study will help to provide a strategic needs assessment for the PUSH sub-region and a more detailed assessment of the potential for growth in the following main town centres, as agreed with PUSH: Southampton, Portsmouth, Eastleigh, Fareham, Gosport, Havant and Southsea.

- 1.08 This **Volume 1** report summarises the main findings and recommendations of our study and is underpinned by the following two more detailed supporting volumes:
- **Volume 2** comprises our more detailed qualitative and quantitative assessment of the economic capacity and need for new retail, leisure and office development in PUSH sub-region and its main town centres. We also provide a qualitative assessment of the need for new arts, culture and tourism facilities, as these uses will underpin the sub-region's wider town centre offer. This needs assessment is balanced by our broad overview of the potential opportunity sites and physical capacity for the main town centres to accommodate the identified development up to 2011, 2016, 2021 and 2026.
 - **Volume 3** comprises the more detailed technical information and datasets that support our commentary and findings in **Volumes 1 and 2**.

2 The Hierarchy and Network of Centres

2.01 This section sets out the headline findings of the qualitative healthcheck of the main city and town centres and is based on the vitality and viability indicators set out in PPS6. The more detailed assessments are contained in **Volume 2 (Sections 3-5)** and the supporting information and datasets are provided in **Volume 3 (Appendices 1-15)**. This analysis describes the relative strengths and weaknesses of the main study centres. It also identifies any potential ‘gaps’ in their provision, as well as the opportunities for future growth.

The Role and Attraction of the Main Study Centres

2.02 **Table 2.1** summarises some of the key performance indicators (KPIs) for the main town centres in the PUSH sub-region based on our healthcheck assessment:

Table 2.1: PUSH Town Centres – Key Performance Indicators 2004/05								
Centre	Total Gross Floorspace (sq.m)	Total no. of units	Ranking at 2004		Yields (%) at July '05	Prime Rental Values (Zone A) at 2005 (£/sq.m)	Retailer Interest – Rank (& No.) at April 2005	Vacancy Levels
			Rank	Change '01-'04				
Southampton	255,745	592	15 th	+13	5	£3,229	27 th (130)	8%
Portsmouth	97,005	296	73 rd	+1	6.5	£1,884	61 st (88)	6%
Fareham	72,825	289	201 st	-19	7.5	£1,346	193 rd (39)	7%
Eastleigh	46,812	216	236 th	-5	7.25	£592	272 nd (27)	8%
Gosport	31,029	158	296 th	+51	9	£377	406 th (17)	2%
Southsea	37,653	187	404 th	-83	>10	£538	N/A	8%
Havant	42,706	217	462 nd	-1	>10	£484	305 th (24)	9%
Source: (1) Ranking based on the 2004 ‘Shopping Centre Index’ (Management Horizons) of 1,670 centres. (see Volume 2: Table 3.1).								

(i) Southampton

2.03 Southampton is currently the dominant centre in the PUSH sub-region.

- It comprises in excess of 250,000 sq.m (gross) of retail, leisure and service floorspace (as defined by Experian Goad) and almost 600 outlets.
- It is ranked amongst the top 15 centres in the UK according to the Management Horizons ‘Shopping Centre Index’, but is ranked higher by Experian Goad.
- It has significantly improved its ranking and retail offer over the last five years due to major new development and investment in the city centre.
- This includes the West Quay Shopping Centre (74,500 sq.m), which is one of the largest in-town shopping centres in the UK.
- Its current prime rental level of £3,229/sq.m (Zone A) is significantly higher than for Portsmouth and its yield on prime retail properties is considerably stronger than for other PUSH centres, which reflects the relative strength of its retail offer.
- According to the latest retailer requirement figures (October 2005) there is currently recorded interest from 128 retail and service businesses for representation in

Southampton, placing it in the top 30 centres nationally. This demand is equivalent to over 100,000 sq.m of floorspace, although it should be noted that this is distributed between 'high street' and out-of-centre locations.

- The city has a relatively good representation of department stores (The John Lewis Partnership and Debenhams), variety stores and national multiple retailers (357).
- Its main leisure offer is concentrated in Leisure World on West Quay Road, to the west of the city centre.
- Vacancy levels (8% of total outlets) in the centre are equivalent to the national average.
- It benefits from good accessibility from all modes of transport and is served by an estimated 6,511 car parking spaces. Southampton International Airport, situated to the north-east of the city, is also well linked to the city centre.
- The extension of the Above Bar Street pedestrianisation scheme at the northern end of the High Street will help encourage stronger flows and linkages from the prime shopping pitch to the north of the city centre and to the more secondary pitches to the south.

2.04 Southampton is a healthy and viable city centre. New investment and development in the centre over the last decade has had a dramatic impact on its urban landscape and overall attraction. The opening of the West Quay Shopping Centre has further enhanced its relative role and attraction. West Quay has effectively enabled Southampton to maintain its key position as the regional centre for a metropolitan area, which contains the largest concentration and population in the South East region outside London.

(ii) Portsmouth

2.05 Unlike Southampton and other top 100 centres in the UK, Portsmouth has not benefited from significant new retail and mixed-use development over the last decade. Its catchment area is also constrained by its geographical location on Portsea Island, with the sea and harbour on three sides. Nevertheless, it is defined as a regional centre in the draft South East Plan and some of its key performance indicators are as follows:

- It comprises nearly 100,000 sq.m of retail, leisure and service business floorspace (as defined by Experian Goad) and circa 300 outlets.
- It is ranked amongst the top 75 centres in the UK, but its ranking has remained relatively static over the last five years.
- Its prime shopping area is focused on the enclosed 1980s Cascades Shopping Centre (23,000 sq.m) and the pedestrianised area of Commercial Road. The main anchor store, at present, is Debenhams (which recently replaced the former Alders store) and there are an estimated 185 national multiple retailers.
- Its prime rental values (Zone A) have increased from £1,615/sq.m in 2001 to £1,884/sq.m in 2005, but remain significantly below the levels achieved in Southampton.
- It has a recorded market interest from 88 retail and leisure businesses, placing it 61st in the national ranking. Retailers are seeking a total of 85,000 sq.m of floorspace, although 25,000 sq.m of this represents interest from IKEA.

- Its current vacancy level of 6% is below the national average of 8%.
- At the time of writing, the Development Control Committee had resolved to grant outline planning permission, subject to the signing of Section 106 Agreement, for the ‘Northern Quarter’ scheme. The Secretary of State has not called-in the application. This mixed-use proposal will redevelop the site of the 1960s built Tricorn Centre that was demolished in 2004. It will comprise circa 100,000 sq.m (gross external) and circa 52,000 sq.m net of retail floorspace (A1, A2, A3, A4, A5). The applicants (Centros Miller) have assumed that 5% of this net total will be devoted to A2-A5, resulting in a total net A1 floorspace of 49,400 sq.m.
- In addition, Northern Quarter will also comprise leisure (up to 6,650 sq.m), residential (200 apartments), a hotel (150 beds), a car park (2,300 spaces) and ancillary shopping facilities. It is likely to commence trading in late 2009. The scheme will be primarily anchored by The John Lewis Partnership and will significantly improve the city’s overall role, attraction and national ranking.
- Guildhall Square and the surrounding area is the centre’s main cultural focus comprising a number of key civic buildings, the University of Portsmouth and a variety of leisure uses.
- The city centre’s overall office offer is relatively poor. The main clusters of uses and activities are centred on Guildhall Square and St Andrew’s Court.
- The city has relatively good access by all modes of transport, but the railway station is a poor gateway and is in need of redevelopment and modernisation. The centre is served by an estimated 3,300 multi-storey and surface-level car parking spaces.

2.06 Despite its apparent good health, shoppers in the wider Portsmouth and PUSH sub-region area have a considerable choice of destinations in which to shop. The city centre is currently losing market share and shoppers to competing larger city centres (such as Southampton), as well as major out-of-centre shopping facilities in the sub-region, including the successful Gunwharf Quays. This trend has been exacerbated over the last 5-10 years by the limited new investment and development in the city centre’s retail, leisure and wider town centre uses.

2.07 The timing of the outline planning permission for the proposed ‘Northern Quarter’ redevelopment is therefore critical. The fact that The John Lewis Partnership has already “signed-up” to anchor the scheme will generate significant market interest from other quality retailers and businesses. It is our view that this new development will help Portsmouth city centre to maintain and enhance its overall vitality and viability over the longer term, and increase its potential catchment, market share and trade draw.

(iii) Fareham

- 2.08 Fareham and Eastleigh are the two largest towns in the PUSH sub-region. Fareham is an attractive linear centre and the principal shopping and commercial centre in the Borough. It is sandwiched between Southampton and Portsmouth city centres and benefits from good access to the M27.
- It comprises circa 75,000 sq.m of retail, leisure and service business floorspace and 289 outlets, of which over 150 are classified as national multiple retailers.
 - It is ranked 201st in the UK (ahead of Eastleigh), but has fallen nineteen places in the national rankings since 2001 (please note that the latest rankings do not take account of the Market Quay development).
 - Its retail offer is dominated by the Fareham Shopping Centre, which opened in the mid-1970s and comprises circa 50,000 sq.m of floorspace (two-thirds of all retail floorspace in the town centre). Key anchors in the scheme include Marks & Spencer, Bhs, Boots, Monsoon and Dorothy Perkins.
 - There is no department store represented in the town centre, nor is there a major foodstore anchor.
 - The opening of Market Quay in 2004, adjacent to Fareham Shopping Centre, has significantly increased the quantum of floorspace (c.17,000 sq.m) and quality of the centre's retail offer. Key anchor stores that have taken space in the larger units in this scheme include TK Maxx, Peacocks, Wilkinsons and JJB Sports. It also comprises a number of key commercial leisure uses, which, in turn, have helped to 'plug' the gap with the previously limited provision in the town centre. The uses including a Metroplex Cinema, LA Fitness and Chicago Rock Café. We consider that this scheme will inevitably raise the town's overall national ranking from 201st.
 - There is only limited private sector office floorspace in the town centre.
 - Prime rental values (Zone A) have increased from £915/sq.m in 1997 to the current peak of £1,346/sq.m (2005). Its rental levels are twice as high as those achieved in Eastleigh and reflect the relative quality of its retail offer. Furthermore, yields have strengthened from 8% (in 2004) to 7.5% (in 2005).
 - Recorded market interest has risen from 39 to 43 operators, between April and October 2005, placing it 193rd in the national rankings (ahead of Eastleigh). Current demand is equivalent to c.42,000 sq.m of floorspace.
 - Vacancy levels in the centre (7%) are below the national average. Most of the vacant outlets are in secondary shopping areas.
 - In terms of accessibility the centre has a strong bus network serving its catchment, but its railway station is located some distance from the prime shopping area. Fareham town centre is served by an estimated 1,671 car parking spaces.
- 2.09 In our opinion Fareham is a relatively healthy centre. It has three variety stores (Marks & Spencer, Bhs and Woolworths) and a good representation of national multiple retailers. However, we consider it would benefit from a major foodstore operator (i.e. Tesco, Sainsbury's, Morrisons, Asda) to anchor its town centre offer. Notwithstanding this, at its level in the shopping hierarchy and given that it is effectively "sandwiched" between the

dominant centres of Southampton and Portsmouth, we consider that Fareham is performing well. The recent opening of Market Quay has further reinforced its overall attraction, vitality and viability.

(iv) Eastleigh

2.10 Eastleigh has a strong identity, which is characterised by its compact town centre. Its retail offer is focused on the Swan Shopping Centre (c.30,000 sq.m), which opened in the late 1980s.

- It comprises circa 45,000 sq.m of retail, leisure and service business floorspace and 216 outlets, of which 121 are classified as national multiples.
- It is ranked 236th in the UK (behind Fareham) and has fallen five places since 2001.
- Prime rental values (Zone A) have increased from £463/sq.m in 1997 to the current estimate of £592/sq.m. These levels are half those currently recorded in Fareham town centre and only moderately higher than the smaller centres in the sub-region, although its yields are slightly stronger.
- Outside of the Swan Shopping Centre the shop units on the High Street and Market Street are generally small and irregular, and therefore have limited appeal to modern retailer requirements. This is confirmed by the fact that over half of the estimated vacant outlets in the centre are on the High Street.
- The centre's retail offer is largely anchored by its main foodstores (Tesco Metro and Safeway), which generate significant trips and have improved the centre's overall attraction. At the time of writing, Sainsbury's had recently acquired the former Safeway store on Leigh Road and it is anticipated that they will commence trading in mid-December 2005.
- Recorded market interest has increased from 15 to 30 retail and leisure businesses between April 2002 and October 2005, placing it 272nd in the national rankings (behind Fareham). The current demand is equivalent to circa 20,000 sq.m of floorspace.
- It has a relative under-provision of comparison goods floorspace, compared to the national average.
- It does not currently have the critical mass of facilities or the catchment to support a major department store. Its more high profile variety stores include Littlewoods and Woolworths.
- Eastleigh also has an under-representation of leisure services.
- The centre does benefit from relatively good access by different modes of transport, especially with the railway station positioned close to the heart of the shopping area. We estimate that Eastleigh is also served by circa 1,800 car parking spaces.
- In our view, the centre does have problems with traffic congestion and traffic-pedestrian conflict particularly on the High Street, Market Street and Leigh Street.

2.11 In retail terms, our analysis has confirmed the dominance of the Swan Centre and the importance of the main foodstores as anchors (specifically Tesco Metro and the introduction of Sainsburys) to help generate trips and market share to the town centre.

Compared to Fareham, Eastleigh appears to be “punching below its weight” in the network of centres and would, in our opinion, benefit from new investment and development in its retailing and wider town centre offer.

(v) Gosport

2.12 Gosport has a strong heritage and a relatively attractive town centre environment, focused on its maritime setting. Its retail offer is largely concentrated along a pedestrianised linear High Street with an east-west axis. However, its peninsula location means that it is relatively isolated and Portsmouth is easily accessible to Gosport’s local residents via ferry.

- It comprises circa 31,000 sq.m of retail, leisure and service business floorspace and 158 outlets, of which over 83 are classified as national multiple operators.
- It is ranked 296th in the UK and has risen over 50 places in the national rankings since 2001. In our view, the popular Morrison’s foodstore (formerly Safeway) on Walpole Road has improved the attraction and vitality of the town centre as a whole, because it attracts shoppers into the centre frequently and regularly.
- Recorded market interest has increased from 12 to 17 retail and leisure businesses between 2003 and 2005, placing it 406th in the national rankings. Demand has increased from 12 businesses (ranked 435th) in 2003. The current demand is equivalent to circa 11,000 sq.m of floorspace.
- Prime rental values (Zone A) have increased from £323/sq.m in 2002 to £377/sq.m in 2005. Its rental levels are lower than all the other main study centres, although its stable commercial yield of 9% is stronger than both Havant and Southsea.
- Its vacancy levels are estimated to be 2% (just four outlets), which is significantly lower than the national average and the levels recorded in all the other PUSH centres. This suggests a very active, attractive and commercially viable town centre.
- Although the harbour frontage and waterfront area represent an attractive backdrop to the centre, it is clear that some areas have been neglected and would benefit from new investment and redevelopment. A prime example is the bus station, which currently forms an unattractive gateway to the town centre and could provide the catalyst for the wider regeneration of this area.
- In our view, the regeneration of the waterfront area could also help to improve the centre’s under-representation of eating and drinking establishments.
- The local authority occupies the main office space in the town centre (Town Hall) and this helps to generate footfall and spend across the centre, particularly at lunchtime and early evenings.
- The bus station and ferry terminal provide an important public transport interchange, which caters for links to all parts its catchment. The centre is also served by an estimated 938 car parking spaces.

2.13 Whilst there is no specific evidence to point to a picture of fragility or decline in Gosport town centre (i.e. the low level of vacancy), it has the lowest prime rental values (Zone A) of all the PUSH centres and a limited list of retailer requirements. In practical terms, Gosport cannot compete with higher order centres such as Southampton and Portsmouth,

and the present retail offer of the centre is unlikely therefore to be significantly improved. In our opinion, the Morrison's foodstore is an important anchor and will therefore continue to play a vital role in attracting shoppers to the centre and generating footfall and spend.

(vi) Havant

- 2.14 Havant has an attractive town centre and its retail offer is focussed on the pedestrianised section of West Street and the Meridian Shopping Centre. However, the 1960s Market Parade scheme to the north is a poor environment and would, in our opinion, benefit from new investment and redevelopment.
- The town centre comprises circa 43,000 sq.m of retail, leisure and service business floorspace and 217 outlets, of which 68 are classified as national multiple retailers.
 - It is placed 462nd in the national rankings and is the lowest ranked out of all the PUSH centres.
 - The main comparison goods retailers are concentrated in the Meridian Shopping Centre (16,264 sq.m gross), which opened in the 1990s and comprises Boots, Argos and Wilkinson amongst its main tenants. The Waitrose and edge-of-centre Tesco stores are also important generators of trips to the centre.
 - There are no department stores or variety stores in the centre, which reflects its relative role and position in the hierarchy.
 - Recorded market interest has increased from 13 to 24 retail and leisure businesses between 2001 and 2005, placing it 305th in the current national rankings, above both Gosport and Southsea. This demand is equivalent to circa 22,000 sq.m of floorspace.
 - Prime rental values (Zone A) have increased from £323/sq.m in 2001 to £484/sq.m in 2005. Its rental levels are higher than for Gosport, but lower than the recently recorded prime rental values (Zone A) in Southsea. Its yield of over 10% has also fallen back over recent years.
 - Vacancy levels are estimated to be 9%, which is slightly above the national average of 8%. However, closer analysis reveals that the vacant units are predominantly concentrated in secondary shopping streets.
 - The centre benefits from relatively good accessibility by all modes of transport and is served by an estimated 1,640 parking spaces. The refurbishment of the bus station, which conveniently abuts the Meridian Centre, will further improve the attraction of the centre to local residents.
- 2.15 Havant town centre performs an important role as a functional and attractive town centre mainly catering for day-to-day needs of its local catchment population. Its foodstores are therefore important anchors to the centre, as they generate frequent shopping trips and spend. In this context, we understand from the Council that Tesco has recently submitted an application to replace their existing store with an Extra format. Havant competes directly with the higher order centres in the PUSH sub-region for major comparison goods shopping (specifically clothing and fashion spend), which is reflected by the fact that it does not have any department or variety store representation. Given its proximity to Portsmouth, it is likely that residents in Havant's catchment area will increasingly shop in Portsmouth city centre for their main comparison goods and particularly fashion needs if the 'Northern Quarter' redevelopment proceeds as planned. Nevertheless, there are

positive signs of increased retail investment and confidence in the future of Havant. For example, two retail warehouse schemes on the edge of the town centre have recently been granted planning permission and it is planned that they will provide a complementary retail offer.

(vii) Southsea

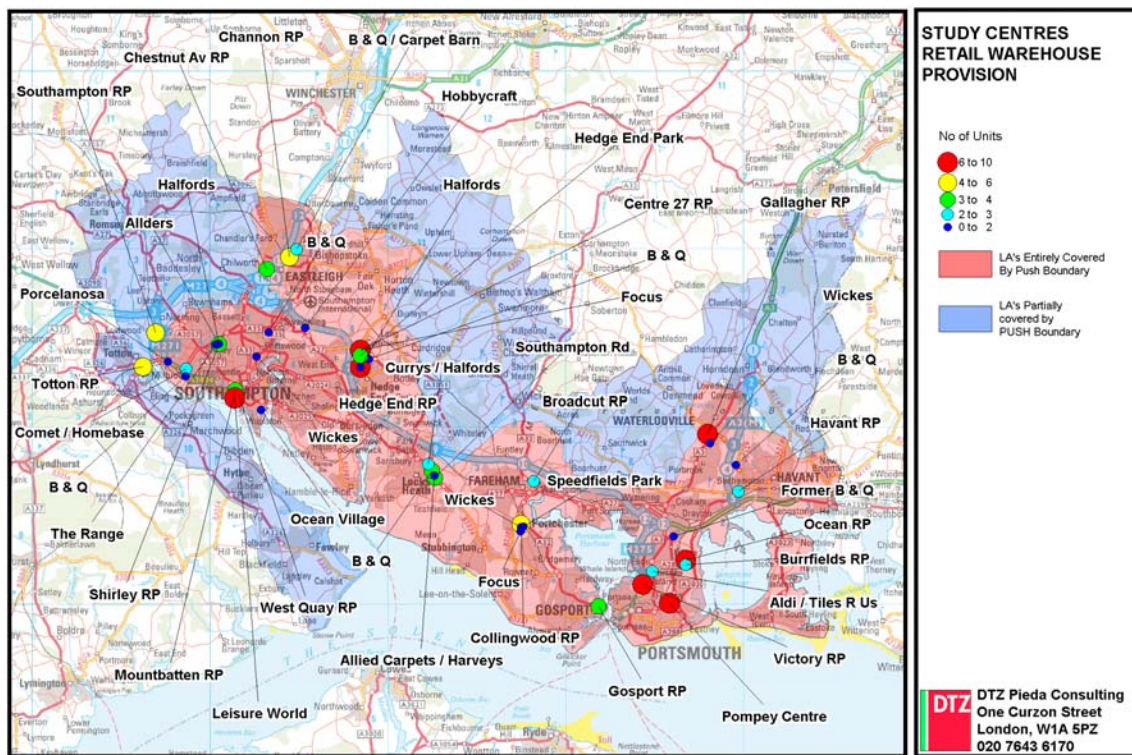
- 2.16 Southsea's retail offer is primarily centred on the pedestrianised area of Palmerston Road, which is an attractive environment.
- It comprises circa 38,000 sq.m of retail, leisure and service business floorspace and 187 outlets, of which 72 are classified as national multiple operators.
 - It is placed 404th in the national rankings, ahead of Havant.
 - Unusually for a centre of its relative size and function, its retailing is anchored by two department stores. The John Lewis Partnership occupies the Knight and Lee department store on Palmerston Road and Debenhams is also represented.
 - However, we understand that the proposed 'Northern Quarter' redevelopment in Portsmouth city centre will be anchored by a larger John Lewis store. If this is the case then it would inevitably lead to the closure of their smaller operation in Southsea.
 - Waitrose is the main food anchor for the town centre and other national multiple retailers include Woolworths.
 - Prime rental levels (Zone A) for Southsea currently stand at £538/sq.m, which is a slight increase from £484/sq.m in 2003. Its rental levels are therefore higher than for both Havant and Gosport, which probably reflects the relative attraction and importance of its two department stores in helping to drive up rents.
 - Vacancy levels in the centre are estimated to be 8%. The 16 vacant outlets are dispersed across the centre and are mainly smaller shops in more peripheral locations away from the prime pitch.
 - There are recorded requirements from just nine retail and leisure businesses, the lowest of all the PUSH centres. This is equivalent to circa 3,900 sq.m of floorspace.
 - It has a relatively good representation of restaurants and cafés for a centre of its size (28 outlets).
 - It is not a significant location for office floorspace.
 - The centre has good accessibility by different modes of transport and is served by an estimated 410 car parking spaces.
- 2.17 Southsea trades in the shadow of Portsmouth city centre. Nevertheless, it is currently "punching above its weight" in the network of centres, because of the presence and impact of the two department stores on its relative attraction, catchment and performance.
- 2.18 Over the longer term we consider that its overall vitality and viability is likely to be affected by the proposed redevelopment of the 'Northern Quarter', not least because it is anticipated that John Lewis will relocate to a larger department store to anchor the new

scheme. This could result in a decline in Southsea’s national ranking and could impact on business and investor confidence in the centre. As a result, we recommend that a clear vision and strategy is developed for Southsea to help identify the opportunities for future growth and development. We understand that an Area Action Plan is currently being prepared for the town centre and this represents an important first step in addressing the potential threat of the ‘Northern Quarter’ redevelopment.

Out-of-Centre Provision

- 2.19 The extent of out-of-centre retailing in the PUSH sub-region is illustrated in **Figure 2.1**. Based on information derived from PUSH and other sources, we estimate that there is currently c.211,000 sq.m net of non-town centre comparison goods retailing in the sub-region (comprising mainly retail warehouses). This is only slightly less than the estimated total comparison goods floorspace of the seven main study centres (c.253,000 sq.m net), which illustrates the significant growth in the out-of-centre retail market over the last 10-15 years.
- 2.20 The principal retail destinations, which compete directly with the PUSH town and city centres for trade include Hedge End, Gunwharf Quays and Whiteley Village. These schemes comprise a mix of both ‘larger format’ retailers and more traditional ‘high street’ operators. As we show in **Section 3**, they are also achieving a significant market share of the available comparison goods spend in the PUSH sub-region.

