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Nuneaton & Bedworth Borough Council:

Convenience Goods Retail Study

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1.0 INTRODUCTION

- 1.1 Strategic Perspectives LLP was instructed by Nuneaton and Bedworth Borough Council (hereafter referred to as 'NBBC') in July 2010 to prepare a Borough-wide convenience goods retail needs assessment. This study fills a void in the evidence base relating to convenience goods retailing. The output of this study will represent a key part of the evidence base needed to inform the Council's preparation of the Borough Plan Preferred Option Consultation scheduled for Autumn 2011.
- 1.2 This study has been prepared in the context of the most current national and development plan policy guidance. It specifically takes into account the advice set out in Planning Policy Statement 4 (PPS4): '*Planning for Sustainable Economic Growth*' and provides the robust baseline evidence required to inform the preparation of the Council's Development Plan Documents (DPDs) as part of the Local Development Framework (LDF) process. The study and evidence base will also help the Local Planning Authority (LPA) determine planning applications for town centre uses that are not in a centre and not in accordance with an up-to-date development plan.

STUDY AIMS & OBJECTIVES

- 1.3 This strategic study assesses the attraction and performance of the convenience provision across the Borough especially within main town centres of Nuneaton and Bedworth and the six district centres comprising Bulkington, Chapel End, Horeston Grange, Kingswood Road, Queens Road and Attleborough.
- 1.4 The main aims and objectives, as agreed with the Council, are to:
- Assess the quantitative and qualitative need for new convenience goods retailing between 2010 and 2026.
 - Carry out a household telephone interview survey across the Borough and a wider study area to help determine current shopping patterns principally for convenience goods.
 - Additionally, to incorporate within the household survey questions relating to comparison goods and commercial leisure uses to help the Council to determine the current patterns of usage for these uses.
 - Carry out a health check assessment of the main Town Centres in accordance with the key performance indicators (KPIs) set out in Annex D of PPS4 for convenience goods provision only. In addition, to provide advice on the appropriateness of the designation for the town and district centres only.
 - To broadly, advise on the Borough's network (the pattern of provision of centres) and hierarchy (the role and relationship of centres in the network) of centres, and whether there are any deficiencies in provision.

- 1.5 The overall findings of the study will provide the Council with the robust evidence base needed to inform the future direction of retail policy in the Borough. The study will also help to underpin future work elements including, inter alia, town centre strategies and the allocation of potential development sites.

METHODOLOGY

- 1.6 The quantitative and qualitative research methodology adopted for this study is widely adopted for retail planning assessments. It takes account of national planning policy advice set out in PPS4 and the *Practice Guidance on Need, Impact and the Sequential Approach* ('Practice Guidance').
- 1.7 The study is underpinned by a household telephone interview survey conducted in August 2010 by NEMS Market Research ('NEMS'). Some 1,000 interviews were carried out across a wide study (catchment) area extending beyond the Borough boundary. The survey provides a broad picture of shopping patterns for convenience goods purchases across the Borough and wider study area. The survey also addressed shopping patterns for different types of comparison goods purchases as well as identifying which commercial leisure facilities people normally visit (e.g. cinemas) and the strength of the Borough's evening economies. These broader questions will provide the Council with additional evidence in support of the preparation of its LDF. The methodology, questionnaire and detailed tabulations are set out in **Appendix 1** to this study.
- 1.8 The 'market share analysis' for convenience goods is set out in **Appendix 2**. It is assumed that the household survey results broadly reflect 'average' year-round shopping patterns across the Borough and wider study area.
- 1.9 This evidence base is then used to inform the economic assessment of the capacity for new comparison goods retail floorspace over the forecast period (i.e. 2011, 2016, 2021 and 2026).
- 1.10 It is important to state at the outset that in our experience forecasts beyond five years should be interpreted with caution. However, we advise the Council that even forecasts over the short term could be subject to further review, as the impact of the economic recession has necessitated numerous updates to previously accepted retail expenditure growth forecasts over the last 12 months. We therefore recommend that the economic capacity assessments be continuously monitored and updated to take account of changes in retail expenditure and population growth forecasts, as well as the impact of other key trends.

REPORT STRUCTURE

- 1.11 This report draws together the results of our research, incorporating the findings of the detailed survey-based technical analysis, qualitative (health check) assessments and

the quantitative need (capacity) assessment for convenience goods retailing. The report is structured as follows:

- **Section 2** summarises the national, regional and local retail planning policy framework, as well as any other relevant planning and regeneration policy. This provides the policy context for this study.
 - **Section 3** highlights some of the key trends that are driving the dynamic changes in the convenience goods retailing market.
 - **Section 4** defines the study (catchment) area that provides the framework for the household survey and economic assessment. It also provides a summary of the 'market share analysis' for convenience goods shopping patterns.
 - **Section 5** sets out the health check assessment of the main town centres of Nuneaton and Bedworth and the District Centres of Bulkington, Attleborough, Horeston Grange, Queens Road, Kingswood Road and Chapel End. The analysis specifically focuses on the convenience goods provision. It is based on the key performance indicators (KPIs) set out in PPS4 (where applicable). This section provides a robust overview of each town's overall attraction, health and performance as convenience goods shopping locations.
 - **Section 6** describes the economic (capacity) assessment of the potential for new convenience goods retail floorspace in the Borough over the forecast period (i.e. up to 2026). The retail capacity forecasts take account of known commitments as agreed with the Council.
 - Finally, **Section 7** draws together the key findings of the convenience goods retail assessment and sets out our overall conclusions and recommendations.
- 1.12 The evidence base underpinning our assessment is set out in the appendices to this study.

2.0 RETAIL PLANNING POLICY CONTEXT

2.1 This section summarises some of the Government's main objectives, policy and advice as set out in the inter-related Planning Policy Statements (PPSs) on sustainable development; retail and leisure planning and town centres; transport; plan-making; and economic development. It specifically focuses on Planning Policy Statement 4 (PPS4) *Planning for Sustainable Economic Growth*, as this is material to the preparation of local development documents and to the determination of planning applications for main town centre uses not in a centre and not in accordance with an up-to-date development plan.

NEW COALITION GOVERNMENT'S PROGRAMME

2.2 A 'radical' reform of the planning system is central to the new Coalition Government's programme with the scrapping of Regional Spatial Strategies and the abolition of the Infrastructure Planning Commission (IPC), based around the principles of 'localism' and financial retrenchment. This 'localism' agenda amounts to a comprehensive reform of governance and delivery of public services.

2.3 On 6 July 2010, the Secretary of State for Communities and Local Government announced the revocation of Regional Spatial Strategies (apart from the London Plan) with immediate effect. The implications of this decision are yet to be fully clarified and understood, although initial guidance has been issued to respond to any immediate matters that may arise. This programme returns decision-making powers on housing and planning to local councils. It has, however, raised concerns that it could exacerbate 'nimbyism' at the local level at a time when bold steps are needed to tackle the UK's significant housing shortage.

2.4 Furthermore, and prior to the May 2010 election, the Conservative Party under their proposed changes to the planning system had suggested that Councils would be able to include a competition test in their local plans allowing councils implement a competition test if they felt it was necessary in their area to reflect local needs and pressures. However, there has been no further guidance on this.

NATIONAL POLICY

2.5 The extant national Planning Policy Statements of most relevance to this economic appraisal are PPS1: *'Delivering Sustainable Development'*; PPS12 *'Local Spatial Planning'*; and PPS4: *'Planning for Sustainable Economic Growth'* (detailed below).

2.6 PPS1 comprises the Government's overarching planning policies on the delivery of sustainable development through the planning system. It is the core principle underpinning planning. At the heart of sustainable development is the aim to ensure a better quality of life for everyone, for now and for future generations. The Government is committed to promoting a strong, stable and productive economy that aims to bring

jobs and prosperity for all. Local Planning Authorities (LPAs) should therefore ensure that suitable locations are available for industrial, commercial, retail, public sector, tourism and leisure developments, so that the economy can prosper.

- 2.7 PPS12 sets out the Government's policy on the preparation of development plan documents (DPDs) as part of the LDF process, of which the Core Strategy is the principal DPD. The LDF provides the essential framework for planning in the local authority's area. In brief, PPS12 explains local spatial planning and how it benefits communities. It also sets out what the key ingredients of local spatial plans and the key Government policies on how they should be prepared.
- 2.8 PPS4 sets out planning policies for economic development (see box below) and replaces the Consultation Draft PPS4: *Planning for Prosperous Economies*; PPG5 *Simplified Planning Zones*; PPS6 *Planning for Town Centres*; the economic development elements of PPS7 *Sustainable Development in Rural Areas*; and paragraphs 53-54 and Annex D of PPG13: *Transport* relating to maximum parking standards (unless LPAs prepare local maximum parking standards in line with Policy EC8 of PPS4).

