



Nathaniel Lichfield
& Partners
Planning. Design. Economics.

**Town Centre Retail, Leisure, Tourism and
Culture Assessment**

Thanet District Council

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1.0 Introduction

Study Objectives

- 1.1 Nathaniel Lichfield & Partners (NLP) has been commissioned by Thanet District Council to prepare a District wide Town Centre, Retail, Leisure, Tourism and Culture Assessment.
- 1.2 The key objective of the Study will be to provide a robust and credible evidence base to inform the Council's work on the next stages of the Local Development Plan, taking into account changes since the previous study. The objectives of the study are to:
- 1 assess changes in circumstances and shopping patterns since the previous Study was undertaken;
 - 2 assess the future need and (residual) capacity for retail floorspace distributed by town centre for the period up to 2031;
 - 3 assess the existing supply and demand for retail and other town centre uses and the role played by each of the centres;
 - 4 review the proposed land allocations in the Core Strategy Preferred Options document and comment on their appropriateness in terms of accommodating potential growth and meeting the identified need;
 - 5 audit existing commercial leisure provision and assess potential future requirements;
 - 6 audit existing tourism and cultural uses and facilities within the District and assess potential future requirements; and
 - 7 provide advice on policies to be included in development plan documents to address future needs, and provide recommendations on how each town centre can develop its role.
- 1.3 The findings of this report will need to be monitored particularly in terms of the recovery from the recent recession. An update is likely to be required in 4-5 years.

2.0

The Shopping Hierarchy

Centres in Thanet and the Surrounding Area

- 2.1 Thanet is bounded by Canterbury District to the west and Dover District to the south.
- 2.2 Westwood Cross, Margate, Ramsgate and Broadstairs are the main shopping centres within Thanet. In addition, there are four District Centres and a number of local centres.
- 2.3 Westwood Cross sits at the top of retail hierarchy within Thanet. The shopping centre opened in 2005 and was developed to provide a destination for national multiple retailers to locate in Thanet to retain comparison expenditure within the district. The centre provides the scale and nature of units sought by national multiple retailers which Thanet's existing individual towns could not offer. The centre was strengthened in 2007 with the opening of the adjacent leisure complex, which provided a casino, bingo, multiplex cinema and restaurant units.
- 2.4 The three smaller town centres within Thanet: Margate; Ramsgate; and Broadstairs, play a more specialist role in the district supporting the tourist market and offering a larger number of independent niche shops.
- 2.5 Management Horizon Europe's UK Shopping Index 2008 ranks retail centres across the country. While this data is now somewhat dated, it remains the most up to date national ranking of centres available. It should therefore be viewed in the context that the data will not take account of recent changes that may affect rankings. Management Horizon's rank for centres in Thanet and nearby centres outside the District is shown in Table 2.1 below.

Table 2.1 Management Horizons Europe Shopping Index (2008)

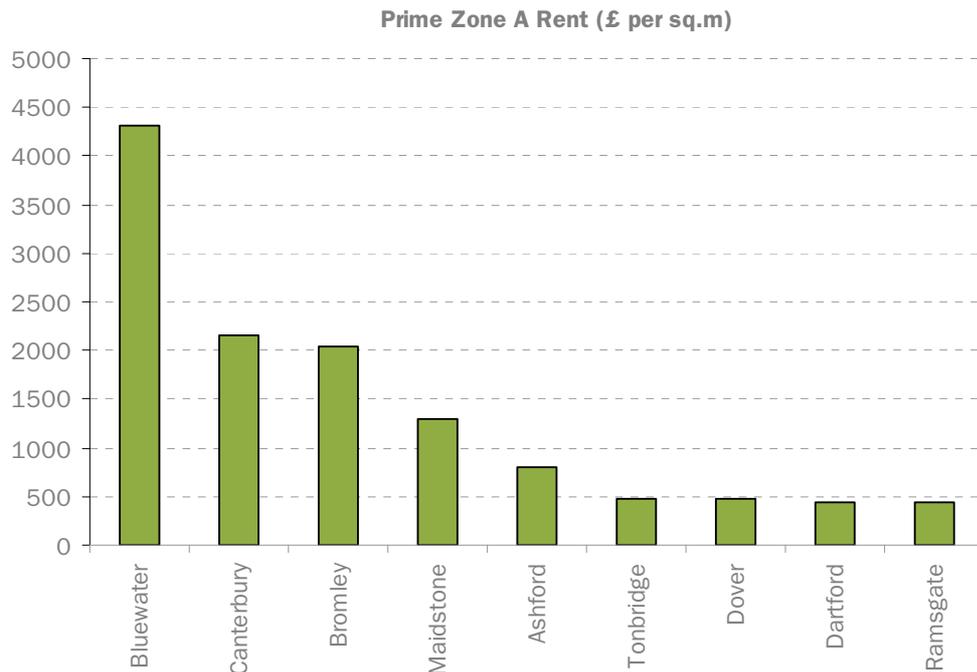
Centre	Rank	MHE Score	Classification
Bluewater (Greenhithe)	25	321	Major Regional
Bromley	32	300	Major Regional
Maidstone	41	277	Major Regional
Canterbury	82	224	Regional
Dartford	163	161	Sub-Regional
Ashford	241	120	Major District
Orpington	274	110	Major District
Tonbridge	285	107	Major District
Dover	309	101	Major District
Westwood Cross	446	76	District

Centre	Rank	MHE Score	Classification
Ramsgate	477	72	District
Margate	487	71	District
Herne Bay	641	54	Minor District
Broadstairs	1,207	30	Local
Cliftonville	1,660	21	Local
Birchington	2,356	13	Minor Local
Westgate	2,608	11	Minor Local
Sandwich	3,321	7	Minor Local
Minster	3,870	5	Minor Local

Source: Management Horizon Europe 2008 (**Bold** indicates centres within Thanet District)

- 2.6 The MHE score does not necessarily reflect the overall size of the town centre or the number of shops, but the presence of national multiples and the relative draw and importance that stores have. Each centre is given a weighted score which takes account of its provision of multiple retailers and anchor store strengths. For example, anchor department stores such as John Lewis or Debenhams receive a higher score (10) than other multiple operators such as H&M (3) in order to reflect their major influence on non-food shopping patterns. The Index also provides appropriate weight to individual flagship stores, leading to stores such as the House of Fraser in Birmingham obtaining a higher score than the same store in Nottingham.
- 2.7 Therefore, a location which has stronger retailers which attract more visitors to the centre and have a greater influence on shopping patterns will receive a higher score than those that do not. Towns with a higher number of independent shops may have a low MHE score in relation to their overall size because of the weight that is given to national multiple retailers and their influence on shopping patterns.
- 2.8 In 2008 the MHE Index for the first time includes restaurants, coffee shops and high street food outlets (e.g. McDonalds) due the effect that they are having on the retail landscape.
- 2.9 The index ranks Westwood Cross as the main centre in Thanet which is ranked 446th of all centres in the UK. This is closely followed by Ramsgate which is ranked 477th and Margate which is ranked 487th. Broadstairs is ranked 1,207th. Bluewater, Maidstone, Canterbury and Dover are all ranked above the centres within Thanet, reflecting the relatively local function played by the centres in Thanet in comparison with other centres in the county.
- 2.10 The relative performance and importance of town centres can be demonstrated by reviewing commercial property values for example Zone A rental levels achieved for retail property. Retail rents for selected centres are shown in Figure 2.1.

Figure 2.1 Retail Zone A Rents



Source: Colliers CRE (2010)

2.11 Ramsgate is the only centre in the District where information is available from Colliers CRE on prime Zone A rent figures (£431 per sq.m). The retail rents are much higher in larger centres outside the District, which reflects their position in the hierarchy. These figures indicate that commercial property values are much lower in the District's centres, which may affect the viability of new development.

2.12 Data from the Valuation Office Agency (VOA) for rental values in 2010 has also been obtained for comparison. As the VOA produces data for individual units, we have viewed a number of properties within the primary shopping area to estimate an average Zone A rent figure. For Ramsgate, the VOA suggests an average of around £400 per sq.m for the prime Zone A retail floorspace along the High Street, while Westwood Cross this is much higher at around £804 per sq.m. In comparison, the figures for Dover suggest an average of around £550 per sq.m for its Zone A retail floorspace along the primary frontages in Biggin Street. These figures identify the relative strength of Westwood Cross in comparison with other nearby centres, although it is not as strong as Canterbury.

Existing Retail Provision in Thanet

2.13 Existing retail provision in the main centres is contained in centre audits and on Goald Plans included in Appendix 3. A summary of existing retail provision is provided below:

Table 2.2 Existing Retail Service Provision

Centre	Town Centre Shop Units (Convenience, Comparison, Service and vacant units)	Town Centre Convenience Goods Sales Floorspace (sq.m gross)	Town Centre Comparison Goods Sales Floorspace (sq.m gross)
Westwood Cross	91	18,440	65,850
Ramsgate	320	5,860	23,660
Margate	235	4,600	13,410
Broadstairs	213	2,670	7,970
Total	722	31,750	110,890

Source: Goad

- 2.14 It should be noted that the figures within Table 2.2 are gross floorspace figures, and relate only to the convenience and comparison floorspace of the retail units within the town centre boundaries as defined by GOAD. The total convenience and comparison floorspace figures within the District are identified at Appendix 2.
- 2.15 Ramsgate is the largest centre in terms of the number of units and Westwood Cross is the largest centre in terms of retail floorspace. Broadstairs is the smallest centre both in terms of the number of units and the amount of retail floorspace.

3.0

Assessment of Retail Needs

Introduction

3.1

This section assesses the quantitative and qualitative scope for new retail floorspace in Thanet in the period from 2012 to 2031. It sets out the methodology adopted for this analysis and provides a quantitative capacity analysis in terms of levels of spending for convenience and comparison shopping. A qualitative assessment of the range and scale of existing shopping facilities has been undertaken as part of the audit of centres in Appendix 3.

3.2

The quantitative analysis is based on a defined study area that covers the catchment areas of the main shopping destinations in the District. The study area is sub-divided into six zones as shown in Figure 3.1. The survey zones take into consideration the extent of the catchment area of Westwood Cross, Margate, Ramsgate and Broadstairs.

3.3

The methodology is summarised in Figure 3.2 and set out in more detail in Appendix 1.

Figure 3.1: Study Area

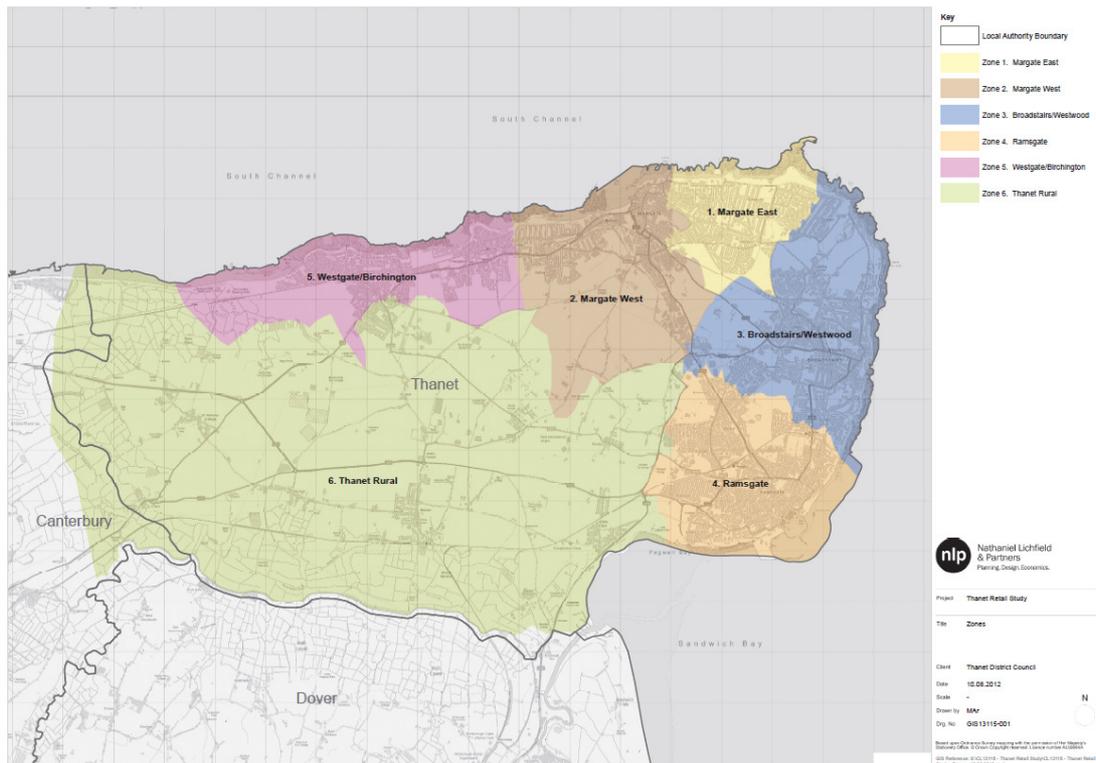
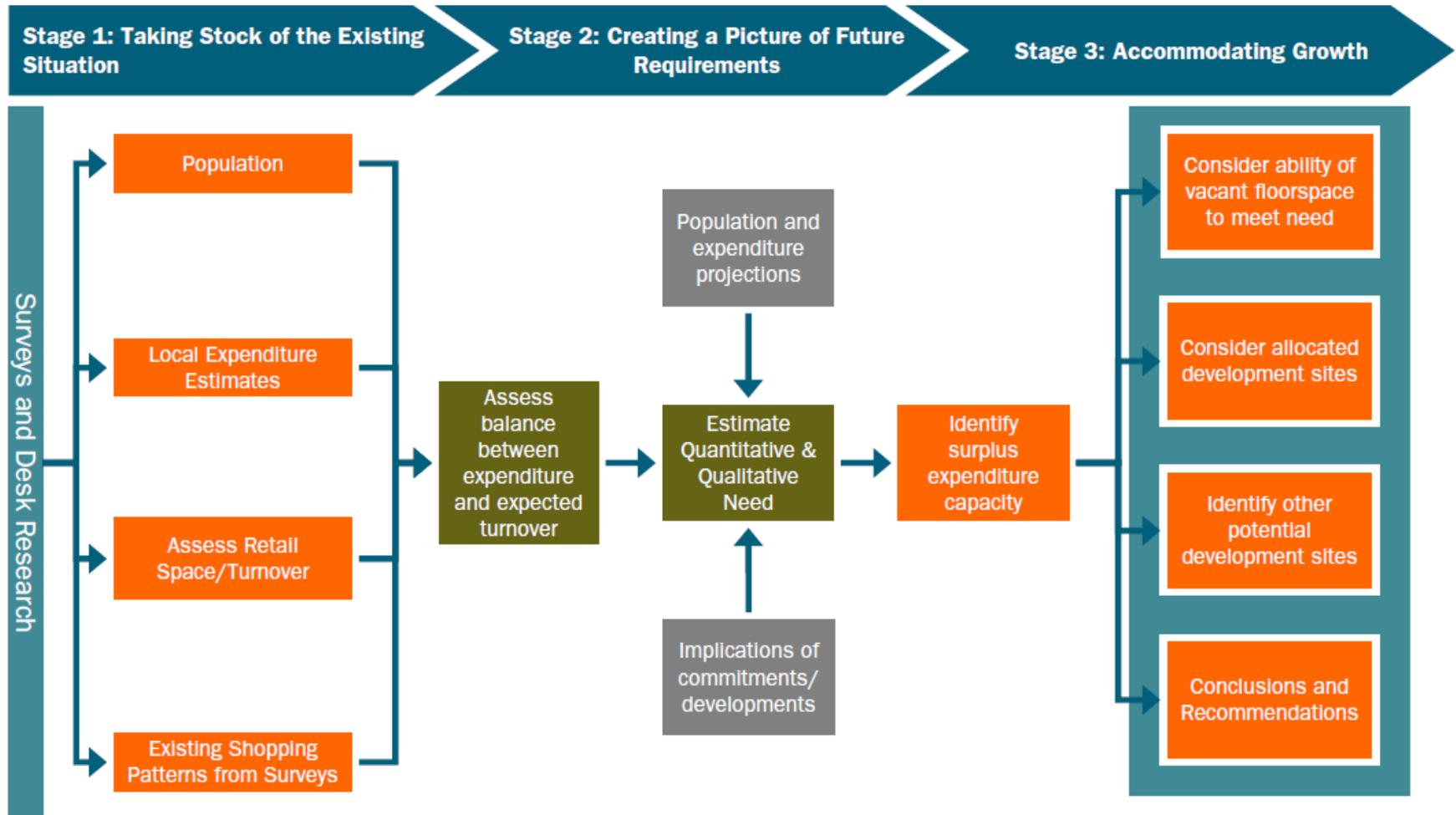