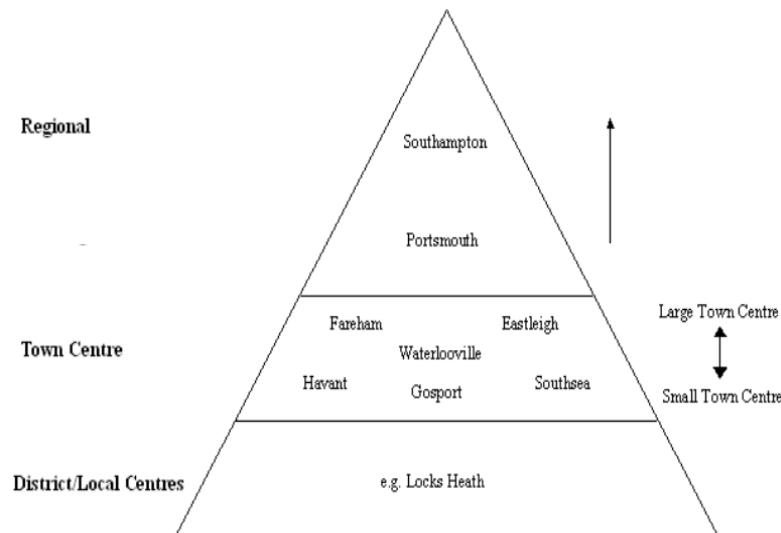
Figure 2.1: Out of Centre Provision



The Hierarchy and Network of Centres

2.21 From the above analysis, we have identified the following hierarchy and network of centres in the PUSH sub-region (**Figure 2.2**).

Figure 2.2: Hierarchy of Centres



- **Southampton** is the dominant retail destination and is an important regional centre.
- **Portsmouth** is currently lagging behind Southampton in the rankings and has fallen further behind over the last decade due to the lack of major new investment and development in the city centre. However, the proposed ‘Northern Quarter’, if implemented, will significantly improve the attraction, profile, role and ranking of the city centre.
- **Eastleigh and Fareham** are large sized town centres and collectively they address the needs and requirements of their catchment populations. At this level in the hierarchy, a selection of quality variety stores and national multiple retailers are present, but there is no significant department store representation.
- Further down the hierarchy **Gosport, Waterlooville, Havant and Southsea** primarily serve a more local shopping function. Within these centres national multiple retailer representation is limited and there is an increased emphasis on supermarkets as the main retail anchors, along with other convenience shops and services. However, Southsea’s current status and attraction differs from the other centres due to the fact that its retail offer is anchored by two department stores.
- At the lower tier of the hierarchy are smaller district and local centres (such as **Locks Heath, Portchester, Portwood, Romsey and Totton**). These centres provide local shopping facilities, generally anchored by convenience shopping and service businesses, together with important community activities (i.e. community centres, libraries, health services and other public amenities). For example, Locks Heath and Portchester are anchored by Co-op (Pioneer) and Somerfield food stores respectively. Whilst, we were not commissioned to undertake a healthcheck of district and local centres as part of this study, we recommend that their vitality and viability will need to be monitored in the future to ensure that their important roles are maintained and enhanced.

- 2.22 At the various levels in the shopping hierarchy, each centre has a different role and function, performance level and potential prospects. However, each centre's performance and prospects cannot be divorced from those of competing centres, both higher up and lower down the hierarchy. A significant improvement to the quantum and quality of the retail offer in one centre (such as Portsmouth for example) could inevitably impact on the market share and trading performance of other centres in the sub-region.
- 2.23 In this context, and in accordance with PPS6, we consider that it is important that the vitality and viability of all the main study centres in the sub-region be maintained and enhanced. In addition, the important role of the smaller district and local centres in the sub-region should not be neglected, as they generally provide for the day-to-day shopping, leisure, service and community needs of their local (less mobile) catchment populations. In our opinion there is the potential to enhance the respective roles and attraction of the PUSH centres and actively identify potential opportunities for change and growth in line with PPS6. The potential opportunities for growth are considered in more detail in the remainder of this report.

3 Retailing - The need for growth

- 3.01 This section summarises our broad quantitative assessment of the potential economic capacity for comparison goods retailing in the PUSH sub-region up to 2011, 2016, 2021 and 2026.
- 3.02 We have produced a range of capacity forecasts based on different projections of potential spend growth and turnover efficiency. In each case we describe the methodologies and key assumptions underpinning our capacity assessments, as well as the caveats involved in forecasting trends and growth over a long-term period.
- 3.03 Please note our residual spend capacity forecasts are for the main PUSH centres only (i.e. Southampton, Portsmouth, Fareham, Eastleigh, Havant, Gosport and Southsea), as identified in the brief and our scoping paper. We also model the residual spend growth derived from other “non-town centre” retail floorspace (including large format stores in out-of-centre locations and retail warehousing). Therefore, it is important to note that a small proportion of residual spend growth and floorspace capacity available to other town and district centres in the PUSH sub-region (such as Waterlooville, Locks Heath and Portchester) up to 2026 has not been identified by our capacity assessments.
- 3.04 In the context of PPS6 we necessarily assume that all the forecast residual spend and capacity should be accommodated in town centres “first”, including any potential capacity and demand for ‘larger store’ formats (including retail warehousing). This approach is in accordance with the sequential approach to site selection. PPS6 states that only where there are no suitable and viable sites or redevelopment opportunities in existing centres, should edge-of-centre locations be considered, followed (lastly) by out-of-centre locations. We consider the physical capacity for new development in the main PUSH centres in more detail in **Section 6**.
- 3.05 DTZ has developed the *Re:Map* model specifically to forecast the potential capacity for (and impact of) new retail and leisure floorspace. The model is based on a conventional manual step-by-step approach and is both transparent and robust, in accordance with policy advice. Its main advantage over other approaches is that the sensitivity of the key inputs and forecasts can be tested at all stages in the analysis.
- 3.06 In order to produce robust forecasts of residual spend and floorspace capacity up to 2026, we have tested the impact of the following growth scenarios on the outputs of the model.

Table 3.1				
PUSH Sub-Region: Comparison goods retail capacity assessment, 2005 – 2026				
<i>Scenario Testing – Key Assumptions</i>				
	Spend Growth <i>(per annum)</i>	‘Efficiency’ Growth <i>(per annum)</i>	Constant Market Shares	Average turnover of new retailing <i>(per sq.m)</i>
Scenario 1(a):	+3.8%	1%	√	£4,000 / £6,000
Scenario 1(b):	+4.8%	1%	√	£4,000 / £6,000
Scenario 2(a):	+3.8%	2%	√	£4,000 / £6,000
Scenario 2(b):	+4.8%	2%	√	£4,000 / £6,000

3.07 As the table shows our capacity forecasts are based on constant market shares over the forecast period. However, we accept that this may not necessarily reflect commercial reality, as significant new investment and development in centres (such as Market Quay in Fareham and the proposed ‘Northern Quarter’ redevelopment in Portsmouth) could result in increased market shares across the PUSH area and a higher trade draw from beyond the sub-region. In turn, this will lead to an increase in the residual spend and floorspace capacity available to these centres.

3.08 The main assumptions underpinning these scenarios and each stage of our capacity assessment are briefly described below (also see the more detailed commentary in **Volume 2: Section 10**):

Study Area (Stage 1)

3.09 For the purpose of our assessment we have divided the PUSH sub-region into a ‘core’ and ‘outer’ area (see **Figure 1.1**). The red ‘core’ area comprises the six main local authorities of Southampton, Portsmouth, Fareham, Eastleigh, Gosport and Havant. The blue ‘outer’ area comprises the rest of the PUSH sub-region. We take account of spend derived by centres from outside the PUSH sub-region in our trade draw estimates (Stage 4 of the *Re:Map* model).

Population forecasts (Stage 1)

3.10 The population estimates at 2001 are derived from our in-house MapInfo Geographic Information System (GIS) dataset. Our forecasts of potential population growth up to 2026 have been sourced from Hampshire County Council. These forecasts take into account the plans for additional housing growth in South Hampshire and specifically the proposed Strategic Development Areas (SDAs) in Fareham and Eastleigh (see **Table 3.2**):

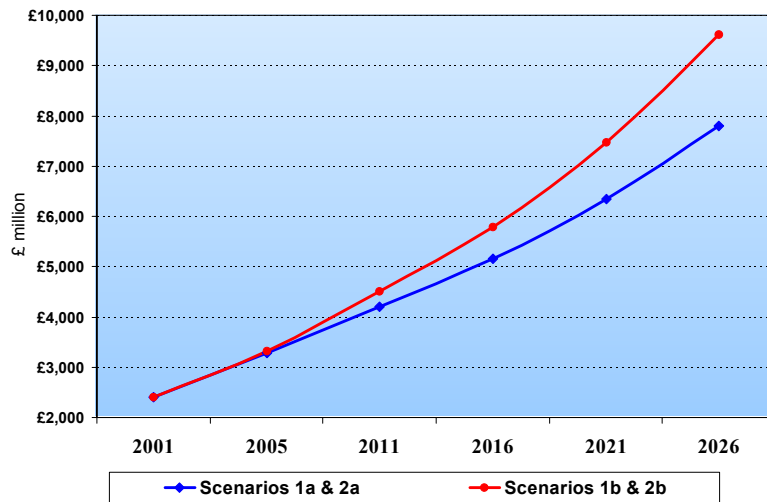
Table 3.2							
Population projections (2005 – 2026)							
	Total Population						Growth (%) 2005 - 2026
	2001	2005	2011	2016	2021	2026	
CORE AREA:							
Eastleigh Borough	116,276	119,709	125,048	129,680	134,483	139,464	+16.5%
Fareham Borough	107,808	110,463	114,568	118,105	121,751	125,510	+13.6%
Gosport Borough	76,004	75,974	75,928	75,890	75,852	75,814	-0.2%
Havant Borough	116,814	117,470	118,460	119,291	120,129	120,972	+3.0%
Portsmouth City	186,479	189,028	192,917	196,219	199,578	202,994	+7.4%
Southampton City	217,497	218,107	219,024	219,792	220,562	221,335	+1.5%
TOTAL ‘CORE’ AREA:	820,878	830,749	845,945	858,977	872,355	886,089	+6.7%
TOTAL PUSH SUB-REGION:	982,907	996,900	1,018,477	1,037,012	1,056,069	1,075,663	+7.9%

Expenditure growth projections (Stage 1)

3.11 We have used a ‘goods-based’ approach (rather than the ‘business-based’ approach) to determine average spend levels at 2001 and growth up to 2026, in accordance with the advice set out in PPS6 (para. 3.10). For comparison goods retailing we have applied a ‘lower’ (+3.8% per annum) and ‘higher’ (+4.8% per annum) spend projection to test the sensitivity of the capacity forecasts to different growth rates. These spend projections are derived from the “ultra-long” and “long-term” national trends set out in MapInfo Brief 05/02 “Goods based retail expenditure estimates and price indices” (September 2005).

3.12 **Figure 3.1** illustrates the significant growth in available spend up to 2026. The lower growth scenario (+3.8% per annum) results in a total spend growth of +137% between 2005 and 2026 and the higher growth scenario (+4.8% per annum) results in a total growth of +190% for the PUSH area. In both cases the highest growth is forecast for Eastleigh and Fareham Boroughs and the lowest growth is for Gosport Borough. This reflects the plans for housing growth in the SDAs and different population forecasts set out in **Table 3.2**.

Figure 3.1: Forecasts of total available spend in PUSH



Source: DTZ ReMap (Stage 1)

Retail floorspace stock and commitments (Stage 2)

- 3.13 We estimate that there is c.253,000 sq.m net of comparison goods retailing in the seven main study centres at 2005 (as agreed with PUSH). According to our estimates, there is a similar quantum of non-town centre retailing (211,000 sq.m net). This reflects the significant growth in the out-of-centre market over the last 10-15 years.
- 3.14 Significantly, Southampton city centre's comparison goods floorspace stock (c.109,000 sq.m net) is currently more than double Portsmouth's offer (c.47,500 sq.m). However the proposed redevelopment of the 'Northern Quarter' area (the former Tricorn Centre site) by Centros Miller will help to raise the quantity and quality of the city centre's retail offer up to 2011 and beyond. In our opinion, the 'Northern Quarter' redevelopment will also increase Portsmouth's overall market share of spend in the PUSH area and its trade draw from beyond, which will, in turn, increase the forecast capacity for new retailing over the longer term. However, as explained previously, our scenarios do not model the potential impact of increasing (or decreasing) the market shares of centres on the residual spend and capacity forecasts.
- 3.15 In terms of new commitments, the most significant schemes with planning permission and/or under construction include Market Quay in Fareham and the retail warehousing in Havant. We do not treat the 'Northern Quarter' redevelopment as a commitment in our capacity forecasts as it did not have planning permission at the time of our assessment.

Market share estimates (Stage 3)

- 3.16 Market share¹ estimates are one of the key inputs to the *Re:Map* model. These estimates should preferably be informed by detailed household and centre surveys conducted across the defined study area and beyond. In this case, however, a PUSH-wide comprehensive survey was not commissioned.
- 3.17 As a result we have necessarily drawn on the results of household surveys we have specifically conducted for Southampton and Eastleigh Councils as part of a separate commission, as well as the recent survey conducted by Colliers CRE to inform the updated *Portsmouth City Retail Study* (2004).
- 3.18 The results of both surveys have been ‘blended’ to provide a broad matrix of comparison goods shopping and spending patterns across the PUSH area. We have then adjusted these survey-based market shares to provide more robust and realistic potential turnover estimates at 2005 (Stages 5/6). These adjustments are needed for a number of reasons. For example, the surveys tend to over-estimate the attraction and market shares of larger centres/stores and they also generally under-estimate the market share of ‘special forms of trading’ (SFT), such as internet and mail order shopping.
- 3.19 Our revised market share estimates indicate that the main centres in PUSH are achieving a combined market share of c.41% across the sub-region, followed by non-town centre retailing (c.25%), other shops and stores in PUSH (c.7%) and ‘SFT’ (c.7%). We also estimate that there is a 20% ‘leakage’ of spend to other centres and stores outside the PUSH sub-region (including Winchester, Chichester and Bournemouth). **Table 3.3** illustrates our estimates of the market shares of the main study centres from the PUSH sub-region as a whole (i.e. comprising the ‘core’ and ‘outer’ areas).

Table 3.3		
Comparison Goods Turnover & Market Share Across PUSH Sub-region⁽¹⁾		
	Turnover (£ million)	Market Share (%)
Main Study Centres in PUSH Sub-Region ⁽²⁾	£1,344	41%
Non-Town Centre Retailing in PUSH Sub-Region ⁽²⁾	£839	25%
Other Shops & Stores in PUSH Sub-Region ^{(2) (3)}	£219	7%
Special Forms of Trading (e.g. Internet, Mail Order, etc.) ⁽²⁾	£230	7%
Potential Leakage of Spend outside PUSH Sub-Region ^{(2) (4)}	£658	20%
TOTAL:	£3,290	100%
Notes: (1) Based on <i>ReMap</i> Scenario 1a (2) <i>ReMap</i> Scenario 1a – Stage 5 (3) <i>ReMap</i> Scenario 1a – Stage 5 – assuming 25% of the turnover from Other major shop locations and stores elsewhere. (4) <i>ReMap</i> Scenarios 1a – Stage 5 – assuming 75% of the turnover from Other major shop locations and stores elsewhere.		

¹ Market share is defined as the proportion of available comparison and convenience goods spending in a catchment area that is attracted to existing centres and stores

Trade draw estimates (Stage 4)

- 3.20 The potential trade draw of centres and stores from outside the PUSH sub-region is another critical input to the *Re:Map* model. Trade draw is normally dependent on the relative size, location, accessibility and quality of shopping provision in centres and/or stores, as well the attractiveness and diversity of uses in the centres as a whole. We have therefore necessarily assumed that a certain proportion of the total estimated turnover of the main study centres and stores will be derived from beyond PUSH sub-region.
- 3.21 In this case we assume that the larger centres of Southampton and Portsmouth achieve the widest trade draws (15% and 10% respectively from outside the PUSH area). Conversely we assume that the smaller centres, such as Gosport and Southsea, have a more limited trade draw of c.5%. Overall our estimates indicate that c.19% of the total turnover of the main centres/stores in PUSH is derived from outside the sub-region.

Total Turnover and Average Sales Densities (Stages 5 & 6)

- 3.22 The total estimated potential turnover (Stage 5) and average sales densities (Stage 6) of existing centres and stores are key outputs of *Re:Map*. These turnover estimates also provide a critical test of the sensitivity of the model to key changes in the inputs, such as population and spend forecasts, as well as the market share and trade draw estimates.
- 3.23 As explained above, we have necessarily adjusted the market share and trade draw estimates to produce, in our opinion, more robust and realistic potential average sales densities at Stage 6. In order to inform this sensitivity testing, we have identified a ‘benchmark’ average turnover level for each study centre. This ‘benchmark’ is based on the findings of our centre healthchecks (which identifies their relative roles, strengths and attractions), other key datasets detailing the potential average sales densities of the main study centres (such as previous retail studies) and our own professional judgement.
- 3.24 **Table 3.4** below sets out our ‘benchmark’ average sales densities and the potential average sales densities at 2005 derived from our market share and trade draw estimates.

Table 3.4			
‘Benchmark’ and Potential Average Sales Densities (2005 – 2026)			
(£ per sq.m)	DTZ ‘Benchmark’	2005 Potential Average Sales Density	
		Scenario 1a & 2a	Scenario 1b & 2b
Eastleigh	£5,000 - £5,250	£5,386	£5,438
Fareham	£5,250 - £5,500	£5,712	£5,767
Gosport	£3,500 - £3,750	£4,078	£4,117
Havant	£3,750 - £4,000	£4,362	£4,404
Portsmouth	£5,750 - £6,000	£6,402	£6,463
Southsea	£3,750 - £4,000	£4,064	£4,103
Southampton	£6,000 - £6,500	£6,746	£6,811
Non-Town centre retailing	£3,000 - £3,500	£4,182	£4,223
Source: DTZ <i>ReMap</i> (Stage 5)			

- 3.25 The table shows that our “adjusted” market share estimates result in relatively robust average turnover levels for most of the PUSH centres at the base year compared to our assumed “benchmark” ranges. This would seem to indicate that some of the centres are not necessarily at “equilibrium” and that there could, therefore, be some “pent-up” capacity available at 2005, over and above our growth forecasts.

PUSH Sub-Region: Residual Spend and Capacity Forecasts (Stages 7 & 8)

- 3.26 The final stages of the *Re:Map* model set out our residual spend and floorspace capacity forecasts for the PUSH sub-region as a whole at 2011, 2016, 2021 and 2026⁽²⁾. In this case the capacity forecasts are a function of the difference between the ‘**potential**’ (Stage 5) and ‘**derived**’ (Stage 7) turnover of existing centres and stores. The ‘derived’ average sales densities have been determined by constraining the growth of existing centres and stores using a turnover “efficiency” (or “productivity”) growth rate.
- 3.27 This application of an **efficiency growth rate** is a standard approach used in retail planning studies. PPS6 also advocates the use of a “...*realistic assessment of forecast improvements in productivity in the use of floorspace*” (paragraph 2.34). This growth represents the ability of retailers to absorb real increases in their costs (such as rents, rates and service charges) by increasing their average sales densities. An allowance for the increased efficiency of existing floorspace therefore effectively allows retail businesses to increase their turnover year-on-year (over and above inflation) to help them compete with new retail developments and innovations, and thereby maintain the future vitality and viability of existing centres. For the purpose of our assessment we have tested the impact of a ‘lower’ efficiency growth rate of 1% per annum (Scenarios 1a and 2a) and a ‘higher’ growth rate of 2% per annum (Scenarios 1b and 2b) on the residual spend and floorspace capacity forecasts.
- 3.28 The other key assumptions underpinning our capacity assessment at Stages 7 and 8 are as follows:
- we assume that all the PUSH centres and stores are trading at “**equilibrium**” at the base year (2005), although our analysis does appear to indicate that there is some “pent-up” capacity available to some of the centres at the outset.
 - we have held the base year **market shares** constant over the forecast period and do not, therefore, model the potential impact of new floorspace on the market shares of the PUSH centres.
 - we assume that all the **retail commitments** in the pipeline will be open and trading by 2011.
 - we do not treat the proposed ‘**Northern Quarter**’ redevelopment as a commitment, as it did not have planning permission at the time of our assessment.
 - we assume that all the forecast comparison goods residual spend will be accommodated in **town centres “first”**, in accordance with the sequential approach.
 - we assume that any **new comparison goods retailing** in existing centres will achieve average sales densities ranging from £4,000/sq.m to £6,000/sq.m, depending on the relative quality of the floorspace and tenant mix.
 - our initial capacity forecasts assume that any residual spend growth derived from **non-town centre retailing** (which includes, for example, Hedge End, Chandlers Ford and other retail warehouse schemes) up to 2026 should be accommodated in town centres first, in accordance with policy.

² Please note that all our forecasts are expressed in constant 2001 prices and exclude inflation.

- however, we do accept that the market demand for, and growth of, ‘large format’ stores (including retail warehousing) will continue over the long-term, to meet retailer requirements. Consequently, we have also carried out a broad qualitative and quantitative assessment which assumes that a proportion of the forecast ‘global’ residual spend will be “taken-up” by these ‘large format’ stores. Nevertheless, we still assume that this type of retailing should be directed to town centres “first”.
- we assume a net/gross floorspace ratio for all new floorspace of 75%.

3.29 **Table 3.5** sets out our revised residual spend forecasts for the PUSH sub-region only. These forecasts deduct our estimates of the potential turnover of all new town and non-town centre commitments (Stage 8a of *Re:Map*) from the unadjusted residual spend forecasts (Stage 7).

Table 3.5				
PUSH Sub-Region: Revised Residual Spend Capacity (£ million)				
	2005 - 2011	2005 - 2016	2005 - 2021	2005 - 2026
Scenario 1(a):	£364	£919	£1,625	£2,517
Scenario 1(b):	£552	£1,351	£2,413	£3,815
Scenario 2(a):	£200	£595	£1,116	£1,797
Scenario 2(b):	£386	£1,024	£1,900	£3,088
Notes: Scenario 1(a) = Lower spend growth (+3.8%) and lower turnover efficiency (+1.0%) Scenario 1(b) = Higher spend growth (+4.8%) and lower turnover efficiency (+1.0%) Scenario 2(a) = Lower spend growth (+3.%) and higher turnover efficiency (+2%) Scenario 2(b) = Higher spend growth (+4.8%) and higher turnover efficiency (+2%)				

3.30 To determine the equivalent net floorspace capacity we have assumed that all new modern shops and floorspace in town centre locations will achieve average sales densities of between £4,000/sq.m and £6,000/sq.m. On this basis **Table 3.6** and **Figure 3.2** below set out our (net) floorspace capacity forecasts for the PUSH sub-region as a whole.

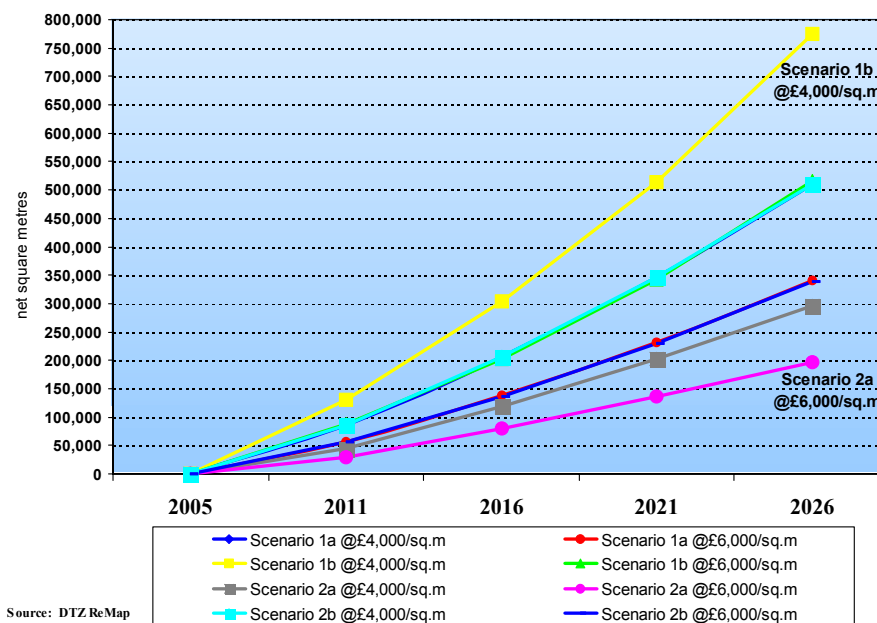
3.31 The **Table 3.6** and **Figure 3.2** clearly show the significant forecast capacity ranges based on the different growth scenarios tested. For example, for the 2005-2011 period we forecast a potential capacity of between 29,600 – 86,700 sq.m net, assuming all new floorspace achieves an average sales level of £6,000/sq.m. This rises to 44,300 – 130,000 sq.m net over the same period based on the lower average sales level of £4,000/sq.m.