PPS1: Delivering Sustainable Development

- 2.9 PPS1 comprises the Government's overarching planning policies on the delivery of sustainable development through the planning system. It is the core principle underpinning planning. At the heart of sustainable development is the aim to ensure a better quality of life for everyone, for now and for future generations. The Government is committed to promoting a strong, stable and productive economy that aims to bring jobs and prosperity for all. Local Planning Authorities (LPAs) should therefore ensure that suitable locations are available for industrial, commercial, retail, public sector, tourism and leisure developments, so that the economy can prosper.
- 2.10 In preparing development plans, LPAs should seek to bring forward sufficient land of a suitable quality in appropriate locations to meet the expected needs for retail and commercial development, taking into account issues such as accessibility and sustainable transport needs; the provision of essential infrastructure, including for sustainable waste management; and the need to avoid flood risk and other natural hazards. New developments should also be located such that they attract a large number of people. It specifically refers to new retail developments in existing town centres to promote their vitality and viability, social inclusion and more sustainable patterns of development.

PPS12: Local Spatial Planning

- 2.11 PPS12 sets out the Government's policy on the preparation of development plan documents (DPDs) as part of the LDF process, of which the Core Strategy is the

principal DPD. The LDF provides the essential framework for planning in the local authority's area. In brief, PPS12 explains local spatial planning and how it benefits communities. It also sets out what the key ingredients of local spatial plans are and the key Government policies on how they should be prepared.

- 2.12 The new spatial planning system exists to deliver positive social, economic and environmental outcomes. It requires local planning authorities to collaborate with a wide range of stakeholders and agencies to help to shape local areas and deliver local services. The spatial planning objectives for local areas, as set out in the LDF, should therefore be aligned not only with national and regional plans, but also with the shared local priorities set out in Sustainable Communities Strategies where these are consistent with national and regional policy.
- 2.13 PPS12 explains that one of the key aims of the new system is that local development documents must be soundly based in terms of their content and the process in which they are produced. They must also be based upon a robust, comprehensive and credible evidence base. Paragraph 4.8 specifically states that the policies prepared by the LPA should be founded on: *"...a thorough understanding of the needs in their area and the opportunities and constraints which operate within the area"*. It adds that LPAs should prepare and maintain: *"...an up-to-date information base on key aspects of the social, economic and environmental characteristics of their area, to enable the preparation of a sound spatial plan meeting the objectives of sustainable development."*

PPS4: Planning for Sustainable Economic Growth

- 2.14 PPS4 sets out planning policies for economic development (see box below) and replaces the existing PPS4: *Planning for Sustainable Economic Development*; PPG5 *Simplified Planning Zones*; PPS6 *Planning for Town Centres*; the economic development elements of PPS7 *Sustainable Development in Rural Areas*; and paragraphs 53-54 and Annex D of PPG13: *Transport* relating to maximum parking standards (unless LPAs prepare local maximum parking standards in line with Policy EC8 of PPS4).

WHAT IS ECONOMIC DEVELOPMENT?

For the purposes of PPS4, economic development includes development within the B Use Classes; public and community uses; and the following main town centre uses.

- retail development (including warehouse clubs and factory outlet centres)
- leisure, entertainment facilities, and the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls)
- offices, and
- arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities)

The policies do not apply to housing development, as this is covered by PPS3: Housing. References to town centre(s) or to centre(s) apply to all types of centre defined in Annex B to PPS4 which should be identified in development plans.

- 2.15 The Government's overarching objective is for sustainable economic growth. The intended effect of the policy changes are that the planning system contributes to building prosperous economies by, amongst other objectives, improving the economic performance of places; delivering sustainable patterns of development; and promoting the vitality and viability of town centres.
- 2.16 PPS4 sets out policies that are intended to clarify the Government's approach and support for town centres. It is significantly different to PPS6 in that it is based on 19 policies organised around the following key planning processes:
- using evidence to plan positively (Policy EC1);
 - plan making (Policies EC2 – EC8);
 - monitoring (Policy EC9); and
 - development management (Policies EC10 – EC19).
- 2.17 PPS4 was published alongside the much anticipated *Town Centre Practice Guidance on Need, Impact and the Sequential Approach*. The *Practice Guidance* is intended to help practitioners implement policy. It does not, however, constitute a statement of Government policy, nor does it seek to prescribe a standard methodology or approach.
- 2.18 One of the key changes introduced by PPS4 is the removal of 'need' as a "standalone" test in the assessment and determination of planning applications. Notwithstanding this, 'need' is still fundamental to the plan-making process.
- 2.19 The following provides an overview of the more relevant policies in PPS4.

Preparing a Robust Evidence Base & Monitoring Requirements

- 2.20 To help underpin plan-making and the assessment of planning applications, PPS4 places significant weight on the need for regions and local authorities to work together to prepare and maintain a robust evidence base (Policy EC1), as well as continually monitor the impact of policies and planning applications on centres (Policy EC9). At the local level, Policy EC1.3 advises that the evidence base should:
- a. be informed by regional assessments;
 - b. assess the detailed need for land or floorspace for economic development, including for all main town centre uses over the plan period.
 - c. identify any deficiencies in the provision of local convenience shopping and other facilities which serve people's day-to-day needs.
 - d. Assess the existing and future supply of land available for economic development, ensuring that existing site allocations for economic development are reassessed against the policies in PPS4, particularly if they are for single or restricted uses; and

- e. assess the capacity of existing centres to accommodate new town centre development, taking account of the role of centres in the hierarchy and identifying centres in decline where change needs to be managed.
- 2.21 Policy EC9 advises RPBs and LPAs to use their annual monitoring reports to assess the network and hierarchy of centres; the need for further development; and the vitality and viability of centres. Health check assessments are identified as an important 'tool' for both plan making and the consideration of planning applications. For example, regular health checks can help to inform decisions about the extent of primary shopping areas and primary/secondary frontages. Alongside up to date development plan, health checks can also help to inform judgements about the extent and significance of any potential impacts of planning applications (EC17.3). Annex D to PPS4 sets out the 13 health check vitality and viability key performance indicators (KPIs).

Planning for Centres

- 2.22 The Government's planning policy guidance and statements since the mid-1990s have consistently set out their commitment to focusing new development and investment in town centres 'first'. This requires balancing the priority for focussing new economic growth and development of main town centre uses in existing centres, with the other key aims of promoting competition, enhancing consumer choice and conserving the heritage of centres.
- 2.23 To help achieve the Government's town centre first policy, the emphasis is very much on regional planning bodies (RPBs) and local planning authorities (LPAs) working together to adopt a positive and proactive approach to planning for sustainable economic growth (Policy EC2) and for centres (Policy EC3).
- 2.24 Integral to this is the requirement for RPBs and LPAs to set out a clear economic vision and strategy for their area that positively and proactively encourages sustainable economic growth, identifying priority areas with high levels of deprivation that should be prioritised for regeneration investment (EC2.1.a). This is underlined by Policy EC3, which states that both RPBs and LPAs should, as part of this economic vision for areas, prepare robust strategies for the management and growth of centres over the plan period. RPBs are required to focus on higher level centres to provide a strategic framework for planning for centres at the local level.
- 2.25 Policy EC3.1 provides a useful "checklist" for plan-making, as it sets out the scope of strategies, although the *Practice Guidance* advises that these should be "...tailored to the specific circumstances and issues facing the area" (paragraph 2.6). Policy EC3.1(a-h) specifically states that RPBs and LPAs should prepare strategies that take account of a range of factors including, *inter alia*, the need to:

- Set flexible policies for centres which are able to respond to changing economic circumstances and encourage, where appropriate, high-density development accessible by public transport, walking and cycling.
- Define a network (the pattern of provision of centres) and hierarchy (the role and relationship of centres in the network) of centres that is resilient to anticipated future economic changes, to meet the needs of their catchments. This will involve:
 - making choices about which centres will accommodate any identified need for growth in town centre uses;
 - considering the expansion of centres where necessary, ensuring any extensions are carefully integrated with the existing centre in terms of design (including the need to allow easy pedestrian access);
 - considering the scope for consolidating and strengthening centres in decline, by seeking to focus a wider range of services there, promoting the diversification of uses and improving the environment; and
 - reclassifying centres at a lower level within the retail hierarchy where reversing decline is not possible. (This may include, for example, allowing retail units to change to other uses, whilst aiming, wherever possible, to retain opportunities for vital local services).
- Define the extent of the centre and the primary shopping area at the local level in the Adopted Proposals Map, having considered distinguishing between realistically defined primary and secondary frontages in designated centres and setting policies that make clear which uses will be permitted in such locations.
- Consider setting floorspace 'thresholds' for the scale of edge-of-centre and out-of-centre development at the local level that would be subject to an impact assessment under (EC16.1) and specify the geographic areas these thresholds will apply to.
- Define any locally important impacts on centres which should be tested (see policy EC16.1.f).
- Encourage residential or office development above ground floor retail, leisure or other facilities within centres at the local level, ensuring that housing in out-of-centre mixed-use developments is not, in itself, used as a reason to justify additional floorspace for main town centre uses in such locations;
- Identify sites or buildings within existing centres at the local level suitable for development, conversion or change of use.
- Use planning tools such as local development orders, area action plans, compulsory purchase orders and town centre strategies at the local level to

address any transport, land assembly, crime prevention, planning and design issues associated with the growth and management of centres.