Figure 3.2: Methodology for Estimating Future Requirements for Retail Floorspace



Retail Trends

- 3.4 It is important to consider changes in the retail sector nationally and the implications for Thanet.
- 3.5 The economic downturn is still having a significant impact on the sector. A number of national operators have failed (eg. JJB Sports, Clinton Cards, Woolworths, MFI, Land of Leather, Borders, Game, Firetrap, Peacocks, La Senza, Past Times, Barratts and Habitat), leaving major voids within centres and retail parks. Many town centre development schemes have been delayed and the demand for traditional retail warehouse operators has also been affected. Even some of the main food store operators have seen a reduction in growth.
- 3.6 Assessing future expenditure levels within this study needs to take into account the economic downturn, particularly in the short term. Careful consideration is needed to establish the appropriate level of expenditure growth to be adopted over the Study period. This study takes a long term view, recognising the cyclical nature of expenditure growth. Trends in population growth, home shopping/internet sales and growth in turnover efficiency also need to be carefully considered and a balanced approach taken.
- 3.7 An overview of national trends within the retail sector is set out below.

Expenditure Growth

- 3.8 Historic retail trends indicate that expenditure has consistently grown in real terms in the past, generally following a cyclical growth trend. The underlying trend shows consistent growth and this trend is expected to continue in the future. However, the current economic downturn is expected to lead to limited growth in the short term.
- 3.9 In the past, expenditure growth has fuelled growth in retail floorspace, including major out-of-centre development, particularly in the 1980s and 1990s. The economic downturn suggests that rates of growth during the past few years are unlikely to be achieved in the short term, but the underlying trend over the medium and long terms is expected to lead to a need for further retail floorspace. These national trends are anticipated to be mirrored in Kent.

New Forms of Retailing

- 3.10 New forms of retailing have emerged in recent years as an alternative to more traditional shopping facilities. Home/electronic shopping has also emerged with the increasing growth in the use of personal computers and the internet. Trends within this sector may well have implications for retailing within Kent. The growth in home computing, internet connections and interactive TV may lead to a growth in home shopping and may have effects on retailing in the high street and in Thanet.

- 3.11 On-line shopping has experienced rapid growth since the late 1990s but in proportional terms the latest available data suggests it remains an insignificant percentage of total retail expenditure.¹ Recent trends suggest continued strong growth in this sector, from 5.1% of retail transactions in 2008 to 9.6% in 2011, but there is still uncertainty about its longer-term prospects and the potential effects on the high street. Experian's Retail Planning Note 9 states:
- "Growth in internet shopping has exceeded our expectations. Online spending increased in real terms by 18% in 2010 in line with the forecast in Retail Planner 8 of August 2010. However, 2011 has seen expansion continue at this impressive pace, despite the squeeze on consumers, rather than easing as in our previous forecast. We retain our assumption that non-store retailing will increase at a faster pace than total retail sales in the next few years, but we now expect that market share holds constant from 2018 (rather than 2016). Our assumption that after 2018 internet shopping grows in line with total retail sales reflects the maturing of the market as the number of computer-literate adults reaches saturation point."*
- 3.12 The Study makes an allowance for future growth in e-tailing based on Experian projections. It will be necessary to monitor the amount of sales attributed to home shopping in the future in order to review future policies and development allocations.
- 3.13 The implications on the demand for retail space are unclear. For example, some retailers operate on-line sales from their traditional retail premises eg. food store operators. Therefore, growth in on-line sales may not always mean there is a reduction in the need for retail floorspace. Given the uncertainties relating to internet shopping and the likelihood that it will increase in proportional terms, this assessment has adopted relatively cautious growth projections for retail expenditure.
- 3.14 As set out in Appendix 1, NLP adopts Experian's lower growth forecast rates for the short term (2010 to 2013), which we consider reflect current economic circumstances and provide an appropriate growth rate, and the longer term growth forecasts which are relatively cautious based on past growth rates. These forecasts are the lowest growth rates provided by Experian, which we consider are more realistic than those based on past trends that suggest higher levels of growth that are not sustainable.
- 3.15 In addition to new forms of retailing, retail operators have responded to changes in customers' requirements. For example, extended opening hours and Sunday trading increased significantly in the 1990s. Retailers also responded to stricter planning controls by changing their trading formats to include smaller store formats capable of being accommodated within town centres (such as the Tesco Metro, Sainsbury Central/Local store and Marks and Spencer's Simply Foods formats). The main food store operators have

¹ Experian Briefing Note 9 (Sept 2011)

also increasingly sought representation in small towns in predominantly rural areas. The expansion of European discount food operators Aldi and Lidl has also been rapid during the last decade.

- 3.16 Food store operators have also had a recent programme of store extensions, particularly Tesco, Sainsbury and Asda. These operators, faced with limited growth in food expenditure, have often increased the sale of non-food products within their food stores, including clothing and electrical goods. The recent recession has though first halted this trend, and is now reversing it.
- 3.17 Comparison retailers have also responded to market conditions. The bulky goods warehouse sector has rationalised, including a number of mergers and failures, and scaled down store sizes. Other traditional high street retailers often seek large out-of-centre stores, for example Boots, TK Maxx and Poundstretcher. Matalan has also opened numerous discount clothing stores across Great Britain. Sports clothing retail warehouses including Decathlon have also expanded out-of-centre.
- 3.18 Within town centres, many high street multiple comparison retailers have changed their format. High street national multiples have increasingly sought larger modern shop units (over 200 sq.m - 2,150 sq.ft) with an increasing polarisation of activity into the larger regional and sub-regional centres.
- 3.19 The economic downturn has had, and is likely to continue to have, an impact on the retail sector. The effects of the recession may continue to have an impact on shop vacancy levels in the District. The demand for premises within the bulky goods sector, ie. furniture, carpets, electrical and DIY goods, is particularly weak at present.
- 3.20 The continuation of these trends will influence future operator requirements in Thanet with smaller vacant units becoming less attractive for new occupiers and existing retailers looking to relocate into larger units in higher order centres.
- 3.21 Operator demand for space has decreased during the recession and, of those national multiples looking for space many prefer to locate in larger centres such as Canterbury. Demand from multiples within Thanet's town centres is likely to be weaker, which will affect the appropriate strategies for individual centres.

Population and Expenditure

- 3.22 The study area population for 2012 to 2026 is set out in Table 1A in Appendix 4. Population estimates for Thanet District at 2010 have been provided by TDC and projected forward between 2010 and 2031 using population estimates from TDC, based on housing completion levels and forecast population estimates from Kent County Council. Population within the study area is expected to increase between 2012 and 2031 by 9.3% (12,283 persons).

- 3.23 Table 2A in Appendix 4 sets out the forecast growth in spending per head for convenience goods within each zone in the study area up to 2031. Forecasts of comparison goods spending per capita are shown in Table 2B in Appendix 5.
- 3.24 As a consequence of growth in population and per capita spending, convenience goods spending within the study area is forecast to increase by 18.6% from £238.15 million in 2012 to £282.48 million in 2031, as shown in Table 3A (Appendix 4).
- 3.25 Comparison goods spending is forecast to increase by 85.8% between 2012 and 2031, increasing from £322.94 million in 2012 to £600.15 million in 2031, as shown in Table 3B (Appendix 5).
- 3.26 These figures relate to real growth and exclude inflation.

Existing Retail Floorspace 2012

- 3.27 Existing convenience goods retail sales floorspace within Thanet District is 29,971 sq.m net, as set out in Table 2.1, Appendix 2. This floorspace figure excludes comparison sales floorspace within food stores/shops (8,067 sq.m net).
- 3.28 Comparison goods retail floorspace within Thanet District is estimated as 93,241 sq.m net, as shown in Table 2.2, Appendix 2.

Existing Spending Patterns 2012

- 3.29 The results of the household shopper questionnaire survey undertaken by NEMS in July 2012 have been used to estimate existing shopping patterns within the study area shown in Figure 3.1 above. A summary of the methodology and results is shown in Appendix 6.

Tourist Spending

- 3.30 An allowance has been made for retail expenditure generated by tourist visitors to Thanet District. Thanet's tourism initiatives and planned regeneration schemes aim to increase the numbers of visitors to the centres in the district, which should subsequently increase the level of tourist spending in Thanet over time.
- 3.31 In order to quantify the current levels of tourist spending, we have reviewed data available from Visit Kent. Visit Kent's 2009 study "*The Economic Impact of Tourism on the District of Thanet*" indicates that tourists spent 1.9 million nights in the District in 2009. There were a further 2.5 million day trips (4.4 million days in total). These visitor numbers suggest that on average there were an additional 12,000 people within the District each day, therefore the District's population is on average 9% higher than the resident population. The Visit Kent's study also indicates that tourist visitors spent around £40 million on retail goods, compared with the District's resident expenditure of around £560 million, ie. an additional 7% expenditure is generated by tourists.

- 3.32 We have also considered the results of the in-centre survey undertaken to identify the proportion of visitors to each centre from outside the district, and those whose main purpose for visiting the centre was as a tourist, either on holiday or on a day trip.
- 3.33 Drawing together the information available, it seems reasonable to assume retail facilities within Thanet will attract between 7% to 9% of their trade from tourist visitors.
- 3.34 The tourist spending has been incorporated into the estimated inflow to facilities within the district. In terms of convenience goods spending, in 2012, Table 5A in Appendix 4 shows a total of £33.58 million of inflow to facilities within the district. We estimate that £21.39 million of this (or 8% of the total turnover of facilities) can be attributed to tourist spending. For comparison goods spending, Table 5B in Appendix 5 shows a total of £82.82 million of inflow to facilities within the district. We estimate that £28.24 million of this (or 8% of the total turnover of facilities) can be attributed to tourist spending.
- 3.35 As a result of forecast population and expenditure growth over the study period, the amount of tourism spending attracted to Thanet will increase. By 2031, the amount of convenience inflow into the district attributed to tourists is estimated to be £25.38 million, and the amount of comparison tourist inflow is estimated to be £52.49 million.
- 3.36 Tourist visitors will generate additional spending within the centres, for example using leisure and entertainment facilities in the centres, such as restaurants and bars, however this is not quantified in this report.
- 3.37 Facilities within the District, particularly Westwood Cross, will also attract other expenditure inflow from residents who live in neighbouring authorities.

Convenience Shopping

- 3.38 The results of the household shopper survey have been used to estimate existing convenience goods shopping patterns. The estimates of market share or penetration within each study area zone are shown in Table 4A, Appendix 4.
- 3.39 Table 4A (Appendix 4) indicates that the majority of residents within all zones carry out their convenience retail shopping within the study area (ranging from 85% in Zone 6 to 100% in Zone 1).
- 3.40 The level of convenience goods expenditure attracted to shops/stores in Thanet in 2012 is estimated to be £267.43 million as shown in Table 5A, Appendix 4. This includes estimates of inflow from beyond the study area, applying the market shares identified in Table 4A, Appendix 4. The market share of total convenience expenditure generated within the study area that is retained by shops/stores in Thanet (ie. excluding any inflow to these shops/stores from beyond the study area) is estimated to be about 98% (£233.85 million of £238.15 million, derived from Tables 5A and 3A, Appendix 4). Consequently, just 2% of available expenditure in the study area is leaking to facilities beyond Thanet District.

- 3.41 The total benchmark turnover of the existing convenience sales floorspace within Thanet District is £289.56 million at 2012 (Table 10A, Appendix 4). The actual turnover of the convenience floorspace at facilities within the District is £267.43 million (Table 5A, Appendix 4).
- 3.42 These figures suggest that collectively convenience retail facilities in the District are trading about 8% below average, with a deficit of available convenience expenditure of £22.13 million. Given the high level of convenience expenditure retained in the District, this suggests that there is currently an oversupply of convenience goods floorspace.

Comparison Shopping

- 3.43 The estimated comparison goods expenditure currently attracted by shopping facilities within Thanet District is £353.04 million in 2012, as shown in Table 5B, Appendix 5. This includes estimates of inflow from beyond the study area. The market share of total comparison goods expenditure generated within the study area that is retained by centres/facilities in Thanet (ie. excluding any inflow to these shops/stores from beyond the study area) is 84% (£270.21 million out of £322.94 million, derived from Tables 3B and 5B, Appendix 5). The lower retention levels compared to the convenience goods market shares reflects the influence of higher order centres outside Thanet District, in particular Canterbury.
- 3.44 The comparison goods expenditure retention rate for the District has increased from 68% in 2007 (Kent County Council, Retail Need Assessment 2007). There are a number of reasons that may explain the differences between these figures. Firstly, the expansion of the offer at Westwood Cross will have led to more people staying and shopping in the District. Furthermore, the building up of trade and establishing settled shopping patterns as a result of the Westwood Cross expansion will have taken time, and would therefore not have been settled at the time of the previous study. The recession has also had an impact on people's shopping patterns – the increased cost of petrol results in people travelling less distances to undertake shopping, and consequently will have increased retention. Finally, there are likely to have been some differences in the methodology adopted when making an allowance for non-store spending, including internet shopping. Direct comparisons between these two retention figures should therefore be treated with caution.
- 3.45 Based on the estimate of comparison goods expenditure attracted to facilities within the District, the average sales density for existing comparison sales floorspace (93,241 sq.m net) is £3,786 per sq.m net. The analysis of existing comparison shopping patterns in 2012 suggests the following average sales density figures for the centres in the District shown in Table 3.1.