3.32 Scenario 1(b) clearly represents a ‘higher’ capacity forecast and Scenario 2(a) represents a ‘lower’ capacity forecast. We therefore consider that the ‘mid-range’ forecasts provided by Scenarios 1(a) and 2(b) are probably more robust over the longer term and therefore probably provide a more realistic broad assessment of potential floorspace capacity up to 2026. Nevertheless, the scenarios do illustrate the different capacity ranges that can arise from higher and lower growth forecasts.

Table 3.6				
PUSH Sub-Region: Floorspace Capacity Forecasts (<i>net square metres</i>)				
Ranges based on new floorspace trading at either £4,000/sq.m or £6,000/sq.m				
	2005 – 2011	2005 – 2016	2005 – 2021	2005 – 2026
Scenario 1(a):	57,200 – 85,700	137,300 – 206,000	230,900 – 346,400	340,300 – 510,500
Scenario 1(b):	86,700 – 130,000	201,900 – 302,800	343,000 – 514,500	515,900 – 773,900
Scenario 2(a):	29,600 – 44,300	79,700 – 119,500	135,500 – 203,200	197,500 – 296,300
Scenario 2(b):	57,200 – 85,800	137,200 – 205,800	230,600 – 345,900	339,600 – 509,400

Notes: Scenario 1(a) = Lower spend growth (+3.8%) and lower turnover efficiency (+1.0%)
 Scenario 1(b) = Higher spend growth (+4.8%) and lower turnover efficiency (+1.0%)
 Scenario 2(a) = Lower spend growth (+3.8%) and higher turnover efficiency (+2%)
 Scenario 2(b) = Higher spend growth (+4.8%) and higher turnover efficiency (+2%)

Figure 3.2: Floorspace Capacity Ranges for PUSH Area (net sq.m)



3.33 It is important to restate that our capacity forecasts are based on constant market shares up to 2026. We do accept that this assumption does not necessarily reflect commercial reality, as new investment and development in centres generally results in increased market share and trade draw levels, which will (in turn) impact on their growth potential and forecast capacity. This is particularly relevant to the Market Quay development in Fareham and the proposed ‘Northern Quarter’ scheme in Portsmouth. We predict that the new retail floorspace in both centres will increase their respective market shares up to 2011 and beyond (to varying degrees), and that this could therefore generate additional floorspace capacity over and above our forecasts.

3.34 In the context of PPS6, and specifically the sequential approach, we advise PUSH that this new floorspace capacity should be accommodated in town centres “first”. Only where sequentially preferable opportunity sites are not available, suitable or viable in town centres will it then be necessary to consider edge-of-centre, followed by out-of-centre locations.

3.35 **Section 6** sets out our broad planning and market assessment of sequential sites identified by the respective local authorities in their main town centres. This analysis will provide a first step in examining whether these centres have the potential sites and physical capacity to accommodate the quantum of floorspace capacity forecast for the mix of town centre uses.

PUSH Main Centres: Residual Spend and Capacity Forecasts

3.36 Based on our quantitative assessment of the forecast capacity in the PUSH sub-region up to 2026 (for the seven main town centres and non-town centre retail floorspace only), and assuming that Scenarios 1(a) and 2(b) probably represent more robust mid-range forecasts, **Table 3.7** below sets out our broad floorspace capacity forecasts for the main town centres and “other” retailing.

Table 3.7				
Indicative Comparison Goods Floorspace Capacity Forecasts: 2005 - 2026				
<i>Based on constant market shares</i>				
	2005 – 2011	2005 - 2016	2005 - 2021	2005 – 2026
MID RANGE FORECASTS ONLY (i.e. SCENARIOS 1a & 2b) – NET SQUARE METRES ⁽¹⁾:				
Southampton City Centre	19,400 – 29,100	43,900 – 65,900	72,400 – 108,800	105,700 – 158,900
Portsmouth City Centre	8,700 – 13,100	18,900 – 28,300	30,700 – 46,100	44,500 – 66,900
Fareham Town Centre	(2,100) – (3,200)	4,100 – 6,100	11,300 – 17,000	19,600 – 29,700
Eastleigh Town Centre	3,600 – 5,600	7,500 – 11,200	11,800 – 17,700	16,800 – 25,300
Havant Town Centre	1,700 – 2,500	3,400 – 5,000	5,300 – 8,000	7,600 – 11,400
Gosport Town Centre	1,400 – 2,100	2,800 – 4,300	4,500 – 6,700	6,400 – 9,600
Southsea Town Centre	2,900 – 4,400	5,800 – 7,800	9,200 – 13,800	13,100 – 19,600
Other Town Centre Retailing	21,300 – 32,000	50,900 – 76,400	85,400 – 128,400	125,700 – 189,000
TOTAL FORECAST CAPACITY:	57,200 – 85,700	137,300 – 206,000	230,900 – 346,400	340,300 – 510,500
Notes: (1) Forecast ranges assume new ‘high street’ floorspace achieves average sales densities of £4,000 - £6,000/sq.m (2) Brackets represent negative residual spend and floorspace capacity forecasts. For example, in Fareham the Market Quay development is forecast to account for the forecast capacity between 2005 and 2011. (3) We do not treat the ‘Northern Quarter’ redevelopment as a commitment. (3) Figures may not sum due to rounding				

3.37 There are a number of caveats to the forecast ranges in the table, as highlighted previously. For example, we have assumed constant market shares up to 2026, and it is therefore our view that the forecasts for both Portsmouth city centre and Fareham town centre over the short-term (i.e. 2005 – 2011) will probably under-estimate their potential capacity to accommodate new spend and floorspace.

3.38 Nevertheless, even though our forecasts may under-estimate the potential for some of the PUSH centres to accommodate new retail development and investment, this is balanced by the fact that there is substantial residual spend and floorspace capacity identified for other retailing which should in our opinion, and in accordance with PPS6, be re-allocated to the main town centres in PUSH first. A significant quantum of this forecast capacity could, for example, be allocated to Portsmouth city centre to accommodate the proposed ‘Northern Quarter’ redevelopment.

PUSH Sub-Region: Potential Capacity for ‘High Street’ and ‘Large Format’ Stores

- 3.39 Based on current and forecast trends in the retail sector, we accept that it may not be possible to accommodate all types of development in existing high street locations. For example the sale of some comparison goods may require large showrooms and delivery facilities that may prove difficult to integrate within existing historic high street environments and infrastructures.
- 3.40 We have therefore re-run our *Re:Map* model to broadly assess the potential residual spend that could be available for ‘large format’ stores (including retail warehouses). Research indicates that expenditure on larger non-food products (e.g. DIY, hardware, furniture, floor coverings, carpets and electrical goods) accounts for c.35% of total comparison goods spend. Based on research by DTZ and other consultancies, we believe it is reasonable to assume that say a proportion (c.20%) of the forecast residual spend set out in **Table 3.5** above could be “taken-up” by ‘large format’ stores (including retail warehouses). Smaller comparison shops in more traditional high street locations would account for the remainder. This is an estimate of the proportion of spend that potentially could be converted into floorspace capacity for high street locations and large format stores. It is not a reflection of the pattern of existing market share to town centres or non-town centre retailing.
- 3.41 Drawing on these assumptions, **Figures 3.3** and **3.4** below set out our revised forecasts for the two different types of comparison goods retail formats. For ‘larger format’ stores (including retail warehouses) we assume that they will achieve an average sales density of between £2,500/sq.m and £3,000/sq.m, based on company averages for a mix of different retail formats (see **Figure 3.4**). For ‘high street’ comparison shops we assume that they will trade at average sales densities of either £4,000/sq.m or £6,000/sq.m, depending on the quality of the operator and floorspace (see **Figure 3.3**).
- 3.42 The revised residual spend forecasts for ‘high street’ and ‘large format’ stores (including retail warehouses) inevitably result in higher floorspace capacity ranges up to 2026 than originally forecast in **Table 3.6**, as we assume that 20% of the total available residual spend will trade at lower average sales densities. For example, for Scenario 1a, the revised total forecast capacity range at 2011 is 68,590 – 96,030 sq.m net, rising to 408,410 – 571,780 sq.m net by 2026. In comparison, the “original” forecast floorspace capacity is 57,200 – 85,700 sq.m net at 2011, rising to 340,300 – 510,500 sq.m net by 2026 (see **Table 3.6**).
- 3.43 In order to determine a “best fit” capacity forecast for the PUSH sub-region we again assume that Scenarios 1a/2b broadly represent a mid-range between the higher (Scenario 1b) and lower (Scenario 2a) capacity forecasts.

Figure 3.3: Residual Floorspace Capacity Ranges for High Street Formats (net sq.m)

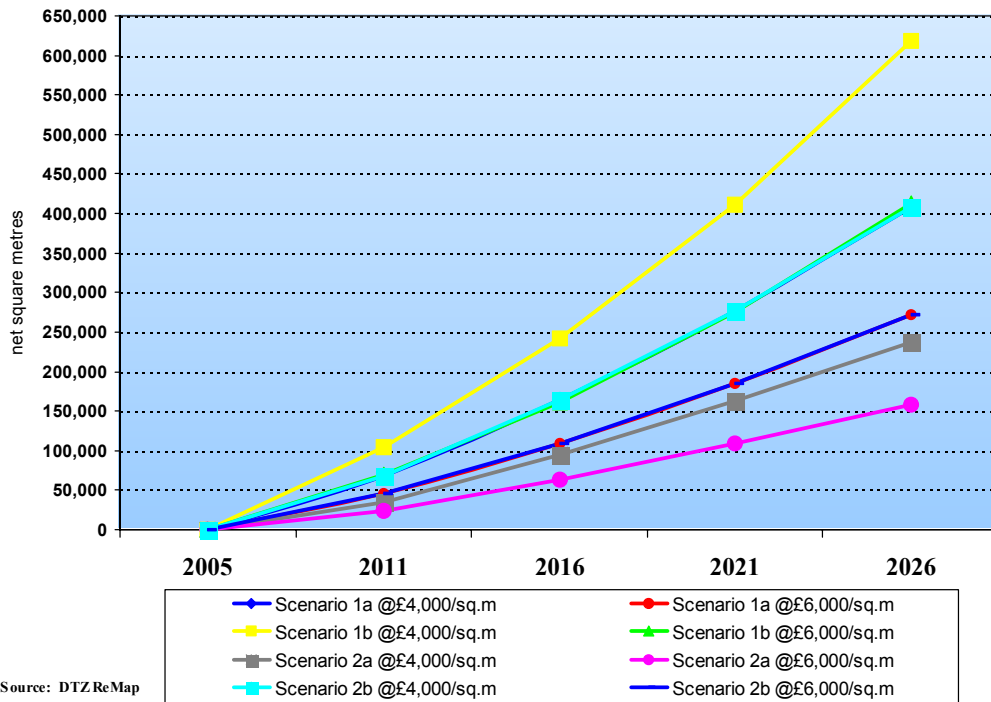
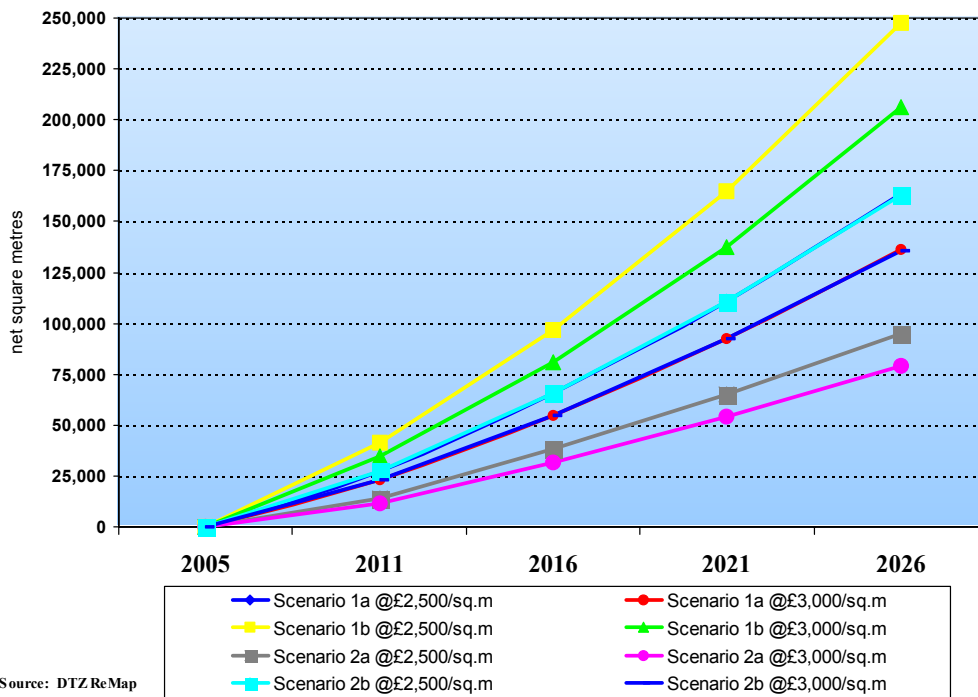


Figure 3.4: Residual Floorspace Capacity Ranges for Larger Format Stores (net sq.m)



Summary

- 3.44 The table below sets out our mid-range capacity ranges for PUSH sub-region as whole based on our original ‘global’ forecasts derived from Scenarios 1a and 2b (also see **Tables 3.5 and 3.6**). It also sets out our “adjusted” forecasts for both scenarios, which broadly differentiate between ‘high street’ and ‘large format’ (including retail warehouses) comparison goods retailing:

Table 3.8				
Indicative Floorspace Capacity Forecasts for the main centres in the PUSH Sub-Region				
Based on Scenarios 1a / 2b and constant market shares between 2005 – 2026				
	2005 - 2011	2005 - 2016	2005 - 2021	2005 – 2026
‘GLOBAL’ CAPACITY FORECASTS FOR ALL MAIN CENTRES:				
Residual Spend (£ millions)	£364m	£919m	£1,625m	£2,517m
Floorspace capacity (net sq.m)	57,200 – 85,700	137,300 – 206,000	230,900 – 346,400	340,300 – 510,500
ADJUSTED CAPACITY FORECASTS FOR ‘HIGH STREET’ & ‘LARGER FORMAT’ RETAILING:				
‘High Street’ Formats ⁽¹⁾ :	45,730 – 68,610	109,780 – 164,780	184,490 – 277,140	271,670 – 408,410
‘Large Store’ Formats ⁽²⁾ :	22,860 – 27,440	54,890 – 65,910	92,250 – 110,860	135,830 – 163,370
Notes:	(i) Assume ‘high street’ formats account for c.80% of total forecast residual spend and achieve average sales levels of between £4,000 - £6,000 per sq.m (ii) Assume ‘larger store’ formats account for c.20% of total forecast residual spend and achieve average sales levels of between £2,500 - £3,000 per sq.m			

- 3.45 Although we have modelled ‘larger format’ retailing (which includes retail warehousing), we nevertheless still advise PUSH that all the forecast capacity should be accommodated in town centres “first”, in accordance with PPS6 and the sequential approach. Only where sequentially preferable opportunity sites are not identified for town centre and/or edge-of-centre sites will it be necessary to consider out-of-centre locations.
- 3.46 It is important to state that these floorspace capacity forecasts are not meant to be prescriptive. They can only provide a broad framework for the future strategic allocations in PUSH and its main centres. Indeed PPS6 states that the need for additional floorspace should: “...normally be assessed no more than five years ahead” and that assessing need beyond this time period might: “...pre-empt future options for investment in centres, except where large town centre schemes are proposed and where a longer time period might may be appropriate to allow for site assembly” (paragraph 3.10). We therefore strongly recommend that these floorspace forecasts are regularly updated to take account of new developments and emerging commitments in the sub-region and its main centres.
- 3.47 PPS6 also provides an important context for our broad commercial and planning appraisal of potential opportunity sites in the main PUSH centres set out in **Section 6**. This assessment will provide only a “first step” in examining whether these centres have the potential sites and physical capacity to accommodate the quantum of floorspace capacity forecast for the mix of town centre uses. The following sections examine the broad capacity and need for new leisure, office and arts/cultural/tourism uses in more detail.

4 Commercial Leisure, Arts, Culture & Tourism - The need for growth

- 4.01 This section sets out our headline findings of the quantitative and qualitative need for new commercial leisure uses (which includes eating and drinking establishments, cinemas, health & fitness clubs, casinos and hotels) in the PUSH sub-region and its main centres, along with a more strategic qualitative assessment of the potential need for, and optimum location of, new arts, culture and tourism facilities.

Commercial Leisure Uses

- 4.02 The commercial leisure industry has been one of the fastest growing sectors of the UK property market over the last decade and remains one of the UK's primary economic sectors. For example, recent projections by Experian indicate that average spend per capita on leisure could increase by between 1.9% ('long-term' trend) and 2.5% per annum ('ultra long-term' trend).
- 4.03 Both commercial leisure and public leisure (i.e. theatres, museums, galleries, public swimming baths, etc. see) facilities make a significant contribution to the overall vitality and viability of town centres, particularly the evening economy, and are an important component of the government's urban renaissance and town centre "first" policy agenda. However, this sector is highly complex and subject to fashion-driven cycles and changes in lifestyle trends.
- 4.04 According to Hampshire County Council projections for South Hampshire, the population within the sub-region is set to grow by 8% between 2005 and 2026. This increase in the population and the general trend in more active lifestyles is likely to increase the potential demand for leisure services in South Hampshire. The forecast ageing of the population, both nationally and regionally, will also have an impact on the demand for different leisure products and services. In broad terms analysts predict that these 'grey' consumers will be more active than previous generations and will expect a wide range of quality leisure products and services. They are more likely to be involved in participative and interactive pursuits.
- 4.05 Developers and investors have also responded to the changes in consumer lifestyles, demand and spend by opening new and more sophisticated leisure formats. A good example of this is the development of managed leisure centres and parks. Despite the tighter planning policy controls on out-of-centre development, leisure parks are now viewed by the property industry as a less risky long-term investment. In South Hampshire the three main leisure parks are:
- **Southampton Leisure World** – includes a mix of restaurants and bar operators, two nightclubs, a casino and a cinema.
 - **Portsmouth Gunwharf Quays** – Portsmouth's recent mixed-use waterside development is located outside the city centre and comprises a mix of bars, restaurants and cafés; a Grosvenor casino; a Vue cinema; Jongleurs comedy club; and a Holiday Express hotel.
 - **Portsmouth Port Solent, The Broadwalk** – comprises a mixture of bars and restaurants and a UCI cinema.

- 4.06 In terms of larger, more strategic leisure and theme parks, operators generally require sites of 15-20 acres with good accessibility, but it is very difficult to predict the next “big thing” in event entertainment. Nevertheless, the ‘Snowdome’ developments in Milton Keynes and Leeds have proven popular and, as a result, proposals exist for other major UK cities and regions (such as SnOasis on the outskirts of Ipswich). There may therefore be an opportunity for a similar type of offer in the South of England and specifically in the PUSH sub-region. However, more detailed appraisals will be required to determine the level of market interest and also the optimum location for any possible new development.
- 4.07 Other types of activity include theme parks, which generally have a catchment of 2-3 hours drive time. On this basis we would anticipate one or two new destinations for the whole of the PUSH area over the next 15-20 years. As for the ‘Snowdome’ concept, new theme parks will require excellent access (preferably to the motorway and main arterial routes) and market interest is more likely to be directed to the two main conurbations of Southampton and Portsmouth, although this will clearly be subject to the availability of developable land. In terms of larger leisure and theme parks, operators generally require sites of 15-20 acres. It is very difficult to predict the next trends in event entertainment. However the ‘Snowdome’ theme has not been replicated in the South of England and represents a gap that the PUSH sub-region could potentially fill. Proposals for major leisure destinations would need to be assessed against the following tests in PPS6 and PPG13:
- to reduce the need to travel;
 - to establish whether there is a need for the proposal;
 - the availability of town centre sites; and
 - the impact on the vitality and viability of city/town centres.
- 4.08 The following commentary briefly describes the current demand from ‘mainstream’ commercial leisure operators and the potential capacity for new uses in PUSH and its main centres.
- (i) Eating and Drinking Out*
- 4.09 The growth of drinking and eating out as a leisure activity has fuelled significant changes in the pub and restaurant sector over the last decade, reflecting increased disposable incomes and a greater frequency to eat out overall.
- 4.10 Recent changes in the Use Classes Order (UCO)¹ and licensing legislation now means that local authorities have more control over the growth and location of A3/A4/A5 uses (i.e. cafés, restaurants, take-aways and bars) in their town centres. The use class changes will increase local authority control on the high street by limiting the ability of operators to change use without planning permission.
- 4.11 Research indicates that there is significant interest from operators for representation in South Hampshire and its main centres (see **Table 4.1**). Southampton and Portsmouth have the highest levels of demand from a wide variety of operators, whereas Havant, Fareham and Gosport have a lower levels of market interest. Eastleigh currently has four requirements from fast-food and restaurant operators, and Southsea has two requirements from pub operators.

¹ The Town and Country Planning (Use Classes) (Amendment) (England) Order 2005 and the Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2005.

Table 4.1: A3/A4/A5 Floorspace Requirements in South Hampshire	
Centre	Floorspace requirements (sq.m gross)
Southampton	7,264 - 12,307 sq.m
Portsmouth	4,231 - 8,528 sq.m
Fareham	1,445 – 2,971 sq.m
Eastleigh	636 - 983 sq.m
Gosport	767 – 1,597 sq.m
Havant	1,004 – 2,201 sq.m
Southsea	744 – 930 sq.m

Source: Town Centre Focus Reports 2004

- 4.12 In order to assess the potential quantitative capacity for new eating and drinking establishments we assume that an additional 20% - 30% of the forecast comparison goods capacity for the PUSH sub-region (set out in **Section 3**) will comprise cafés, restaurants, bars, take-away and fast-food outlets. This assumption is based on the town centre category reports produced by Experian Goad, which indicate that eating and drinking uses account for c.25% of total comparison and leisure services floorspace in 1,600+ UK centres. Other research also confirms that new retail-led mixed-use developments comprise an equivalent proportion of A3/A4/A5 uses. For example Savills² recently concluded that: *“...other types of ground floor building uses (apart from retail) are important to the vitality of cities...and that the hospitality industry, in its widest sense, ...forms an important and sizeable proportion of premises, averaging 24% of ground floor stock...”*.
- 4.13 On this basis, and assuming that Scenarios 1(a) and 2(b) broadly represent the “best fit” comparison goods capacity forecasts up to 2026 (see **Section 3**), **Table 4.2** sets out our forecasts of the potential for new A3/A4/A5 floorspace that we assume will be needed to support the quantum of comparison goods retailing forecast for the PUSH sub-region. This forecast capacity provides only a broad indication of the ‘theoretical’ potential for new A3/A4/A5 floorspace and is not meant to be prescriptive.
- 4.14 Southampton and Portsmouth currently dominate eating and drinking provision in the PUSH sub-region and we consider that this trend will continue over the forecast period, as the largest quantum of new comparison goods retailing is forecast for the two main city centres. This strength of each city’s daytime and evening economies is also partly underpinned by their resident student population. Nevertheless, there are also opportunities to expand and enhance the eating and drinking offer in all of the main PUSH centres as part of potential new mixed-use development.

² *‘The Streetscape of major UK cities’*, Savills, Winter 2004, pg.3

³ *‘The Streetscape of major UK cities’*, Savills, Winter 2004, pg.3

Table 4.2					
PUSH Sub-Region: Capacity Forecasts for A3/A4/A5 Uses (net sq.m)					
	2005	2005 - 2011	2005 - 2016	2005 - 2021	2005 - 2026
20% threshold:	0	11,440 – 17,160	27,440 – 41,600	46,120 – 69,280	67,920 – 102,100
30% threshold	0	17,160 – 25,740	41,160 – 61,800	69,180 – 103,920	101,880 – 153,150
Notes	(i) Ranges based on new high street retail floorspace trading at either £4,000/sq.m or £6,000/sq.m				

(ii) Health and Fitness

4.15 The health and fitness market nationally has been through a series of peaks and troughs since the sector first gained popularity in the mid-1990s. In 2005, the health and fitness market was estimated to be worth £2.2 billion⁴. This growth has been driven the nation’s increased awareness about the benefits of exercise and activity as part of a healthy lifestyle. Despite the relative cooling of the health and fitness market in recent years and operators who have faced considerable difficulties, there still appears to be the potential for future growth, particularly as the government is committed to tackling health issues.

4.16 **Table 4.3** lists the main commercial health and fitness operators already represented in South Hampshire. Southampton and Portsmouth once again emerge as the dominant centres in terms of commercial health and fitness operators. In addition to the commercial offer, there are also a number of sports facilities operated by each local authority which provide an alternative to the commercial operators.