Promoting Choice & Competition

- 2.26 Reflecting the importance attached to developing positive strategies, and promoting choice and competition, Policy EC4 reinforces the Government's key policy objectives, and sets out some of the issues which could be taken into account in preparing and evaluating alternative town centre strategies and translating these into the LDF.
- 2.27 Policy EC4.1(a-f) states that LPAs should proactively plan to promote competitive town centre environments and provide consumer choice by, *inter alia*:
- supporting a diverse range of uses which appeal to a wide range of age and social groups, ensuring that these are distributed throughout the centre;
 - planning for a strong retail mix so that the range and quality of the comparison and convenience retail offer meets the requirements of the local catchment area, recognising that smaller shops can significantly enhance the character and vibrancy of a centre;
 - supporting shops, services and other important small scale economic uses (including post offices, petrol stations, village halls and public houses) in local centres and villages;
 - identifying sites in the centre, or failing that on the edge of the centre, capable of accommodating larger format developments where a need for such development has been identified;
 - retaining and enhancing existing markets and, where appropriate, re-introducing or creating new ones, ensuring that markets remain attractive and competitive by investing in their improvement; and
 - taking measures to conserve and, where appropriate, enhance the established character and diversity of their town centres.

Managing the Evening & Night-time Economy

- 2.28 Policy EC4.2 states that LPAs should manage the evening and night-time economy in centres, taking account of and complementing the local authority's *Statement of Licensing Policy* and the promotion of the licensing objectives under the *Licensing Act 2003*. Policies should: (a) encourage a diverse range of complementary evening and night-time uses which appeal to a wide range of age and social groups, making provision, where appropriate, for leisure, cultural and tourism activities such as cinemas, theatres, restaurants, public houses, bars, nightclubs and cafes; and (b) set out the number and scale of leisure developments they wish to encourage taking account of their potential impact, including the cumulative impact, on the character

and function of the centre, anti-social behaviour and crime, including considering security issues raised by crowded places, and the amenities of nearby residents.

The 'Need' Test

- 2.29 The assessment of quantitative and qualitative 'need' has been removed as a "standalone" test for the assessment and determination of planning applications for retail, leisure and main town centre uses. Notwithstanding this 'need' assessments remain a fundamental component of the evidence base for plan-making at the regional and local level (Policy EC1.4). The consideration of 'need' is also fundamental to the development of robust town centre strategies (Policy EC3). Specifically, a 'need' assessment is vitally important to help to inform the identification and allocation of an appropriate range of sites to accommodate the forecast capacity for new retail floorspace and town centre uses (Policy EC5.1.a).

Sequential Assessment & Site Allocation

- 2.30 The sequential assessment remains at the 'heart' of the Government's objective to focus new development and investment in town centres 'first' policy. It is a fundamental part of both plan making (Policy EC5) and the determination of planning applications (Policy EC15). The importance of the sequential approach is reflected by the fact that it has emerged relatively unchanged from PPS6.
- 2.31 Under the sequential approach (Policy EC5.2), LPAs should identify sites that are suitable, available and viable in the following order:
- locations in appropriate **existing centres**, where sites or buildings for conversion are, or are likely to become, available within the plan period;
 - **edge-of-centre locations**, with preference given to sites that are, or will be well connected to the centre; and
 - **out-of-centre sites**, with preference given to sites which are, or will be well served by a choice of means of transport and that are closest to the centre and have a higher likelihood of forming links with the centre
- 2.32 PPS4 (EC5.1) places significant weight on LPAs to identify and allocate an appropriate range of sites accommodate the identified need, ensuring that sites are capable of accommodating a range of business models in terms of scale, format, car parking provision and scope for "disaggregation". Policy EC5.1 states that: "*...an apparent lack of sites of the right size and in the right location should not be a reason for local planning authorities to avoid planning to meet the identified need for development*". Where necessary, PPS4 (Policy EC5.6) also encourages LPAs to make full use of their planning tools to help facilitate development.

- 2.33 When carrying out site selection and land assembly for main town centre uses, Policy EC5.1(a-e) states that LPAs should:
- base their approach on the identified need for development;
 - identify the appropriate scale of development. This should ensure that the scale of the sites identified and the level of travel they generate are in keeping with the role and function of the centre within the hierarchy of centres, and the catchment served;
 - apply the sequential approach to site selection (see Policy EC5.2);
 - assess the impact of sites on existing centres (see Policy EC5.4); and
 - consider the degree to which other considerations such as any physical regeneration benefits of developing on previously-developed sites, employment opportunities, increased investment in an area or social inclusion, may be material to the choice of appropriate locations for development.
- 2.34 Sites that best serve the needs of deprived areas should be given preference when considered against alternative sites with similar location characteristics (Policy EC5.3). Having identified sites for development, Policy EC5.5 states that LPAs should allocate sufficient sites in development plan documents to meet **at least the first five years identified need**. Where appropriate, LDFs should set out policies for the phasing and release of allocated sites to ensure that those sites in preferred locations within centres are developed ahead of less central locations.
- 2.35 The sequential assessment is also critical to the determination of planning applications that are not in an existing centre and not in accordance with an up to date development plan, including extensions of over 200 square metres gross to existing retail and leisure uses (Policy EC15).
- 2.36 The *Practice Guidance* provides more detail as to the application of the sequential approach for plan making and development management policies. It identifies that a critical first step is for LPAs to identify what they regard as the primary shopping area (PSA) and town centre boundary when preparing development plans, as well as the potential need to extend these to accommodate future growth and expansion of centres. This, in turn, provides clarity to applicants about the policy status of different sites.
- 2.37 Both LPAs and applicants are still required to carry out a pragmatic and realistic approach when assessing the suitability, viability and availability of potential sites. This requires, for example, demonstrating “flexibility” in terms of the scale and format of the proposal; car parking provision; and the scope for “disaggregation”. PPS4 confirms that it does not expect a single retailer or leisure operator to split development into separate sites where flexibility in the business model and the scope for disaggregation have been demonstrated.

2.38 As far as we are aware, for the first time the *Practice Guidance* indicates that the size and 'bulk' of goods sold will influence the size and type of store required. This applies particularly to retailers selling 'bulky' durable goods such as DIY, furniture, carpets and domestic appliances. The Practice Guidance adds that in many cases these forms of development are regarded as complementary to the role of town centre retailing, as they do not generate sufficient sales productivity to trade in prime town centre locations. This would seem to suggest that these types of 'bulky' goods may be more appropriate to edge and/or out-of-centre locations, although it will still be necessary for both LPAs and applicants to clearly demonstrate why more central sites are not sequentially preferable.

The Assessment of Impact

2.39 A more comprehensive 'impact test' has been introduced by PPS4 to help inform plan making (for example, see Policies EC3.1.e, EC5.1.d and EC5.4) and development management policies (see Policies EC14, EC16 and EC17). It is intended to strengthen the Government's town centre first policy by providing a clearer, more robust and holistic policy framework for assessing the impact of development proposals. The Practice Guidance provides, for the first time, clarification as to how to assess and determine impacts on the vitality and viability of centres.

2.40 Planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan should be assessed against the key impacts on centres set out in Policy EC16.1(a-f), focusing in particular **on the first five years after the implementation of a proposal** (i.e. after the scheme has opened). The key impacts are as follows:

- The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal.
- The impact of the proposal on town centre vitality and viability, including local consumer choice and the range and quality of the comparison and convenience retail offer.
- The impact of the proposal on allocated sites outside town centres being developed in accordance with the development plan.
- In the context of a retail or leisure proposal, the impact of the proposal on in-centre trade/turnover and on trade in the wider area.
- If located in or on the edge of a town centre, whether the proposal is of an appropriate scale (in terms of gross floorspace) in relation to the size of the centre and its role in the hierarchy of centres.
- Any other locally important impacts on centres defined by LPAs (see Policy EC3.1.e).