Table 3.1: Defined Centres Comparison Average Sales Densities

Centre	Average Sales Density 2012 (£ per sq.m net)
Margate	£3,302
Westwood Cross (including Retail Park)	£3,910
Broadstairs	£5,095
Ramsgate	£3,054
Birchington/Westgate	£3,086
District Average	£3,786

3.46 Table 3.1 indicates that trading levels amongst comparison facilities in the District vary, with Broadstairs Town Centre trading at a higher level than any other destination in the District. However, the figure for Westwood Cross is lowered due to the inclusion of the retail parks, which trade at a lower sales density than high street type comparison retailers. The average sales density figures should be viewed in the context of the type of floorspace in each centre.

Quantitative Capacity for Convenience Goods Floorspace

3.47 The level of available convenience goods expenditure in 2012, 2016, 2021, 2026 and 2031 is shown at Tables 5A, 6A, 7A, 8A and 9A, in Appendix 4. These tables are based on constant market shares, established through the household survey results (Table 4A, Appendix 4).

3.48 The total level of convenience goods expenditure available for shops in the District between 2012 and 2031 is summarised in Table 11A (Appendix 4). Convenience expenditure available to shopping facilities in the District is expected to increase from £267.43 million in 2012 to £317.21 million in 2031.

3.49 Table 11A (Appendix 4) subtracts the benchmark turnover of existing floorspace from available expenditure to calculate the amount of surplus expenditure that may be available for further new development. Within the District, there is a deficit of £22.13 million convenience goods expenditure in 2012. In 2016, there is a deficit of £15.41 million, reducing to a deficit of £2.23 million in 2021. By 2026, future expenditure growth generates an expenditure surplus of £11.90 million, increasing to £27.65 million in 2031.

3.50 The surplus expenditure projections have been converted into potential new floorspace estimates in Table 11A (Appendix 4). Surplus expenditure is converted into floorspace estimates based on an assumed average sales density figure, based on the average turnover of the main food supermarket operators. An average sales density of £10,000 per sq.m net has been adopted for large food stores and £4,000 per sq.m for local shops.

- 3.51 The deficit of available expenditure up to 2021 indicates that there is no short to medium term requirement for additional convenience goods floorspace in the district. Surplus expenditure at 2026 could support 1,162 sq.m net of sales floorspace (1,660 sq.m gross) in the District as a whole, as shown in Table 11A, Appendix 4. The projection to 2031 is 2,759 sq.m net (3,941 sq.m gross).
- 3.52 The identified surplus expenditure could support the following convenience floorspace:

Table 3.2: Convenience Goods Expenditure Capacity Floorspace Projections

Centre	2016	2021	2026	2031
	sq.m net / gross	sq.m net / gross	sq.m net / gross	sq.m net / gross
Margate/Cliftonville	102 / 146	311 / 445	536 / 766	786 / 1,123
Westwood Cross	- 624 / - 892	- 185 / - 265	284 / 406	808 / 1,154
Broadstairs/St Peters	- 315 / - 449	- 48 / - 68	237 / 338	555 / 792
Ramsgate	- 794 / - 1,135	- 472 / - 674	- 123 / - 176	263 / 376
Birchington/Westgate	135 / 192	203 / 290	276 / 394	357 / 510
Other Thanet	- 111 / - 159	- 81 / - 115	- 47 / - 68	- 10 / - 15
District Total	- 1,608 / - 2,296	- 271 / - 388	1,162 / 1,660	2,759 / 3,941

Source: Table 11A, Appendix 4

- 3.53 There is a resolution to approve an application for the erection of a retail superstore (11,765 sq.m GIA) together with non food retail floorspace and A3/A5 units and a hotel at land south of Westwood Cross, between New Haine Road and Margate Road (ref. F/TH/11/0200). We understand that this is pending completion of a S.106 Agreement to secure highways works. The supermarket has a net sales area of 7,616 sq.m, comprising 4,189 sq.m net convenience goods floorspace and 3,427 sq.m net comparison goods floorspace. The proposed superstore replaces the existing Sainsbury's store, with a net convenience sales area estimated to be 2,011 sq.m (Table 10A, Appendix 4), suggesting that the overall net increase in convenience goods floorspace will be 2,178 sq.m net. If implemented, the scheme would absorb around 80% of the capacity for convenience goods floorspace in the District by 2031.
- 3.54 Tesco submitted an application for a superstore at the Arlington site, Margate (ref. F/TH/10/1061). This scheme included a store with a total net sales area of 4,052 sq.m, comprising 2,508 sq.m net convenience goods floorspace and 1,544 sq.m net comparison goods floorspace. The total convenience turnover of the store is estimated to be £22.05 million in 2014 (King Sturge Retail Assessment, December 2010). In June 2011, Thanet District Council resolved

to approve the application, however a decision was not formally made, and the applicants have appealed against non-determination. The Public Inquiry was held in November 2012, however the Secretary of State has intervened and called the application in, with the reason given that *“the appeal involves proposals which involve any main town centre use or uses where that use or uses comprise(s) over 9,000 sq.m gross floorspace (either as a single proposal or as part of or in combination with other current proposals) and which are proposed on a site in an edge-of-centre or out-of-centre location that is not in accordance with an up-to-date development plan or document”*. At this stage, the proposed Tesco store does not need to be taken into consideration as a commitment, however we would note that if the scheme is approved and developed, it would substantially absorb any capacity for convenience floorspace in the District up to 2031.

- 3.55 If both of these schemes come forward, it is considered that there would be an over-supply of convenience goods floorspace within the District, which is likely to result in some stores trading at below company average turnovers.

Adjusted Market Shares

- 3.56 Given the high level of convenience expenditure retained within the District overall (98%), we do not consider that it would be realistic to plan for an increase in market share. In comparing the benchmark turnover of existing stores within the District in 2012 (Table 10A, Appendix 4) and the actual turnover derived from the survey data (Table 5A, Appendix 4), of the large stores in the District, only the Sainsbury’s at Westwood Cross is trading above company average turnover by 26%, while the other stores are trading at a level below company average turnover.
- 3.57 There may be some scope to improve the quality of the convenience retail offer in existing stores to redress the balance internally within the District. If, for example, it is desirable to provide additional convenience stores in Margate and Ramsgate to improve the retail offer for local residents, rather than increase the overall retention within the Borough, the shares within individual zones would increase. This would most likely be at the expense of the stores at Westwood Cross, which currently attract a significant level of trade from the Margate and Ramsgate zones. As there is currently limited capacity for additional convenience goods floorspace within the district, providing new floorspace at Margate and/or Ramsgate would lead to an oversupply of convenience floorspace within the district as a whole. As a result of over provision, the likely effects are that the turnover of existing stores will reduce to below company average or benchmark turnover, and this may potentially lead to store closures where existing stores are trading poorly.

Quantitative Capacity for Comparison Goods Floorspace

- 3.58 The household survey suggests that the District’s retention of comparison goods expenditure is lower than for convenience goods. The lower level of

- comparison expenditure retention is due to the strength of competing comparison goods facilities in neighbouring authorities, in particular Canterbury.
- 3.59 Future improvements to comparison retail provision within the District could help to claw back some additional expenditure leakage from the study area. However major developments in neighbouring authorities will limit the ability of shopping facilities in the District to increase their market share of expenditure. Indeed, retail development will be necessary in Thanet District in order to maintain existing market share in the future. An appropriate strategy for Thanet District should be to seek to maintain existing 2012 market share for the town centres in the face of increasing future competition, whilst maintaining the vitality and viability of centres.
- 3.60 The retail capacity projections in this report assume centres within Thanet District can maintain their market share of comparison expenditure in the future.
- 3.61 Available comparison goods expenditure has been projected forward to 2016, 2021, 2026 and 2031 based on 2012 penetration rates (ie. assuming that comparison retail facilities will maintain their current market share) in Tables 5B, 6B, 7B, 8B and 9B in Appendix 5, and summarised in Table 11B. Available comparison expenditure to facilities within the District is expected to increase from £353.04 million in 2012 to £656.08 million in 2031.
- 3.62 Future available expenditure is compared with the projected turnover of existing comparison retail is shown in Table 11B (Appendix 5). Table 11B assumes that the benchmark turnover of comparison floorspace will not increase between 2012 to 2013 due to the recession and limited projected expenditure growth. In the longer term existing floorspace within the District is expected to increase its benchmark turnover in real terms. A growth rate of 1.7% per annum is adopted, which we believe is realistic if an expenditure growth rate of 3% per annum is achieved. Trends indicate that comparison retailers historically will achieve some growth in trading efficiency. This is a function of spending growing at faster rates than new floorspace provision and retailers' ability to absorb real increases in their costs by increasing their turnover to floorspace ratio.
- 3.63 Within the District, there is a deficit of £29.86 million comparison goods expenditure in 2012 and a deficit of £16.50 million in 2016. By 2021, future expenditure growth generates an expenditure surplus of £20.33 million, increasing to £68.09 million in 2026 and £128.62 million in 2031.
- 3.64 Surplus comparison expenditure has been converted into net comparison sales floorspace projections in Table 11B in Appendix 5 using an average sales density of £5,000 per sq.m in 2012. The surplus expenditure at 2021 could support 4,066 sq.m net of sales floorspace (5,422 sq.m gross), or 13,618 sq.m net (18,157 sq.m gross) by 2026. The projection to 2031 is 25,725 sq.m net (34,300 sq.m gross).

Table 3.3: Comparison Goods Expenditure Capacity Floorspace Projections

Centre	2016	2021	2026	2031
	sq.m net / gross	sq.m net / gross	sq.m net / gross	sq.m net / gross
Margate/Cliftonville	-991 / - 1,321	- 489 / - 652	175 / 233	1,029 / 1,372
Westwood Cross	336 / 448	5,594 / 7,459	12,365 / 16,487	20,902 / 27,870
Broadstairs/St Peters	362 / 482	1,058 / 1,411	1,950 / 2,599	3,068 / 4,091
Ramsgate	- 2,318 / - 3,090	- 1,647 / - 2,197	- 743 / - 990	438 / 584
Birchington/Westgate	- 698 / - 931	- 482 / - 643	- 191 / - 255	187 / 250
Other Thanet	9 / 12	32 / 43	62 / 83	100 / 133
District Total	- 3,300 / - 4,400	4,066 / 5,422	13,618 / 18,157	25,725 / 34,300

Source: Table 11B, Appendix 5

- 3.65 As noted above, there is a resolution to grant a proposed development at Westwood Cross (ref. F/TH/11/0200) which includes an element of non-food floorspace within the proposed superstore (3,427 sq.m net), together with a number of non-food retail units totalling 7,511 sq.m net.
- 3.66 Planning permission has been granted on the adjacent site at Westwood Cross for a two storey, non-food retail unit (ref. F/TH/10/1005). This unit has a floorspace of 6,510 sq.m GIA. Assuming a net:gross ratio of 75%, this would give a net sales area of 4,883 sq.m. This has now been developed and opened as a Primark. However, this remains included as a commitment as it was not open and trading when the survey was undertaken.
- 3.67 The Tesco scheme at the Arlington site, Margate (ref. F/TH/10/1061) also includes 1,544 sq.m net comparison goods floorspace, together with comparison unit shops with a net sales area of 399 sq.m. The combined comparison turnover is estimated to be £7.99 million in 2014.
- 3.68 If the Tesco Margate scheme is approved, together with the commitments at Westwood Cross, the total amount of committed comparison goods floorspace within the District would be 17,764 sq.m net, which equates to approximately 70% of the identified floorspace capacity by 2031.

Adjusted Market Shares

- 3.69 Developments outside of Thanet District, such as the proposed town centre development at St James Street, Dover, will have an influence on shopping patterns and may draw trade away from centres and facilities in Thanet, particularly residents outside the District currently travelling to Westwood Cross. It is therefore essential that Thanet seeks to maintain its market share, through improvement and expansion of the retail offer.

- 3.70 If the proposals at Westwood Cross identified above are implemented, together with improvements to the highway network in the surrounding area, we consider that this may have the effect of increasing its market share. We have therefore assessed the implications of increasing the market share of Westwood Cross from 2016, as follows:

Table 3.4: Westwood Cross Market Shares

Market Share	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6
Existing	59.5%	53.2%	54.7%	47.4%	52.3%	48.1%
Adjusted	65.0%	60.0%	60.0%	50.0%	55.0%	50.0%

- 3.71 As a result of this adjustment to market shares, Table 3.5 identifies the floorspace requirements.

Table 3.5: Comparison Goods Expenditure Capacity Floorspace Projections for Westwood Cross (adjusted)

Centre	2016	2021	2026	2031
	sq.m net / gross			
Westwood Cross	4,652 / 6,202	10,710 / 14,280	18,435 / 24,580	28,105 / 37,473

- 3.72 To achieve this increase in market share, it would be necessary to plan for significant additional retail development at Westwood Cross.

Non A1 Floorspace Projections

- 3.73 The quantitative retail projections set out above relate to Class A1 retail uses only. There may be scope for a further 20% floorspace that can be occupied by Class A2 to A5 uses and Class A1 non-retail services.

Summary of Floorspace Requirements

- 3.74 The following tables summarise retail and non-retail floorspace requirements, excluding the commitments and proposals identified above.

Table 3.6: Summary of Floorspace Requirements, 2016 (sq.m gross)

Centre	A1 Conv	A1 Comp	A2-A5	Total
Margate/Cliftonville	146	- 1,321	-294	-1,469
Westwood Cross	- 892	448	-111	-555
Broadstairs/St Peters	- 449	482	8	41
Ramsgate	- 1,135	- 3,090	-1,056	-5,281
Birchington/Westgate	192	- 931	-185	-924
Other Thanet	- 159	12	-37	-184
District Total	- 2,296	- 4,400	-1,674	-8,370

Table 3.7: Summary of Floorspace Requirements, 2021 (sq.m gross)

Centre	A1 Conv	A1 Comp	A2-A5	Total
Margate/Cliftonville	445	- 652	-52	-259
Westwood Cross	- 265	7,459	1,799	8,993
Broadstairs/St Peters	- 68	1,411	336	1,679
Ramsgate	- 674	- 2,197	-718	-3,589
Birchington/Westgate	290	- 643	-88	-441
Other Thanet	- 115	43	-18	-90
District Total	- 388	5,422	1,259	6,293

Table 3.8: Summary of Floorspace Requirements, 2026 (sq.m gross)

Centre	A1 Conv	A1 Comp	A2-A5	Total
Margate/Cliftonville	766	233	250	1,249
Westwood Cross	406	16,487	4,223	21,116
Broadstairs/St Peters	338	2,599	734	3,671
Ramsgate	- 176	- 990	-292	-1,458
Birchington/Westgate	394	- 255	35	174
Other Thanet	- 68	83	4	19
District Total	1,660	18,157	4,954	24,771

Table 3.9: Summary of Floorspace Requirements, 2031 (sq.m gross)

Centre	A1 Conv	A1 Comp	A2-A5	Total
Margate/Cliftonville	1,123	1,372	624	3,119
Westwood Cross	1,154	27,870	7,256	36,280
Broadstairs/St Peters	792	4,091	1,221	6,104
Ramsgate	376	584	240	1,200
Birchington/Westgate	510	250	190	950
Other Thanet	- 15	133	30	148
District Total	3,941	34,300	9,560	47,801

Qualitative Need for Retail Floorspace

3.75

Qualitative need can be assessed through consideration of the following factors:

- deficiencies or 'gaps' in existing provision;
- consumer choice and competition;
- overtrading, congestion and overcrowding of existing stores;

- location specific needs such as deprived areas and underserved markets; and
- the quality of existing provision.