Table 4.3:		
Commercial Health and Fitness Operators in South Hampshire		
Local Authority	Location	Operator
Southampton	12 - 16 East Bargate	Fitness First for Women
	Shirley Road	Fitness First
	Frogmore Lane	David Lloyd Leisure
	Shirley Retail Park	LA Fitness
Portsmouth	The Pompey Centre	Fitness First
	Port Solent	David Lloyd Leisure
	Gunwharf Quays	The Edge
	Northern Parade	Cannons
Fareham	1 Pulheim Parade	LA Fitness
Havant	Dukes Walk, Waterlooville	Fitness First
Eastleigh	Hedge End	Esporta Health and Racquet

4.17 Our research has indicated several requirements in South Hampshire from the main commercial operators. In particular, both Esporta Health & Fitness and Virgin Active are recorded as actively seeking space in town centre and/or out-of-centre locations in Southampton, Eastleigh, Havant and Fareham. However, there are currently no recorded requirements from health and fitness operators for space in Portsmouth and the other PUSH centres. There could therefore be a potential need for smaller health and fitness clubs in Gosport and Southsea to meet current and forecast demand due to new population growth.

⁴ The Leisure Database Company: Press Release on the “State of the Industry Report – August 2005” (http://www.online-leisure.com/leisrep_010805.html)

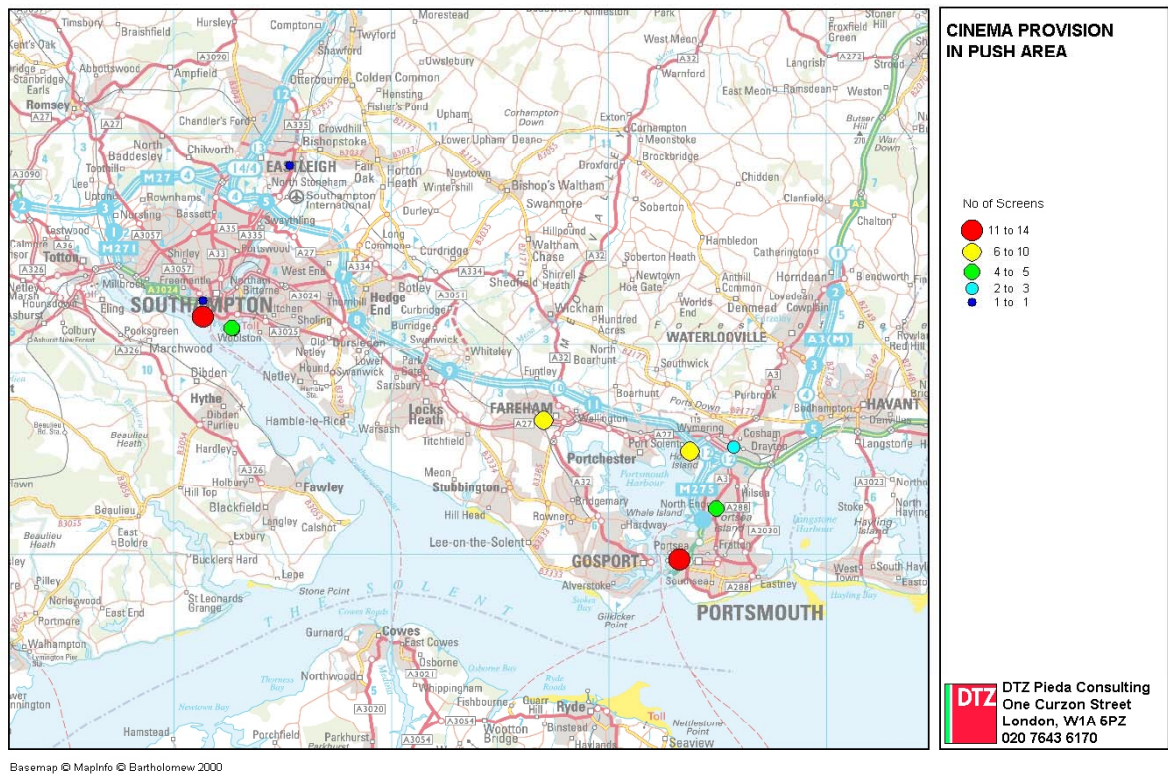
-
- 4.18 The CACI *Participation Profile* reports provide a broad overview of the levels of participation for health and fitness and sporting activities across the PUSH area benchmarked against national average participation levels. The headline findings indicate that gym and health club membership is slightly below the national average across the sub-region. In contrast, swimming emerges as the most popular sport, with a participation rate of 11-12% compared to the national average of 10.8%.
- 4.19 For the purpose of this study we have carried out a very broad assessment of the potential quantitative need for new health and fitness facilities over the forecast period. However, there are a number of caveats to our capacity forecasts, particularly as methodologies are not as robust as for retailing and office capacity assessments.
- 4.20 Nevertheless, we estimate that the current PUSH population of c.996,900 could potentially generate demand for c.99,700 public and private membership places, based on the national average membership of 10%⁵. Based on forecast population growth across the sub-region, we forecast that this potential demand could increase by 4,000 places to c.103,700 in 2016 and by c.8,000 places to 107,600 in 2026. Similarly, any increase in membership rates, such as the projected rates of growth of 13.5% predicted by *Business in Sport & Leisure*, could potentially increase demand further within the study area.
- 4.21 In summary, the key commercial health and fitness operators are represented within the PUSH area. Recent entrants (new and proposed) include LA Fitness in Fareham and Esporta in Havant. There is potential for growth in this sector especially since gym and health club membership (from CACI) is below the national average. Additionally there are also a good number of public sector health and fitness facilities that service an alternative market and could also serve as a key market in the future. An ageing but active population, is likely to make more use of such facilities. Most activity within the health and fitness sector occurs at the smaller end of the market, and should be encouraged as a use within mixed-use schemes close to town centres and office hubs.

(iii) Cinemas

- 4.22 The 1990s was characterised by the significant growth of new out-of-centre multi-screen cinemas, often as anchors to leisure parks, or as an integral part of the tenant mix in shopping centres. However, new multiplex cinema openings have slowed considerably over recent years, mainly due to the tightening of planning policy on new out-of-centre development. The industry itself is also entering a period of change, signified by consolidation.
- 4.23 The cinema provision within the PUSH sub-region is shown in **Figure 4.1**. This shows that there is a good provision of cinemas with broad east-west split in terms of geographical provision. The larger centres of Southampton and Portsmouth dominate the list but also emerging as a new destination is the new multiplex in Fareham. There is a small cinema in Eastleigh, but there are no other cinemas located within the smaller PUSH centres.
- 4.24 In South Hampshire, the CACI Participation Profiles on performances shows that going to the cinema is the most popular performance activity across all of the local authorities. Going to the cinema is most popular in Portsmouth (26%), but is below the national average of 25% for both Gosport (24%) and Havant (23%).

⁵ Business in Sport & Leisure (BISL) Handbook 2003 - 04

Figure 4.1: Cinema Locations within the PUSH Sub-region



4.25 We have undertaken a broad quantitative assessment to forecast the potential capacity for new cinema screens and seats over the forecast period. The output of this analysis is summarised in **Table 4.4** and shows that within the PUSH sub-region and based on national visitation rates, the population is capable of supporting c.17 screens or c.4,100 cinema seats in 2005, rising to c.29 screens and c.7,200 seats by 2026.

	2005	2011	2016	2021	2026
Cinema Screens	17	19	22	25	29
Cinema Seats	4,129	4,835	5,516	6,294	7,183
Source:	Derived from Dodonna Research				

4.26 It is our understanding, however, that the current capacity has been partly met by the new nine-screen cinema proposed at the Swan Centre in Eastleigh and the more aspirational six-screen cinema proposed at Meridian Place, Southampton. Nevertheless within the sub-region as a whole there is the potential for other centres, including the smaller centres, to plan for cinema facilities, as part of a broader sub-regional leisure strategy.

4.27 In floorspace terms, our research indicates that the common ‘rule of thumb’ is broadly 3,252 sq.m gross (35,000 sq.ft.) per new multiplex (ten screen) town centre cinema. On this basis (and after accounting for the 15 planned and aspirational screens in Eastleigh and Southampton), this is broadly equivalent to 14 cinema screens or c.4,552 sq.m gross at 2026.

4.28 Cinemas can be key components of mixed-use developments within town centres. Multiplex cinema operators for example, prefer to locate their new facilities in close proximity to other commercial uses, such as bars and restaurants. With the scale and mix of the catchment together with the potential growth in defined strategic development areas, there is the potential opportunity to accommodate this type of use in the future. It also provides the opportunity to combine a mix of uses within a town centre.

4.29 In summary, there is currently a good provision of cinemas, but dominated by provision in Southampton and Portsmouth. However, there are also alternative emerging centres such as Fareham and Eastleigh. Any future capacity must be planned as part of a broader sub-regional leisure strategy.

(iv) Games and Gambling

4.30 Gambling represents a significant element of the leisure industry. In 2002/03, some £63.8 billion was spent on all gambling in the UK⁶ and expenditure is predicted to rise, particularly in the light of the changes to the Gambling Law. The main components of the gambling industry and the potential for growth both nationally and regionally, are briefly described below:

- **Casinos** – There were 131 casinos in the UK on 30th March 2004, operated by 19 companies. The draft Gaming Bill proposed widespread relaxation of existing restrictions on the size and nature of gambling venues within the UK and the promotion of resort casinos⁷, which were viewed as key drivers of the regeneration of depressed resort areas. However, the final legislation initially scaled down the number of resort casinos to just eight regional locations and this was reduced to just one regional casino to ensure that the legislation was passed prior to the general election in May 2005. It is anticipated that this regional casino will be a prototype in order to assess its impact. An independent panel will decide upon its location, although Blackpool could be the favoured location as part of its wider regeneration strategy. As noted earlier, Southampton has aspirations for a regional casino.
- **Bingo Clubs** – There were c.696 commercial bingo clubs in 2004. Legislative changes in 2002 allowed for an increase in prizes in the larger clubs and the introduction of fruit machines but this only resulted in a small increase in numbers since 2004.
- **Horse and Greyhound Racing** – Horseracing is second only to football as the most televised sport and accounts for c.70% of the turnover of betting shops.

4.31 The CACI Participation Profiles reveal the following trends in South Hampshire:

- greyhound racing is the most popular gambling activity across South Hampshire. Participation rates are 5% compared to the national average of 3%.
- bingo is also a popular activity in Portsmouth, Southampton and Gosport. Participation rates are c.3% compared to the national average of 2%.
- participation rates for horse racing are between 2% and 3%, which is lower than the national average of 4%. The football pools and snooker are also less popular activities than the national profile.

⁶ BISL 2005

⁷ A resort casino is a complex that includes hotel facilities, restaurants, bars, live entertainment and conference facilities underpinned by an array of gambling facilities.

4.32 The most significant aspect of games and gambling in the sub-region is Southampton’s tentative aspiration for a regional casino. This could have an impact on the sub-region’s wider economy and would result in a range of associated activities, including hotels.

(v) Hotels and Visitor Accommodation

4.33 There are approximately 22,000 hotels and guesthouses registered with the tourist boards within the UK with an additional 16,000 bed and breakfasts. The number of unregistered establishments would bring the combined total up to 60,000. The accommodation sector is largely cyclical and subject to economic trends. **Table 4.5** shows that the annual average room occupancy is increasing in Hampshire and is marginally above the UK provincial average.

Table 4.5: Hampshire Hotels Average Annual Room Occupancy and Achieved Room Rates 2003-2004				
	Average Annual Room Occupancy (%)		Average Annual Achieved Room Rate (£)	
	2003	2004	2003	2004
Hampshire 4/5 Star Hotels	69.7	71.4	77.66	81.26
Hampshire 3 Star Hotels	65.8	66.9	56.56	58.77
Hampshire Budget Hotels	78.4	81.0	Unknown	Unknown
UK Provincial 3/4 Star Chain Hotels	69.8	70.8	62.60	63.72
<i>Source: Hampshire Hotel Trends Survey 2003-2004 (April 2005)</i>				

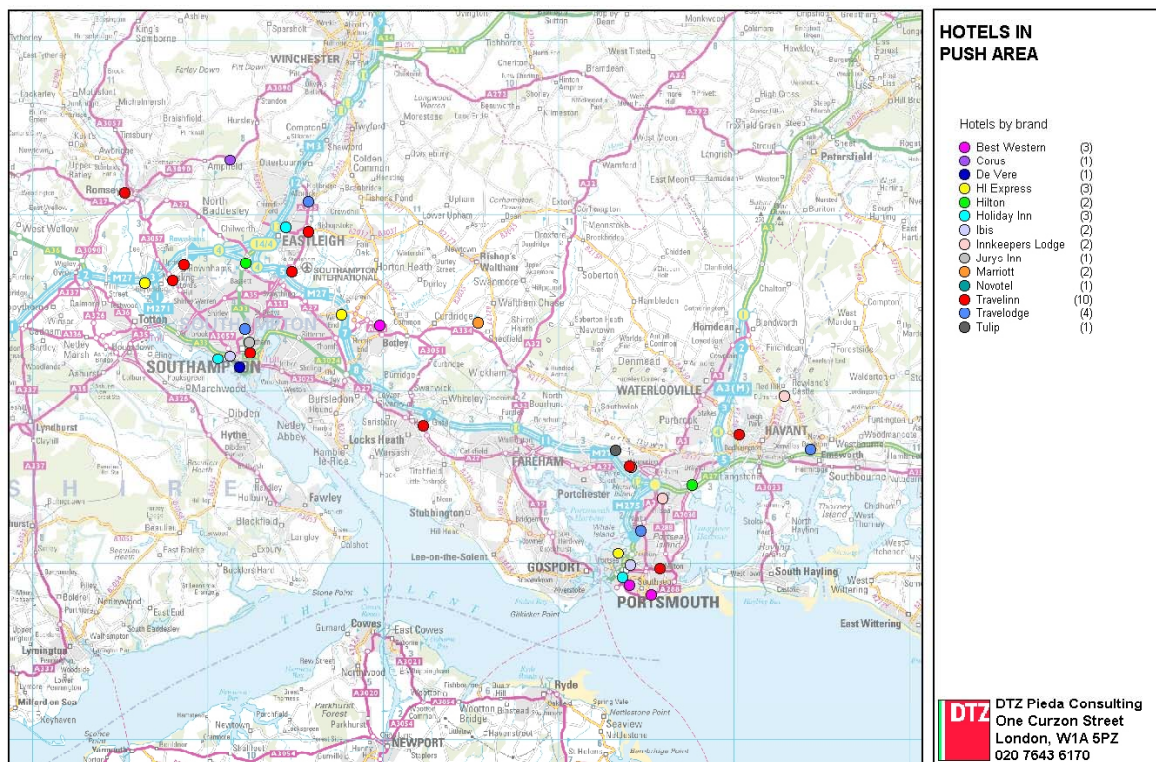
4.34 The main branded operators in the PUSH sub-region are identified in **Figure 4.2**. This shows that the primary focus is around the major centres of Southampton and Portsmouth and closer to the main arterial routes. Our analysis has identified requirements from the following operators in the two main PUSH city centres:

- **Southampton** - De Vere Hotels; Golden Tulip Hotels; Innkeeper Hotels; Kew Green Hotels; Malmaison Ltd Hotels; Novotel Hotels; and Travel Inn Hotels.
- **Portsmouth** - De Vere Hotels; Golden Tulip Hotels; and Travel Inn Hotels.

4.35 The Hampshire Hotel Trends Survey 2003 – 2004⁸ report recommends: ‘...a proactive and co-ordinated approach to securing new hotel development’. A key “gap” in the market is the “... lack of affordable sites for hotels, as hotels will often get squeezed out of potential sites by higher value uses such as offices and residential”. It was therefore recommended that there may be a need to consider allocating sites exclusively for hotel use to address this issue.

⁸ Hampshire Hotel Trends Survey 2003 – 2004 (April 2005) *Ibid*

Figure 4.2: ‘Branded’ Hotel Provision in the PUSH Sub-region



Basemap © MapInfo © Bartholomew 2000

4.36 In relation to hotels, since 2002 some five new hotels have opened in the sub-region representing an some additional c.780 rooms. There are also plans to upgrade a range of hotels. The branded/branded-budget operators dominate the sector within the sub-region. There is therefore potential scope for upper-tier / luxury hotels but only as part of a wider leisure and destination based leisure strategy, such as an ancillary development to a potential casino. An important element that links hotels and tourism is cultural-related activities. These are often an indicator of an areas' prosperity and its populations' available leisure time.

Arts, Culture and Tourism Uses

4.37 In addition to commercial leisure, DTZ has also undertaken a qualitative needs assessment of the potential requirement for a range of town centre uses in the arts, culture and tourism sector. This provides a broad indication of the need for growth in major town and city centre cultural facilities within the South Hampshire sub-region up to 2026. This includes the following uses:

- arts facilities and galleries;
- museums;
- central libraries;
- performance space, including theatres, concert halls, arts cinemas and music venues;
- other forms of tourist attractions; and
- community facilities.

4.38 This assessment also takes into account the plans for additional housing growth in South Hampshire over the next 20 years. Our recommendations are based on an understanding of the key historical trends in these sectors; evaluating the policy context; discussions with key stakeholders; and a comparison of facilities in Liverpool, Brighton & Hove and East Sussex. Our key findings and recommendations are as follows:

- **Tourist Attraction** - we consider that there is a potential requirement for a major tourist attraction in South Hampshire, which would help to raise the profile of the overall sub-regional offer. Our assessment has indicated that larger attractions, such as the Tate Modern and the London Eye, are attracting increasing visitor numbers compared to smaller attractions, and that urban attractions are capturing an increasing share of the market. Furthermore, the South East Plan recognises the contribution that regionally significant attractions would make to urban renaissance and coastal resorts. Tourism South East identifies that the visitor economy at Portsmouth and Gosport could be a significant force for urban regeneration and as such investment in new facilities here, should be considered. Visits to attractions in South Hampshire have increased in recent years and this suggests potential to capitalise on this to create an enhanced offer. Work is already underway to assess the potential for a major tourist attraction at Southampton as this would help to enhance its offer as a visitor destination.
- **Arts Galleries** - our needs assessment has identified that there are some good Art Galleries in South Hampshire, including the City Art Gallery and the John Hansard Gallery, which is currently moving from the University of Southampton to a city centre location at Northern Above Bar. There is some investment in existing facilities, however gaps in current provision are identified. There are currently low participation rates in galleries and in the first instance, there could be a focus on activities to encourage greater participation at existing facilities (e.g. through marketing and promotion). In the longer term, there may also be a potential need to enhance the offer attracting smaller independent galleries.
- **Museums** - investment in existing museums is a key requirement. Although participation rates of people living in South Hampshire are low (compared to UK averages), there is an indication that visitor numbers are increasing. However, visitor figures are lower compared to other locations such as Brighton and Liverpool. Portsmouth is currently considering the rationalisation of museums, as a number are considered 'not fit for purpose'. The Brighton & Hove Museum has recently undergone a £10 million investment, improving educational facilities and outreach. Similar levels of investment could be replicated in South Hampshire to improve provision. There is also potential to invest in some of the museums within the smaller town centres, for example the Fareham Local Plan identifies the potential to expand the Fareham Museum.
- **Central Libraries** – nationally these are taking an increasingly important role in for example developing skills, working with schools and providing a hub for a wide range of community activities. The quality of libraries in Portsmouth and Southampton city centres are widely considered to be poor and there is a potential need to expand the offer in Southampton. These could be developed to include a greater range of facilities for the community, such as small performance space/exhibition space to attract the wider community. It is envisaged that Discovery Centres will be developed at Eastleigh, Fareham and Havant to include IT facilities, museum and local history exhibitions.

- **Theatres** - such as the Mayflower in Southampton and the Nuffield Theatre at Southampton University are considered to be successful in attracting visitors. Furthermore, there has been some recent investment in the Theatre Royal in Portsmouth. Future resources should support existing facilities and in the longer term consider the need for expansion of existing facilities / additional facilities to meet the needs of the growing population.
 - **Concert Halls** - there are already a number of facilities such as the Turner Simms Concert Hall at the University of Southampton and Guildhalls at Portsmouth and Southampton. However, continued investment in successful facilities should be encouraged. In terms of smaller **music venues**, there is the Wedgewood Rooms in Southsea and the 3rd Floor Arts Centre in Portsmouth, which is a multi-purpose arts venue (hosting music, dance etc). There is a potential gap in the market at Southampton.
 - **Arts House Cinemas** - there is the No.6 Art House Cinema at the Action Stations, Portsmouth Historic Dockyard. In Southampton, there is the Harbour Lights Picture House at Ocean Village Marina and the Phoenix Film Theatre at the University of Southampton. This provision is considered to be sufficient, however continued review of provision is required.
- 4.39 There is currently no **major events facility** in South Hampshire, such as a multi-purpose Arena or Conference Facility. The forecast growth of South Hampshire represents even greater potential for such a facility. This would help to develop the attractiveness of the area (particularly Portsmouth and Southampton) as a business and conference tourism destination. Further work would need to be carried out to identify the best location for this (e.g. whether this should be situated within the town centre) and the presence of the Bournemouth International Centre should be considered.
- 4.40 **Table 4.6** summarises the key arts, cultural and tourism requirements for South Hampshire up to 2026.
- 4.41 It should be noted that further detailed feasibility work is required to assess the requirement for individual recommendations.

Table 4.6: Arts, Cultural and Tourism Requirements		
Type of Facility	Requirements	Estimated Timescale ⁹
Tourist Attraction	Potential for Major Tourist Attraction at Southampton, Portsmouth or Gosport	2021-2026
	Invest in existing attractions and raise their Profile e.g. Spinnaker Tower	2006-2011
Arts Galleries	Develop additional affordable gallery space – particular need in Portsmouth	2011-2016
	Develop Storage Space for Southampton City Art Gallery	2006-2011
	Provide support for Aspex Art Gallery (Portsmouth) to position as a regional facility	2006-2011
	Activities to increase participation at existing facilities (such as promotion and marketing and investment in offer to attract a wider audience e.g. education facilities)	2006-2011
	In the longer term the area could seek to attract a wider range of provision e.g. smaller independent galleries	2011-2016
Museums	Investment and rationalisation of existing Museums e.g. Portsmouth	2006-2016
	Expand Fareham Museum	2011-2016
Central Libraries	Invest in town centre Libraries at all locations (excluding Gosport)	2006-2011
	New facilities could be required at Southampton in particular	2011-2021
Performance Space	Arts Cinema Support existing Art House Cinemas	2006-2011
	Theatres Support existing successful Theatres within South Hampshire In the longer term consider capacity issues resulting from the increased population and the need for additional provision	2006-2011 2011-2016
	Concert Halls Support existing facilities such as the Guildhalls in Portsmouth and Southampton	2006-2011
	Live Music Venues Potential need for major venue (see below for multi-purpose facility) Potential need for smaller facilities for Live Music in Southampton	2011-2016 2006-2011
	Other Performance Space Extend and Improve Ferneham Hall in Fareham as an arts and entertainment venue	2006-2016
	The area could benefit from the development of a Multi-Purpose Arena and Conference Facility, potentially at Southampton or Portsmouth	2011-2016
Festivals and Events	Develop a co-ordinated programme of events and festivals across South Hampshire building on the success of Portsmouth and Southampton	2006-2011
	Invest in space to host events such as Guildhall Square in Portsmouth	2006-2011
Other Actions	Explore the potential for developing a Visitor Attraction at Eastleigh (East of the Railway Site, located close to the town centre) Actions to improve low participation rates for theatre, galleries, and museums through marketing and promotional activities and improvements to attract a wider audience (e.g. developing educational facilities or outreach activities) Ensure that investment in facilities outside of the main town and city centre (e.g. Southampton University and Southsea) do not detract away from town centre developments Actions to raise the profile of existing successful facilities within South Hampshire such as marketing and promotion.	2006-2011

⁹ Estimated Timescales within the following intervals: 2006-2011, 2011-2016, 2016-2021, 2021-2026

Summary

- 4.42 According to the Hampshire County Council projections for South Hampshire, the population within the sub-region is set to grow by 8% between 2005 and 2026. The increase in the population and the general trend in more active lifestyles are likely to increase the potential demand for leisure services in South Hampshire. The forecast ageing of the population, both nationally and regionally, will also have an impact on the demand for different leisure products and services.
- 4.43 Developers and investors have responded to the changes in consumer lifestyles, demand and spend by opening new and more sophisticated leisure formats such as snowdomes. In terms of larger, more strategic leisure and theme parks, operators generally require sites of 15-20 acres with good accessibility, but it is very difficult to predict the next “big thing” in event entertainment. On this basis we would anticipate one or two new destinations for the whole of the PUSH area over the next 15-20 years.
- 4.44 The growth of drinking and eating out as a leisure activity has fuelled significant changes in the pub and restaurant sector over the last decade. Research indicates that there is significant interest from operators for representation in South Hampshire and its main centres. Southampton and Portsmouth have the highest levels of demand from a wide variety of operators.
- 4.45 Southampton and Portsmouth currently dominate eating and drinking provision in the PUSH sub-region and we consider that this trend will continue over the forecast period. This strength of each city’s daytime and evening economies is also partly underpinned by their resident student population. Nevertheless, there are also opportunities to expand and enhance the eating and drinking offer in all of the main PUSH centres as part of potential new mixed-use development.
- 4.46 The main commercial health and fitness operators are already represented in South Hampshire. Southampton and Portsmouth once again emerge as the dominant centers. Our research has indicated several requirements in South Hampshire from the main commercial operators. In particular, both Esporta Health & Fitness and Virgin Active are recorded as actively seeking space in town centre and/or out-of-centre locations in Southampton, Eastleigh, Havant and Fareham. There could also be potential for smaller health and fitness clubs in Gosport and Southsea. We estimate that the current PUSH population of c.996,900 could potentially generate demand for c.99,700 public and private membership places, based on the national average membership of 10%. An ageing but active population, is likely to make more use of such facilities. Most activity within the health and fitness sector occurs at the smaller end of the market, and should be encouraged as within mixed-use schemes close to town centres and office hubs.
- 4.47 The 1990s was also characterised by the significant growth in new out-of-centre multi-screen cinemas, often as anchors to leisure parks, or as an integral part of the tenant mix in shopping centres. There is currently a good provision of cinemas, but dominated by provision in Southampton and Portsmouth. However, there are also alternative emerging centers such as Fareham and Eastleigh. Any future capacity must be planned as part of a broader sub-regional leisure strategy.
- 4.48 Gambling represents a significant element of the leisure industry. The most significant aspect of games and gambling in the sub-region is Southampton’s tentative aspiration for a regional casino. This could have an impact on the sub-region’s wider economy and would result in a range of associated activities, including hotels.
- 4.49 Annual average room occupancy is increasing in Hampshire and is above the national average. Hotel provision is primarily focused around Southampton and Portsmouth and

there are requirements from De Vere, Golden Tulip, Innkeeper, Kew Green, Malmaison, Novotel and Travel Inn hotels in these two centres. There is also considered to be scope for upper-tier and luxury hotels but only as part of a wider leisure and destination based leisure strategy, such as an ancillary development to a potential casino scheme. There is also a concern that there is a lack of affordable sites for hotel developments.