2.41 In addition, Policy EC10.2 identifies the following five impact considerations that all applications for economic development should be assessed against:

- the effect on carbon dioxide emissions and climate change over the lifetime of the development;
- the accessibility of the proposal by a choice of means of transport;
- whether the proposal secures a high quality and inclusive design;
- the impact on economic and physical regeneration in the area, including the impact on deprived areas and social inclusion objectives; and
- the impact on local employment.

2.42 National policy requires impact to be applied to retail and leisure development (and proposals for other main town centre uses) over 2,500 square metres. The only exception to this is when a LPA sets specific 'thresholds' in their development plans (see Policy EC3.1.d). Ahead of any local threshold being set, it could also be applied to smaller developments that are likely to have a significant impact on smaller town centres, depending on the relative size and nature of the development in relation to the centre.

2.43 In assessing the impact of proposed locations for development as part of the plan making and site selection process (under Policy EC5.1.d), Policy EC5.4(a-c) states that LPAs should:

- take into account the impact considerations set out in Policy EC16, particularly for developments over 2,500 sq m (or any locally set threshold under EC3.1.e), ensuring that any proposed edge-of-centre or out-of-centre sites would not have an unacceptable impact on centres within the catchment of the potential development;
- ensure that proposed sites in a centre, which would substantially increase the attraction of that centre and could have an impact on other centres, are assessed for their impact on those other centres; and
- ensure that the level of detail of any assessment of impacts is proportionate to the scale, nature and detail of the proposed development

Determining Planning Applications

2.44 PPS4 provides a far more structured 'policy-based' approach to determining planning applications than PPS6. Significant weight is now placed on the sequential and impact tests, apparently ahead of economic, social, environmental and other material considerations.

2.45 Although Policy EC10.1 states that LPAs should adopt a positive and constructive approach towards planning applications for economic development, Policies EC14-EC17

specifically deal with planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan.

- 2.46 Policy EC17.1.a is clear that applications should be refused planning permission where the applicant has not demonstrated compliance with the sequential approach (Policy EC15). Similarly, Policy EC17.1.b states that planning permission should also be refused where there is clear evidence that the proposal is likely to lead to 'significant adverse impacts' in terms of any **one** of the key impacts set out in Policy EC10.2 and EC16.1. This will need to take into account the likely cumulative effect of recent permissions, developments under construction and completed developments.
- 2.47 However, it is still for the decision maker to judge the extent to which the applicant has demonstrated compliance with the sequential approach, and what constitutes a "significant" adverse impact, based on the circumstances of each case. Where the evidence shows there is no "significant" adverse impact it will be necessary to balance the positive and negative effects of proposals against the criteria set out in Policies EC10.2 and EC16.1, together with any other local considerations and other wider material considerations in reaching an overall planning judgement.
- 2.48 Policy EC17.3 states that judgements about the extent and significance of any impacts should be informed by the development plan (where this is up to date); along with recent centre health check assessments, based on the vitality and viability indicators set out in Annex D to PPS4; and any other published local information (such as a town centre or retail strategy).

The 'Competition' Test

- 2.49 PPS4 does not specifically address the recommendation of the Competition Commission for a 'competition' test for large grocery stores. The Government has indicated that it will respond in early 2010 to the Commission's recommendation.
- 2.50 The 'test' will specifically apply to proposals submitted by a grocery retailer or a third party for the development of grocery stores (including new stores and extensions) where the store has (or after the scheme has been implemented, will have), a grocery sales area over 1,000 sq m. The CC has slightly modified the 'test' to allow all retailers to make small extensions to stores of up to 300 sq m, provided that the store in question has not been extended in the previous five years. The Test therefore represents a significant and important material consideration for all those involved in the planning, development and operation of large grocery stores.
- 2.51 The CC has recommended that the CLG take the necessary steps to implement the Test. If adopted, it is likely to become an integral part of the planning system, informing both plan-making and development control policies and decisions relating to new larger grocery store applications. The CC has recommended that the Office of Fair Trading (OFT) becomes the statutory consultee to the LPA to advise whether a

planning application has passed or failed the Test. The DCLG will consult further on the Test and its likely implementation.

- 2.52 LPAs, operators and developers will therefore have to review their development plan and business investment strategies to determine whether there are areas of high concentration of grocery fascias and identify the appropriate action required. The Test is explained in more detail on the Strategic Perspectives LLP website (www.strategicper.com).

PPG13: Transport

- 2.53 PPG13 was published in March 2001 and sets out the Government's policies on transport. It states that the quality of life depends on transport and easy access to jobs, shopping, leisure facilities and services. In relation to retail development, the guidance reinforces the "town centres first" agenda that preference should be given to central sites, followed by edge-of-centre and then only out-of-centre sites in locations which are (or will be) well served by public transport. Where there is clearly an established need for such development and it cannot be accommodated in or on the edge of existing centres, it may be appropriate to combine the proposal with existing out-of-centre developments, provided that improvements to public transport can be negotiated. It is important to note that PPS4 has replaced paragraphs 53-54 and Annex D of PPG13: *Transport* relating to maximum parking standards (unless LPAs prepare local maximum parking standards in line with Policy EC8 of PPS4).

DEVELOPMENT PLAN CONTEXT & POLICIES

- 2.54 The following briefly reviews the local DPDs relevant to the preparation of this retail and commercial leisure study, along with other regeneration and strategy reports recently prepared by the Council.
- 2.55 It is important to note at the outset that on 6th July 2010, the Secretary of State for Communities and Local Government announced the revocation of Regional Strategies¹. The implications of this decision are yet to be fully understood at the time of finalising this study, however initial guidance has been issued to respond to any immediate matters that may arise. The Coalition Government's programme, based around the principle of "*localism*", returns decision-making powers on housing and planning to local councils. In determining planning applications, Local Planning Authorities (LPAs) must continue to have regard to the Development Plan, which will now only consist of:
- adopted Development Plan Documents (DPD);
 - saved policies; and

¹ However, on the 10th November 2010 following a successful high court challenge by CALA Homes, the Court found that the secretary of state's revocation of Regional Strategies was unlawful.

- any old style plans that have not lapsed.
- 2.56 LPAs should continue to have regard to other material considerations including National Policy Guidance such as PPS4. LPAs will still be required to progress their LDFs and will be encouraged to reflect local people's aspirations on planning issues. In circumstances where an authority has adopted or is preparing a development plan document (DPD) they will be permitted to review their plans where appropriate. The Coalition Government has stated that is not seeking to change the plan-making approach, but by removing the regional tier of policy there will be inevitable delays to the LDF process. Authorities have therefore been encouraged to make their position clear on the review of their LDF as a priority.
- 2.57 The NBBC Local Plan (June, 2006) is the current adopted local plan for the Borough, and has "saved" Local Plan policies in accordance with the Planning and Compulsory Purchase Act 2004. The Act also introduced major changes to the planning system, including the introduction of LDF's to replace the old system of Structure and Local Plans. The LDF comprises a series of documents, which set out policies and proposals for future development within each local planning authority's area.

NBBC Local Plan (2006)

- 2.58 The Local Plan was adopted in June 1996 and sets out the Council's vision for the future development of the Borough. The Local Plan was saved in its entirety for three years, until June 2009. Since June 2009, only a select list of policies remain part of the Development Plan.
- 2.59 The following 'shopping' policies have been saved:
- S1 - Development in Town Centres
 - S2 - Development in District and Local Centres
 - S3 - Environmental Improvements to Shopping Centres
 - S7 - A3-A5 Uses Outside Town/ District Centres
 - S8 - A3, A4 & A5 Uses in Town / District Centres
 - S9 - Sui Generis Uses of Retail on Industrial Estates
- 2.60 Chapter 5 on *Shopping* specifically deals with the provision and protection of existing retail facilities across the Borough. It defines retail centres by the following hierarchy:
- **Town:** Nuneaton, Bedworth;
 - **District:** Bulkington, Chapel End, Horeston Grange, Kingswood Road, Queens Road, Attleborough;
 - **Local:** Newton Road (Nuneaton), Bulkington Road (Bedworth), Nuneaton Road (Bedworth), Coventry Road (Bedworth), Arbury Road (Nuneaton), Heath End Road

(Nuneaton), Smorrall Lane (Bedworth), Church Road (Nuneaton), Coventry Road/School Lane (Exhall), Tomkinson Road/Croft Road (Nuneaton), Abbey Green (Nuneaton), St. Nicolas Park Drive (Nuneaton), Copsewood Avenue (Nuneaton), Trelawney Road (Exhall), and Dark Lane.

Local Development Framework (LDF)

- 2.61 The Council's Proposed Submission Borough Plan and Policies development plan document will be the principal document within the LDF. It will set out the vision, spatial strategy and core policies for the Borough. The Nuneaton and Bedworth Borough Plan will have a lifespan of 14 years, covering the period from adoption to 2026. We have been informed by the Council that the consultation on the Preferred Options document is set to take place in Summer 2011.