Thanet District

Convenience Goods Shopping

- 3.76 The household survey results indicate that most residents in the study area undertake both a main shopping trip and top-up shopping trips. Main shopping trips are generally made once a week or less often, and the household survey identified that 81.4% of respondents travel to do their main food shopping by car (both driver and passenger). The availability of a wide range of products and free car parking are important requirements for bulk food shopping trips. Large supermarkets or superstores, defined as over 2,500 sq.m net or more, are the usual destination for these types of shopping trip.
- 3.77 There are four food superstores (over 2,500 sq.m net) within the District, ie. Sainsbury's and Tesco Extra at Westwood Cross, Asda, Broadstairs and Tesco, Ramsgate. In addition to these superstores, there is one supermarket (over 1,500 sq.m net) within the District, ie. Morrisons, Margate. The household survey indicates that these large food stores are the dominant shopping destinations used by residents in the District for main/bulk food shopping.
- 3.78 The larger food stores are supported by a good range of smaller supermarkets and convenience stores. The discount food sector is represented by Lidl stores in Westwood Cross and Ramsgate, and Aldi stores in Margate and Ramsgate. Food stores within the District are supported by small independent convenience shops located within the main and local centres. Appendix 2 includes a Plan showing the distribution of existing food stores within the District.
- 3.79 The retail capacity projections set out in Table 11A in Appendix 4 suggest the only surplus convenience goods expenditure at 2016 relates to food stores in Margate/Cliftonville (£1.02 million) and Birchington/Westgate (£1.35 million). Overall, there is a deficit of surplus convenience goods expenditure in the District until 2026, suggesting that there is very limited short to medium term need for any additional floorspace.
- 3.80 The capacity figures and a qualitative analysis of existing provision assessment suggest that the priority for long term future food store development should be within Margate/Cliftonville and Birchington/Westgate, however there is only a requirement for modest provision over the study period.

High Street Comparison Shopping

- 3.81 Westwood Cross is the main high street comparison shopping destination and the highest ranking centre within the District. Ramsgate and to a lesser extent Margate also provide residents with comparison shopping destinations. However, the Thanet centres are ranked below other larger centres surrounding the District, in particular Canterbury, which is accessible to residents within the

District and has a much more extensive range of multiple retailers than Westwood Cross, Ramsgate, Margate and the other centres in Thanet.

- 3.82 The Centre Audits in Appendix 3 identify that Westwood Cross has a particularly high proportion of comparison retail units compared to the national average. Westwood Cross has a good range of comparison shops including a wide range of national multiples. Ramsgate and Margate both have a reasonable range of comparison operators, however the number of comparison goods units in the two centres is below the national average.

Westwood Cross

- 3.83 Westwood Cross town centre has a number of food stores including a Tesco Extra, Sainsbury's and Marks & Spencer food hall, in addition to a Lidl. As shown in Tables 5A and 10A at Appendix 4, both the Tesco Extra and M&S food hall are trading below company average levels. This would suggest that these stores may benefit from qualitative store improvements to improve the shopping environment to ensure they compete more effectively with other food stores. Alternatively, it could signal that there is an overprovision of convenience floorspace within the town centre. The Sainsbury's store is trading above company levels, however, it is proposed to redevelop this store to provide a net additional 2,178 sq.m of retail floorspace, which should adjust the store's turnover closer to company average trading levels.
- 3.84 It is evident from Figure 2.1 at Appendix 2.1 that there is a concentration of food stores within Westwood Cross. In qualitative terms there is no need for an additional convenience store within this centre.
- 3.85 Westwood Cross is the main comparison shopping destination in the district, and accordingly is the highest ranked centre. The Centre Audits in Appendix 3 identify that Westwood Cross has a particularly high proportion of comparison retail units compared to the national average. Westwood Cross has a good range of comparison shops including a wide range of national multiples. In order to maintain its role as the main centre within the district and withstand competition from high order centres outside the district (such as Canterbury) there is a qualitative need to attract some new comparison retailers to Westwood Cross through the provision of large retail units to meet current comparison retail requirements.
- 3.86 There is a limited proportion of retail service uses within the centre. To fulfil its role as the main centre within the district, there is a qualitative need for additional retail service uses, such as banks, hairdressers, dry cleaners etc. to support the retail function of the centre and provide a better range of uses.

Ramsgate

- 3.87 There are a number of convenience stores within Ramsgate Town Centre including a Waitrose, Tesco, Asda and Aldi. As shown in Tables 5A and 10A at Appendix 4, both the Tesco and Waitrose stores are trading below company average levels. Asda is trading in line with the company average where as Aldi

is trading significantly above. This would indicate that there is a qualitative need for additional discount food retailing within Ramsgate.

- 3.88 The food stores within Ramsgate are well distributed throughout the centre, suggesting there is limited geographical qualitative need for convenience floorspace within Ramsgate.
- 3.89 In Ramsgate there is a good range of comparison retailers, although a limited number of national multiple retailers and no main anchor comparison retailer. The proportion of comparison retailers is also slightly below the national average. There is a qualitative need for new, large retail units within Ramsgate to attract national multiple retailers. Provision for an anchor retailer should also be considered to attract additional comparison retailer to the centre.

Margate

- 3.90 There is only one convenience store within Margate Town Centre – a Morrisons store to the east of the centre. Provision should be made for additional food store(s) within the centre to provide choice to customers. New store(s) should be focused to the south or west of the centre. The Morrisons store is currently trading below company average levels (Tables 5A and 10A at Appendix 2). The store could benefit from an extension and/or investment to improve the store layout so it could operate more effectively.
- 3.91 Margate has a reasonable range and choice of national multiple and independent comparison retailers. The national multiples are generally focused along the High Street and the independent retailers within “Old Margate”. Respondents to the household survey, however, ranked the range of shops and services as “poor” and suggested that improvements to these would make them visit Margate more often. As such, there is considered to be a qualitative need for enhanced comparison goods provision within Margate - not necessarily significantly increasing the amount of floorspace, but improving the quality of the existing provision.

Broadstairs

- 3.92 The main convenience provision within Broadstairs is the Tesco Metro store. In qualitative terms the centre could benefit from a larger format food store, although we note that residents are served by the supermarkets at Westwood Cross and there is not considered to be a deficiency of convenience floorspace provision within the centre.
- 3.93 The comparison offer within Broadstairs is typically smaller, high end independent retailers. There are few national multiple retailers, although this is not to the detriment of the town which has developed as a niche high quality seaside town with a unique character. As such we do not consider there is a need to plan to encourage national multiple retailers in the long term. Respondents to the household survey were generally happy with the range and choice of comparison shops. Whilst there is not an immediate requirement for significant additional comparison goods floorspace in Broadstairs, there is a

need to plan for qualitative improvements to ensure Broadstairs maintains its position in the retail hierarchy and potential increases its market share.

Bulky Goods Retail Warehouses

- 3.94 The main retail warehouse representation is at Westwood Cross, with representation from a number of major national multiple retailers that are usually found in retail warehouse parks, including Homebase, Comet, PC World and Carpetright. This is considered to serve the district well, and there is no qualitative need to provide for any significant new retail warehouse development.
- 3.95 Any out-of-centre retail warehouse proposal would need to be considered on its individual merits. The applicant would need to clearly demonstrate that the nature of retail floorspace proposed cannot be adequately accommodated within existing centres, allowing scope for disaggregation and flexibility, and that the development would not harm designated centres.

4.0

Accommodating Growth

Floorspace Projections

4.1

The floorspace projections set out in the previous sections assume that new shopping facilities within Thanet District can maintain their current market share of expenditure within the study area, recognising that other competing centres will improve in the future. There are a number of issues that may influence the scope for new floorspace and the appropriate location for this development, as follows:

- major retail developments in competing centres;
- the re-occupation of vacant retail floorspace;
- the availability of land to accommodate new development;
- the reliability of long term expenditure projections, particularly after 2016;
- the effect of Internet/home shopping on the demand for retail property;
- the level of operator demand for floorspace in Thanet District;
- the likelihood that Thanet's existing market share of expenditure will change in the future in the face of increasing competition;
- the potential impact new development may have on existing centres.

4.2

Projections up to 2016 are realistic and are based on up to date forecasts, which take into account the effects of the recession. The long term floorspace projections (up to 2021 and beyond) shown in Section 3.0 should be treated with caution and should only be used as a broad guide, particularly when translated into the development plan allocations or when used to guide development control decisions. Long term forecasts may be subject to change due to unforeseen circumstances. Projected surplus expenditure is primarily attributable to projected growth in spending per capita. If the growth in expenditure is lower than that forecast then the scope for additional space will reduce. Long term projections should be monitored and kept under-review. Information on how the projections should be monitored is contained in Section 7.0.

4.3

The expenditure projections in this study take into account home shopping made through non-retail businesses, because special forms of trading have been excluded. The study assumes that special forms of trading will increase in the future, including the growth of internet shopping. The impact of Internet growth on the demand for retail floorspace is unclear. Some retailers' home delivery and Internet services utilise existing stores rather than warehouses, for example Tesco Direct. Growth in internet sales will not always reduce the demand for shop floorspace. In addition, some of the growth in Internet sales may divert trade away from mail order companies rather than retail operators. Overall the long term impact of home shopping on expenditure projections is uncertain.

- 4.4 The quantitative and qualitative assessment of the potential capacity for new retail floorspace within the previous sections suggests that there is scope for new retail development within Thanet District. This section examines the opportunities for accommodating this projected growth and assesses potential to accommodate this floorspace.
- 4.5 Using the existing market shares, the projections up to 2016 suggest there is no scope for additional convenience goods floorspace in the District as a whole, with a limited requirement in Margate/Cliftonville and Birchington/Westgate. There is also no requirement for comparison goods floorspace in the District as a whole by 2016, with a limited requirement in Westwood Cross and Broadstairs.
- 4.6 The projections up to 2021 suggest there is still no requirement for convenience goods floorspace, however there is scope for 4,066 sq.m net (5,422 sq.m gross) of comparison goods floorspace. By 2026, there is scope for 1,162 sq.m net (1,660 sq.m gross) convenience goods floorspace and 13,618 sq.m net (18,157 sq.m gross) comparison goods floorspace.

Accommodating Future Growth

- 4.7 The sequential approach suggests that designated town centres should be the first choice for retail and leisure development.
- What is the locational area of need the development seeks to serve and what existing centre could potentially fulfil the identified area of need?
 - Is the nature and scale of development likely to serve a wide catchment area eg. a large part of Thanet District?
 - Is a site available in one of the designated centres, including vacant premises and will this site meet the identified need?
 - If the development has a more localised catchment area, is a site available in a local centre and will this site meet the identified need?
- 4.8 All development should be appropriate in terms of scale and nature to the centre in which it is located.
- 4.9 The existing stock of premises will have a role to play in accommodating projected growth, after the recession. The retail capacity analysis in this report assumes that existing retail floorspace can, on average, increase its turnover to sales floorspace densities. Consistent with Experian's short term turnover efficiency projections and NLP's lower expenditure growth rate adopted beyond 2013 (0.5% per annum) we believe no growth in convenience turnover efficiency is appropriate. For comparison goods, a growth rate of 1.7% per annum is assumed after 2013 in line with the expenditure growth rate of 3% per annum. The adoption of these growth rates represents a balanced approach. The floorspace projections reflect these assumptions. In addition to the growth in sales densities, vacant shops could help to accommodate future growth.

- 4.10 There was a combined total of 170 vacant shop units within the four centres of Westwood Cross, Ramsgate, Margate and Broadstairs, which equates to an overall vacancy rate of 19.8%, which is higher than the Goad national average (13.7%, June 2012). The vacancy rate is significantly higher in Ramsgate and Margate at 22.2% and 31.95% respectively, compared to Westwood Cross (6.6%) and Broadstairs (8.5%). The total amount of vacant floorspace is approximately 24,520 sq.m gross.
- 4.11 Vacant premises should help to accommodate future growth. As a maximum target the current vacancy level could fall from 19.8% to the national average of 13.7% then the number of reoccupied units would be about 52 units, which could accommodate about 7,280 sq.m gross of Class A1 to A5 floorspace. Based on existing vacancy levels, this potential re-occupied space could be distributed as follows:
- **Westwood Cross:** 480 sq.m gross (vacant units ranging between 170 – 310 sq.m in size);
 - **Ramsgate:** 3,230 sq.m gross (vacant units ranging between 20 – 1,840 sq.m in size);
 - **Margate:** 2,970 sq.m gross (vacant units ranging between 30 – 540 sq.m in size); and
 - **Broadstairs:** 600 sq.m gross (vacant units ranging between 40 – 310 sq.m in size).
- 4.12 If this reduction in vacant units can be achieved then the overall retail floorspace projection up to 2021 would be met in full. The floorspace requirement in 2026 would reduce from 24,800 sq.m gross to 17,520 sq.m gross.
- 4.13 However, it is noted that the existing vacant units are generally small and may not be attractive to retailers seeking modern units. It may therefore be more likely that the vacant units would be reoccupied for non A1 retail uses, and we consider that the Council should take a flexible approach to application for the change of use of vacant retail units where this could improve activity and investment in the town centres, particularly in Margate and Ramsgate where the vacancy levels are highest.
- 4.14 The short term priority during the recession should be the reoccupation of vacant floorspace, but this should not preclude investment within appropriate town centre locations.
- 4.15 It is noted that the existing vacant units may not be good quality or desirable locations and therefore some financial assistance may help their reoccupation.
- 4.16 If the Council is unable to acquire or does not already own retail units that could be made available at below market rate, one method of helping small or independent retailers would be to provide shop grants, for example to contribute towards fit-out, shop frontages and start up costs. This could be funded through the collection of S.106 payments linked to new retail

development. Alternatively, the Council could consider subsidising business rates.

- 4.17 Either of the approaches above could assist in reducing vacancy levels in areas of low demand or increase diversity in area of high demand. The disadvantage of the business rate approach is that it may appear unfair to existing occupiers if new occupiers are offered reductions. The shop improvement grant approach could be available to existing and new occupiers looking to invest.