- 4.50 In summary, the larger centres of Portsmouth and Southampton dominate the leisure provision in the PUSH sub-region. This is a reflection of the existing catchments and hierarchy of these centres. However as witnessed in the cinema sector, new entrants into Fareham and Eastleigh may shift the gravity towards other centres.
- 4.51 It is important that there are opportunities for leisure operators to locate in the smaller centres of Eastleigh, Havant, Gosport and Fareham in order to contribute to the diversity of activity within these centres.
- 4.52 The potential exists to co-ordinate leisure uses as part of a wider leisure strategy for the sub-region. This would have to take into account the current provision in existing centres balanced against the potential emerging communities in the strategic development areas.
- 4.53 It is acknowledged that the sub-region has a good provision of the following arts and cultural facilities:
- **Theatres** - such as the Mayflower in Southampton and the Nuffield Theatre at Southampton University;
 - **Concert halls** - there are already a number of facilities such as the Turner Simms Concert Hall at the University of Southampton and Guildhalls at Portsmouth and Southampton.
- 4.54 The assessment of the arts and cultural provision has highlighted the need for a major tourist attraction in South Hampshire, which would raise the profile of the overall offer in the sub-region. In addition, the area does not have a major events facility, which would help to develop the attractiveness of the area as a business and conference tourism destination. In addition investment in museums and central libraries is required.

5 Offices - The need for growth

- 5.01 This section summarises our broad assessment of future employment scenarios relating to town centre office uses, based on previous work developed by DTZ for PUSH as part of the 'Economic Drivers & Growth' research. Official data from ONS has been analysed to build a picture of current patterns and recent trends in office-based employment across the entire PUSH sub-region and the seven town centres at the core of this study¹.
- 5.02 It has been necessary to estimate current office employment in each town centre in a consistent manner. This estimation has allocated a proportion of total employment in each sector to office uses. The results of the analysis of current patterns and recent trends are presented below.
- 5.03 The original PUSH future employment scenarios work for the sub-region has led to a preferred growth option. This scenario is based around steady rising GVA growth averaging 3.1% per annum over the period 2006 to 2026. The employment forecasts within this scenario have formed the basis of employment analysis in this study. However, some elements of the methodology have been refined as part of this study due to the additional detail required. This has led to a slight change in some of the headline forecasts.
- 5.04 Using the analysis of current office employment future scenarios for the seven town centres have been developed. These scenarios also reflect current and future planned policy aims relating to supporting growth within town centres. Further discussion on each scenario is included below.

Current Patterns and Recent Trends

- 5.05 The table below contains estimated employment in the entire PUSH sub-region and the seven town centres for the years 1998 and 2002². This table is based on data from the ABI as indicated above.

Area	1998 Estimated Office Employment	2002 Estimated Office Employment	Change 1998-2002	% Change 1998-2002
PUSH	130,200	134,900	4,700	4%
<i>PUSH Town Centres</i>	49,300	45,500	-3,800	-8%
Eastleigh	3,400	2,600	-700	-21%
Fareham	3,700	3,700	-100	-3%
Gosport	1,500	1,400	-100	-7%
Havant	3,600	3,800	200	6%
Portsmouth	12,600	10,000	-2,600	-21%
Southampton	23,700	23,000	-600	-3%
Southsea	800	1,000	200	25%

Source: DTZ estimates based on ABI

¹ 2-digit SIC (1992) employment data from the Annual Business Inquiry (ABI) has been used to underpin this analysis. The town centres have each been defined as a single ward, as set out earlier in this report.

² Although 1998-2002 is a short time period it provides the most consistent dataset for both sectoral and geographical classification.

- 5.06 We estimate that some 134,900 people were employed in office-based activities in the entire PUSH sub-region in 2002, which represents 31% of total employment in the sub-region. Of this, 34% (or 45,500 jobs) are within the tightly defined town centres, which are the focus of this study. The largest single centre is clearly Southampton, with 23,000 office jobs and Portsmouth is the second largest with 10,000 jobs. No other centre has more than 5,000 office jobs. Southampton has an estimated 43% of city centre employment within office uses, the same as Portsmouth. Fareham, Gosport and Havant all have around a third of town centre employment in office uses. The figures for Eastleigh (27%) and Southsea (26%) are lower than the other centres.
- 5.07 Office employment has increased across the entire PUSH sub-region over the four-year period 1998-2002 by 4%, equivalent to an additional 4,700 employee jobs. However, in the town centres there was an overall fall in office-related employment of 8% (3,800 jobs). The performance of individual town centres varied considerably. Southsea and Havant have experienced slight net gains in office-based employment over the period. All other centres were subject to falling employment levels in office uses. In absolute terms the largest falls were in Portsmouth (-2,600) and Eastleigh (-700), with Southampton also experiencing a decline of some 600 jobs.
- 5.08 A broader analysis of the six local authority areas, which include the seven towns, is presented in **Table 5.2**. Southampton and Portsmouth are the largest office employment centres. It is interesting to note that all areas - other than Gosport (decline) and Southampton (no change) - have experienced increases in office-based employment in recent years.

Table 5.2: Estimated Office Employment by Local Authority Area				
Local Authority Area	1998 Estimated Office Employment	2002 Estimated Office Employment	Change 1998-2002	% Change 1998-2002
PUSH	130,200	134,900	4,700	4%
<i>Rest of PUSH</i>				
	15,100	17,200	2,100	14%
Eastleigh	13,900	14,000	200	1%
Fareham	12,800	13,600	900	7%
Gosport	7,200	6,300	-900	-13%
Havant	9,500	10,700	1,200	13%
Portsmouth	31,200	32,400	1,300	4%
Southampton	40,600	40,600	0	0%
Source: DTZ estimates based on ABI				

- 5.09 This headline analysis has provided the baseline for developing future employment scenarios for office based town centre employment.

Forecast Employment Change

5.10 We forecast an overall net employment change in the PUSH sub-region of some 58,600 jobs over the period 2006-26 under the PUSH lead scenario. We estimate that some 73% (42,600³ jobs) of this growth will take place in office-based uses, reflecting the shift towards service sector activities. This is a significant change from historic patterns. For the purpose of this assessment we have developed a number of scenarios to model the potential impacts of the growth in office-based employment in the seven town centres.

- **Scenario 1: No Town Centre Growth** - The analysis of recent data suggests that town centre locations have not been attracting significant net job growth for office uses. However, it may take policy intervention by the public sector to maintain existing levels of office-based employment within town centres, due to the significant pressures for out-of-centre office locations in established and new locations, as well as the growing retail and residential development pressures on employment land in town centres. With the current policy shift towards attracting growth back to town centre locations we have set the baseline scenario of no additional employment growth within town centre office activities over the period 2006-26.
- **Scenario 2: Moderate Town Centre Growth** - The second scenario takes some account of recent trends and links this to policy seeking to focus activity within town centres. Overall this scenario models centres attracting less growth than their current share of sub-regional employment would suggest. The performance of individual centres is linked to recent performance. The centres that have fared worst in recent times are anticipated to struggle somewhat in the future. Conversely those centres that have performed more strongly in recent history are forecast to benefit from future growth.
- **Scenario 3: Existing Shares of Sub-regional Activity** - The “existing shares” scenario assumes that the recent trend towards a decline in town centre based office employment is reversed. Policy aimed at focusing growth on town centre locations, coupled with appropriate development leads to increasing employment within offices in each centre according to the current (2002) shares of activity.
- **Scenario 4a: Town Centres “First”** - This scenario reflects the policy set out in PPS6 that all new development should be directed to town centres first, followed by edge-of-centre sites, unless there are no suitable, viable and available opportunities for new development and investment. This reflects a significant step change from recent market trends which has pushed new office development and employment away from town centres to out-of-centre locations. This scenario further reflects the policy focus towards the major city centres of Southampton and Portsmouth as growth poles and we assume that some 90% of all office development will take place in the main PUSH centres.
- **Scenario 4b: Town Centres “First” (Phased Growth)** - This scenario builds on Scenario 4a with additional assumptions. The forecast includes five-year periods to allow for phasing. The assumptions underpinning this scenario are based on:

³ This figure differs slightly from that presented within the ‘Economic Drivers & Growth’ final report due to a refined estimating methodology for this study.

- the fact that it will take time to change market perceptions and also that existing allocations for out-of-centre development may be taken-up over the short-term (i.e. up to 2011). Therefore, we assume that over each five-year period an increasing proportion of office employment is attracted to town centres.
- Southampton is most likely to attract new office development over the short/medium term, as it is currently the most significant location for office activities of all the PUSH centres. This is confirmed by the fact that the ‘Northern Quarter’ redevelopment in Portsmouth only comprises a small quantum of office floorspace, which reflects the current rating of the city centre as a prime office location in the sub-region.
- nevertheless, over time we assume Portsmouth will achieve a greater share of new office-based employment. We assume that investor, business and developer confidence in the centre will increase on the back of the ‘Northern Quarter’ redevelopment, as well as more proactive marketing and promotion by the Council and other key stakeholders.
- we assume that both Eastleigh and Fareham will benefit from an uplift in office-based development and employment over the longer term due to the promotion of Strategic Development Areas (SDAs) post-2016.
- finally, we also assume that other centres in the PUSH sub-region will continue to grow broadly in line with their current shares of office-based employment.

Scenario Outputs

5.11 The modelling exercise for the outlined scenarios has led to net employment change within offices as set out in **Table 5.3**.

Table 5.3: Net Employment Change Within Offices					
	Scenario 1	Scenario 2	Scenario 3	Scenario 4a	Scenario 4b
Area	No Town Centre Growth	Moderate Town Centre Growth	Existing Shares of Sub-regional Activity	Town Centres First	Phased Town Centres First*
PUSH	42,600	42,600	42,600	42,600	42,600
<i>PUSH Town Centres</i>	<i>0</i>	<i>7,300</i>	<i>15,400</i>	<i>38,300</i>	<i>26,300</i>
Eastleigh	0	300	700	1,900	2,000
Fareham	0	600	1,300	1,900	2,000
Gosport	0	200	400	1,100	800
Havant	0	700	1,500	3,800	1,300
Portsmouth	0	1,000	2,600	9,600	7,300
Southampton	0	4,300	8,600	19,200	12,400
Southsea	0	200	300	800	500
Source: DTZ					
Notes: * Aggregate change presented in this table. Phased results contained within Annex					

5.12 In order to provide more context, the existing shares scenario is also quantified at local authority level, as follows:

PUSH Area	-	42,600
Rest of PUSH	-	5,800
Eastleigh	-	4,300
Fareham	-	4,600
Gosport	-	1,400
Havant	-	3,500
Portsmouth	-	9,300
Southampton	-	13,700

5.13 These employment outputs have been used to calculate estimates for additional office floorspace demand in the main centres.

Office Floorspace Growth Scenarios

5.14 Estimates for office floorspace have been based on two key sources of information:

- (i) Employment Densities: A Full Guide, English Partnerships & the Regional Development Agencies, *Arup Economics & Planning*.
- (ii) Use of Business Space and Changing Working Practices in the South East, SEERA & SEEDA, *DTZ Pbeda Consulting*.

5.15 The latter of these two studies researched the potential impact on employment densities in the South East region. The research considered the potential impact of more flexible working patterns and increased use of technology. With such strong forces potentially exerting influence on the property/floorspace needs of occupiers in the future it is important to consider such issues when setting policy.

5.16 Nevertheless, this research suggests that there is no strong evidence, on the basis of changing working practices, to justify a departure from established guidance on floorspace per worker assumptions as set out in the Arup report for EP and the RDAs. The business survey did suggest, however, that average floorspace per worker figures for Hampshire are higher than the South East averages⁴. In order to accommodate this we have used a range of floorspace assumptions, setting the baseline using established guidance up to a higher limit 25% above.

5.17 To calculate the baseline assumption for office floorspace per worker, to take into account the variety of different uses we have used a simple arithmetic average of the following office sub-categories:

General offices	19 sq m per employee
Headquarters	22 sq m per employee
Serviced Business Centre	20 sq m per employee
Call Centre	13 sq m per employee
A2 Professional Services ⁵	25.5 sq m per employee
Average	20 sq m per employee
Higher Range (Hants uplift)	25 sq m per employee
Note: This analysis has discounted the sub-categories City of London and Business Park as these are not relevant to town centre development in South Hampshire.	

⁴ South East average data was largely in line with established guidance.

⁵ Midpoint of findings from *Use of Business Space and Changing Working Practices in the South East*

5.18 The results of this analysis are set out in **Table 5.4**. It should be noted that these figures relate to additional office requirements to accommodate net additional employment growth. These estimates do not take account of current pipeline developments or requirements for replacement stock.

Table 5.4: Office Floorspace Growth Scenarios (sq.m)					
Area	No Town Centre Growth	Moderate Town Centre Growth	Existing Shares of Sub-regional Activity	Town Centres First	Phased Town Centres First*
ALL PUSH	851,300 - 1,064,100	851,300 - 1,064,100	851,300 - 1,064,100	851,300 - 1,064,100	851,300 - 1,064,100
<i>PUSH Centres</i>	<i>0</i>	<i>144,600 - 180,900</i>	<i>306,900 - 383,800</i>	<i>766,000 - 957,700</i>	<i>526,000 - 658,000</i>
Eastleigh	0	5,400 -6,800	14,500 - 18,100	38,300 - 47,900	39,800 - 49,900
Fareham	0	12,800 -16,000	25,600 - 32,000	38,300 - 47,900	39,800 - 49,900
Gosport	0	3,100 -3,900	8,200 - 10,300	23,000 - 28,700	15,700 -19,800
Havant	0	14,800 -18,500	29,600 - 37,000	76,600 - 95,800	26,300 - 32,900
Portsmouth	0	19,800 - 24,800	52,800 - 66,100	191,500 - 239,400	146,600 - 183,300
Southampton	0	85,500 - 106,900	171,000 - 213,800	383,000 - 478,800	247,200 - 309,000
Southsea	0	3,200 - 4,000	5,200 - 6,500	15,300 - 19,200	10,600 - 13,200
Source: DTZ (figures may not sum due to rounding) * Aggregate change presented in this table. Phased results contained within Annex					

5.19 The following summarises the position at a district level (sq.m).

PUSH Area	:	851,300 - 1,064,100
<i>Rest of PUSH</i>	:	<i>114,000 - 142,500</i>
Eastleigh	:	86,000 - 107,500
Fareham	:	92,000 - 115,000
Gosport	:	26,000 - 32,500
Havant	:	68,000 - 85,000
Portsmouth	:	184,000 - 230,000
Southampton	:	276,000 - 345,000

5.20 The table below sets out our broad forecasts for PUSH and the main town centres over five-year periods up to 2026. Please note that our base year is 2006, and not 2005 as used for the other town centre uses, as our office assessment is based on previous work developed by DTZ for PUSH as part of the *'Economic Drivers of Growth'* research.

5.21 These forecasts are not meant to be prescriptive and there is no one single capacity figure for office-based town centre employment over the period to 2026. Nevertheless, we consider that the more robust scenario, based on current activity and commercial reality, is Scenario 4b (i.e. phased town centre development).

5.22 In Scenario 4b we assume that it will take time to change market perceptions of the main town centres as prime office locations, particularly in the context of the significant out-of-centre development that has occurred over the last decade or more. Moreover, existing allocations for out-of-centre floorspace in the pipeline will place a “drag” over the short term on the demand and take-up of space in existing centres, particularly Portsmouth city centre. It is our overall view that Scenario 4b provides a more robust approach for PUSH and the local authorities to market and plan for appropriate floorspace allocations in their main centres.

Table 5.5: Broad Forecasts For PUSH Centres sq.m (All Scenerios)

Area	2006 - 2011	2011 - 2016	2016 - 2021	2021 - 2026	2006 – 2026
PUSH SUB-REGION					
<i>All Scenarios</i>	240,700 - 300,800	208,300 – 260,300	204,900 – 256,100	196,900 – 246,100	850,800 – 1,063,300
PUSH CENTRES					
<i>Scenario 2</i>	43,300 – 54,100	37,600 – 47,000	37,100 – 46,400	35,500 – 44,400	153,500 – 191,900
<i>Scenario 3</i>	86,500 - 108,200	75,100 – 93,900	74,200 – 92,800	71,000 – 88,700	306,800 – 383,600
<i>Scenario 4a</i>	216,000 – 270,000	188,000 – 235,200	184,000 – 230,200	178,000 – 226,600	766,000 – 957,800
<i>Scenario 4b</i>	60,000 – 75,200	104,000 – 130,000	184,000 – 230,000	178,000 – 220,700	526,000 – 658,000
Eastleigh					
<i>Scenario 2</i>	1,500 – 1,900	1,300 – 1,700	1,300 – 1,600	1,300 – 1,600	5,400 – 6,800
<i>Scenario 3</i>	4,100 – 5,200	3,600 – 4,500	3,500 – 4,300	3,400 – 4,200	14,600 – 18,200
<i>Scenario 4a</i>	10,800 – 13,500	9,400 – 11,800	9,200 – 11,500	8,900 – 11,100	38,300 – 47,900
<i>Scenario 4b</i>	3,000 – 3,800	5,200 – 6,500	13,800 – 17,300	17,800 – 22,300	39,800 – 49,900
Fareham					
<i>Scenario 2</i>	3,600 – 4,500	3,100 – 3,900	3,100 – 3,900	3,000 – 3,700	12,800 – 16,000
<i>Scenario 3</i>	7,200 – 9,000	6,300 – 7,800	6,200 – 7,800	5,900 – 7,400	25,600 – 32,000
<i>Scenario 4a</i>	10,800 – 13,500	9,400 – 11,800	9,200 – 11,500	8,900 – 11,100	38,300 – 47,900
<i>Scenario 4b</i>	3,000 – 3,800	5,200 – 6,500	13,800 – 17,300	17,800 – 22,300	39,800 – 49,900
Gosport					
<i>Scenario 2</i>	900 – 1,100	800 – 1,000	700 – 900	700 – 900	3,100 – 3,900
<i>Scenario 3</i>	2,300 – 2,900	2,000 – 2,500	2,000 – 2,500	1,900 – 2,400	8,200 – 10,300
<i>Scenario 4a</i>	6,500 – 8,100	5,600 – 7,100	5,500 – 6,900	5,300 – 6,700	22,900 – 28,800
<i>Scenario 4b</i>	1,800 – 2,300	3,100 – 3,900	5,500 – 6,900	5,300 – 6,700	15,700 – 19,800
Havant					
<i>Scenario 2</i>	4,100 – 5,200	3,600 – 4,500	3,600 – 4,500	3,400 – 4,300	14,700 – 18,500
<i>Scenario 3</i>	8,300 – 10,400	7,200 – 9,100	7,200 – 9,000	6,900 – 8,600	29,600 – 37,100
<i>Scenario 4a</i>	21,600 – 27,000	18,800 – 23,500	18,400 – 23,000	17,800 – 22,300	76,600 – 95,800
<i>Scenario 4b</i>	3,000 – 3,800	5,200 – 6,500	9,200 – 11,500	8,900 – 11,100	26,300 – 32,900
Portsmouth					
<i>Scenario 2</i>	5,700 – 7,100	4,800 – 6,100	4,700 – 5,900	4,500 – 5,700	19,700 – 24,800
<i>Scenario 3</i>	15,200 – 19,000	12,900 - 16,200	12,600 – 15,700	12,100 – 15,200	52,800 – 66,100
<i>Scenario 4a</i>	54,000 – 67,500	47,000 – 58,800	46,000 – 57,500	44,500 – 55,600	191,500 – 239,400
<i>Scenario 4b</i>	12,000 – 15,000	26,000 – 32,500	55,200 – 69,000	53,400 – 66,800	146,600 – 183,300
Southampton					
<i>Scenario 2</i>	24,000 – 30,000	20,900 – 26,200	20,800 – 26,000	19,500 – 24,800	85,500 – 107,000
<i>Scenario 3</i>	47,900 - 59,900	41,800 – 52,300	41,600 – 52,000	39,600 – 49,500	170,900 – 213,700
<i>Scenario 4a</i>	108,000 – 135,000	94,000 – 117,500	92,000 – 115,000	89,000 – 113,300	383,000 – 478,800
<i>Scenario 4b</i>	36,000 – 45,000	57,200 – 71,500	82,800 – 103,500	71,200 – 89,000	247,200 – 309,000
Southsea					
<i>Scenario 2</i>	900 – 1,200	800 – 1,000	800 – 1,000	700 – 900	3,200 – 4,100
<i>Scenario 3</i>	1,500 – 1,900	1,300 – 1,600	1,200 – 1,500	1,200 – 1,500	5,200 – 6,500
<i>Scenario 4a</i>	4,300 – 5,400	3,800 – 4,700	3,700 – 4,600	3,600 – 4,500	15,400 – 19,200
<i>Scenario 4b</i>	1,200 – 1,500	2,100 – 2,600	3,700 – 4,600	3,600 – 4,500	10,600 – 13,200

Source: DTZ (figures may not sum due to rounding)

- 5.23 In our view the existing out-of-town development pipeline, on its own, would be sufficient to meet the floorspace needs generated by employment growth over the first decade of the PUSH area forecast. The maximum floorspace required would be 561,000 sq.m between 2006-2016 and we understand that the current total pipeline - including some capacity available in Test Valley (Chilworth and Test Valley BP) and Winchester (Solent BP) - is an estimated 534,000 sq.m in out-of-town/city locations.
- 5.24 This comparison of out-of-town development capacity with employment growth is approached schematically, in that it assumes that all growth will occur out-of-town before it takes place in town. It ignores developability and other constraints, which in reality will reduce the total out-of-town capacity. Thus the actual amount developed could be significantly different. However, the broad conclusion remains that in theory there is adequate capacity for employment growth in the existing out-of-town development areas for the foreseeable future.
- 5.25 If a strong preference for out-of-town locations by occupiers persists it may be difficult to restrict the level of development, however, there is some anecdotal evidence of occupiers becoming dissatisfied with the lack of services available to staff in out-of-town locations. Policy should seek to both encourage application of the sequential test more firmly and to improve the attractiveness of town centre locations to promote development in town centres in the short to medium term.
- 5.26 If the current allocated sites outside the existing town and city centres are not added to by subsequent allocations of additional areas, then upon exhaustion of those still in the pipeline (a period which could be as much as a decade away), it might be surmised that the town and city centres might then benefit from redirected demand. However, this will depend on at least two factors:
1. **The attractiveness of sites in the existing towns and cities.** Outside of Southampton and Portsmouth the existing availability of sites, let alone attractive sites, is an issue, except for Gosport where accessibility is a constraint. In Portsmouth accessibility is also an issue, and although redevelopment is improving the city's attractiveness it is still in a markedly weaker position than Southampton. In the latter the issue is not so much the availability of sites but the pressure for residential development. At the same time encouragement of adequate and competitive (to out-of-town) retail capacity is also required: this would seem to point in the direction of a planning policy in the city which leans toward favouring mixed retail and office development, and continued resistance to residential schemes which might be the preferred alternative.
 2. **The extent of restrictions on the supply of out-of-town allocations.** Redirection to town centres would (under conditions where the tendency to favour location to out-of-town business parks remains) depend on no further allocations of development land being made. This policy would need to be uniform across the sub-region, and include neighbouring districts (e.g. Winchester, Test, and even Basingstoke). Even so demand is mobile, such that if an out-of-town location is desired above an urban one then, unless the occupier also places priority on either moving to, or remaining in, the sub-region, then a wide variety of locations, either regional, inter-regional or perhaps even international might be preferred. Consistency in the application of PPS6 across the UK would seem to be of critical importance in this case.