SUMMARY

- 2.62 This section has reviewed the national, regional and local retail and commercial leisure planning policy context relevant to the preparation of this updated study. Government guidance is clear that new development and investment should be promoted in existing centres 'first', followed by edge-of-centre locations, in accordance with the sequential approach. New out-of-centre development is therefore only appropriate where there are no suitable, viable and available sites in more central locations and it can be demonstrated that they will not have an adverse impact on the vitality and viability of existing centres in accordance with PPS4.

3.0 THE CHANGING URBAN & RETAIL LANDSCAPE

- 3.1 Britain's urban and retail landscape has changed dramatically since the 1960s. The changes in the location of new development and the nation's shopping habits have been shaped by complex policy, economic, social, consumer, property and investment trends.
- 3.2 Based on a review of recent research and current thinking, this section provides a brief overview of some of the key drivers of change in the convenience goods retail sector over the last three decades together with an outlook on future prospects.

THE ECONOMIC CONTEXT

The UK Economy

- 3.3 The retail sector makes a significant contribution to the UK economy; accounting for approximately 8% of Gross Domestic Product (GDP) and over 4.5 million full-time and part-time equivalent jobs.
- 3.4 From the mid-1990s until 2007 the UK benefitted from an unprecedented period of strong and sustained economic growth. This growth was underpinned by a range of inter-related political and economic factors, including easy access to credit, the housing "boom" and low interest rates. This, in turn, fuelled significant growth in the retail sector and property market generally, resulting in what can now be viewed as a "golden age" for major new retail-led development.
- 3.5 However, since 2008 the UK and global markets have experienced an equally dramatic recessionary period. Domestic demand has been constrained by a range of factors including, *inter alia*, high and rising unemployment; pressure on public finances; a continued reluctance by banks to lend to business and investors; and the weight of household debt. This has resulted in one of the most testing economic and trading environments in living memory, culminating in the Government having to "bail out" the banking system (through "quantitative easing"). The depth and length of the recession has had (and will continue to have) a significant impact on consumer, business, investor and developer confidence over the short to medium term at least.
- 3.6 Although revised official estimates of the economy's performance for the first two quarters of 2010 showed a "return to growth", Experian in the latest *Retail Planner Briefing Note 8.1* (August 2010) identify that growth is currently "patchy" and the risks of a relapse (or "double-dip") persist. Forecasters are particularly concerned that economic growth could be destabilised by the Coalition Government's October 2010 spending cuts. As a result, confidence will probably remain "fragile" over the next 12 months, at least until the impact of tax rises (including the increase in VAT to 20%) and the spending cuts have been understood.

- 3.7 Notwithstanding this more “gloomy” outlook, low interest rates and a revival in fixed investment should provide some support to growth over the short term. For example, Experian forecast year-on-year growth in GDP of +1.5% for 2010, largely due to the growth in construction and healthier global growth. Over the short term, GDP is forecast to increase steadily to +1.6% in 2011 and +1.8% in 2012.
- 3.8 Over the medium term (i.e. 2013 to 2017), Experian (August 2010) forecast GDP growth will average circa +2.2% per annum, although this will be lower than the annual average of circa +3.0% experienced during the “boom” period from 1995 to 2007. The more pessimistic growth forecasts have been informed and influenced by a range of inter-related factors including:
- The likely impact of the public sector spending cuts;
 - A reduction in investment and the further cancellation/ postponement of major infrastructure and development projects;
 - Increasing household debt and the move away from the “credit-fuelled” growth of the pre-recessionary period;
 - The tighter regulation of London’s financial services sector;
 - A more subdued housing market than in the 12 years to 2007 when house price rises averaged circa 10% per annum.
- 3.9 Over the long term forecasters appear to be in agreement that growth will not reach the levels experienced between 1995 and 2007 of nearly 3% per annum. For example, Experian forecasts GDP growth ranging from 1.7% to 2.4% to between 2017 and 2027.
- 3.10 These more pessimistic forecasts will have significant implications for consumer and retail spending growth over the short, medium and longer term than previously assumed by retail planning assessments carried out pre-2009/10. The unprecedented growth in consumer and retail spending helped to “fuel” the growth in new retail development over the last 10-15 years, but as we describe below the country is now entering a much more “austere” period.

Household Spending

- 3.11 Britain’s household and consumer confidence has been weakened significantly by the economic recession. Over recent years the rise in energy costs, increasing debt, rising unemployment and the weakening value of the pound have dampened consumer spending. At the same time the housing market downturn has also deterred mortgage equity withdrawal, which had previously helped to fuel the growth of consumer spending.
- 3.12 Notwithstanding this, research by Experian (August 2010) shows that consumer spending on retail goods has generally been more resilient than total consumer

spending over the last 12 months. For example, official retail sales data indicates that spending volumes (excluding fuel) increased by up 2.3% for the year to March 2010. This divergence between total consumer spending and retail expenditure is explained by three major factors:

- consumers have cut back on “big ticket” items, such as expensive holidays, but continue to spend on other items;
- heavy discounting by retailers has helped to maintain and increase retail spending volumes; and
- there has been a transfer of spending from services (such as, for example, entertainment and personal care) to spending on similar items for use in the home (e.g. flat-screen TVs, home entertainment systems, etc.).

3.13 Experian forecast that consumer retail spending will be constrained over the short-term due to the weak labour market and the likely downward pressure on incomes. The table below summarises the latest Experian forecasts of expenditure per capita growth for the main categories of retail spending up to 2017, along with historical growth rates.

Table 3.1 Retail Spend per Head Forecasts, 2007 - 2027

	'07	'08	'09	'10	'11	'12	2013-17	2018-27	Ultra long	Long term	Med term
Retail Spend	1.9	1.9	-1.4	0.3	0.8	1.8	2.1	2.3	2.8	3.3	3.5
Convenience Goods:	0.4	-1.6	-2.9	0.3	0.0	0.4	0.8	0.9	0.5	0.7	0.7
Comparison Goods	2.7	3.7	-0.6	0.4	1.2	2.4	2.7	2.9	4.7	5.3	5.5

Source: Experian *Retail Planner Briefing Note 8.1* (August 2010) Figure 1.

Note: The table also shows historic growth rates for three time periods: 1969 - 2009 (ultra long-term trend); 1979-2009 (long-term trend); and 1989-2009 (medium-term trend).

3.14 Over the longer term Experian forecast that per capita growth rates will be lower due to a range of inter-related factors, including:

- the increasing maturity of the UK economy;
- less expansionary consumer credit;
- greater emphasis on green issues (including higher energy costs);
- stronger forecast population growth than in the period 1969-2009; and
- an ageing population.

3.15 As a result, average comparison goods retail spending growth of +2.8% per annum for the period 2012-2027 is forecast to significantly “lag” behind the historic growth

trends, with slightly higher average growth forecast for convenience goods spending of +0.9% per annum between 2012 and 2027.

- 3.16 These forecasts are one of the key inputs to retail planning assessments, as they inform plan making and have helped to “fuel” the retail development process. Critical choices have to be made therefore between on the one hand historic medium, long and ultra-long term trends and on the other the economic forecasts produced by Experian. In this context Experian recommend that “*it is appropriate*” to use the more cautious forecasts rather than forecasts based on past growth trends.

RETAIL DEVELOPMENT TRENDS

- 3.17 The UK’s economic cycles, along with political and policy changes, have shaped the scale, nature and location of new retail investment and development since the 1960s. By the beginning of the 1980s town centres were the primary focus for most retail and leisure activity. The out-of-centre retail sector was in its “infancy” at this time. It was largely characterised during the 1970s by some supermarket operators opening in out-of-centre locations and free-standing retail warehouse units on industrial estates. Brent Cross opened in 1976 and was the only free-standing regional shopping centre.
- 3.18 The ‘monopoly’ of the high street on the nation’s shopping habits had largely been unchallenged during the post-war period. Since the 1980s, however, there has been a profound shift in the geography of new retail and leisure development. Town centres are now no longer the first choice for a range of shopping, leisure, entertainment and employment uses and activities.
- 3.19 This shift in investment and spend away from town centres was driven by a combination of policy, economic, social, demographic and property market trends. During the early 1980s, for example, the Government allowed a ‘laissez-faire’ approach to planning and development in order to promote much needed economic and employment growth following the recession of the late 1970s. At the same time there was a “flight” of people and jobs from Britain’s cities and towns to the suburbs. This effectively created a large new “pool” of household expenditure outside of Britain’s town centres. Many high streets were also suffering from a lack of investment and management during the 1970s and 1980s. As a result, they were not attractive or easily accessible shopping locations for the increasingly mobile and discerning consumer and few people were choosing to live in or close to cities and towns.
- 3.20 Investors, developers and operators responded to (and fuelled) these changes through increased applications and permission for new retail development in out-of-centre locations. The so-called ‘waves’ in out-of-centre development are summarised below.