Core Strategy Preferred Options

- 4.18 The National Planning Policy Framework (NPPF, March 2012) requires planning policies to be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period (para. 23). In preparing Local Plans, local planning authorities should:
- recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
 - define a network and hierarchy of centres that is resilient to anticipated future economic changes;
 - define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;
 - promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
 - retain and enhance existing markets and, where appropriate, re introduce or create new ones, ensuring that markets remain attractive and competitive;
 - allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;
 - allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
 - set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
 - recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and

- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

- 4.19 Local authorities should adopt policies that enable town, district and local centres to meet the needs of residents in their area. The sequential approach indicates that the first preference for new developments should be within centres followed by edge-of-centre locations. Out-of-centre sites are last in the order of preference.
- 4.20 The Thanet District Council Core Strategy Preferred Options consultation document (October 2009) identifies proposed land allocations and development opportunities in the District.
- 4.21 As identified in the previous section, there is a need for additional retail floorspace, and there is a requirement to identify sufficient land to meet the identified need.
- 4.22 It is evident that Westwood Cross is now the main retail destination in Thanet District, particularly for comparison goods, with the more traditional town centres of Margate, Ramsgate and Broadstairs performing a more local role. We consider that the offer of Westwood Cross should be strengthened in the face of competition from Canterbury and Dover, in order to maintain and enhance its position in the retail hierarchy and prevent leakage to centres outside the District. As such, we consider that it is appropriate to plan for additional retail floorspace as an extension to Westwood Cross, including bulky comparison goods if there is a demand for this type of floorspace. However, in order for this to function well as an enlarged centre, it would be necessary to ensure that the different components of the centre are well linked. The results of both the household and in-centre shopper surveys suggest that access and traffic are areas of concern that would need to be addressed in order to enhance the centre and increase visitor satisfaction.
- 4.23 The Core Strategy Preferred Options document identifies development opportunities for additional retail and commercial development at Westwood Cross, and we consider that this is an appropriate approach. Further consideration needs to be given to the quantum of development that could be accommodated and the extent to which this meets the identified need over the Study period.
- 4.24 In the coastal towns of Margate, Ramsgate and Broadstairs, while their retail role has declined, they still have an important role to play in meeting local retail needs. However, it may be more appropriate to take a flexible approach to the traditional retail core of these centres and encourage a wider range of uses.
- 4.25 Proposals for Margate, including Dreamland, Arlington, Rendezvous and The Lido would see significant investment and much needed regeneration in the town centre, primarily involving leisure/entertainment/tourist uses. The only site that involves a substantial element of retail floorspace is the Arlington site, with the Tesco scheme to be considered at Public Inquiry. We consider that the approach to Margate set out in the Core Strategy Preferred Options document

is appropriate, however it may be necessary to plan for the contraction of the primary retail area, in order to allow a more flexible approach to uses in the town centre. There is not considered a need to identify sites for significant new retail development.

4.26 Similarly for Ramsgate, our retail needs assessment does not identify a need to allocate sites for retail development, with no capacity for additional floorspace until 2031. The Core Strategy Preferred Options document identifies areas for mixed use development, and this approach is supported by our conclusions.

4.27 Broadstairs is the strongest of the coastal towns, with the lowest vacancy rate and highest customer satisfaction. There is limited scope to expand or develop the centre, and the focus should be on maintaining the existing centre. While the capacity study shows a need for additional comparison goods floorspace in Broadstairs, this would be better met at Westwood Cross. A limited need for convenience goods floorspace is identified towards the latter end of the Study period, and this should be met through small scale extensions/improvements within the town centre, and we do not consider that there is a requirement to allocate sites for development.

5.0

Commercial Leisure Assessment

Introduction

5.1

This section assesses the potential for commercial leisure uses in Thanet, including cinema/multiplex, tenpin bowling, bingo, nightclubs, private health and fitness clubs and catering, pubs and bars.

Cinemas

5.2

There is one large national cinema chain and three smaller independent cinemas in Thanet, ie. the Vue in Westwood Cross, the Carlton Cinema in Westgate, the Granville Theatre and Cinema in Ramsgate and the Palace Cinema in Broadstairs. 70% of respondents to the household survey results visit the cinema, and of these 92% visited cinemas within Thanet District. The Vue Cinema at Westwood Cross attracted 61% of all those who visited the cinema within the study area.

5.3

Given the current high retention of cinema trips within the study area, we have assessed the current use against the existing provision, to assess whether there is an unmet demand for additional facilities. The catchment population has been converted into a total number of cinema screens and seats based on the current national average (16,300 people per screen and 78 people per seat). The results are shown in Table 5.1 below.

Table 5.1 Cinema Potential in Thanet

	2012	2016	2021	2026	2031
Study Area Population	132,717	135,213	138,400	141,661	145,000
Population who visit the cinema (70%)	92,902	94,649	96,880	99,163	101,500
Market Retention	92%	92%	92%	92%	92%
Catchment potential	85,470	87,077	89,130	91,230	93,380
Cinema Screen Potential	5.2	5.3	5.5	5.6	5.7
Cinema Seat Potential	1,096	1,116	1,143	1,170	1,197
Existing Screen Provision	19	19	19	19	19
Existing Seat Provision	2,469	2,469	2,469	2,469	2,469

5.4

The above analysis suggests the existing cinema provision in Thanet is sufficient to meet existing demand in terms of the number of screens/seat provision over the study period and there is no requirement to plan for additional cinema provision.

Private Health and Fitness Clubs

- 5.5 There are a number of private health and fitness clubs in Thanet including:
- 1 Elite Fitness Studio, Broadstairs
 - 2 Hartsdown Leisure Centre, Margate
 - 3 Fit Force Studio, Margate
 - 4 Ramsgate Sports Centre, Ramsgate
 - 5 Bannatyne Fitness Ltd, Westwood Cross
 - 6 DW Sport Fitness Club, Westwood Cross.
- 5.6 Thanet study area's adult population is approximately 107,900 in 2012 (Goad estimate of population breakdown), which could generate demand for about 12,950 public and private membership places, based on the national average membership rate (12%). This figure and the six identified health and fitness clubs imply an average of around 2,160 members per club, which is above the national average for private fitness clubs (1,375 members). This suggests there is demand for the provision of up to four or five additional health and fitness clubs at present.
- 5.7 Thanet's Sport and Active Recreation Strategy 2010-2013 states that the 2007/08 'Active People 2' survey conducted by Sport England identified that only 18.3% of people regularly took part in sport and active recreation, with 51.3% not partaking in any activity. Thanet performs relatively poorly against regional and national participation rates.
- 5.8 The Strategy identifies that there are approximately 7,000 members of Health and Fitness facilities within the District which indicates an average membership rate of around 6%, which is half of the national average. Therefore, while desirable to increase participation in sport generally, based on current trends, the existing facilities meet the demand, and the aim should be to ensure that current facilities are used to their full potential before creating more.

Tenpin Bowling

- 5.9 There are currently two Tenpin Bowling centres in Thanet, Bugsys and AMF Bowling, both located in Margate, which between them have 36 lanes. This equates to one lane per 3,687 people in 2012, and is considered to be more than sufficient to meet the needs of residents and there is no requirement to plan for additional bowling facilities. However, these facilities are also likely to serve tourists and people visiting the area in addition to local residents.

Bingo

- 5.10 Thanet's population (about 107,900 adults) could generate about 188,825 admissions based on the national participation rate (1.75 per adult). There are currently two Bingo Halls in Thanet - Mecca Bingo at Westwood Cross and Beacon Bingo in Margate. Provision in Thanet appears to be broadly in line with

the national average admissions per club (113,000 per club), and we therefore do not consider that there is a requirement for additional bingo facilities to meet the needs of local residents. However, again, these facilities are likely to serve tourists and people visiting the area in addition to local residents.

Casinos

- 5.11 There were 144 licensed casinos operating in Great Britain at March 2008, about one casino per 400,000 people. Attendance at casinos by members and guests was 16 million trips in 2008. There are two casinos within Thanet, which equates to one casino per 53,950 of the adult population. There is therefore not considered to be a requirement for any additional casinos to serve the local population and tourist visitors.

Family Leisure Provision

- 5.12 The District has a number of facilities catering for family leisure including a synthetic indoor ice rink, a roller skating club, amusement arcades and various indoor fun activities zones.
- 5.13 The synthetic indoor ice rink is situated at Bugsys Tenpin Bowling in Margate. The nearest full size ice rink is located in Gillingham and is one of only 34 ice rinks in England, according to the National Ice Skating Association of Great Britain. This currently means that there is one ice rink for every 1,559,205 people in England, suggesting that such facilities would have a wide draw. There is however no national data on use and demand of ice rinks.
- 5.14 Thanet currently has a number of amusement arcades within the District, primarily around the sea front areas. Amusement arcades are typically found in seaside resorts, and cater primarily for the tourist market.

Bars and Restaurants

- 5.15 Food and drink establishments (Class A3, A4 and A5) including restaurants, bars and pubs have supported other major leisure uses on leisure and retail parks and are important services within town centres. National information available from Goad Plans indicates that the proportion of non-retail uses within town centres across the country has increased over the last decade as shown in Table 5.2.

Table 5.2 GB Goad Plan Town Centres Use Class Mix

Type of Unit	% Change 2000 to 2012	Proportion of Total Number of Units (%)			
		2000	2005	2009	2012
Class A1 (Retail)	- 15.4	59.1	56.4	54.0	50.0
Class A1 (Services)	+ 31.7	8.2	9.6	9.8	10.8
Class A2	- 4.5	8.9	8.9	9.0	8.5
Class A3/A5*	+ 41.1	11.2	13.7	14.5	15.8
Miscellaneous	- 14.3	1.4	1.4	1.3	1.2
Vacant/under Const.	+ 22.3	11.2	10.1	11.4	13.7
Total	-	100.0	100.0	100.0	100.0

Source: Goad Centre Reports
*excludes Bars/Public houses (A4)

- 5.16 The proportion of Class A1 retail uses in Goad town centres has decreased by 15% between 2000 to 2012 (9.1 percentage points), whilst Class A3/A5 uses and vacant units have increased. Growth in Class A3 to A5 uses within town centres may continue in the future, and will compete for shop premises with other town centre uses. A balance between Class A1 and Class A3 to A5 uses needs to be maintained. The mix of uses in the main centres in Thanet is shown in Table 5.3.

Table 5.3 Thanet Town Centres Use Class Mix

Type of Unit	Proportion of Total Number of Units (%)			
	Westwood Cross	Margate	Ramsgate	Broadstairs
Class A1 (Retail)	80.2	41.3	41.9	44.2
Class A1 (Services)	1.1	8.5	10.0	15.0
Class A2	1.1	5.5	7.8	10.3
Class A3-A5	11.0	12.8	18.1	22.0
Vacant/under Const.	6.6	31.9	22.1	8.5
Total	100.0	100.0	100.0	100.0

Source: Goad Centre Reports

- 5.17 The proportions of Class A3/A5 within Westwood Cross and Margate is lower than the national average, while this figure is higher for Ramsgate and Broadstairs. This is partly due to the number of tourism visits to Ramsgate and Broadstairs.
- 5.18 The retail floorspace projections in Section 3 relate to Class A1 retail uses. Based on the typical composition of centres, it is reasonable to assume there

will be scope for a further 20% - 25% floorspace that can be occupied by Class A2 to A5 uses and Class A1 non-retail services.

Conclusions

- 5.19 The assessment of commercial leisure uses in Thanet considers the existing provision and whether there are any deficiencies in provision that need to be addressed. The assessment considers provision within Thanet against national standards, where available. However, it is important to take into consideration the needs of tourist visitors in addition to the resident population. As such, there may be an overprovision of facilities when compared to the national averages.
- 5.20 Notwithstanding these considerations, the commercial leisure assessment concludes:
- there is no requirement to plan for additional cinema provision over the study period – the existing facilities are considered sufficient to meet the needs of both residents and also serve tourist visitors;
 - existing private health and fitness clubs are considered to meet the current demand from existing residents, and the aim should be to ensure that current facilities are used to their full potential before creating more. Such facilities are not generally used by the tourist population;
 - while there is currently no requirement to plan for additional tenpin bowling facilities, we understand that one of the centres is to close down. It would be desirable to seek its replacement in order to serve local residents and attract tourist trade, potentially in Ramsgate or as part of the wider regeneration of Margate;
 - the provision of bingo facilities per resident population is broadly in line with the national average and the existing facilities are considered sufficient to meet the needs of local residents. However, to fully meet the needs of tourists and visitors to Thanet, there may be a requirement to provide further bingo facilities, potentially in Ramsgate or as part of the wider regeneration of Margate;
 - there is no requirement to plan for additional casinos over the study period – the existing facilities are considered sufficient to meet the needs of both residents and tourists;
 - the provision of additional family leisure facilities could enhance the overall visitor experience for local residents and tourists;
 - the proportion of Class A3/A5 uses is higher in Ramsgate and Broadstairs than the national average, and lower in Margate and Westwood Cross. For the coastal towns, we would expect that the proportion would remain high, in order to serve tourist visitors as well as the local population, and additional floorspace should be provided in these centres for such uses. For Westwood Cross, we also consider that additional non-retail uses should be provided, in order to complement the retail focus of the centre.

6.0 Tourism, Arts and Cultural Uses

Tourism

Tourism in Thanet

- 6.1 Data produced by Visit Kent in 2009 estimated that there were around 2.5 million tourism day trips to Thanet, increased 11% in comparison with 2006. The number of overnight tourism trips to Thanet in 2009 is estimated at 521,000. Of these overnight trips 83% (433,000) were domestic visitors while 17% (88,000) were made by overseas visitors. Around £93,453,000 was spent by overnight visitors to the region, which suggests that each overnight visitor generated £179 for the economy. Over half (53%) of all domestic overnight visitors stayed with friends or family while 30% of overnight trips stayed within serviced accommodation.
- 6.2 The key strengths and weaknesses of Thanet as a tourist destination are considered to be as follows:

Strengths

- 1 Attractive sandy beaches a relatively short distance from London;
- 2 Established successful tourist destination in Broadstairs;
- 3 The development of sites such as Turner Contemporary Gallery which are encouraging a different type of tourism;
- 4 Good train links to London;
- 5 Strong performance as a tourist destination within Kent.

Weakness

- 1 A relative low number of visitors stay overnight with a smaller percentage still staying in serviced accommodation;
- 2 Margate in particular still has a “down at heel” reputation;
- 3 Poor transport links to and from the rest of the Country.

Margate

- 6.3 One of the key objectives for Thanet is to undertake a major regeneration programme in Margate, and the success of this is heavily dependent upon revitalising tourism in the town.
- 6.4 Key to achieving the vision for Margate are a number of major tourism schemes, as follows:
- 1 The Turner Contemporary Art Gallery – opened in April 2011 and is already a major visitor attraction;

- 2 Dreamland – proposed regeneration to create a Heritage Amusement Park and bring activity back to this part of the town;
- 3 Arlington site – development of site to include a supermarket, retail units and hotel – being considered at Public Inquiry, November 2012;
- 4 Development and nurturing of Margate Old Town as a cultural and artists quarter.

Ramsgate

- 6.5 Priorities for Ramsgate are focused on enhancing the Harbour and Marina to provide new mixed tourism, retail, leisure and residential uses and attract more visitors.

Broadstairs

- 6.6 Broadstairs is considered to be a relatively successful tourist destination, and the priority is to build on this success and enhance its appeal further.

Tourism in Kent

- 6.7 Visit Kent data for 2009 indicates that there were 57 million visitors to Kent, with an economic impact of £3.2 billion as well as supporting an estimated 63,000 jobs.
- 6.8 Kent County Council’s “*Kent and Medway Tourism Development Framework*” July 2011 sets out the strategy for Tourism Development within the County for the next ten years. The Framework identifies a number of key visitor market and tourism development trends, as follows.
- 1 Changes in working lives that are leading to people taking shorter holidays, more often and booked at the last minute, with people seeking more flexible experiences tailored to their individual interests and needs.
 - 2 People are becoming increasingly more sophisticated, well-travelled and discerning, demanding better quality and service and looking for more rewarding experiences.
 - 3 Increased willingness to pay for quality, convenience and flexibility and increased trading up to luxury and ‘special’ experiences.
 - 4 Demands for activity based holidays, such as walking, cycling and more extreme activities are increasing.
 - 5 A move away from packages to individual leisure experiences, which is being demonstrated nationally in a sharp drop in tourists on group ‘holiday tours’.
 - 6 Health and Well being.
 - 7 Significant growth in cultural tourism reflected by increased attendances at cultural events.