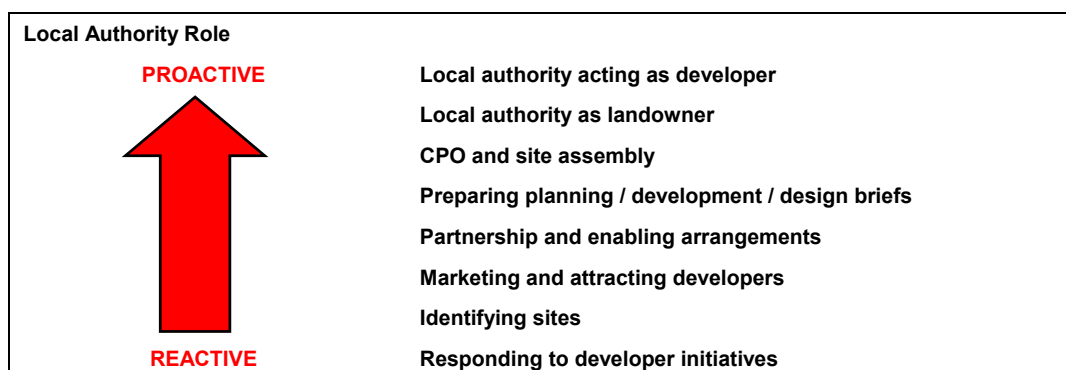
- 5.27 The main thrust of the above is to indicate that if a strong preference for out-of-town locations persisted, then it would be at least a decade, in formal terms (i.e. using up all the out-of-centre sites, in practice probably unrealistic) until all of these were developed out and absorbed. In policy terms, therefore, it would indicate that pro in-town development policies (e.g. safeguarding prime sites in Southampton, developing Portsmouth as a more attractive location, finding sites in other town centres which are currently bereft of them) need to be implemented now, at the same time as restricting the allocation of additional out- of-centre sites. However, this latter policy, although essential, will not, for the reason set out above, have an impact for some years in the future.
- 5.28 In a bid to support town centre development in the short-term, there should also be a ‘carrot’ type policy to draw in visitors to town centres. This could potentially cover site availability, support to investors, marketing, parking requirements and charging policy, complimentary services, quality of location, design and environment, accessibility, access to training, access to affordable accommodation. All of these will contribute in attracting office occupiers to city centre sites.

6 PUSH Town Centres - The Opportunities for Growth

- 6.01 This section sets out our high level planning and commercial view as to the potential for each of the PUSH main centres to accommodate the quantum of forecast growth identified.
- 6.02 Our assessment of the physical capacity for growth is based on the outputs of a PUSH workshop held on 10th November 2005, at which each local authority identified a number of key strategic opportunity sites in their main town centres. We have subsequently carried out a desk-top analysis of the broad potential of each site to accommodate a range of town centre uses including retail, office, leisure, residential and arts/tourism/cultural uses. As far as possible, this high level assessment has been conducted in accordance with the sequential approach and advice contained in PPS6.
- 6.03 Although the following analysis does provide a broad assessment of the economic and physical capacity for growth in the main centres, we strongly recommend that PUSH and/or the local authorities carry out more detail appraisals of each identified site as part of the LDF process. These appraisals will need to test the options for the sites and provide advice on critical issues such as delivery, funding and phasing of new development. Thereafter, the Councils will need to produce clear and flexible policy guidance on the planning, design and development of the opportunity sites, through tools such as Area Action Plans and/or planning and development briefs. We also advise that other potential opportunity sites could be identified and assembled over the development plan period and these should be considered as part of more detailed strategies and development frameworks for some (or possibly all) of the main PUSH centres.
- 6.04 In this context, and by way of an introduction to our site appraisals, we set out below some of the key advice set out in PPS6 relating to site selection and land assembly.

PPS6 and the Role of Local Authorities

- 6.05 PPS6 has clearly reinforced the government's "town centre first" message. It states that: "...development should be focussed in existing centres in order to strengthen and, where appropriate, regenerate them" (para. 2.1).
- 6.06 Most local authorities have, to varying degrees, adopted a combination of approaches to help attract and deliver new retail-led and mixed-use development in their town centres. As the figure shows, this has ranged from the **reactive approach**, essentially responding to developer initiatives, through to the more **proactive approach** of identifying and assembling sites, or even acting as the developer.



Source: BCSC (2004) 'The Smaller Towns Report', page 19

- 6.07 At the heart of the “town centres first” message is the sequential approach. This approach to site selection has had a dramatic impact on the scale and location of new retail developments. It is the fundamental test for identifying opportunity sites for new development and requires that locations in existing centres, followed by edge-of-centre locations, are the first preference for new development, ahead of out-of-centre sites.
- 6.08 The revised PPS6 is clear in its advice that local authorities should adopt a much more positive and proactive approach to planning for the future of all types of centres within their areas (para. 2.15). This involves identifying town centre and edge-of-centre sites for development, and using key tools such as Area Action Plans, Compulsory Purchase Order (CPO) powers and, where appropriate, preparing town centre strategies to address the key issues associated with the growth and management of their centres (such as transport, land assembly and design).
- 6.09 PPS6 sets out a series of guidelines for local authorities relating to the sequential approach to site selection and land assembly. Some of the more relevant advice is highlighted below:
- local planning authorities should allocate sufficient sites to meet the identified need for at least the first five years from the adoption of their development plan documents, although for large town centre schemes a longer period may be appropriate to allow for site assembly (para.2.52).
 - sites should be capable of accommodating a range of business models (para 2.45). In planning terms the factors to be taken into account are: scale, format, car parking provision and the scope for disaggregation.
 - in selecting suitable sites for development, the aim should be to locate the appropriate type and scale of development in the right type of centre, to ensure that it fits in to that centre and that it complements its role and function (para. 2.41).
 - in considering alternative sequential sites with similar locational characteristics, local planning authorities should “ *give weight to those locations that best serve the needs of deprived areas*” (para.2.44).
 - local authorities should have regard to whether the site is or will be accessible and well served by a choice of means of transport, as well as the impact on car use, traffic and congestion (para. 2.49).
 - local planning authorities should, where appropriate, include policies and proposals in development plan documents for the phasing and release of development sites over the life of the plan to ensure that those sites in preferred locations within centres are developed ahead of less central location (para. 2.46).
 - where growth cannot be accommodated in identified existing centres, local planning authorities should plan for the extension of the primary shopping area if there is a need for additional retail provision or, where appropriate, plan for the extension of the town centre to accommodate other main town centre uses (para.2.5).
 - where extensions are proposed, these should be carefully integrated with the existing centre both in terms of design and to allow easy access on foot (para.2.6). Where larger developments or larger stores need to be accommodated, “*local planning authorities should see to identify, designate and assemble larger sites adjoining the primary shopping area*” (ie. in edge-of-centre locations) (para.2.6).

- 6.10 Recent research for the National Retail Planning Forum¹ and DTZ's own research for the Department of Trade and Industry's (Dti) Retail Strategy Group² conclude that site selection, land assembly and the delivery of new town centre development is becoming increasingly complex, expensive and time-consuming. DTZ found, for example, that it takes on average eleven years and often longer to deliver town centre development from inception (site identification) to completion (opening). In turn this means that planning certainty, speed of delivery, managing of the total process and phasing the project to allow the town centre to function at all stages of the development cycle are even more critical to the success of the scheme.
- 6.11 There is also limited research evidence of local authorities assembling and marketing sites for new retail development in, or on the edge of secondary shopping centres and areas. This is not surprising, given the long-term national trend towards the location of new town centre retail development in the largest centres, and the low values in secondary shopping areas. It is also a reflection of the lack of suitable sites for substantial development in, or immediately adjacent to many secondary shopping centres and areas. The NRPF research concluded, for example, that most improvement in secondary shopping centres and areas has tended to be through cumulative small-scale changes over a longer period of time, rather than through large-scale development.
- 6.12 With these guidelines and caveats in mind, the following summarises our high level planning and market appraisal of the potential for new retail-led and mixed-use development on the opportunity sites identified by the local authorities in the main PUSH centres.
- (i) Southampton*
- 6.13 **Figure 6.1** identifies the location and extent of the current and emerging opportunity sites identified by Southampton City Council at the PUSH workshop. It is our view that the following development options could accommodate a significant quantum of the forecast growth up to 2026:
- **Consolidation of the commercial heart over the short-term.** There is potential over the short-term to improve and expand the existing commercial heart in and around Above Bar Street and West Quay (sites 1-7 on **Figure 6.1**) mainly through high quality, high density redevelopment of existing buildings.
 - **Redevelopment of Site A over medium-term.** Southampton City Council owns the freehold of the majority of land within Site A, placing the local authority in a relatively strong position to guide the redevelopment of this major strategic city centre site. It is our initial high level view that Site A provides an unrivalled (and unique) opportunity to expand Southampton city centre with a comprehensive mixed-use development that would accommodate the floorspace capacity forecast for the centre over the medium to longer term. New development could comprise, for example, residential (principally apartments), office and retail/leisure accommodation. Although Site A's retail offer is currently characterised by retail warehousing, we believe it offers the best potential to extend and enhance the prime shopping area, linked to West Quay shopping centre and Above Bar. However, it could potentially shift the orientation of retailing within the city centre over the longer term and, for this reason, we recommend that the city's existing commercial heart is

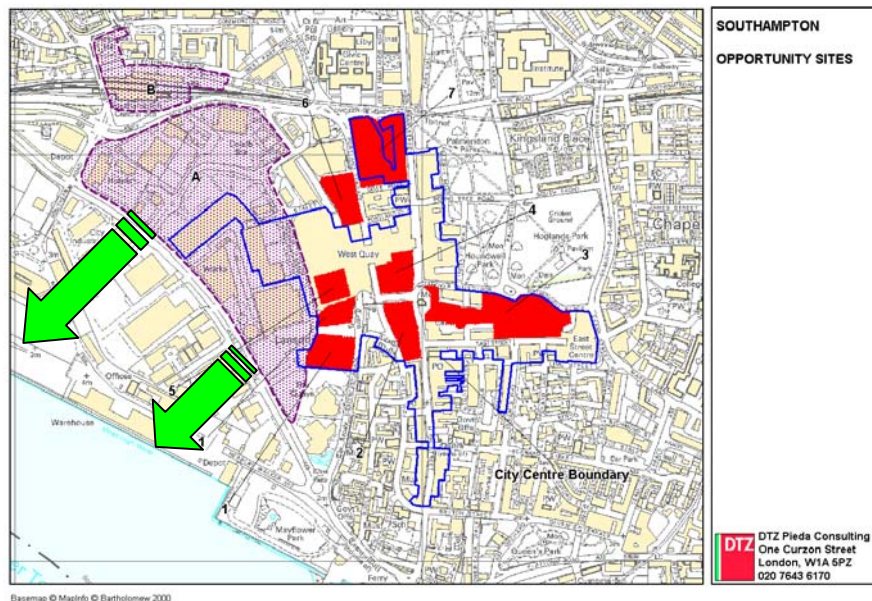
¹ National Retail Planning Forum (NRPF, 2004) 'The Role and Vitality of Secondary Shopping – a New Direction', London.

² DTZ Pidea Consulting (February 2004) 'The Retail Development Process and Land Assembly'.

strengthened over the short/medium term to minimise the potential impact of new commercial uses on Site A.

- **Redevelopment of Central Train Station (Site B) over medium-term.** In our opinion there is significant potential to redevelop the train station and surrounding land/buildings for mixed uses and specifically new office floorspace (c.35,000 sq.m potential capacity). This redevelopment would also help to strengthen links with Commercial Road and the BBC, as well as with the primary shopping area.

Figure 6.1: Potential opportunity sites in Southampton



- **Development across West Quay Road to the Waterfront over the longer term.** There is also an opportunity to create a “boulevard” of high quality office accommodation on each side of West Quay Road as part of the overall redevelopment. However, this will need to be balanced with the potential redevelopment of the central station area for offices and mixed-use development. Careful attention to phasing will therefore be required.

6.14 The potential development of both sites A and B is likely to require a review of the city centre boundary and the primary shopping area over the medium-term. These issues should be considered further in the emerging Local Development Framework.

(ii) Portsmouth

6.15 The most high profile opportunity site in the city centre at the present time is the former Tricorn Centre site. At the time of writing, outline planning permission has been granted for the major redevelopment of this area – under the umbrella of the ‘Northern Quarter’ – which will comprise significant new mixed-use floorspace.

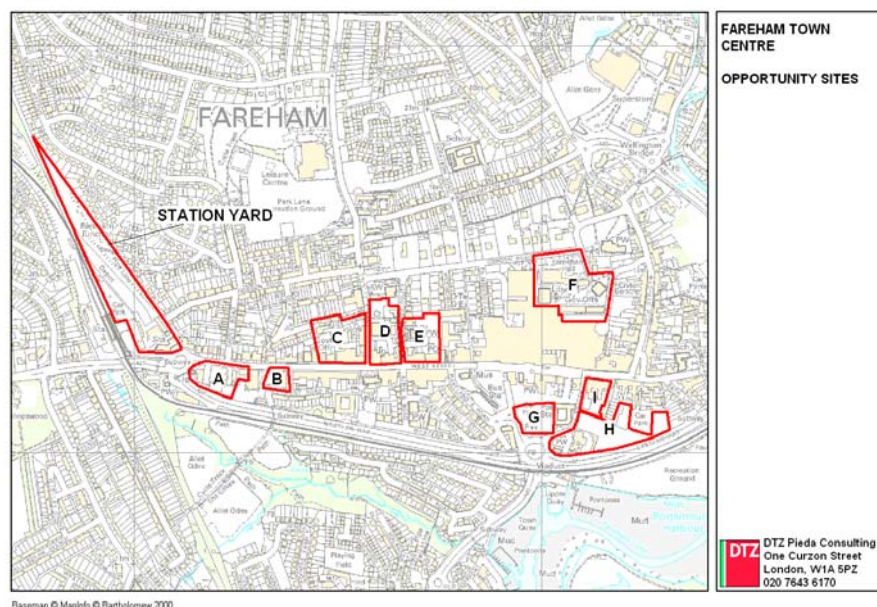
6.16 At the same time, Portsmouth City Council is seeking to ensure that there is a balance between the proposed redevelopment of the ‘Northern Quarter’ and the south of the city centre. Current opportunity sites include the following:

- **East of 54 Arundel Street** – Important ‘gateway’ at eastern entrance to Arundel Street precinct that offers potential for redevelopment to provide a ‘landmark’ building.
 - **Connaught Drill Hall, Stanhope Street** – Planning permission for a leisure complex, including bars, restaurants and nightclubs.
 - **Guildhall Square** – Policy support for changes of use at ground floor level for retail and A3/A4/A5 uses.
 - **New Theatre Royal** – Proposed extension to theatre, to include restaurant and University-related uses.
 - **ABC Cinema Site** – Part of city centre north urban area, but outside of the proposed ‘Northern Quarter’ redevelopment area. Likely to be available for development in 2009 and could comprise high-density development for a hotel, or office uses with some residential.
- 6.17 In addition, the Station Square area has been identified as a key potential strategic site within the southern half of Portsmouth city centre. This important site is situated in close proximity to railway station and benefits from a good level of passing trade. It therefore provides an opportunity to create a prestigious high profile mixed-use development to help enhance the vitality and viability of the southern part of the city centre.
- 6.18 The majority of the Station Square falls within the Principal Retail Area (PRA), whilst the remainder is within the Secondary Retail Area (SRA). At the November workshop, Portsmouth City Council stated their desire for a mixed-use scheme incorporating a high proportion of offices. Whilst there is some demand for pre-lets in Portsmouth, these are generally for the PUSH region as a whole, and specifically either for out-of-centre locations or Southampton city centre, rather than for Portsmouth. It is our initial view that an office proposal on this opportunity site would require an occupier-led approach to act as a catalyst for attracting further occupiers and, therefore, a high profile marketing and promotion campaign could be crucial if Portsmouth City Council is to realise their aspirations. Phased development of the site will also require more detailed appraisal.
- 6.19 The site should be designed and developed to accommodate sufficient ground floor retail and/or leisure units that will provide the appropriate floor plates to meet current demand and benefit from a good level of passing trade. This will provide the opportunity to create a new destination for retail and leisure operators within the southern half of the city centre, to complement the Northern Quarter scheme and the centre’s existing offer.
- 6.20 Finally, although the popular waterside development at Gunwharf Quays lies outside the city centre, it is well integrated with the city’s public transport system and is located in a strategic position close to the national tourism attractions of Portsmouth Harbour. Over time we consider that there could be opportunities to intensify and extend the uses in this area, particularly through the potential redevelopment of the Hard area between the Historic Dockyard and Gunwharf Quays. As for Southampton, there may also be potential to extend the city centre boundary down to the waterfront to help create stronger pedestrian and economic linkages. We therefore recommend that more detail appraisals are carried out, as part of the LDF process, to examine the potential for designating this area as being part of the city centre.

(iii) Fareham

- 6.21 Fareham Borough Council has identified a range of sites in and around Fareham town centre that may have potential for redevelopment and could help to maintain and enhance the vitality and viability of the centre following the recent Market Quays development (see **Figure 6.2**).
- 6.22 To the east of the town centre is the Foundry site on Quay Street (Site H), which is currently the subject of an application for planning permission from Tesco, to comprise a foodstore and c.80 flats. The Quay Street North site (Site I) offers the potential to provide an important linkage between the Foundry site and the High Street. In our view the Market Quay car park also provides an opportunity to accommodate a possible cluster of larger format stores.

Figure 6.2: Potential opportunity sites in Fareham



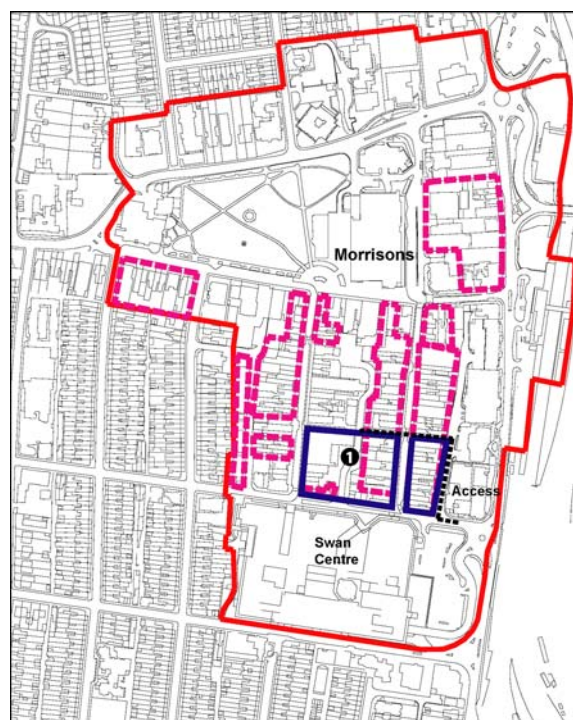
- 6.23 The Civic Area (Site F) offers the potential for mixed-use redevelopment, but could have limited potential for significant new retail and leisure uses as it is some distance from the High Street. In our view sites C-E represent the more realistic opportunity for new retailing over the longer term to help extend the primary shopping area. Redevelopment could comprise retail, leisure and A3/A4/A5 uses at ground and first floor level, with residential development above. We also understand that the car sales showroom (Site A) has planning permission for a residential building.
- 6.24 The Station Yard site to the west of the town centre represents the largest potential site for redevelopment in the town centre. However, the site lies outside the town centre boundary and is somewhat isolated and functionally divorced from the town centre's main shopping and leisure areas. It is our initial view that the site has the potential to accommodate up to 10,000 sq.m gross of new development. However, the layout of any proposal will be dictated by the characteristics of the site, which has an irregular elongated shape and significant level changes along the north-eastern boundary. The site is currently being utilised as an aggregates depot with ancillary uses and subsequently the redevelopment of the site is dependant on the relocation of the depot.

- 6.25 The site is well located next to Fareham railway station. This highly accessible location is a very attractive option for commuters travelling to and from neighbouring higher order centres. This, in turn, would restrain unnecessary car use.
- 6.26 We consider that a residential-led mixed-use development would be the most suitable and viable option for the development of the site. Indeed, the site could make a significant contribution to meeting the need for housing and for affordable housing on previously developed land, in a highly accessible location. There may also be some scope for potential live/work units.
- 6.27 Clearly the potential redevelopment of Fareham (and Eastleigh below) over the short, medium and longer term needs to be carefully considered in the context of the Strategic Development Area proposed to the north of the town centre post-2016. It is our view that both Fareham and Eastleigh town centres should be the main focus for new town centre uses and floorspace over the short/medium term, up to 2016 and beyond. However, a more detailed appraisal will need to be undertaken to assess whether the SDAs can accommodate some of the surplus floorspace capacity growth that cannot physically be provided in these two important town centres.

(iv) Eastleigh

- 6.28 Eastleigh town centre is surrounded by high-density housing and parkland, which limits the scope for physical expansion. It is our initial view that the redevelopment and reconfiguration of existing buildings is the only viable development option. This is supported by PPS6 which states that, wherever possible, growth should be accommodated by more efficient use of land and buildings within existing centres and local authorities should aim to increase the density of development (paragraph 2.4). In this context the Council has identified Site 1 (see **Figure 6.3**), opposite the Swan Centre, as having potential for new development.

Figure 6.3: Eastleigh Town Centre

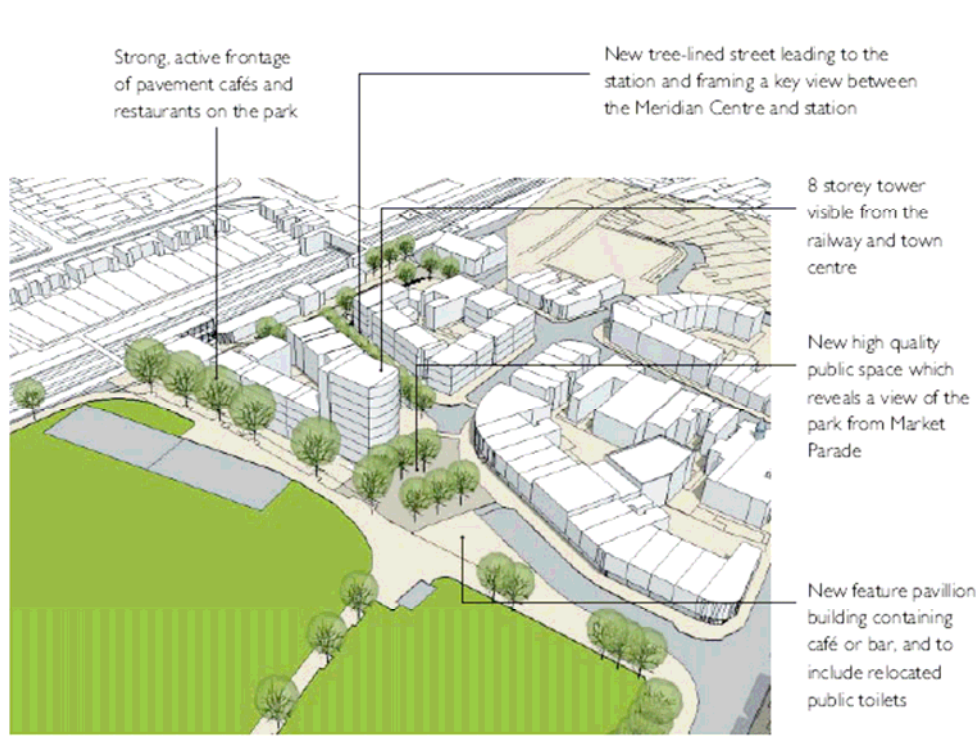


- 6.29 It is our initial high level view that the redevelopment of Site 1 could provide the opportunity for a high quality retail-led mixed-use scheme in the commercial heart of the town centre. This new retail scheme would help to satisfy the requirement for new comparison goods retailing over the medium-term and would help to enhance the core retail area. Residential uses and some small-scale office space could provide the most sustainable option for redevelopment above ground/first floor levels, although more detailed market testing will be required. We also advise that the Council will probably need to exercise its CPO powers to make the development happen and “gap funding” may also be required.
- 6.30 In addition to Site 1, the Council has also identified a 100+ hectare site for B1 employment uses to the east of the railway line. This currently comprises greenfield land and railway uses. Although we were not specifically asked to look at this large site in more detail, it is our high level view that it may be suitable for new residential development and a mix of other uses. If this is the case, then it could accommodate a proportion of the new housing growth proposed for the SDA.