Table 3.2 The “Waves” of Out-of-Centre Retail Development

“Wave”	Description
First Wave	The decentralisation of free standing superstores and hypermarkets first began during the late 1960s and gathered pace during the 1970s.
Second Wave	Development of free standing retail warehouses began in the late 1970s and was followed by retail parks during the 1980s. This “wave” was initially characterised by “bulky goods” operators (defined as DIY, furniture, carpets, electrical goods and motor accessories) trading from “large format” stores. This then evolved into clusters of retail warehouses in retail parks and finally into a number of Open A1 retail parks which attracted more traditional ‘high street’ retailers (such as, for example, The Fort Shopping Park in Birmingham).
Third Wave	The more relaxed planning policy approach to new retail development during the 1980s resulted in a significant surge in applications for free standing out-of-centre regional shopping centres (RSCs). The Metro Centre in Newcastle represented a new generation of shopping centres after Brent Cross (which opened 1976) and was followed by Merry Hill, Lakeside, Meadowhall and Blue Water. These shopping centres are anchored by major department store operators and a wide range of national multiples trading from larger format modern stores and served by extensive car parking, generally located next to major motorway junctions. Westfield in West London is the last of the major RSCs to be developed in the UK.
Fourth Wave	During the recession of the early 1990s there was a rise of factory outlet centres (FOCs) offering quality end-of-line / out-of-season goods at discounted prices in attractive shopping environments.

Note: Also see Glossary of Terms.

- 3.21 This decentralisation of retail floorspace and other traditional town centre uses (such as offices, cinemas, restaurants and other commercial leisure activities) precipitated the “tightening” of Government policy from the mid-1990s onwards; beginning with revised Planning Policy Guidance Note 6 (PPG6) *Town Centres and Retail Development* (1996), then PPS6 *Planning for Town Centres* (March 2005) and most recently by PPS4 *Planning for Sustainable Economic Growth*. Through the sequential and impact tests the Government has strengthened the role of the planning system and placed increased emphasis on sustainable mixed-use development in town centres “first”, underpinned by high quality urban design.
- 3.22 This has, in turn, resulted in a slowdown in permissions for new out-of-centre development over the last decade. For example, the proportion of new retail floorspace being developed within (or on the edge of) town centres has increased from a low of circa 25% in 1994 to approximately 50% by 2007/08. Notwithstanding this, it is clear that there has still been a significant quantum of out-of-centre retail development.
- 3.23 Over the last decade many of Britain’s major cities and towns have benefitted from significant new retail-led investment and development, including Exeter, Liverpool, Belfast, High Wycombe, Birmingham and Norwich. These schemes have been at the heart of urban regeneration and investment programmes and, in some cases, have helped to revitalise “tired” and “failing” town centres and high streets.
- 3.24 However, over the last 2 years the impact of the economic recession on developer and investor confidence, combined with the withdrawal of lending by the banks, has resulted in a number of high profile schemes either being shelved, frozen or delayed.

- 3.25 For example, the 11 major schemes listed below represent a substantial 627,400m² of retail floorspace and circa £3.3 billion of new investment that has effectively been “lost” from these towns over recent years.

Table 3.3 Retail Schemes Shelved, Frozen or Delayed in 2008-10

Location	Scheme	Developer	Retail Space (m ²)	Estimated Value (£m)
Leeds	Eastgate Quarter	Hammerson	110,000	800
Portsmouth	Northern Quarter	Centros	96,500	500
Sheffield	Seven Stone	Hammerson	80,000	600
Oxford	Westgate	Crown Estate and Land Securities	69,000	330
Stockport	Bridgefield	Lend Lease	60,400	500
Lancaster	Canal Corridor	Centros	30,000	140
Liverpool	Hope Street	Maghull Developments	20,000	100
Bristol	Temple Quay	Castlemore Securities	20,000	200
Hull	Fruit Market	Igloo	6,500	100
TOTAL:			492,400	3,270

Source: Strategic Perspectives LLP (October 2010).

- 3.26 One of the more high profile “casualties” is the Northern Quarter in Portsmouth, which has reportedly been shelved until 2015, despite the fact that it had planning permission and had been through a lengthy land assembly process and a CPO Inquiry, as well as having retailers already signed up. Furthermore, we estimate that these 11 schemes represent only approximately 15% of the total estimated 4.2 billion m² of retail floorspace that has been shelved over the last 3 years.
- 3.27 The economic recession has therefore effectively “flushed out” some of the more “marginal”, “expensive” and “risky” development schemes. As a result many of Britain’s cities and towns that were set to benefit from much needed new investment and regeneration over the next 5 years or more may now have to wait several years before confidence and investors return. Even then, the scale and type of new investment that will emerge in the post-recessionary period could be very different to the last decade of development.
- 3.28 Nevertheless, despite the downturn in development and investment activity and the harmful impact on certain towns and cities, there have been a few “success stories” over the last 2 years. For example Bristol’s Cabot Circus secured a number of high quality tenants before and after its opening, including Apple, The White Company, Fred Perry, Harvey Nichols, and Bench. Similarly, Westfield London has benefitted from strong trading and footfall figures since it opened in West London in October 2008. Its shopping offer comprises mainstream brands alongside niche boutique retailers, some with their first UK stores. Other examples of recent new shopping centre openings include:
- The Arc in Bury St. Edmunds (60,400m²);

- St David's 2 in Cardiff (88,260m²); and
- Union Square in Aberdeen (65,030m²).

3.29 In general terms those new shopping centre development schemes that have survived the recession to date have been "cushioned" from the worse effects by providing high quality well-designed shopper friendly environments, with a good mix of different shops, attractions and facilities, that serve a wide range of consumers and a strong catchment population.

3.30 Nevertheless, the pipeline of new shopping centre developments has fallen dramatically over recent years. For example, the estimated 185,800m² of new shopping centre space that opened in 2009 was substantially lower than the 745,000m² of new floorspace openings in the previous year. Looking forward the retail development pipeline has "slowed to a trickle" compared with the shopping centre "boom" over the last 5-10 years. Of the handful of shopping centre developments scheduled to open in 2011/12, the most high profile schemes are Parkway in Newbury town centre and the Westfield development in Stratford City.

3.31 British Council of Shopping Centres (BCSC) research indicates that as the UK retail sector emerges from the recession and confidence returns to the marketplace, so retailers will respond to rising sales by increasing their demand for space. The 'demand for space' will remain one of the primary methods by which retailers will grow their business and profit, and is therefore a vital ingredient in the future prosperity of the retail sector as a whole. The major difficulty for retailers over the medium term will be the 'lag' between their 'demand for space' and the time it will take for the stalled developments to be 'revived and delivered'. We consider this issue in more detail below.

THE RETAIL OCCUPATIONAL MARKET

3.32 The tougher trading conditions and fall in consumer spending has impacted heavily on retailers' sales and profit margins. There has been a significant restructuring and consolidation in the retail occupational market since 2008, with various "winners" and "losers" emerging within the food and non-food sectors.

Business Failures & Vacancies

3.33 There were a number of early "casualties" as the economic recession deepened during late 2008 and early 2009. The highest profile of these was Woolworths, which went into administration in late 2008 after almost 100 years of trading. By the end of January 2009 all circa 830 of its stores had closed, the majority of which were in prime shopping streets across the UK and in certain smaller centres were the main "anchor" stores. Other retailers and operators that disappeared and/or were forced into administration during 2008/09 include the following.