- 8 Ever increasing use of the internet by consumers to research and purchase tourism products, and by destinations to target potential visitors.
- 9 The development of branded boutique and town-house hotel accommodation in towns and smaller sized cities, fuelled principally by business tourism and short and weekend breaks.
- 10 The development of resort hotels, typically with golf course(s) and spas, increasingly with adjacent villas for purchase or fractional ownership, normally within fairly easy reach of urban areas, which rely on a combination of business (in this case, meetings and conferences) and leisure trade.
- 11 Major new cultural facilities as key elements of economic development and urban regeneration strategies as well as key elements of local cultural and visitor economy strategies.
- 12 The competition from residential developers for development sites that might otherwise accommodate new hotels or tourist attractions.
- 13 Increased diversification of traditional visitor attractions aimed at strengthening their appeal and repeat visits potential, through the development of new facilities, activities, events etc.

6.9 The Framework identifies that the main coastal towns in Kent, including Margate and Ramsgate, have been hard hit by the long-term decline in the number of UK tourists holidaying in the UK. The amount of visitor accommodation on offer has reduced and there has been under-investment over time in the visitor economy infrastructure. However, in each case, major initiatives are under way to transform the towns' fortunes through regeneration, with the visitor economy identified as playing a key role in future. Broadstairs is identified in the Framework as a relatively successful destination and will be looked to be developed further in order to enhance its appeal.

6.10 The Kent and Greater Essex Local Enterprise Partnership in their 2010 document "*Unlocking the Potential*" state that tourism for the region will remain crucial and a growing part of the economy.

6.11 The vision for Kent in 2020, as set out in the "Kent and Medway Tourism Development Framework" includes the long term goal for Kent to be "an attractive place where tourism and leisure is development in a structured and sustainable way". The 2020 vision is that Kent will be widely acknowledged as one of the most successful and dynamic visitor economies in the Country, and a sustained, structured approach to visitor economy development will see consistent growth in visitor expenditure and the number of jobs supported. The success of the vision will be based on the growth in short breaks business, and the visitor accommodation stock in Kent will be significantly increased with a high number of individual, high quality small and medium-sized hotels, a resurgence of interest in developing small scale family B&Bs as well as ecolodges.

- 6.12 The Kent and Medway Tourism Development Framework 2020 states that the vision for Margate is for it to have shaken of its 'tacky' image and no longer be the poor relation of the Kent coast. The opening of the Turner Contemporary, transformation of the Old Town and new developments at Dreamland will have boosted confidence and resulted in considerable private sector investment, particularly in small, trendy retail businesses.
- 6.13 The Framework recognises that sustainability will be fundamental to the development and on-going operation of new tourism developments, and gives as an example the Turner Contemporary Gallery, which needs to succeed over many years, not just bring an initial significant upturn in visitor numbers to Margate followed by gradual decline.
- 6.14 The analysis within the Framework indicates that Kent is performing relatively well compared to other destinations within England. However, it states that the purpose of the framework is to identify improvements and developments in order to further enhance Kent's future performance as a visitor destination. The Framework therefore provides eight Strategic Objectives for the region. These are:
- 1 Helping existing businesses improve their performance and develop further, in line with evolving market requirements
 - 2 Identifying, encouraging and supporting additional visitor economy businesses and facilities that will enhance Kent's attractiveness as a destination and increase market penetration, particularly through generating more staying visits;
 - 3 Making the most of opportunities for visitor economy development afforded by on-going investment in regeneration programmes and projects;
 - 4 Capitalising on high profile, international events including the British Open Golf Championship, the opening of Turner Contemporary, the White Horse Landmark Sculpture and second Triennial in 2011, London Olympics in 2012 and prospective future visits of the Tour de France;
 - 5 Focusing on local distinctiveness to enable Kent and its individual destinations to stand out from the crowd but also combine to offer a range of complimentary offers to potential visitors;
 - 6 Ensuring that key public and private sector players work together as effectively as possible towards achieving agreed tourism development priorities;
 - 7 Improving the skills of people who work in Kent's tourism industry and the quality of welcome and service received by visitors;
 - 8 Delivering and sustaining a quality tourism product for visitors.
- 6.15 The Draft "Setting the Direction for Economic Growth in Thanet" document (2012) sets out the Council's aims to drive growth across the district through promoting investment, skills, employment, efficiency and innovation to provide a sustainable, balanced economy. Specifically in relation to heritage, culture

and the visitor economy, the draft report identifies that to build Thanet's reputation as the UK's favourite visitor destination, a concerted and collaborative effort is required to:

- create a positive image to create pride and influence;
- improve the quality of service and value for money for the visitor economy as a whole;
- establish a real sense of enjoyment whilst being a safe destination for everyone who visits, lives and works here;
- improve the current tourism offer, building on our heritage assets, and service delivery via a better skilled workforce; and
- working with local businesses to promote the area.

6.16 The draft report states that for the visitor economy to succeed, the whole district must be committed to delivering a quality experience for both visitors and residents. The means of achieving the aspirations to capturing greater levels of tourist activity include:

- developing a Destination Management Plan to steer and align tourism support activity;
- working with attractions operators and owners to build the links between different attractions and areas of Thanet;
- working with transport providers to develop public transport links between visitor attractions;
- improving signage between key points in each of the towns; and
- working across Council departments to improve the public realm.

6.17 The Destination Management Plan for Thanet will be developed to set out a single plan with a clear way forward for tourism in the whole District and that responds to the different aspirations of its various destinations.

Hotel Provision

6.18 The UK hotel market represents a significant part of the leisure economy. British residents alone spent £17.9 billion on overnight trips within Great Britain in 2011 (Source: Visit England). In England there were 31,980 serviced accommodation establishments registered with national tourist boards which provide 1,206,986 bed spaces. The serviced accommodation market is split with 35% of the market taken up by Bed and Breakfast accommodations, 29% Hotels and 23% Guesthouses.

Existing Supply and Demand

6.19 Using data obtained from the Visit Kent and Visit Thanet websites, the existing supply of hotels (excluding guest houses and bed and breakfast establishments) is summarised in Table 6.1 below. In total there are 14 establishments with 643 bedrooms with approximately 1,286 bed places. The

main hotels in terms of size are the Holiday Inn Express, Ramsgate (105 bed rooms), Premier Inn, Ramsgate (71), Premier Inn, Margate (76) and the Travelodge, Ramsgate (68), catering well for budget hotel requirements. There are no hotels at the top end of the market (4* or 5* establishments). While guest houses and B&Bs are excluded from this assessment, we are aware that there are luxury facilities available in this category, including the Reading Rooms in Margate which has been awarded the prestigious 5* Gold by Quality in Tourism.

Table 6.1: Existing Hotel and Bedroom and Bed Space Provision

Hotel Classification	No. of Hotels	No. of Bedrooms	No. of Bed Places (estimated)
4* / 5*	-	-	-
3*	5	179	358
2* / budget	9	464	928
Total	14	643	1,286

- 6.20 Hotel provision in Thanet is likely to primarily serve the leisure tourism trade while secondly providing accommodation for the local airport at Manston.
- 6.21 The Kent and Medway Tourism Development Framework identifies that since 1988, the number of serviced accommodation providers in the Thanet Area has fallen from 148 businesses to 80. The total number of rooms available in serviced accommodation has fallen from 4,500 in 1988 to 1,500 in 2008 – a decrease of two-thirds. The Framework notes that many of the properties that closed were independently owned medium-sized hotels which converted to other uses due to a fall in demand, and in many cases former hotels have been converted into flats and houses of multiple-occupancy. This implies that the number of overnight visitors to the region has also fallen which has led to this decrease.
- 6.22 The latest available data from Visit England on occupancy rates (June 2012) over the last 12 months (July 2011 to June 2012) is 69% for room occupancy and 52% bed space occupancy in hotels in England. These occupancy rates are for the year as a whole, and the rates fluctuate significantly between the Summer and Winter months. For “seaside” locations, including hotels, guesthouses and B&Bs, the average room occupancy is 56%, compared to 72% in cities/large towns, 61% in small towns and 56% in the countryside. Bed space occupancy in “seaside” locations was 46% over the same period.
- 6.23 The Visit Kent report “The Economic Impact of Tourism on the District of Thanet 2009” identifies that there were 521,000 overnight tourism trips made to Thanet in 2009, and a total of 1,897,000 nights, giving an average stay of 3.6 night per visit. Around 24% of these nights (464,000) were spent in serviced accommodation.
- 6.24 Mintel (2006) reported growth in the UK hotel market in the 2000s. The hotel market was significantly affected in the early part of the decade by 9/11 and

foot and mouth but the UK has shown significant recovery since that point. KPMG recorded that UK hotels enjoyed double the European average growth for revenue per average room (Rev PAR) in 2005.

- 6.25 Between 2001 and 2006 Mintel identified that room rates were increasing, Rev PAR was increasing and the growth in hotel revenues nationally increased by 12%. The domestic holiday market remains fairly stagnant and so this growth was largely driven by inbound tourism, particularly from Europe and Asia, business travellers, weddings and weekend breaks.
- 6.26 Budget hotels have particularly seen growth in the 2000s with Premier Inn and Travelodge amongst the top three hotels groups by rooms in the UK. This growth has been fuelled by demand from business travellers, overnight visits and weekend breaks, which have increased.
- 6.27 Conversely Mintel have identified and increased demand for 'boutique' and 'designer' hotels rather than 3* chain hotels, fuelled by the increasingly sophisticated tastes of the baby boomer generation.
- 6.28 Since 2008, the recession has impacted upon the hotel industry. Occupancy rates have largely stayed the same but room rates have generally been reduced in order to maintain this level of demand.

Future Hotel Provision

- 6.29 Hotel development is proposed in a number of locations within the District. The proposals for the regeneration of Margate at the Arlington site and Rendezvous site include hotels as part of wider mixed use developments, and will have an important role in bringing additional tourists to the town centre. The Premier Inn next to Margate Station will also be investing in a further 32 rooms.
- 6.30 In Ramsgate permission was granted in 2004 for Royal Sands Development which includes a 60 bedroom hotel with conference and function facilities. However, as of 2012 work is still waiting to start on the site.

Conclusions on Hotels

- 6.31 Existing hotel provision in Thanet currently caters reasonably well for the budget hotel market, however it is lacking in hotels at the top end of the market. The Kent and Medway Tourism Development Framework identifies that the amount of hotel provision has decreased in Thanet. If hotel occupancy rates are higher than the national average, this suggests a need for additional hotel provision. However, occupancy rates are generally lower in seaside locations, which may indicate that the quality is poor and in need of improvement.
- 6.32 In line with the Council's aspirations to increase tourism in Thanet and encourage more visitors, we consider that additional hotel facilities should be planned, particularly to meet the qualitative deficiency in boutique and 4*/5* establishments and to provide further choice in the mid-range sector. Hotel facilities must be attractive to tourists to meet the Council's targets and to

capitalise on more general tourism trends for breaks in the UK, shorter holidays and demand for better overall quality and service. Attracting more people to stay overnight in Thanet will clearly have a positive economic impact

- 6.33 However, while desirable to improve the overall hotel offer within Thanet and should remain an aspiration, it is not known whether there is any demand from 4*/5* hotel operators and/or boutique hotel operators that would address the qualitative deficiency.

Arts and Cultural Facilities

- 6.34 An audit of existing arts and cultural facilities in Thanet has been carried out, which will enable us to establish the existing provision of facilities in the study area and form the basis of our assessment of need for future facilities.

Museums

- 6.35 An audit of existing museums within Thanet District has identified the following provision:

Table 6.2: Museums in Thanet

Name	Location
Margate Old Town Hall Museum	Old Town Hall, Market Place, Margate, CT9 1ER
Powell-Cotton Museum	Quex Park, Birchington CT7 0BH
The Crampton Tower Museum	Crampton Tower, The Broadway, Broadstairs, CT10 2AB
R.A.F Manston History Museum	Kent International Airport, Manston Rd. Ramsgate, CT12 5DF
Trinity House Lighthouses	North Foreland Rd, Broadstairs, CT10 3NJ
Hornby Visitor Centre	Unit H1-H2, Enterprise Rd, Westwood Industrial Estate, Margate, CT9 4JX
Dickens House Museum	2 Victoria Parade, Broadstairs, CT10 1QS
The Spitfire & Hurricane Memorial Trust	The Airfield, Manston Rd, Ramsgate, CT12 5DF
Ramsgate Maritime Museum	Clock House Pier Yard, Harbour Parade, Ramsgate, CT11 8LS
Sarra Windmill	Sarra Windmill, Canterbury Rd, Birchington CT7 0JU

- 6.36 There are ten museums in Thanet. Most of the museums are located in Ramsgate or Broadstairs. The city of Canterbury is located close to the study zone which will attract visitors from across the country. London is also relatively accessible from the study area, and according to the household survey attracts 11.5% of the total number of visits to museums and galleries from people living in the area which was the second highest for the area. We are not aware of any commitments for new museum provision within Thanet.

The need for new Museums

Table 6.3: Quantitative Need for new Museums

	2012	2016	2021	2026	2031
UK Population	61,399,118				
Number of facilities in UK	1,200				
Number of visits nationally to facility type	12,892				
Number of visits per facility annually in UK	15,470,040				
Amount of national population per trip to facility	0.3	0.3	0.3	0.3	0.3
Thanet Population	132,717	135,213	138,400	141,661	145,000
Total trips to total facilities in Thanet	33,439	34,068	34,871	35,693	36,534
Number of facilities Thanet can support	2.59	2.64	2.70	2.77	2.83
Existing number of the facility located in Thanet	10	10	10	10	10

Sources: Experian B2B Prospector, Mintel Reports.

- 6.37 Table 6.3 above seeks to provide an indication of quantitative need for museums in the District of Thanet. We have identified the number of museums nationally and the national number of visits to museums annually. We have applied this data on national participation rates/average number of visits per facility to Thanet's population to calculate the number of museums that Thanet can support. We have also projected this calculation forward using Thanet's population projections to assess the additional requirement for museum provision anticipated to be created in the period to 2031.
- 6.38 In our projections of future requirements, we have allowed for the projected increase in Thanet's population but have assumed that participation rates will remain broadly unchanged; because we are not aware of any reliable data on future participation rates. It is therefore recommended that the implications of future changes in participation rates are kept under review.
- 6.39 Our analysis identifies current capacity to sustain 2.59 museums in Thanet with capacity by 2031 anticipated to increase to 2.83. Thanet currently has ten museums, indicating that there is not a deficit of this facility type.
- 6.40 The quantitative assessment of need for museums examines national rates of participation against the population of Thanet and does not take into account qualitative factors in Thanet. As a result, the outcome of the quantitative assessment should not be taken in isolation to demonstrate whether or not there is a need for a facility.

