

**Arcadia Ealing Public Inquiry
June-July 2009**

RETAIL ISSUES

SUMMARY STATEMENT

JAMES GUEST

FCA, MBA,

on behalf of

SAVE EALING CENTRE (SEC)

Planning Inspectorate reference :

APP/A5270/V/09/2097739

London Borough of Ealing reference :

P/2007/4246

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1. Introduction

- 1.1 My name is James Guest. I have been a resident of Ealing for 20 years. I am a Chartered Accountant by profession with an MBA from Manchester Business School. I have a background in business analysis and strategic planning and have spent many years working for multinational companies.
- 1.2 This Proof examines the claims made by the Applicant and the Council that this application will contribute to the Regeneration of Ealing Town Centre.

2. Significance of Retail

- 2.1 While the Applicant and Council describe the planning application as one which should be approved because of its claimed regeneration benefits for the wider town centre, the only significant non-housing use the development contains is for retail. There is no material mention of the other uses for this site. In their absence, this proof concentrates on the proposed retail use.
- 2.2 According to the planning application, retail will be the second largest use after housing on the Arcadia site. In addition to its relative ranking as a use, the absolute volume of space allocated to retail and related uses is substantial and amounts to over 20,503 sqm.¹ A total which includes a stepwise increase of over 50% in the retail floorspace on this large and most central of all Ealing's town centre sites.
- 2.3 The location of the Arcadia Site means that it serves as the gateway to the town centre for visitors arriving by tube, rail or bus. The success, or failure, of the Arcadia site will determine the reputation of Ealing. With retail and related uses occupying all the ground floor, first floor and some of the upper basement levels, the overwhelming impression on the visitor will be that this is a Retail development. The success of the proposed retail units will therefore be critical to perceptions of the success of the development and the wider town centre.

¹ Retail (A1/A2) 17,279 sq m, Restaurant and Café Use (A3) 1,363 sq m, Leisure – Health and Fitness Club (D2) 1,861 sq m. Applicant's Statement of Case paragraph 4.4

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3. Existing Uses on the Site

- 3.1 With the exception of the existing Arcadia shopping centre, this site has evolved organically in response to the demands of the marketplace. Ground floor retail uses have been complemented by service businesses and offices located on the upper floors. Today's uses reflect the tried and tested requirements of its shopper catchment area. They also embrace a wide mix of the uses endorsed as desirable by the Government planning guidelines for town centres.

4. Information provided with the Planning Application

- 4.1 Very little tangible information has been provided in support of the retail proposals contained in the planning application. What there is can be summarised as:
- that the proposed replacement and additional floorspace on the Arcadia site will primarily serve a similar catchment to the current centre,
 - reliance placed on Ealing's titular status as a Metropolitan town centre, without considering how Ealing Broadway operates as a retail location,
 - an unsubstantiated headline projection that between 12,973 sqm and 17,632 sqm of additional comparison goods floorspace will be required by 2016.

5. The Retail Context

- 5.1 The scale and significance of the retail proposed for the Arcadia site means that it should be subject to a careful and considered examination in order to ensure that it will contribute to, rather than detract from, the economic sustainability of the town centre.

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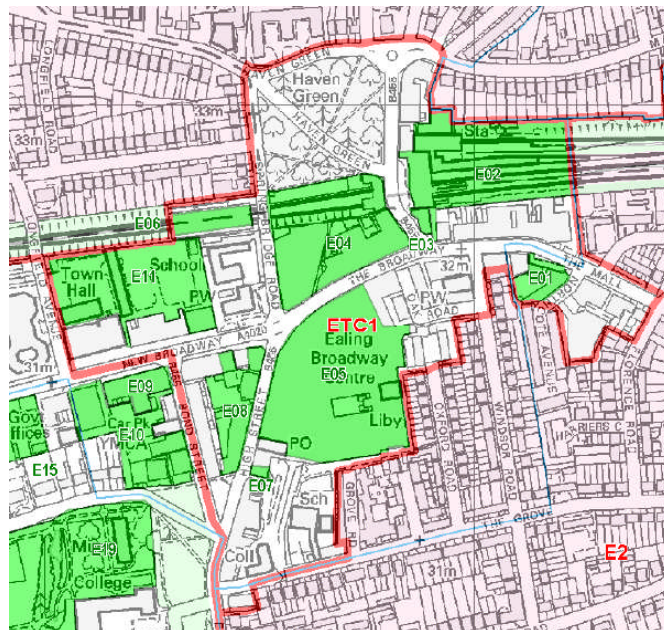
Shopper Catchment Area

- 5.2 The Applicant has stated that the new shops will primarily serve a catchment area broadly similar to that of the existing centre. The Council's research confirms that this is extremely localised and is already spending a high proportion of its expenditure in Ealing.
- 5.3 It is difficult to see how sufficient additional retail expenditure will be attracted to the new retail units on the Arcadia site to ensure their viability. Further information is contained in section 5 and appendix 3 of the main proof.