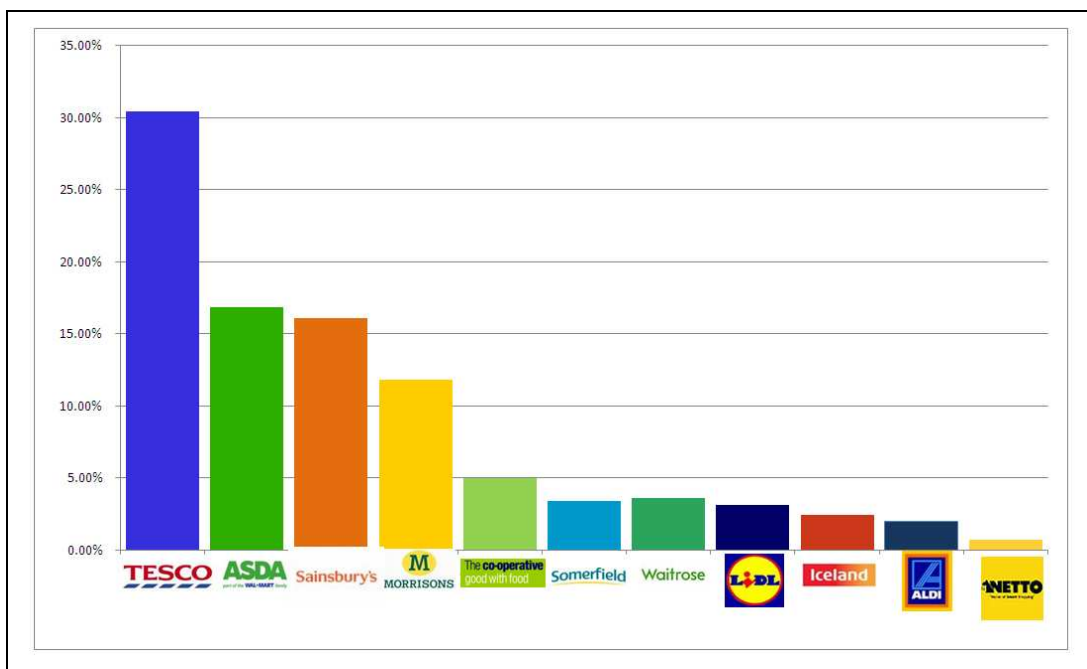


- 3.34 This resulted in a significant “surge” in national vacancy levels from circa 7% in 2007 to 12% by mid-2009. Although the retail sector has stabilised during 2010 and there have been fewer “casualties”, vacancy levels had “creeped up” further to 13.5% by July 2010 according to Experian figures.
- 3.35 During the last 12 months the “bulky goods” sector has particularly suffered from the “fallout” of the downturn in the housing market and the lack of working capital as a result of the credit crunch. As a result there has been the “double whammy” of a significant fall in the sale and purchase of homes, and reduced demand for DIY and home improvements as households “tighten their belts” further.
- 3.36 We consider the growth and future prospects for the food retail sector in more detail below.

Grocers & Convenience Goods Retailers

- 3.37 The UK’s grocery sector has consistently been one of the strongest performing and most dynamic sectors of retailing and the economy as a whole. Overall it is estimated that groceries account for approximately 13% of all household spending, making it the third largest area of expenditure, after housing and transport.
- 3.38 The figure below shows that the leading multiple grocery retailers currently account for 95% of the market, with the “top 4” (i.e. Tesco, Asda, Sainsbury’s and Morrisons) having a market share of around 75%.

Figure 3.1 UK Grocery Market: Market shares of major retailers



Source: SP and TNS Global (December 2009)

- 3.39 There have been dramatic changes in the location, scale and offer of foodstores since the 1980s. The growth of the sector up until the late 1990s was largely fuelled by the expansion of larger edge and out of centre superstores. Over the last decade, as the government's political and policy commitment to the urban renaissance and sustainable development has strengthened, the grocery sector has been at the forefront of a number of key trends and innovations.
- 3.40 The table below summarises some of the key trends and business strategies that have helped to "fuel" the growth of this sector over the last decade.

Table 3.4 Major trends in the Grocery Sector

"Wave"	Description
Expansion through Acquisition & 'Alliances':	There have been a number of high profile takeovers over the last 5 years. For example, Morrisons acquired the Safeway chain in 2004, creating the UK's fourth largest supermarket group and in October 2008 the Co-op Group acquired the 126 store Somerfield chain, placing it amongst the 'top 5' grocery retailers. There are other examples of where retailers have formed business 'alliances' to increase market share. For example, Boots and Waitrose have formed an alliance whereby Waitrose sells its branded food products in larger Boots stores and in return, the in-store Waitrose pharmacies are to be rebranded as Boots.
Diversification into non-food sales:	Non-food sales now account for an increasing share of the turnover of the top grocery retailers. Tesco and Asda already have a large non-food component, averaging 30%-50% of sales area in their larger superstores. Sainsbury's is also increasing its non-food sales area. As grocers expand their non-food ranges further, particularly into more space intensive categories such as furniture, average store size is set to increase further. This will fuel applications for extensions to the non-food sales of existing stores in town centre and out-of-centre locations. There may also be an increased move towards 'quasi-department store' food anchors in and/or on the edge of town centres, as well as traditional grocery retailers opening comparison goods only stores. For example, Asda is rolling out its non-food only Asda Living stores as an alternative avenue for growth.

Growth of Convenience Stores:	<p>The larger grocery operators have increased their market share of the convenience sector through acquisitions and new stores openings. The key players include Tesco ('Express' and 'One Stop'), Sainsbury ('Local') and Marks & Spencer ('Simply Food'). For example, Tesco opened its 1,000th Tesco Express store in 2009 and has a programme to open a further 1,000 stores over the next 4-5 years. Waitrose also announced plans in September 2009 to open a network of 300 small convenience stores, following successful trials of stores in Nottingham and Bristol. The 'higher end' convenience stores will represent a direct challenge to M&S Simply Food. Approximately two-thirds of the planned stores will be between 185 and 370 m² and it is estimated that it will take between 5-10 years to open all 300 planned stores. At the same time, 'traditional' convenience store operators, such as Budgens and Londis, are also planning to increase their store portfolios. The 'Big Four' have aggressive expansion plans in the pipeline, not least Tesco (c.223,000m² in 2010/11) and Sainsburys (c.232,300m² in 2010/11).</p>
Growth of 'Deep Discounters'	<p>The European discount food operators – Aldi and Lidl – have experienced significant growth in the UK over the last 5 years. They have changed their business models to suit the British consumer by introducing more ranges; improving their own-label products; enhancing store environments and design; and locating in more affluent areas. They currently account for over 6% of total UK grocery sales. They are now viewed as a threat by the major grocers, who have responded by increasing their own-range "value" products.</p>
Online Shopping	<p>This has provided another significant channel for the main grocery retailers to increase their market share. Asda, Tesco, Sainsbury's and Ocado (Waitrose) have all extended their on-line grocery sales over recent years.</p>

- 3.41 The growth of the large multiples has been paralleled by the falling representation of smaller independent retailers and other food specialists on the High Street. According to Verdict Research, butchers, fishmongers and off-licenses have been the biggest "causalities" as consumers now generally look to supermarkets and convenience stores for these types of products. Those independent specialists that have "survived" in the increasingly competitive marketplace have generally been located in established, highly convenient and successful shopping locations, which benefit from a strong catchment population and provide a high quality of service and products to their loyal customer base.
- 3.42 Although the grocery sector has not been "*immune*" to the impact of the economic recession, compared with other hard-hit retail sectors the leading grocery retailers have generally managed to maintain their business, investment and expansion programmes over the last 2-3 years. If the trends identified by the table are set to continue (and assuming planning policy remains unchanged), then it is our view the grocery sector will be characterised by:
- increased applications for extensions and mezzanine space to increase non-food sales;
 - the continued expansion of "local" convenience store formats; and
 - increasing competition between the main grocery retailers and "deep discounters" for market share of "value-led" household spending, particularly if the economic recession is prolonged.
- 3.43 At the same time, there has been a growth in the number of mixed use developments in town centre and edge-of-centre locations that comprise a traditional foodstore, as "anchor" along with a mix of uses either above the store (primarily residential and office uses), or as part of the overall development. The grocery retailers will be increasingly looking to develop "anchor" foodstores either in and/ or on the edge of

smaller and medium-sized centres and market towns that do not have the critical mass or catchments to sustain more traditional department and variety store operators. These smaller centres may also have “missed out” on the latest wave of retail development and have limited prospects for alternative new retail investment over the short to medium term. Research shows that foodstores of an appropriate scale and in the right locations either in or on the edge of town centres can bring significant positive economic benefits to smaller and medium-sized centres. For example, “anchor” foodstores can help to “claw back” shoppers and expenditure from competing out-of-centres stores, and promote “linked trips” to the benefit of other shops and businesses in centres.

THE GROWTH OF INTERNET & NON-STORE RETAILING

3.44 Research shows that at least one in three adults regularly purchases products over the Internet. The growth of Internet shopping has been fuelled over the last five years by the increased availability and uptake of faster and cheaper broadband services, as well as different options for accessing broadband services (ranging from computers to mobile phones to digital televisions). At the same time, retailers are also marketing their online services more proactively and now view online retail as another (and in some cases, the only) channel for future growth. This is particularly the case now that the early “teething” problems such as ordering, delivery (the “last mile” issue) and site security have improved.

3.45 The table below shows that internet sales² as part of total retail transactions has increased from 5.6% in September 2008 to 7.2% in June 2010.