National Trends

- 6.41 The number of visits per year to museums is in general increasing, according to Mintel. 32% of adults visited a museum during 2007-2008 and museums are outperforming other visitor attractions, alongside art galleries, in their level of visitor growth.
- 6.42 The probability of visiting a museum is closely indexed to socio economic status and household income, with the AB strata (Professional, Managerial) most likely to visit. It is also tied to age, with the majority of visitors within the 35-64 age bracket and more visitors towards the upper end of this group.
- 6.43 Mintel consider that this trend in visitor growth should continue because of the predicted increase in the AB socio economic groups and a general growing interest in heritage internationally. In the period of 2008 to 2012 there is likely to have been a decrease in visitors to museums due to the recession but they have been less affected than other visitor attractions, largely due to the proportion of free admission museums.
- 6.44 Thanet's population contains a lower proportion of people in AB professions than the national average which would suggest that there is likely to be a lower demand for museums in Thanet than the national average. However, in addition to the resident population, museums within Thanet are supported by the tourist population, and we would expect there to be a greater provision of such facilities to reflect the fact that the centres are tourist destinations.

Qualitative Factors

- 6.45 We note that a range of factors impact on the geographical spread and location of museums. For example, some museums can sometimes in part be located in a particular location to reflect regeneration priorities by public sector organisations. Other museums (including local and specialist) museums can be clustered within areas of heritage/historical interest. Thus, what may appear to be over-provision may simply be a reflection of the characteristics of the area which creates an additional demand for museums in that location.
- 6.46 The relatively short travelling distance from Thanet to London has an impact on demand for museums in Thanet. The cluster of facilities in London with high profile collections and attracting well-known international exhibitions meets some of Thanet's needs for museums, particularly in respect of national profile facilities.
- 6.47 It is also important to recognise that Thanet is a tourist destination and as a result, the demand for museums facilities in Thanet will be above that which would be demanded by the resident population.

Galleries

- 6.48 An audit of existing art galleries within Thanet District or near to the boundary has identified the following art provision:

Table 6.4: Galleries in Thanet

Name	Location
Turner Contemporary	17-18 The Parade, Margate CT9 1EY
Little Art Gallery	Off Harbour Street Broadstairs CT10 1NA
Crafts USL	41 High Street, Broadstairs CT10 1LH
Old Town Gallery	1-3 Broad Street Margate CT9 1DH
Art for All Gallery	9-10 Marine Drive Margate CT9 1DH
Ingoldsby Gallery	2 Lombard Street Margate CT9 1ES

6.49 There are six galleries in Thanet, four of which are located in Margate. The most significant is the Turner Contemporary in Margate. This attracted the highest number of visitors in the household survey of 37.5% from within the district. We are not aware of any commitments for new art gallery provision within Thanet, however the strategy for Margate is to enhance the creative and cultural sectors further and the intention is to attract additional galleries to the town.

The need for new Galleries

Table 6.5: Quantitative Need for new Art Galleries

	2012	2016	2021	2026	2031
UK Population	61,399,118				
Number of facilities in UK	1,045				
Number of visits nationally to facility type	9,072				
Number of visits per facility annually in UK	9,480,031				
Amount of national population per trip to facility	0.15	0.15	0.15	0.15	0.15
Thanet Population	132,717	135,213	138,400	141,661	145,000
Total trips to total facilities in Thanet	20,492	20,877	21,369	21,873	22,388
Number of facilities Thanet can support	2.26	2.30	2.36	2.41	2.47
Existing number of the facility located in Thanet	6	6	6	6	6

Sources: Experian B2B Prospector, Mintel Reports

6.50 Table 6.5 above, seeks to provide an indication of quantitative need for art galleries in the District of Thanet (using the same methodology as set out for museums above).

6.51 Our analysis identifies current capacity to sustain 2.3 art galleries in Thanet with capacity by 2026 anticipated to increase to 2.4 art galleries. Thanet

currently contains six art galleries, indicating that there is a good provision of this facility type in comparison with the national average.

- 6.52 As stated above, the quantitative assessment of need for art galleries examines national rates of participation against the population of Thanet and does not take into account qualitative factors in Thanet. As a result, the outcome of the quantitative assessment should not be taken in isolation to demonstrate whether or not there is a need for a facility.

National Trends

- 6.53 The number of visitors to art galleries is gradually increasing. Mintel note that 17% of the adult population visited an art gallery in 2008 and that art galleries, along with museums, are out performing other visitor attractions in terms of their level of visitor growth.
- 6.54 The likelihood of visiting an art gallery is strongly indexed to socio-economic status and household income with the AB (Professional, Managerial) the most likely to visit. Women are also significantly more likely to visit than men.
- 6.55 Mintel consider that this trend in visitor growth should continue because of the predicted increase in the AB socio economic groups and a general growing interest in heritage internationally. In the period of 2008 to 2012 there is likely to have been a decrease in visitors to galleries due to the recession but they have been less affected than other visitor attractions, largely due to the proportion of free admission exhibitions.
- 6.56 Thanet's population contains a lower proportion of people in AB professions than the national average. Therefore there is likely to be a lower demand for art galleries in Thanet from local residents than the national average.

Other Qualitative Factors

- 6.57 The close proximity of Thanet to Canterbury and relatively short distance from London has an impact on demand for art galleries in Thanet. The cluster of facilities in London with high profile collections and attracting well-known exhibitions meets some of Thanet's needs for art galleries, particularly in respect of national profile facilities. While Canterbury might not be able to attract the same high profile collections as London, it is still able to meet some of Thanet's needs for art galleries. However, the recent opening of the Turner Contemporary Gallery in Margate has attracted a high number of visitors, both residents within Thanet and visitors from outside the District.
- 6.58 It is also important to recognise that Thanet is a tourist destination and as a result the demand for art galleries facilities in Thanet will be above that which would be demand by the resident population.

Concert Halls/Theatres

- 6.59 An audit of existing concert halls/theatres within Thanet District has identified the following provision:

Table 6.6: Concert Halls/Theatres in Thanet

Name	Location
Granville Theatre	Victoria Parade, Ramsgate, CT11 8DG
Sarah Thorne Theatre Club	Memorial Theatre, Hilderstone, St Peters Rd, Broadstairs CT10 2JW
Tom Thumb Theatre	2a, Eastern Esplanade, Cliftonville, Margate CT9 2LB
Theatre Royal Margate	Addington St, Margate
Winter Gardens	Fort Crescent, Margate, Kent , CT9 1HX
The Westgate Pavilion	The Pavilion, Sea Road, Westgate-on-Sea CT8 8QW
The Kings Theatre	King Street, Ramsgate, Kent, CT11 8NN
Memorial Theatre	St Peters Road, Broadstairs, CT10 2JW
The Pavilion	Harbour Street Broadstairs, Kent CT10 1EU

Sources: Experian B2B Prospector, Mintel Reports

6.60 There are nine concert halls/ theatres in Thanet. According to the household surveys the most popular of these are the Theatre Royal (6.9%), The Winter Gardens (6.8%) and the Granville Theatre (3.1%).

6.61 The study area is located close to Canterbury and relatively close to London. The proximity of these facilities have an effect on local concert halls/theatres use as the most popular destinations for the last visit to the theatre within the household survey area were Canterbury (22.6%) and London (20.5%).

The Need for Theatres/Concert Halls

6.62 Table 6.7 below seeks to provide an indication of quantitative need for theatre/concert hall provision in the District of Thanet (using the same methodology as set out for museums above).

Table 6.7: Quantitative Need for Theatres/Concert Halls

	2012	2016	2021	2026	2031
UK Population (Outside London)	53,881,418				
Number of facilities in UK (Outside London)	826				
Number of visits per facility annually in UK	2,825				
Number of visits nationally to facility type (Outside London)	2,333,367				
Amount of national population per trip to facility	0.04	0.04	0.04	0.04	0.04
Thanet Population	132,717	135,213	138,400	141,661	145,000

	2012	2016	2021	2026	2031
Total trips to total facilities in Thanet	5,747	5,856	5,994	6,135	6,279
Number of facilities Thanet can support	2.03	2.07	2.12	2.17	2.22
Existing number of the facility located in Thanet	9	9	9	9	9

Sources: Experian B2B Prospector, Mintel Reports.

- 6.63 Our analysis identifies current quantitative capacity to sustain 2.03 theatres/concert halls in Thanet with capacity by 2031 anticipated to increase to 2.22 theatres/concert halls. However, there are currently nine theatres/concert halls in Thanet. Based on this analysis, there is no identified quantitative need for new provision.
- 6.64 The quantitative assessment of need for theatres/concert halls examines national rates of participation against the population of Thanet and does not take into account qualitative need factors in Thanet. As a result, the outcomes of this quantitative assessment should not be taken in isolation to demonstrate whether or not there is need for a facility.

National Trends

- 6.65 The number of live performances taking place across the UK increased year on year from 2003 to 2006 and attendance at these events also increased. Mintel predicts that these trends will continue because personal disposable income and consumer expenditure are also predicted to increase. They highlight that the live performance market was in one of its most buoyant periods in 2006, bolstered in part by the trend for rock orientated live performances.
- 6.66 However it is likely that in the period of 2008 to 2012 attendances at live performances will have declined due to the influence of the recession. People have less disposable income and are spending less on luxuries such as theatre/concert tickets. We consider that the general trend of increasing demand will continue once the economy is in growth.
- 6.67 Attendance at theatres and concert halls is closely linked to socio-economic group. The higher the socio-economic group the more likely it is that the individual will attend a theatrical performance with AB (Professional, Managerial) socio-economic group being the most likely to attend. This socio economic group is expected to increase in size, further increasing the popularity of live performances. Women are also more likely to attend the theatre than men but men are more likely to attend a music performance.
- 6.68 Thanet's population contains a lower proportion of people in AB professions than the national average. Therefore there is likely to be a lower demand for theatres/concert facilities in Thanet than the national average.

Qualitative Factors

- 6.69 The close proximity of Thanet to Canterbury has an impact on the demand for theatre /concert hall facilities in Thanet. The cultural reputation that Canterbury has allows the city to attract national performances and therefore meets some of Thanet's needs. The relatively short journey to London will also help meet the district's need for high profile, national performances.
- 6.70 It is also important to recognise that Thanet is a tourist destination, and as a result the demand for theatre/ concert hall facilities in Thanet will be above that which would be demand by the resident population.

Conference Facilities

- 6.71 An audit of existing conference facilities within Thanet District has identified the following conference facility provision:

Table 6.8: Conference Facilities in Thanet

Name	Location	Capacity of Largest Room	Number of Rooms	Type
Marine Studios	17 Albert Terrace, Margate, CT9 1UJ	-	1	Conference room
Minster Abbey	Minster-in-Thanet, Nr Ramsgate	-	1	Church and Conference room
St Augustine College	125 Canterbury Road, Westgate on Sea, Thanet, CT8 8NL	220	6	College and Conference rooms
Kent Innovation Centre	Thanet Reach Business Park, Millennium Way, Broadstairs, CT10 2QQ	25	3	Business and Conference rooms
Marlowe Innovation Centre	Marlowe Way, Ramsgate, CT12 6FA	20	1	Business and Conference room
The Winter Gardens	Fort Crescent, Margate, CT9 1HX	1,400	6	Function rooms
The Fayreess Hotel	Marine Drive, Kingsgate, Broadstairs CT10 3LG	130	2	Residential Conference rooms
Comfort Inn Ramsgate	Victoria Parade, Ramsgate, CT11 8DT	20	1	Residential Conference rooms
The Oak Hotel	66 Harbour Parade, Ramsgate, CT11 8LN	20	3	Residential Conference rooms

Name	Location	Capacity of Largest Room	Number of Rooms	Type
The Pegwell Bay Hotel	81 Pegwell Road, Ramsgate, CT110NJ	-	2	Residential Conference rooms
Holiday Inn Express	Tothill Street, Minster, CT12 4AU	35	1	Residential Conference rooms

6.72 There are ten conference facilities in Thanet with the largest capacity facilities (capacity of 110+) located at St Augustine College, the Fayreness Hotel and the Winter Gardens. There is a good mix of conference facilities in town centres and on the edge of town. Canterbury also has a number of conference facilities close to the District.

6.73 The majority of the conference facilities in Thanet are located in hotels and therefore provide the option of residential conferences. However, on average these facilities have a capacity below 50 people.

6.74 We are not aware of any commitments for new conference facilities in Thanet.

Conclusions on Arts and Cultural Facilities

6.75 As noted above in relation to commercial leisure uses, the assessment of arts and cultural facilities in Thanet considers the existing provision and whether there are any deficiencies in provision that need to be addressed. The assessment considers provision within Thanet against national standards, where available. However, it is important to take into consideration the needs of tourist visitors in addition to the resident population. As such, there may be an overprovision of facilities when compared to the national averages.

6.76 Given the need for the coastal towns to develop as tourism, cultural and leisure destinations, there is considered to be a qualitative need to increase the provision of such facilities, which should in turn help to improve the vitality and viability of the town centres.

6.77 It is crucial to ensure facilities are located in the most appropriate location to be easily accessible to the local community and for visitors. In order to meet the Council's aspirations to increase tourism and regenerate Margate and Ramsgate, it is likely that it will be most appropriate to direct proposals to these locations. In addition to planning for more facilities, existing operators should seek to expand or intensify the use of existing facilities.

6.78 Notwithstanding these considerations, the commercial leisure assessment concludes:

- there is a good provision of museums in Thanet. and an overprovision when compared to the national average per resident population, This is to be expected in a tourist destination. There is not considered to be a need for additional museums, however if proposals are brought forward,

they should be supported as they should enhance the overall tourism offer of Thanet;

- the Turner Contemporary gallery in Margate has had a significant impact in attracting visitors to Thanet, and this should be built upon, to enhance the creative and cultural offer of Margate. With national trends identifying an increase in the number of visitors to art galleries, developing Margate further as a niche destination will assist in enhancing tourist numbers to the district;
- as with museums, there is a good provision of theatres and concert halls in Thanet. and an overprovision when compared to the national average per resident population, There is not considered to be a need for additional theatres/concert halls, however if proposals are brought forward, they should be supported as they should enhance the overall tourism offer of Thanet. For Margate in particular, the provision of new or improved theatres/concert halls, this could assist in developing it further as a niche cultural destination;
- there appears to be a reasonable provision of conference facilities within Thanet. If proposals are brought forward to address the qualitative need for additional mid-upper range hotels in the district, the inclusion of conference facilities within these hotels would assist in increasing business tourism to the district.

7.0 Strategy for Thanet Centres

- 7.1 This section draws together the previous sections in setting out a strategy for each of the centres in Thanet. In retail terms, the general strategy for the three coastal towns is not to compete with Westwood Cross for national multiple retailers but develop niche and complementary roles to serve the tourism, cultural and leisure markets and to support their local communities and encourage more independent traders to meet this role.