(v) Havant and Waterlooville

- 6.31 The regeneration of Market Parade (see **Figure 6.4**) represents the most significant (current) opportunity site in Havant town centre. It is our initial view that the site offers the potential to provide a comprehensive mixed-use scheme that will provide a catalyst for further regeneration of the town centre area by improving both the residential and commercial offer. Any new scheme in this location would need to be a high quality landmark development, which strengthens the linkages between the station and town centre.

Figure 6.4: Proposals for Market Parade in Havant – Visual Representation



- 6.32 The proposal highlighted by the Council at the workshop is ambitious, but it is in the right location, of the right scale and will make a significant contribution to the retail offer and overall competitiveness of the town centre. Notwithstanding this, the quantum of ground floor uses should be sufficient enough to be economically feasible and allow growth of the town centre and accommodate any potential change in use in the future (i.e. converted back to residential uses should commercial uses not prove viable). It is also our initial view that there would be limited demand for a substantial office component as part of this development, apart from satisfying local demand.
- 6.33 Although Waterlooville was not one of the main centres we were asked to assess as part of the wider brief prepared by PUSH, the town has an important role in the current network and hierarchy of centres. The Council specifically highlighted the Asda redevelopment opportunity, which is situated towards the north-west periphery of the town centre. The site has extended frontage on to an important road junction and is in close proximity to the town centre's amenities. At present Asda occupy the site along with a dedicated surface level car park. However, the Council informs us that Asda wish to relocate to the opposite side of Maurepas Way. An Urban Design Framework, recently undertaken by David Lock Associates, has identified a mixed-use scheme comprising a hotel (4,725 sq.m), retail/leisure uses at ground floor level equating to c.4,000 sq.m and 111 residential units totalling 11,000 sq.m. As it stands, the site is yet to be marketed and consequently there has been no developer interest shown.

(vi) Gosport

- 6.34 The Council has identified two (current) opportunity sites with the potential for significant redevelopment. The first site – referred to as Coldharbour – is a major strategic site to the north of the town centre and the land is currently being assembled with the view to long-term development for residential, leisure, recreation and marine business uses.
- 6.35 The second site - Gosport Bus Station –is situated directly on the waterfront and forms an important and strategic link between the main pedestrianised shopping street in Gosport town centre and the public transport hub comprising bus and ferry links. This prime site fronts onto the Millennium Promenade and overlooks one of the busiest and attractive parts of the harbour (see **Figure 6.5**).

Figure 6.5: Aerial View of Site B (Gosport Bus Station)



6.36 This site represents one of the prime redevelopment opportunities in Gosport and it could act as a catalyst for future investment and development in the rest of the town centre. In our opinion, the most appropriate use for maximising the value of the site and its exceptional locational benefits would be a high quality (landmark) residential-led scheme, which maximises the views of Gunwharf Quays and the Spinnaker Tower. It should comprise active ground floor frontages, to include a mix of retail, restaurants and bars, which would benefit from the waterfront views and help to extend the prime shopping area. A comprehensive redevelopment would be preferable and it should aim to retain the presence of the bus facility, albeit on a smaller scale than the existing bus station.

(vii) Other Opportunity Sites

6.37 The November workshop did not highlight any potential opportunity sites in Southsea, or other centres in PUSH. Nevertheless, we recommend that more detailed appraisals of this centre and other possible development opportunities in the PUSH sub-region are carried out, as other options could exist to accommodate the forecast capacity and need for new town centre uses.

6.38 One alternative development option we are aware of is the potential for Strategic Development Areas (SDAs). PUSH has identified two SDA's in response to the draft South East Plan to accommodate 80,000 new homes in South Hampshire over the next twenty years, as follows:

(i) Fareham Borough – to the north of the M27 motorway, the SDA is proposed to accommodate 10,000 new homes with associated facilities, including new and/or improved transport links to Fareham and Portsmouth. The precise location is still under investigation. If the SDA is not built then it will be necessary, according to PUSH, to identify alternative greenfield sites elsewhere within Fareham Borough and probably parts of Gosport and Havant Boroughs.

(ii) Eastleigh Borough – to the north/north east of Hedge End. A distinct new community comprising up to 9,000 new homes with associated facilities and with new links with Southampton. The SDA would be within Eastleigh but could extend in to Winchester's local authority area.

6.39 It is our understanding that, if accepted, neither SDA will be built until post-2016, which is the medium/long term time period covered by our forecasts. A more detailed appraisal will therefore need to be taken to examine the need to accommodate a proportion of the long-term forecast town centre uses and floorspace growth in the SDAs.

6.40 We advise that new retail, leisure, service business, community facilities and office uses will be required as a minimum to serve these new local residents, as well as create sustainable new communities and developments. This would normally comprise a district centre type development, with a foodstore anchoring the wider offer. However, we accept that the SDAs could also provide an opportunity to accommodate the "over-spill" of forecast floorspace and market demand that cannot be met in those existing centres which may have physical and planning constraints to new development. If the second development option is preferred, we do have concerns at this early stage as to the quantum of new floorspace and the quality of new uses that should be developed in the SDAs post-2016. It is our high level view, that significant new retail, leisure and offices uses could, for example, have an impact on the overall vitality and viability of existing centres, specifically Fareham and Eastleigh.

- 6.41 A further development option is the strategic employment area proposed to the north of Southampton International Airport and to the east of Eastleigh town centre. We understand that this has the potential to include a significant office component and it could also provide an opportunity to extend the range of other facilities in Eastleigh town centre.
- 6.42 One alternative to the SDAs, which we understand PUSH has previously considered, is to assess the potential to extend existing out-of-centre locations that already generate significant car-borne trips and which could, over the longer term, be redeveloped and repositioned to accommodate some of the forecast growth for new homes by providing a wider mix of town centres uses in more sustainable developments. In South Hampshire, for example, Chandlers Ford, Hedge End (Jn.7 of the M27) and Whiteley Village could provide opportunities for new housing and mixed-use development to build on the success of these popular shopping locations. However, this is only our high level view and we have not carried out a more detailed appraisal of the potential to redevelop and extend these existing schemes to provide more sustainable developments.

7 A Vision and Strategy for Growth

7.01 This section set out our emerging vision and strategy for the future role and development of the PUSH sub-region and its main centres. This has been prepared in the context of this study’s main objectives, as well as the planning policy guidance framework provided by PPS6 and the draft South East Plan. Drawing on the findings of our study, we specifically:

- identify possible changes in the current hierarchy and network of centres;
- develop a strategic framework for the development of the network of centres;
- make strategic choices about the growth of South Hampshire’s main centres; and
- identify any need for new or expanded centres in areas of major planning growth.

7.02 It is important to restate at the outset that our quantitative assessments of potential need up to 2026 (**Sections 2-5**) and our high level planning and commercial appraisal of potential opportunity sites (**Section 6**), are subject to a number of caveats. We therefore strongly recommend that PUSH and/or the local authorities carry out more detailed appraisals, monitoring and local level forecasts as part of the LDF process. We also advise PUSH that other potential opportunity sites will inevitably emerge (or will need to be identified) over the development plan period. We therefore recommend that they be identified and assessed as part of more detailed strategies and development frameworks (such as through Area Action Plans) for each of the main PUSH centres.

The Potential Need and Capacity for Growth

7.03 Table 7.1 below summarises our broad indicative ‘global’ forecasts of the potential quantitative capacity for new retail (comparison goods only), commercial leisure (eating and drinking uses only) and office floorspace in the PUSH sub-region over the forecast period (i.e. from 2005/06 to 2011, 2016, 2021 and 2026). It is important to state at the outset that these forecasts (and those set out for each centre in Table 7.2) are not meant to be prescriptive and do not necessarily represent a policy figure that is required to be met.

Table 7.1				
Indicative ‘Global’ Capacity Forecasts for the PUSH Sub-Region				
<i>Assume constant market shares for retail/ leisure floorspace</i>				
	2005/06 - 2011	2005/06 – 2016	2005/06 - 2021	2005/06 – 2026
RETAIL RESIDUAL SPEND & CAPACITY FORECASTS ⁽¹⁾:				
Residual Spend (£ millions)	£364m	£919m	£1,625m	£2,517m
Floorspace capacity (net sq.m)	57,200 – 85,700	137,300 – 206,000	230,900 – 346,400	340,300 – 510,500
COMMERCIAL LEISURE CAPACITY FORECASTS ⁽²⁾:				
A3/A4/A5 Uses Only (net sq.m)	11,440 – 25,740	27,440 – 61,800	46,120 – 103,920	67,920 – 153,150
OFFICE FLOORSPACE CAPACITY FORECASTS ⁽³⁾:				
Floorspace Capacity (sq.m net)	240,700 – 300,800	449,000 – 561,100	653,900 – 817,200	850,800 – 1,063,300
Notes: (1) Based on the mid-range forecasts (Scenarios 1a and 2b only). Assume all residual spend is accommodated in town centres “first” and that new ‘high street’ floorspace will achieve average sales levels of £4,000 - £6,000/sq.m depending on the quality of the floorspace and retail operators (see Section 3: Table 3.5).				
(2) Based on Scenarios 1a and 2b only. Assume A3/A4/A5 uses will represents an additional 20%-30% of floorspace over and above forecast comparison goods space (see Section 4: Table 4.3).				
(3) Based on all scenarios (see Section 5).				

- 7.04 Please note that the base year for our office capacity forecasts (i.e. 2006) is not the same as for retail and leisure uses (i.e. 2005), as our office assessment is based on previous work developed by DTZ for PUSH as part of the 'Economic Drivers of Growth' research. It should also be noted that these figures relate to additional office requirements to accommodate net additional employment growth and the office capacity forecasts do not take account of current pipeline developments or requirements for replacement stock. In contrast, the retail forecasts do strip out current commitments (but not the 'Northern Quarter' redevelopment in Portsmouth as this did not have planning permission at the time of our study).
- 7.05 Our research has indicated that the current total pipeline for offices - including some capacity available in Test Valley (Chilworth and Test Valley Business Parks) and Winchester (Solent Business Park) - is an estimated 534,000 sq.m in primarily out-of-centre locations. If this pipeline estimate is correct, then we conclude that the existing out-of-town office development pipeline could be sufficient to meet most of the maximum forecast floorspace capacity generated by employment growth over the first decade of the PUSH area forecast (i.e. 561,000 sq.m between 2006-2016).
- 7.06 This comparison of out-of-town development capacity with employment growth is approached schematically, in that it assumes that all growth will occur out-of-town before it takes place in town. It ignores developability and other constraints. Thus the actual amount developed could be significantly different. However, the broad conclusion remains that there is adequate capacity for employment growth in the existing out-of-town development areas for the foreseeable future.
- 7.07 If the current allocated sites outside the existing town and city centres are not added to by subsequent allocations of additional areas, then upon exhaustion of those still in the pipeline (a period which could still be at much as a decade away), then the PUSH town and city centres could benefit from redirected demand. However, this will depend on at least two factors:
- 1. The attractiveness of sites in the existing towns and cities.** Outside of Southampton and Portsmouth the existing availability of sites, let alone attractive sites, is an issue, except for Gosport where accessibility is a constraint. In Portsmouth accessibility is also an issue, and although redevelopment is improving the city's attractiveness it is still in a markedly weaker position than Southampton. In the latter the issue is not so much the availability of sites but the pre-emption by residential development. At the same time encouragement of adequate and competitive (to out-of-town) retail capacity is also required: this would seem to point in the direction of a planning policy in the city which leans toward favouring mixed retail and office development, and to some extent a resistance to city centre residential schemes which might be the preferred alternative on selected sites.
 - 2. The extent of restrictions on the supply of out-of-town allocations.** Redirection to town centres would (under conditions where the tendency to favour location to out-of-town business parks remains) depend on no further allocations of development land being made. This policy would need to be uniform across the sub-region, and include neighbouring districts (e.g. Winchester, Test, and even Basingstoke). Even so demand is mobile, such that if an out-of-town location is desired above an urban one then, unless the occupier also places priority on either moving to, or remaining in, the sub-region, then a wide variety of locations, either regional, inter-regional or perhaps even international might be preferred. Consistency in the application of PPS6 across the UK would seem to be of critical importance in this case.

- 7.08 The main thrust of the above is to indicate that if a strong preference for out-of-town locations persisted, then it could be up to a decade, in formal terms (i.e. using up all the out-of-centre sites, in practice probably unrealistic) until all of these were developed out and absorbed. In policy terms, therefore, it would indicate that a strong suite of both restrictive and proactive policies favoring development in central areas (e.g. safeguarding prime sites in Southampton, developing Portsmouth as a more attractive location, finding sites in other town centres which are currently bereft of them) need to be implemented now, at the same time as restricting the allocation of additional out-of-centre sites. However, this latter policy, although essential, may not, for the reason set out above, have a significant impact for some years in the future.
- 7.09 **Table 7.2** provides a breakdown of the indicative potential floorspace capacity forecast for the main city and town centres in PUSH up to 2026. Please note that the broad retail and leisure capacity figures in this table are based on Scenarios 1a and 2b only (see **Section 3**). These effectively represent ‘mid-range’ forecasts and we believe they could be more robust over the longer term. Similarly, the office capacity figures are based on Scenario 4b (see **Section 5**), which assumes that an increasing proportion of office employment and development is directed to existing centres over time in accordance with PPS6 policy and objectives.

Table 7.2				
Indicative Floorspace Assessment for Town Centre Uses 2005/06 – 2026 (net sq.m)				
<i>Assume constant market shares for retail/leisure and phased town centre development for offices</i>				
	2005/06 – 2011	2005/06 – 2016	2005/06 - 2021	2005/06 – 2026
Southampton City Centre				
Retailing (mid-range forecast) ⁽¹⁾	19,400 – 29,100	43,900 – 65,900	72,400 – 108,800	105,700 – 158,900
Commercial Leisure (A3/A4/A5 only)	3,880 – 8,730	8,780 – 19,770	14,480 – 32,640	21,140 – 47,670
Offices ⁽³⁾	36,000 – 45,000	93,200 – 116,500	176,000 – 220,000	247,200 – 309,000
Portsmouth City Centre				
Retailing (mid-range forecast) ⁽¹⁾⁽²⁾	8,700 – 13,100	18,900 – 28,300	30,700 – 46,100	44,500 – 66,900
Commercial Leisure (A3/A4/A5 only)	1,740 – 3,930	3,780 – 8,490	6,140 – 13,830	8,920 – 20,070
Offices ⁽³⁾	12,000 – 15,000	38,000 – 47,500	93,200 – 116,500	146,600 – 183,300
Fareham Town Centre				
Retailing (mid-range forecast) ⁽¹⁾⁽²⁾	--	4,100 – 6,100	11,300 – 17,000	19,600 – 29,700
Commercial Leisure (A3/A4/A5 only)	--	820 – 1,830	2,260 – 5,100	3,960 – 8,910
Offices ⁽³⁾	3,000 – 3,800	8,200 – 10,30	22,000 – 27,600	39,800 – 49,900
Eastleigh Town Centre				
Retailing (mid-range forecast) ⁽¹⁾	3,600 – 5,600	7,500 – 11,200	11,800 – 17,700	16,800 – 25,300
Commercial Leisure (A3/A4/A5 only)	760 – 1,680	1,500 – 3,360	2,360 – 5,310	3,380 – 7,590
Offices ⁽³⁾	3,000 – 3,800	8,200 – 10,300	22,000 – 27,600	39,800 – 49,900
Havant Town Centre				
Retailing (mid-range forecast) ⁽¹⁾	1,700 – 2,500	3,400 – 5,000	5,300 – 8,000	7,600 – 11,400
Commercial Leisure (A3/A4/A5 only)	340 – 750	680 – 1,530	1,060 – 2,400	1,520 – 3,420
Offices ⁽³⁾	3,000 – 3,800	8,200 – 10,300	17,400 – 21,800	26,300 – 32,900
Gosport Town Centre				
Retailing (mid-range forecast) ⁽¹⁾	1,400 – 2,100	2,800 – 4,300	4,500 – 6,700	6,400 – 9,600
Commercial Leisure (A3/A4/A5 only)	280 – 630	560 – 1,290	900 – 2,010	1,280 – 2,880
Offices ⁽³⁾	1,800 – 2,300	4,900 – 6,200	10,400 – 13,100	15,700 – 19,800
Southsea Town Centre				
Retailing (mid-range forecast) ⁽¹⁾	2,900 – 4,400	5,800 – 7,800	9,200 – 13,800	13,100 – 19,600
Commercial Leisure (A3/A4/A5 only)	580 – 1,320	1,160 – 2,610	1,840 – 4,140	2,620 – 5,910
Offices ⁽³⁾	1,200 – 1,500	3,300 – 4,100	7,000 – 8,700	10,600 – 13,200
TOTAL FOR MAIN PUSH CENTRES:				
Retailing (mid-range forecast) ⁽¹⁾	35,900 – 53,700	86,400 – 129,600	145,500 – 218,000	214,600 – 321,500
Commercial Leisure (A3/A4/A5 only)	7,160 – 16,080	17,280 – 38,880	29,040 – 65,430	42,860 – 96,450
Offices ⁽³⁾	60,000 – 75,200	164,000 – 205,200	348,000 – 435,200	526,000 – 655,900
OTHER TOWN CENTRE FLOORSPACE				
Retailing (mid-range forecast) ⁽¹⁾	21,300 – 32,000	50,900 – 76,400	85,400 – 128,400	125,700 – 189,000
Commercial Leisure (A3/A4/A5 only)	4,260 – 9,600	10,200 – 22,920	17,120 – 38,520	25,200 – 56,700
Offices ⁽³⁾	180,700 – 225,600	285,000 – 355,900	305,900 – 382,000	324,800 – 407,400
TOTAL TOWN CENTRE FLOORSPACE				
Retailing (mid-range forecast) ⁽¹⁾	57,200 – 85,700	137,300 – 206,000	230,900 – 346,400	340,300 – 510,500
Commercial Leisure (A3/A4/A5 only)	11,440 – 25,740	27,440 – 61,800	46,120 – 103,920	67,920 – 153,150
Offices ⁽³⁾	240,700 – 300,860	449,000 – 561,100	653,900 – 817,200	850,800 – 1,063,300

Notes: (1) Based on Scenarios 1a and 2b only (see **Section 3: Table 3.6**). Forecast ranges assume new 'high street' floorspace only and are based on constant market shares. The capacity forecasts have been adjusted to take account of new commitments in the pipeline.

(2) We do not treat the 'Northern Quarter' redevelopment as a commitment, as it did not have planning permission at the time of our assessment. No residual capacity forecast for Fareham up to 2011 due to impact of Market Quays development.

(3) Based on Scenario 4B – "*Phased Town Centre Development*" (Source **Section 5**). Note that the base year for the office forecasts is 2006 and not 2005 as for the retail & commercial leisure capacity assessments. The office floorspace figures include the current development pipeline.

- 7.10 It is important to restate that the forecasts set out in **Tables 7.1** and **7.2** are not meant to be prescriptive and do not represent a policy figure that is required to be met. We advise that these forecasts will need to be translated in to a policy figure for each centre through further partnership-working by PUSH and work on individual core strategies.
- 7.11 As described previously, the retail capacity forecasts have been derived by allocating the future residual comparison goods expenditure capacity in the sub-region to the different centres, based on their existing market shares. Formulation of policy will therefore need to take in to account the physical capacity of the individual centres to accommodate these broad amounts of forecast floorspace, along with transport and sustainability considerations, and whether the development will be located in the right place to serve the forecast growth in the sub-region.
- 7.12 It should also be noted that the retail capacity forecasts for those that centres that are set to benefit from significant new retail investment and development up to 2011 (such as Portsmouth and Fareham) and beyond, will be higher than our forecasts based on constant market shares indicate. Depending on the quantum and quality of the new retail floorspace, it is our view that new development (such as the proposed 'Northern Quarter' scheme) will effectively increase the attraction, catchment area and potential market shares of centres. This, in turn, could increase the potential economic capacity for new retail floorspace.
- 7.13 In the context of these caveats, our capacity figures are only meant to provide a broad framework for the future strategic allocations of floorspace in the PUSH area as identified in PPS6 (para.2.13). In the context of development control assessments PPS6 states that the need for additional floorspace should: "...normally be assessed no more than five years ahead, as sites in the centre may become available within that period". PPS6 adds that assessing need beyond this time period might: "...pre-empt future options for investment in centres, except where large town centre schemes are proposed and where a longer time period may be appropriate to allow for site assembly" (paragraph 3.10). This provides an important context for our appraisal of potential opportunity sites in the main PUSH centres. We also strongly recommend that these capacity forecasts be regularly updated to take account of new developments and any proposals for new floorspace in the sub-region and its main centres.
- 7.14 For other strategic town centre uses, such as major commercial leisure facilities (e.g. cinemas and casinos) and arts/cultural uses, we have carried out broad quantitative and/or qualitative assessments of the potential need for new or additional facilities. Our headline findings are discussed below.
- 7.15 DTZ's research indicates that there is a reasonable demand from commercial leisure operators for representation in South Hampshire, particularly in Southampton and Portsmouth city centres. The major aspirational schemes identified for PUSH and its main centres are listed in **Table 7.3** below:

Table 7.3:
PUSH Sub-Region: Key Aspirational Schemes

Authority / Centre	Scheme	Detail
Southampton	West Quay Phase 3	Multi-purpose facility for staging major events and conferences with a minimum capacity of 4,500 people including an ice and hockey rink, popular music venue, exhibitions, trade shows and conferences.
	Northern Above Bar	Cultural Quarter.
	Regional casino	Tentative aspirations at this stage.
Portsmouth	'Northern Quarter' (former Tricorn Centre)	Proposal to include up to c.4,810 sq.m of A3, A4 and A5 uses, up to 6,650 sq.m of D2 leisure uses and a 150 bedroom hotel.
	Mountbatten Centre	A City Council scheme for a sports centre comprising a 50 metre (8 lane) swimming pool, sports hall, 150 heath & fitness stations, 3 squash courts, a fitness and dance centre and associated restaurant and bar.
Eastleigh	Swan Centre	Multi-storey leisure complex adjacent to the Swan Centre. Includes a 9-screen cinema, 71-room hotel, bowling alley, health club and various A3 and A4 uses.
Havant	Campdown	Plans announced for an Esporta health and fitness centre with a tennis academy, a new ground and premises for Havant Rugby Football Club.
	Dunsbury Hill Farm	Aspirations for a 100-bed hotel.
Gosport	Royal Clarence Yard	Outline planning permission granted for a mixed-use scheme including a cinema, leisure, community and A3 uses
Fareham	Market Quay	The site includes the redevelopment of the Listed United Reform Church building, which dominates the centre of West Street as a café/restaurant (536 sq.m), which is soon to be completed as part of the wider development.
	Lockwood Centre, Locks Heath	Outline planning permission granted for a new 25 metre 4-lane swimming pool, learner pool and fitness facility with 25-30 gym stations

- 7.16 Although national cinema development has slowed over recent years, they can still form an important anchor to mixed use developments and can often underpin town centre daytime and evening economies. Our quantitative and qualitative assessment of cinema provision in the sub-region indicates that capacity over the next five years could be largely satisfied by the nine-screen cinema proposed at the Swan Centre in Eastleigh and the more aspirational six-screen cinema proposed at Meridien Place in Southampton. Nevertheless, within the sub-region as a whole there could be potential for other centres, including the smaller centres, to plan for new cinema facilities over time, if market interest and demand exists.
- 7.17 We understand that there are requirements from a number of major national hotel operators for additional representation in both Southampton and Portsmouth. Currently the branded and budget operators dominate the sector in the sub-region and it is therefore our view that there would appear to be the potential for the provision of new upper tier/luxury hotels. These would need to be planned and developed as part of a wider sub-regional leisure strategy to identify the optimum locations for new development, such as integral to a potential casino development and/or as part of a major new leisure-based facility.
- 7.18 In summary, the larger city centres of Portsmouth and Southampton dominate the leisure provision in the PUSH sub-region. This is a reflection of the existing catchments and hierarchy of these centres. However as witnessed in the cinema sector, new entrants into Fareham and Eastleigh may shift the gravity towards other centres. It is therefore important that there are opportunities for leisure operators to locate in the smaller centres of Eastleigh, Havant, Gosport and Fareham as part of any new mixed use development, as these leisure uses can make a significant contribution to the daytime and evening economies, thereby helping to maintain and enhance the overall vitality and viability of centres. It is also our view that the potential exists to co-ordinate leisure uses as part of a wider leisure strategy for the sub-region that takes into account the current provision in existing centres, balanced against the potential emerging opportunities in the SDA's.