The Metropolitan Town Centre

- 5.4 Both the Council and Applicant refer to Ealing's status as a Metropolitan Town Centre. This status appears to have a major bearing on how the Council and Applicant believe the retail aspects of the planning application should be evaluated.
- 5.5 Ealing does not function as a homogeneous metropolitan centre. Three distinct zones have been identified as part of the LDF process, namely West Ealing, Uxbridge Road Office Quarter, and Ealing Broadway. These are further subdivided in the Tibbalds report.

Boundaries of Ealing Broadway Zone of Metropolitan Town Centre



Source: LDF Scrutiny Panel report, 8th December 2008

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- 5.6 There are repeated references in Council documents, and in reports commissioned by the Council, to concerns that Ealing does not operate as a metropolitan town centre. These are set out in the main proof in section 5 and appendix 4.
- 5.7 The application should be assessed against the impact it will have on the far smaller Ealing Broadway zone of 66,000 sqm in which it will be located. A total which is only marginally greater than the floorspace in nearby Richmond, which is classified as a Major Centre in the shopping hierarchy.

Competing Shopping Locations, including White City

- 5.8 Ealing is surrounded by a number of nearby competing shopping destinations.
- 5.9 Competition to Ealing has been exacerbated by the recently opened extremely large shopping centre at White City. It is only 15 minutes away and contains department stores, 300 mid-to-up market shops, many with 'flagship' branches. It is inevitable that a substantial proportion of the comparison goods expenditure by Ealing residents will transfer from Ealing to White City.

Vacancy Levels

- 5.10 Vacancy levels have been rising across the town centre and pre-date the economic downturn.
- 5.11 National multiples have withdrawn from both West Ealing and Ealing Broadway. Many of these departures have been from Ealing's most modern retail units. They are not restricted to retailers in secondary frontages. The rebuilt Daniels department store, with floorspace of some 3,500 sqm, remains boarded up. Further information is contained in section 5 and appendix 2 of the main proof.

6. Retail Growth Projections

- 6.1 Headline floorspace estimates derived from the Council's retail growth projections have been cited by the Applicant in support of their proposal.

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- 6.2 A closer examination of the underlying projections has revealed that the percentage growth rates used in them are excessive and no longer valid. In addition, a number of key assumptions are highly optimistic and have resulted in the over statement of demand for retail floorspace.
- 6.3 If the projections were revised to reflect more realistic assumptions, they would show zero demand for additional retail floorspace at best, and the need to manage a significant reduction in floorspace at worst.
- 6.4 Concerns over the retail projections have been set out in section 6 and appendix 6 of the main proof.

7. Design and Transport

- 7.1 Design and Transport issues have a major influence on the success of retail developments. These matters are addressed in other proofs of evidence and in sections 7 and 8, and appendices 7 and 8 of the main retail proof.

8. Conclusion

- 8.1 While retail will constitute the dominant public use on the Arcadia site, minimal information has been provided to support both this choice of use and the proposal by the Applicant to substantially increase the volume of retail floorspace.
- 8.2 In the absence of information in the planning application, this proof has reviewed the operation of the town centre as a retail location and the Council's retail projections. A number of concerns have emerged, which include:
- Ealing is experiencing structural problems as a retail location which pre-date the recession, these are manifested by the departure of mid-market multiples and the arrival of value outlets,
 - the number of vacant units is increasing,

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- the arrival of White City poses an exceptional challenge to Ealing because of its scale, the market positioning of its retailers, and its proximity,
- Ealing has an extremely localised catchment area,
- Serious concerns exist over the highly optimistic nature of the retail projections for Ealing.

- 8.3 Against this background, the construction of additional retail floorspace can be expected to add to Ealing's problems, rather than ameliorate them.
- 8.4 While the Council has been advised to seek to differentiate Ealing from competing centres, there is nothing in the planning application to indicate that the retail units on the Arcadia site will achieve this objective. The defects in the design of the retail areas will add to the challenges facing retailers on this site.
- 8.5 The central location of the Arcadia site, facing Ealing's transport gateway, means that any redevelopment proposals must be certain to succeed. Failure would have adverse consequences not just for the site, but for the whole town centre.
- 8.6 Every issue which has been examined has raised concerns and demonstrated that the retail proposals have been insufficiently thought through. If the intention is to ensure an economically sustainable retail development, then this proposal fails to achieve that objective.
- 8.7 The current retail proposals, far from contributing to the regeneration of the town centre, will exacerbate its problems. For these reasons the Inspector is asked to recommend to the Secretary of State that consent for the development should be refused.