Westwood Cross

- 7.2 Westwood Cross currently performs as the main centre within Thanet district. Its position should be strengthened in the future to retain expenditure within the district and maintain its market share, preventing leakage to higher order centres outside ie. Canterbury and to new developments elsewhere such as Dover town centre. This should be achieved by planning positively for its growth.
- 7.3 Up to 1,154 sq.m convenience floorspace and 27,870 sq.m comparison floorspace is forecast to be required within Westwood Cross up to 2031. There are a number of convenience stores within the centre so the focus should be on directing the convenience requirement to extensions to existing stores in the future.
- 7.4 The comparison floorspace requirement should look to provide a range of unit sizes to attract a mix of primarily national multiple retail operators to help enhance the centre's overall vitality and viability and to maintain its position at the top of the retail hierarchy in Thanet.
- 7.5 In addition to convenience and comparison floorspace, focus should be on encouraging additional retail service uses to the centre, to help it fulfil its function as the main centre within the district and support the main retail function of the centre. Such complementary uses include high street banks, hairdressers and beauty salons, estate agents, travel agents, cafes, restaurants and takeaways.
- 7.6 Attention should also be paid to enhancing pedestrian linkages to the currently discreet areas of Westwood cross. This will aid pedestrian movement throughout the centre.

Ramsgate

- 7.7 Whilst Ramsgate was traditionally one of the main town centres within Thanet, given the focus on Westwood Cross as the main destination in the Borough, the strategy moving forward should be to consolidate Ramsgate's retail provision to reverse the relative decline in the centre.
- 7.8 There is limited capacity for additional floorspace within Ramsgate up to 2031 (376 sq.m convenience and 584 sq.m comparison floorspace). On this basis

there is considered to be little need to plan for large scale redevelopment. However, the comparison retail provision is currently widely spread geographically throughout the centre. To enhance the centre's vitality and viability the strategy should consolidate the retail provision to a tighter geographical area, with some limited redevelopment to provide larger format retail units to encourage some national multiple retailers. A small scale anchor department store could be planned for to enhance further the performance of Ramsgate as a secondary retail destination behind Westwood Cross.

- 7.9 With the marina, Ramsgate provides an attractive environment and this should be promoted to help enhance Ramsgate as a destination in the borough. Additional restaurants and cafes along sea front should be planned for to meet local needs and make more of a leisure destination.
- 7.10 In addition to retail uses, Ramsgate should plan to enhance its visitor offer, including through the provision of more leisure and arts/cultural facilities where opportunities arise, to serve both local residents and to improve the tourism attraction of the town. This could include, for example, provision of an ice rink or bowling alley, plus additional restaurants and bars.

Margate

- 7.11 As recognised by the Government's Portas Review, Margate has declined as considerably over the years and there is now a concerted focus to help enhance its vitality and viability. However, while the role of Margate has declined, it still has an important role to play in meeting local retail needs.
- 7.12 The primary strategy for the centre should be to provide an additional convenience store to increase Margate's market share. There is available capacity for 1,123 sq.m convenience floorspace within Margate up to 2031 and this should be directed to the south or east of the centre to meet a deficit in provision for local residents.
- 7.13 Whilst there is capacity for 1,372 sq.m comparison floorspace within Margate up to 2031, the centre has one of the highest vacancy rates in the country. As such, focus should be on reducing the retail core of the centre to encourage wider range of uses within the centre so it performs more than a local shopping role ie. for additional leisure and tourism uses. Margate Old Town is trying to buck the trend of the High Street, with the presence of higher quality smaller, independent niche shops as opposed to lower end national multiples and a lower proportion of vacant units, and a retail core focused within this area should provide an more attractive and vital centre.
- 7.14 Margate should seek to further enhance its niche role as a cultural destination, which has been established through the development of the Turner Contemporary gallery. As such, additional arts and cultural facilities should be directed towards Margate, particularly additional galleries and theatres/concert halls. The regeneration of the Dreamland site should assist in meeting the Council's aspirations to further increase tourist numbers to Margate. In

addition, we consider that there is a qualitative need in Thanet for mid to upper range hotels which could be met within Margate.

Broadstairs

- 7.15 The coastal town of Broadstairs plays an important role in serving local needs and for tourists. It is currently the strongest coastal town in terms of its vitality and viability and the strategy should be to build on its strengths and continue to promote the centre as a higher end tourist destination.
- 7.16 The retail capacity projections forecast an additional 792 sq.m convenience and 4,091 sq.m comparison floorspace up to 2031. There is limited physical scope to expand or develop the centre and so whilst small scale convenience provision could be accommodated within the centre, the comparison floorspace projections would be better met at Westwood Cross. Focus on Broadstairs should be on maintaining the existing centre.

8.0

Conclusions and Recommendations

Introduction

8.1

This report provides a District wide needs assessment for town centre, retail, leisure, tourism and cultural use in Thanet. It provides a guide to the shopping and town centre needs of the District up to 2016, 2021, 2026 and 2031. The principal conclusions of the analysis contained within this study are summarised below.

Meeting Shopping Needs in the District

8.2

In order to meet projected growth in expenditure, there is a need for additional shopping and service facilities. Future planning policy and site allocations should seek to identify opportunities to accommodate growth.

8.3

The floorspace projections shown in this report provide broad guidance and should be used as an indicator when assessing major retail proposals. Applicants proposing main town centre uses should base their supporting impact assessment on the approach adopted in this study, updated as necessary.

8.4

Although the projections show no requirement for additional convenience or comparison floorspace between 2012 and 2016, improvements to the shopping offer in the existing centres should be the priority in the short to medium term, in particular Margate and Ramsgate which experience relatively low market share retention and high vacancy levels. The floorspace projections in this report should not be considered to be maximum or minimum limits or targets, particularly when used to guide development control decisions. However, the projections provide a broad quantum of floorspace likely to be required and the potential phasing of development, which will assist in identifying development allocations.

8.5

The retail floorspace and expenditure projections within this report assume low expenditure growth between 2010 and 2013 due to the effects of the recession, but the projections assume a recovery after 2013 in line with previous long term growth trends. If the recovery is slower than envisaged in this study, then the floorspace projections will need to be re-assessed. It may be prudent to adopt a cautious approach until firmer signs of the economic recovery are established.

8.6

Floorspace projections should not inhibit competition between retailers when located within centres, subject to the consideration of scale and impact. However, if an out-of-centre proposal exceeds the floorspace projections then the need for the proposal and impact will need to be carefully considered.

8.7

Long term forecasts up to 2021, 2026 and 2031 may be more susceptible to change, due to unforeseen circumstances. Projected surplus expenditure

beyond 2016 is attributable to projected growth in spending per capita, extrapolated from past growth projections. If the growth in expenditure is lower than that forecast then the scope for additional space will reduce. Long term projections should be monitored and kept under review.

Accommodating Future Growth

- 8.8 The sequential approach suggests that town centres should be the first choice for retail development. The preferred location for retail development needs to be carefully considered, particularly for major development which may have an extensive catchment area.
- 8.9 The existing stock of premises may have a role to play in accommodating projected growth. The retail capacity analysis in this report assumes that existing retail floorspace can, on average, increase its turnover to sales floorspace densities. The floorspace projections reflect these assumptions. In addition to the growth in sales densities, vacant shops could help to accommodate future growth.
- 8.10 Vacant units could also help to accommodate growth in the short term. The strategy should seek to reduce shop vacancy levels from 19.8% across the District to the national average of 13.7%, and these reoccupied units could accommodate about 7,280 sq.m gross of commercial space ie. Classes A1 to A5. The introduction of shop improvement grants or business rate reductions could be an option that may assist in reducing vacancy levels within areas of low demand or areas where small businesses cannot afford high property costs.
- 8.11 However, as noted above, the existing vacant units are generally small and may not be attractive to retailers seeking modern units. We therefore consider that the Council should take a flexible approach to application for the change of use and/or redevelopment of vacant retail units where this could improve activity and investment in the town centres, particularly in Margate and Ramsgate where the vacancy levels are highest.
- 8.12 Growth in sales densities and vacant shops will not be able to accommodate all the future growth in retail expenditure, therefore potential development sites need to be identified through the Local Plan process to accommodate growth in the medium to long term.

Convenience Goods Development

- 8.13 On the basis of the assumption that existing convenience retailers and commitments trade at national average turnover levels, the quantitative capacity analysis indicates there is no requirement for additional convenience goods expenditure across the District as a whole until 2026, although there may be scope for a modest amount of floorspace in Margate/Cliftonville and Birchington/Westgate in the short to medium term. In 2026, there is a

requirement for 1,162 sq.m net (1,660 sq.m gross) convenience goods floorspace, increasing to 2,759 sq.m net (3,941 sq.m gross) by 2031.

- 8.14 Based on the constant market shares, most of this floorspace capacity relates to Margate, and this is considered to be the centre with the greatest qualitative deficiencies. Increased provision in Margate in the form of a medium-sized food store could help to increase market shares and retain some of the spending that is currently directed to the large stores in Westwood Cross in particular. If approved, the Tesco proposals at the Arlington site in Margate would address this qualitative need.
- 8.15 Smaller scale convenience goods developments or extensions to existing stores may be appropriate in other centres in the District.

Comparison Goods Development

- 8.16 We consider that the strategy should seek to concentrate future comparison retail development at Westwood Cross, in order to increase its position in the hierarchy. Margate and Ramsgate currently have high vacancy rates and are in need of investment, however while there may be some scope to enhance their offer as comparison shopping destinations, these centres would not be able to compete with the offer at Westwood Cross.
- 8.17 The quantitative capacity analysis indicates that in the short to medium term up to 2016 there is no requirement for additional comparison goods floorspace, however as centres across the District are trading at below benchmark levels, the priority should be to improve the retail offer and increase spending in these centres. By 2021, there is scope for 4,066 sq.m net (5,422 sq.m gross) comparison goods floorspace across the District as a whole, increasing to 13,618 sq.m net (18,157 sq.m gross) by 2026 and 25,725 sq.m net (34,300 sq.m gross) by 2031.
- 8.18 The Council should seek to identify sites within the designated centres to meet these floorspace projections. Sites identified in the Local Plan should continue to be explored with the landowner/developers, recognising it may take a number of years to complete complex developments.
- 8.19 Based on existing market shares, the greatest floorspace requirement is identified at Westwood Cross. This is already a centre that is performing better than the traditional town centres in the District, and attracts inflow from beyond the District, and this role should be further consolidated, and the current proposals to extend the centre should assist in achieving these aims and retaining expenditure in the District.
- 8.20 Any major comparison retail proposals outside the designated centres will be required to demonstrate compliance with the sequential approach to site selection and that the proposal will not have an unacceptable impact on existing centres and planned investment. Development within centres will also need to be consistent in terms of scale and nature to the role of that centre and the catchment area the centre serves.

- 8.21 Out-of-centre retail proposals that could jeopardise the potential to provide comparison shopping provision within the designated centres and/or undermine the vitality and viability of the centres should be resisted.

Scale of Retail Development

- 8.22 Development should be appropriate in terms of scale and nature to the centre in which it is located.
- 8.23 The NPPF states that, when assessing applications for retail, leisure and office development outside of town centres which are not in accordance with an up to date local plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set threshold. If there is no locally set threshold, the default threshold is 2,500 sq.m gross.
- 8.24 The CLG Practice Guidance states (para. 7.5) that where authorities decide not to set out specific floorspace thresholds in local development plans, national policy requires impact assessments to be submitted for retail and leisure developments over 2,500 sq.m gross. The Guidance acknowledged that it may occasionally also be relevant to consider the impact of proposals below this threshold, for example if they are large compared to a nearby centre, or likely to have a disproportionate effect or 'tip the balance' of a vulnerable centre.
- 8.25 If the NPPF threshold was adopted, then a single development proposal could exceed the entire short to medium term floorspace projections for the District without the need for a retail impact assessment. Proposals that significantly exceed the floorspace projections for each town will reduce the turnover of existing floorspace and this impact should be carefully tested on a case by case basis.
- 8.26 We therefore consider a 2,500 sq.m gross threshold is inappropriate as a blanket threshold within Thanet District, as this scale of development would represent a significant proportion of the overall retail projections in the authority area. Development smaller than 2,500 sq.m gross could have a significant adverse impact on the smaller town centres.
- 8.27 Accordingly, the following thresholds are recommended for all edge and out of centre retail (food and non-food) development proposals:
- 1,000 sq.m gross for Westwood Cross, Margate and Ramsgate;
 - 500 sq.m gross for Broadstairs, Cliftonville, Birchington and Westgate; and
 - 280 sq.m gross elsewhere.
- 8.28 If considered appropriate, the Council could include these recommended thresholds within a retail policy at the next stages of the Local Plan review. as locally set thresholds for requiring impact assessments for retail proposals outside of town centres and not in accordance with an up to date Local Plan, as set out in para. 26 of the NPPF.

- 8.29 Other facilities outside the town centres should only cater for top-up and basket convenience shopping and services, and these developments are likely to be local facilities of up to 280 sq.m gross. This threshold has been used as this is the maximum floorspace of retail units before the provisions of the Sunday Trading Act (as amended) come into force.
- 8.30 The sequential approach indicates that existing centres are the preferred location for new retail, leisure and other uses typically found in town centres. Some forms of development (up to 280 sq.m gross) may be more appropriate in smaller centres and local parades, if there are localised areas of deficiency. The key issues are the nature and scale of retail development proposed and the catchment area the development seeks to serve.
- 8.31 In general, development within local centres and parades should primarily serve the community within which it is located, and a catchment area of not more than 800 metres ie. they should primarily serve walk-in catchment areas.
- 8.32 Based on the scale and role of centres within Thanet District and the floorspace projections within this report, we believe the impact of smaller development proposals below the NPPF threshold could raise concerns. We therefore believe the impact of all out-of-centre retail applications of 1,000 sq.m gross or more should be assessed in the District.

Future Strategy Implementation and Monitoring

- 8.33 There are a number of broad areas of possible action the Council could pursue in order to maintain and enhance the role of shopping centres within the District, as follows:
- application of guidance within the NPPF, particularly relating to the sequential approach and impact tests in determining out-of-centre retail and other development proposals that generate significant numbers of trips;
 - improving the range and choice of shops and services in all centres (where appropriate in terms of scale) by encouraging intensification, development and the re-occupation of vacant premises, and continuing to promote the centres.
 - maintaining the generally high quality environment within each centre;
 - bring forward development opportunities through the Local Plan process to improve the availability of modern premises suitable for new occupiers;
 - pro-active approach to site assembly which may require the use of compulsory purchase powers.
- 8.34 The recommendations and projections within this study are expected to assist the Council in reviewing development plan policies over the coming years and to assist development control decisions during this period. The study provides a broad overview of the potential need for further retail development up to 2016, with longer term forecast up to 2021, 2026 and 2031. However, projections are subject to uncertainty and forecasts may need to be amended to reflect

emerging changes as and when new information becomes available. In particular long-term projections up to 2031 should be treated with caution.

8.35 Therefore, we would recommend that this retail study should be updated in 4-5 years time and the floorspace projections rolled forward. The following key assumptions should be updated as necessary:

- population projections;
- local expenditure estimates (information from Experian or other recognised data providers);
- growth rate assumptions for expenditure per capita (information from Experian or other recognised data providers);
- the impact of potential increases in home and internet shopping (Experian regularly provides projections for internet shopping and these projections will need to be updated at the same time as expenditure and population figures);
- existing retail floorspace and average turnover to floorspace densities (floorspace surveys and turnover data from Management Horizons, Retail Rankings); and
- implemented development within and around the study area.

8.36 These key inputs into the retail capacity assessment can be amended to provide revised capacity projections. We do not envisage that the structure of the capacity assessment set out in this report will need to be amended.



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