7.19 With regard to key Arts, Cultural and Tourism uses for PUSH and its main centres, **Table 7.4** below sets out our assessment of the potential requirements up to 2026 (also see **Section 4, Table 4.6**).

Table 7.4: DTZ Assessment of Potential Arts, Cultural and Tourism Requirements: 2005 - 2026		
Type of Facility	Requirements	Estimated Timescale ¹
Tourist Attraction	Potential for Major Tourist Attraction at Southampton, Portsmouth or Gosport	2021-2026
	Invest in existing attractions and raise their Profile e.g. Spinnaker Tower	2006-2011
Arts Galleries	Develop additional affordable gallery space – particular need in Portsmouth	2011-2016
	Develop Storage Space for Southampton City Art Gallery	2006-2011
	Provide support for Aspex Art Gallery (Portsmouth) to position as a regional facility	2006-2011
	Activities to increase participation at existing facilities (such as promotion and marketing and investment in offer to attract a wider audience e.g. education facilities)	2006-2011
	In the longer term the area could seek to attract a wider range of provision e.g. smaller independent galleries	2011-2016
Museums	Investment and rationalisation of existing Museums e.g. Portsmouth	2006-2016
	Expand Fareham Museum	2011-2016
Central Libraries	Invest in town centre Libraries at all locations (excluding Gosport)	2006-2011
	New facilities could be required at Southampton in particular	2011-2021
Performance Space	Arts Cinema - Support existing Art House Cinemas	2006-2011
	Theatres - Support existing successful Theatres within South Hampshire - In the longer term consider capacity issues resulting from the increased population and the need for additional provision	2006-2011 2011-2016
	Concert Halls - Support existing facilities such as the Guildhalls in Portsmouth and Southampton	2006-2011
	Live Music Venues - Potential need for major venue (see below for multi-purpose facility) - Potential need for smaller facilities for Live Music in Southampton	2011-2016 2006-2011
	Other Performance Space - Extend and Improve Ferneham Hall in Fareham as an arts and entertainment venue - The area could benefit from the development of a Multi-Purpose Arena and Conference Facility, potentially at Southampton or Portsmouth	2006-2016 2011-2016
Festivals and Events	Develop a co-ordinated programme of events and festivals across South Hampshire building on the success of Portsmouth and Southampton	2006-2011
	Invest in space to host events such as Guildhall Square in Portsmouth	2006-2011
Other Actions	Explore the potential for developing a Visitor Attraction at Eastleigh (East of the Railway Site, located close to the town centre) Actions to improve low participation rates for theatre, galleries, and museums through marketing and promotional activities and improvements to attract a wider audience (e.g. developing educational facilities or outreach activities) Ensure that investment in facilities outside of the main town and city centre (e.g. Southampton University and Southsea) do not detract away from town centre developments Actions to raise the profile of existing successful facilities within South Hampshire such as marketing and promotion.	2006-2011

7.20 Our research confirms that the sub-region has a relatively good provision of some arts and cultural facilities, including theatres and concert halls. Nevertheless, our assessment has highlighted the need for a major tourist attraction in South Hampshire, which we believe would help raise the profile of the overall offer in the sub-region.

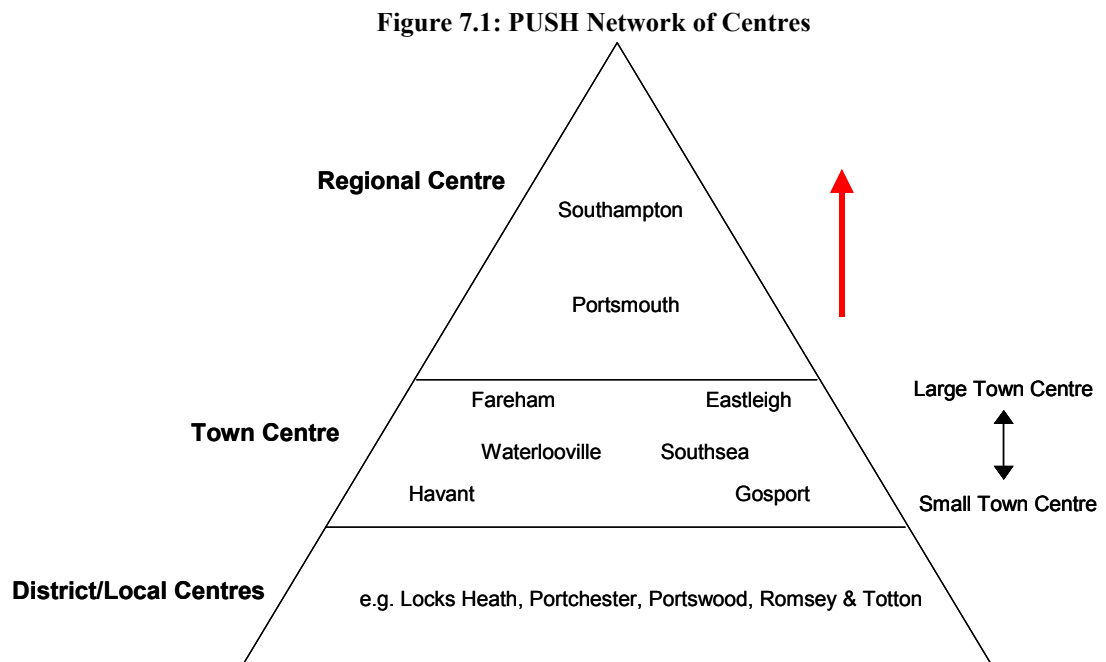
¹ Estimated Timescales within the following intervals: 2006-2011, 2011-2016, 2016-2021, 2021-2026

- 7.21 The sub-region does not have a major events facility, which could help to develop the attractiveness of the area as a business and conference tourism destination. In terms of larger, more strategic leisure and theme parks, operators generally require sites of 15-20 acres with good accessibility. As **Section 4** highlighted, it is very difficult to predict the next “big thing” in event entertainment. Nevertheless, the ‘Snowdome’ developments in Milton Keynes and Leeds have proven popular and, as a result, proposals exist for other major UK cities and regions (such as SnOasis on the outskirts of Ipswich). There may therefore be an opportunity for a similar type of offer in the South of England and specifically in the PUSH sub-region. However, more detailed appraisals will be required to determine the level of market interest and also the optimum location for any possible new development.
- 7.22 Other types of activity include theme parks, which generally have a catchment of 2-3 hours drive time. On this basis we would anticipate one or two new destinations for the whole of the PUSH area over the next 15-20 years. As for the ‘Snowdome’ concept, new theme parks will require excellent access (preferably to the motorway and main arterial routes) and market interest is more likely to be directed to the two main conurbations of Southampton and Portsmouth, although this will clearly be subject to the availability of developable land and other planning and environmental considerations.
- 7.23 Finally, our study has identified the need for additional investment in museum and central libraries to overcome relative deficiencies at the sub-regional level. Nevertheless, we advise that more detailed feasibility work is clearly needed to assess demand and identify the most suitable and viable locations for any new allocations.

The Strategy for Future Growth and Development

- 7.24 Our study has identified a clear network of centres in the PUSH area. As **Figure 7.1** shows, Southampton is currently the dominant centre in the sub-region in terms of the relative scale and quality of its retail offer, as well as its wider town centre uses.
- 7.25 Nevertheless, Portsmouth city centre will significantly improve its role and attraction as a regional centre if the proposed ‘Northern Quarter’ redevelopment proceeds as planned. Other potential development and investment opportunities in the city centre (such as the Station Square area) will also help to strengthen its position considerably, leading to an increase in its overall attraction, catchment area and market share over time. We believe Portsmouth’s status as a regional city centre will be further enhanced by the opportunity to build on the success and attraction of the recent waterside development at Gunwharf Quays and the national tourism attractions of Portsmouth Harbour.
- 7.26 Of the ‘middle tier’ town centres in the PUSH network, we consider that Fareham and Eastleigh are strongly placed to benefit from the forecast growth. We recommend that they should be identified as Priority Centres for Investment (PCIs), principally due to their strategic locations in the sub-region. They both benefit from good access to major road and rail networks, as well as the proposed Strategic Development Areas (SDAs) that could be built after 2016. Nevertheless we also acknowledge that, to varying degrees, both centres could have physical and planning constraints to their future development and growth. This potential imbalance between the economic capacity for growth and the physical capacity of these centres to accommodate the potential forecast growth up to 2026 is a fundamental issue that we consider in more detail below.

7.27 In our opinion, Southsea performs an important role in the network of centres and should also be identified as a PCI. It currently faces a period of uncertainty and change if the proposed ‘Northern Quarter’ scheme proceeds as planned and is anchored by a new John Lewis department store. We recommend that a robust vision and strategy be developed for the centre to meet the challenge of new development and investment elsewhere in the sub-region. For example, this could involve redefining its role so that it complements, rather than competes with the city centre’s offer and builds on its attractive tourist and visitor attractions.



7.28 Of the other main town centres in PUSH, we strongly recommend that their overall vitality and viability be maintained and enhanced in accordance with PPS6. These centres should be capable of accommodating a smaller quantum of additional town centre uses forecast up to 2026. We consider that their growth will be more “organic” and in keeping with the relative status, character and catchments. In some cases, such as Gosport and Southsea, the potential exists to build on their waterfront locations and attractions, to create more vital and viable tourist and visitor destinations.

7.29 Although Waterlooville was not identified as one of the main PUSH centres for this study, we recommend that its important role and status in the network of centres should be maintained and enhanced. We understand that more detailed work is needed to identify and appraise the potential economic and physical capacity for new development in the town centre.

7.30 At the district and local centre level, we recommend that the important role and status of the many smaller centres in the PUSH sub-region should be strengthened, particularly where new population growth is forecast. In most cases these centres are anchored by a foodstore or supermarket, supported by a range of convenience and service businesses, as well as community facilities (such as Locks Heath, Portchester, Portswood, Romsey and Totton). It is our view that these smaller centres will only continue to flourish in the future if the scale and quality of their food offer and other facilities are maintained and enhanced.

7.31 The following sets out our strategy for the growth for of the main PUSH centres in more detail and we specifically comment on how we believe their relative roles could change over the short (2005 – 2011), medium (2011 – 2021) and longer (2021 – 2026) term.

(i) Southampton City Centre

7.32 Southampton city centre currently dominates the retail, office and leisure markets in the PUSH area. It functions as a significant regional centre and outperforms other centres in the sub-region and beyond (including Portsmouth), in terms of the overall quantity and quality of its offer.

7.33 Table 7.2 also confirms that Southampton has the greatest potential for new floorspace capacity growth up to 2026 of all the PUSH centres. This reflects its relative status in the network of centres, as well as the scale and quality of its offer.

7.34 Our broad assessment of (current) opportunity sites in the city centre, as identified by the Council, also indicate that there is potential to accommodate a significant proportion of the forecast growth. Our broad strategy for development identified in **Section 6** involves:

- consolidation of the commercial heart over the short-term.
- redevelopment of Site A over medium-term.
- redevelopment of Central Train Station (Site B) over medium-term.
- development across West Quay Road to the Waterfront over the longer term.

7.35 Although we believe that consolidation of the commercial heart would be the preferred strategy over the short term, we accept that more detailed work is needed to assess the potential for growth. Amongst other considerations, this strategy and policy for consolidation would need to address land ownership and assembly issues (including the potential need for the local planning authority to use its Compulsory Purchase Order powers), along with the viability and phasing of any new investment and development.

7.36 It is our high level view that together these sites are capable of accommodating a significant quantum and mix of quality town centre uses, possibly in high density landmark buildings, which will effectively extend the primary shopping area and town centre boundary to the Waterfront, and help to generate stronger linkages with the Central Station area and the rest of the city centre up to 2026.

7.37 We also consider that Southampton offers the most attractive location to accommodate the forecast growth in (town centre) office floorspace over the short to medium term. This should be planned in the context of the existing commitments for new office floorspace in the PUSH sub-region as a whole, as well as the potential to expand the office market in Portsmouth city centre following the redevelopment of the ‘Northern Quarter’ and other new investments, which we believe will significantly increase the attraction of the centre to businesses and investors.

(ii) Portsmouth City Centre

- 7.38 Portsmouth is also identified as a regional centre in the draft South East Plan, but the quantity and quality of its city centre retail, leisure and office market currently lags behind Southampton. Please note that the recent waterside development at Gunwharf Quays is defined as being out-of-centre and we have not therefore included it in our quantitative and qualitative assessment of the city centre. Nevertheless, we acknowledge that this successful and popular destination is having a positive impact on the Portsmouth area as a whole.
- 7.39 We consider that the development of the proposed 'Northern Quarter' scheme by Centros Miller (which we assume could be open and trading by 2009/2010), is critical to strengthening the relative status and attraction of the city centre to shoppers, visitors, businesses and investors alike. Its role as a regional centre will be further reinforced by other development opportunity sites and areas, which could have the potential for high density mixed use development, including offices.
- 7.40 Although Portsmouth is forecast to experience significant growth up to 2026, the quantum of new floorspace identified is less than for Southampton. However, it is important to restate that the forecast retail capacity could under-estimate the city centre's growth potential, as the proposed 'Northern Quarter' redevelopment and other schemes will result in an increase in the city's overall market share and trade draw levels at 2011.
- 7.41 In addition to the 'Northern Quarter', the City Council is also identifying other opportunities to strengthen Portsmouth's wider offer through the LDF process. One of the key objectives should be to maintain and enhance the attraction and viability of businesses and the environment to south of the city centre. The most significant strategic site identified to the south is Station Square, which we believe could have the potential for an office-led mixed-use development. However, more detailed work is needed with regard to ownerships, land assembly, market demand and delivery to determine the appropriate scale, mix and phasing of commercially viable uses. Notwithstanding this, we strongly recommend that this site be identified as a priority for redevelopment over the short to medium-term.
- 7.42 Finally, it is also our view that there is significant potential to strengthen the linkages between the expanded city centre and Gunwharf Quays, by identifying opportunities for complementary new development and investment in the Hard area. In policy terms this may involve extending the boundary of the town centre (as proposed for Southampton) to include the Gunwharf Quays / Hard area.

(iii) Fareham and Eastleigh

- 7.43 Both centres occupy similar positions in the current PUSH network of centres and we have therefore considered them together. They both benefit from relatively good access to the motorway and rail networks, and their catchments extend beyond their local authority areas. However, our healthcheck indicates that Fareham is the larger and stronger centre, as measured by a range of key performance indicators (including Prime Zone A rental levels).
- 7.44 Our forecast capacity ranges for new floorspace in both town centres up to 2026 are broadly similar (see Table 7.2), and reflect their relative status, size and attraction. They will also be closely related to the Strategic Development Areas (SDA) proposed post-2016 and will therefore need to expand over the longer term to serve the relatively strong forecast growth in their catchment areas.

- 7.45 Our forecasts indicate that Fareham will have limited capacity for new retail floorspace over the short-term, up to 2011. However this is explained by the fact that we have assumed in our capacity assessment that the new Market Quays scheme will not achieve “mature trading” conditions until 2011 and will take-up all the residual spend forecast for Fareham between 2005 and 2011. However, as for the proposed redevelopment of the ‘Northern Quarter’ in Portsmouth, the commercial reality is that Market Quays will effectively increase the town’s overall market share and trade draw levels up to 2011 and beyond. As a result, we advise PUSH that the forecast ranges set out in Table 7.2 could under-estimate the potential capacity for new retailing in Fareham town centre.
- 7.46 This caveat to our forecasts is important, as we believe that there could be significant potential to strengthen Fareham’s role and status in the current network of centres through new development and investment. For example, its proximity to the SDA could fuel the potential for additions to the quantity and quality of its retail floorspace over the medium to long-term. This growth should also be underpinned by new residential, leisure and office development in the town centre.
- 7.47 Although a number of opportunity sites have been identified in both Fareham and Eastleigh, there appears to be limited potential physical opportunities to extend either of their town centre boundaries or shopping areas over the forecast period. Both centres are, to varying degrees, surrounded by dense residential areas, parkland and transport “collars”.
- 7.48 Eastleigh in particular appears to have limited opportunities for new town centre development and extension to accommodate the forecast growth. Its ability to meet the forecast capacity and potential market demand for new retailing will necessarily involve the redevelopment of existing buildings and sites to provide high density, high quality schemes. This will probably require the Council to use its CPO powers to assemble sites and deliver new strategic town centre opportunities to the market, in accordance with advice set out in PPS6. The main site in the town centre currently with the potential for new retail and mixed-use floorspace is adjacent to the Swan Centre and we recommend that more detailed work is carried out to help deliver this significant opportunity.
- 7.49 In Fareham, a number of sites have been identified with the potential for new retail, office, residential and leisure uses. The Foundry (Site H) is currently the subject of an application for planning permission for a new foodstore and residential units, and we believe it could (if allowed) act as a catalyst for additional new retailing to the east of the town centre. The Council has identified other sites but, as in Eastleigh, they will need to use their CPO powers to assemble and deliver the quantum and quality of mixed-use floorspace forecast that will help significantly enhance the town’s overall offer.
- 7.50 The Station Yard site to the west of Fareham town centre represents a significant opportunity to extend the town centre boundary and strengthen the linkages between the station and prime shopping area. It is our initial view that this site offers the potential for a high quality residential-led development, with active frontages at ground floor level to promote the links with the rest of the town centre. However, more detailed work is needed to assess ownerships, land assembly, delivery and implementation.

(iv) Havant, Gosport and Southsea and Other Centres

- 7.51 Havant, Gosport and Southsea are smaller centres with a more limited offer. They nevertheless have important roles in the network of centres, mainly serving the needs of their local catchment areas, and their vitality and viability should be maintained and enhanced over the long-term.

- 7.52 These centres are forecast to have more limited capacity for new floorspace up to 2026. This reflects the relative quantum and quality of their offer, and their current roles in the PUSH sub-region.
- 7.53 It is our initial view that the main opportunity sites identified by the respective Councils for Havant (Market Parade site) and Gosport (Coldharbour and Bus Station sites) both represent the potential for new high quality mixed-use floorspace in important strategic locations. These sites will also help to meet the identified forecast growth for new town centre uses.
- 7.54 Our capacity forecasts indicate that Southsea could accommodate a greater quantum of retail floorspace than either Havant or Gosport up to 2026. This is mainly explained by the fact that both John Lewis and Debenhams currently anchor its retail offer. Thus, for a centre of its size, it has a stronger market share and catchment area than would normally be expected. However, we believe that Southsea could be vulnerable to the proposed ‘Northern Quarter’, which we understand will be anchored by a new John Lewis department store.
- 7.55 At the time of writing, we understand that the City Council are in the process of preparing an Area Action Plan for Southsea and public consultation is ongoing. In our opinion, this pro-active approach will be fundamental to help address the potential impact of the Northern Quarter proposal (and the likely closure of John Lewis department store) on its overall vitality and viability over the short to medium-term. As identified previously, it is our view that Southsea will need to adapt and redefine its role in the network of centres, so that it complements rather than competes with the city centre.
- 7.56 Other centres that we have not looked at in detail as part of this study, but which we understand have the potential for future growth and development, include Waterlooville in Havant Borough. We recommend that policies and action plans will need to identify and bring forward suitable and viable opportunity sites in the town centre to help accommodate any forecast capacity. For example, the Asda relocation and redevelopment opportunity does appear to present an important and significant opportunity to strengthen the overall vitality, viability and attraction of the town centre.
- (v) Strategic Development Areas and Out-of-Centre Growth***
- 7.57 PPS6 and the sequential approach clearly states that all new retail floorspace should be accommodated in town centres “first”, followed by edge of centre locations. Only where there are no suitable, viable and available opportunity sites should out-of-centre locations be considered.
- 7.58 We estimate that out-of-centre retailing currently accounts for over 211,000 sq.m net of comparison goods retailing in the ‘core’ PUSH area, compared to c.253,000 sq.m net for the main study centres. This includes traditional retail warehouse schemes, as well as ‘hybrid’ schemes such as Hedge End, Chandlers Ford and Whiteley Village, which comprise a mix of more traditional ‘high street’ retailers. As a result, our forecasts indicate that there is significant residual spend and capacity growth derived from non-town centre retailing up to 2026 that should go to town centres first.
- 7.59 It is our view that the strategic development sites identified for both Southampton and Portsmouth city centres, along with the need to maintain and strengthen the relative roles, offer and attraction of the other main PUSH centres, present a unique opportunity to re-balance the provision of new floorspace back to town centres, in accordance with national, regional and local planning policies.

- 7.60 We therefore recommend that the development of out-of-centre retailing be constrained over the short-term (up to 2011) to allow these sequentially preferable town centre and edge-of-centre sites to be planned, marketed and delivered. Nevertheless we also advise PUSH that some of these opportunity sites will need to incorporate ‘larger format’ stores (including retail warehouses), to meet the current and forecast market demand and capacity.
- 7.61 Over the medium-term (2011 – 2021) we recommend that the impact of the town centres “first” policy on the scale, location and quality of new development and investment in the main PUSH sub-region will need to be carefully evaluated. Clearly, if the forecast growth and floorspace capacity cannot be accommodated in the main town centres, due to physical constraints and limits to the extension of existing town centre boundaries, then alternative development options will need to be considered.
- 7.62 One option that PUSH has identified to meet the need for c.80,000 homes in South Hampshire over the next two decades is for two Strategic Development Areas (SDAs) in Fareham and Eastleigh Boroughs. Both of these SDAs are in relatively close proximity to the main town centres. It is our understanding that, if accepted, neither SDA will be built until post-2016. This coincides with our medium/long-term forecasts, when we consider that some of the main PUSH centres could potentially be facing physical constraints to major new development and growth if other opportunity sites are not identified. A more detailed appraisal will therefore be needed to assess the need to accommodate a proportion of the long-term forecast growth in the SDAs.
- 7.63 At this early stage in the process, we advise PUSH that new retail, leisure, service business, community facilities and some office uses will be required as a minimum to serve the new local residents in these SDAs, to help create sustainable new communities and developments. This would normally comprise a district centre type development, with a foodstore anchoring the wider offer. However, we accept that the SDAs could also provide an opportunity to accommodate the “over-spill” of forecast floorspace and market demand that some existing centres may not be able to meet over the longer term.
- 7.64 However, if the second more comprehensive development option is preferred, we do have concerns at this early stage as to the quantum of new floorspace and the quality of new uses that should be developed in the SDAs post-2016. For example, significant new retail, leisure and offices uses could have an adverse impact on the overall vitality and viability of existing centres, specifically Fareham and Eastleigh, if the offer is competing rather than complementary.
- 7.65 A second development option is the strategic employment area proposed to the north of Southampton International Airport and to the east of Eastleigh town centre. We understand that this has the potential to include a significant office component and it could also provide an opportunity to extend the range of other facilities in Eastleigh town centre.
- 7.66 One other alternative to the SDAs and strategic employment area, would be to assess the potential to extend existing out-of-centre locations that already generate significant car-borne trips. These could, over the longer term, be redeveloped and repositioned to accommodate some of the forecast growth for new homes, by providing a wider mix of town centres uses in more sustainable developments. In South Hampshire, for example, Chandlers Ford, Hedge End (Jn.7 of the M27) and Whiteley Village could provide opportunities for new housing and mixed use development to build on the success of these popular shopping locations. However, this is only our high level view and we have not carried out a more detailed appraisal of the potential to redevelop and extend these existing

- out-of-centre schemes. We also understand that PUSH has previously considered this option and dismissed it.
- 7.67 In conclusion our study has demonstrated that the main centres in the PUSH sub-region, and specifically Southampton and Portsmouth city centres, do have the potential to accommodate a significant quantum of the forecast growth and potential market demand for new retail, leisure, office and arts/culture/tourism uses over the forecast period. This is in accordance with PPS6 and the urban renaissance agenda.
- 7.68 Nevertheless, continual monitoring and appraisals will be needed to avoid over-development and possible town centre “cramming”. This could have an adverse impact on the overall vitality and viability of the PUSH centres, particularly where the town centre infrastructure cannot cope with the pressures placed on it by new development and population growth.
- 7.69 In this context we recommend that PUSH consider the scale, quality and mix of possible town centre uses that could be viable in the SDAs. We also advise PUSH to reconsider the potential for new residential and mixed-use development in existing out-of-centre locations, as these could also represent sustainable and strategic development options over the longer term.