Table 3.5 Internet Retail Sales, 2008 - 2010

		Average Weekly Value for All Retailing (£ m)	Average Weekly Value for Internet Retail Sales (£ m)	Internet Sales as a % of Total Retail Sales
2008	Sep	5,200	289.8	5.6
	Dec	6,800	435.1	6.4
2009	Mar	5,100	336.8	6.6
	Jun	5,400	307.4	5.7
	Sep	5,300	337.7	6.4
	Dec	7,000	511.7	7.3
2010	Mar	5,300	362.1	6.9
	Jun	5,500	397.7	7.2

Source: Experian Retail Planner Briefing Note 8.1 (August 2010) Derived from ONS, Retail Sales Statistical Bulletin (July 2010).

² Then ONS recently (early 2010) changed the methodology for calculating the value of internet sales. This resulted in a large increase in estimated internet retail sales and their share of the total market, from 4.9% at the end of 2009 to the 7.3% shown by the table. The upward revision reflects the inclusion in the new methodology of all sales made over the internet by individual businesses using information derived from the monthly ONS Retail Sales Inquiry (RSI).

3.46 The table below also shows how the percentage share of UK Internet visits to retail websites have changed since 2007.

Table 3.6 Percentage of UK Internet Visits to Retail Websites (2007 – 2010)

	July 2007	July 2008	July 2010
Apparel & Accessories	10.4	14.8	18.9
Appliances & Electronics	9.6	10.4	8.3
Automotive	3.7	3.4	3.1
Books	12.2	1.5	1.3
Computers	7.1	7.7	4.4
Department Stores	21.1	20.9	24.8
Flowers & Gifts	1.3	1.6	1.7
Grocery & Alcohol	2.8	2.5	2.6
Health & Beauty	2.1	2.5	2.6
House & Garden	7.0	8.7	9.5
Intimate Apparel & Accessories	1.1	1.1	0.9
Music	5.6	6.0	5.2
Office Supplies	1.2	1.5	0.9
Sport & Fitness	4.6	6.2	6.7
Ticketing	2.2	2.0	1.9
Toys & Hobbies	3.0	3.3	2.7
Video & Games	5.2	5.8	4.7

Source: Experian *Retail Planner Briefing Note 8.1* (August 2010)

3.47 The headline trends include the growth of “hits” for ‘apparel and accessories’ websites. The fall in visits to retail sites selling books is explained by the re-classification of Amazon as a ‘department’ store. The shares of most other categories have seen marginal changes.

3.48 There is, however, a high degree of uncertainty about future trends in internet usage and non-store shopping in general. Furthermore, it is difficult to assess how the capacity and demand for retail floorspace will be affected by the forecast growth in Internet and other non-store retail sales over the medium to long term, as currently many retailers source their internet sales through existing stores rather than dedicated warehouses. For planning purposes it is therefore helpful to consider the likely trends for convenience and comparison goods separately.

3.49 Recent research indicates that the UK online grocery market has grown by 85% between 2006 and 2009, from £2bn to £3.7bn and some 12.8% of the UK adult population shopped online for food and groceries in 2009.

- 3.50 Despite this strong growth, the Institute of Grocery Distribution (IGD) estimates that online grocery shopping currently only represents a small proportion (circa 2.6%) of the total UK grocery market. Nevertheless, with increasing broadband penetration and changing shopper lifestyles, the internet looks set to become more important as a grocery retail channel. For example, forecasts by Experian indicate a doubling in online sales to £7.2bn by 2014 and an increase in the proportion of the population shopping online to 16.2%.
- 3.51 Tesco, Sainsbury's and Asda have led the way in online grocery retailing based on different business models. Unlike other operators, specialist online grocery retailer Ocado distributes Waitrose products mainly from warehouses rather than stores. Both Tesco and Asda have also significantly expanded their non-food Internet offer. For example, in 2006 Tesco re-launched *Tesco Direct*, which brought all its non-food categories together and expanded the range and offer. The online grocery market is becoming increasingly competitive and it is expected that the arrival of Amazon and the potential entrance of Morrisons will not necessarily boost spend, but will instead take share from rivals.
- 3.52 As stated above, it is difficult to assess the impact of online grocery sales on the capacity and demand for new retail floorspace as many of the larger grocery stores source internet sales from their regular stores rather than from dedicated warehouses. Nevertheless, this position is changing rapidly. For example, Asda is to open a warehouse dedicated to internet orders only in Enfield. If this move away from stores to warehouses continues, then demand from operators for new retail floorspace and stores could ease over the medium to longer term.

FUTURE TRENDS

- 3.53 Forecasters are uncertain as to when the UK will emerge fully from the economic recession. However, it is clear that the economy and retail sector post-recession will be very different to the "boom" years of the last decade. The economy is forecast to face a period of
- lower growth in consumer spending;
 - reduced bank lending;
 - limited access to credit;
 - cuts in public sector expenditure; and
 - a sluggish housing market.
- 3.54 This presents significant challenges for all those involved in the retail sector, from operators through to investors and developers. The economic downturn is also impacting on the vitality and viability of many of Britain's centres and high streets, through the loss of shoppers, customers and new public/private sector investment.

This is placing pressures on rental growth and market demand in many centres outside the “top 100” shopping locations, which is further compounded by rising vacancy levels and the loss of key “anchor” retailers.

- 3.55 In our opinion, a far more uncertain future awaits the next “wave” of shopping centre proposals. The evidence suggests that high quality schemes in the strongest shopping locations will continue to prosper, whereas those schemes in weaker locations with more limited catchments and limited market demand will struggle over the short to medium term.
- 3.56 The erosion of consumer confidence and retail spending over the last 12-18 months has resulted in a difficult trading period for many national and independent retailers and commercial leisure operators. The economic recession initially “*shone a spotlight*” on those operators saddled with bad debts and weak profit margins. Although the number of business failures has slowed during 2010, it is likely that if the economic recession is prolonged through 2011 then there could be more high profile business failures. This will have negative impacts on the vitality and viability of many of Britain’s more “fragile” high streets and secondary shopping locations that are currently struggling to fill vacant units.
- 3.57 Notwithstanding this, the market demand from grocery retailers for new store formats of all sizes, alongside extensions to existing stores, has not slowed dramatically during the current economic downturn. Indeed the recent announcements by the major grocery operators indicate that there is significant funding available for new store expansion programmes. It is therefore likely that planning applications for different types of retail formats in town centre, edge-of-centre and out-of-centre locations will be maintained and increased over the short to medium term. At the same time the grocery retailers will be looking to increase their market share of online sales. However, at this early stage, it is difficult to predict the likely impact of “virtual” sales on operator demand for new “physical” space.
- 3.58 Over the short to medium term any increased demand for space from retailers will have to be met by the current retail stock (i.e. existing shopping centres, the high street and out-of-centre facilities), as there is limited new retail floorspace in the pipeline. Although this will help to bring down vacancy levels in centres over the short term, there could be a potential “*blockage*” in the take-up of space where operators are unable to find the right scale/ type of modern units in the right centres and shopping locations. Traditionally retailers have relied upon new developments as their primary source of new, efficient and large spaces. With increased demand and the lack of supply over the short to medium term, the BCSC predict this will effectively ‘push up’ rental levels until a significant amount of new development reaches completion. As a result, over the medium term retailers will be competing for the limited available space.

- 3.59 Therefore those centres that are able to accommodate and deliver new developments over the next 5-10 years should be in a good position to attract operator interest. However, this will depend on the new retail floorspace being in the right location (i.e. prime) and having the right size, format and specification to meet the needs of modern retailers.
- 3.60 Although planning policy promoting town centres “first” has been reinforced by PPS4, it is likely that applications to extend and “refresh” existing out-of-centre shopping locations will continue as an integral part of the business and asset management strategies of operators and funds. Potentially the next phase of out-of-centre investment and development could be a further reinvention and masterplanning of existing locations as mixed use developments, comprising residential, office and commercial leisure uses in addition to the existing and extended retail offer. The potential opportunities to “reinvent” out-of-centre shopping locations will be greatest initially where they are located close to towns that do not the physical capacity (i.e. sequential sites) to increase their retail offer.
- 3.61 As the country emerges from the worst “ravages” of the economic recession, it is clear that there are many cities and towns in Britain that need the injection of new investment, development and regenerations in order for them to compete and move forward. Without this commitment, then the ‘worst case’ scenario is that the weaker medium and smaller-sized centre will simply “wither on the vine”.

4.0 HOUSEHOLD SURVEY & CONVENIENCE GOODS 'MARKET SHARE ANALYSIS'

4.1 This section briefly sets out the '*market share analysis*' for convenience goods shopping trips and expenditure flows across the study area based on the results of the August 2010 household survey (**Appendix 1**). The detailed market share tabulations are set out in **Appendix 2**. This section provides the evidence base that underpins the economic capacity analysis set out in **Section 6**.

THE STUDY (CATCHMENT) AREA

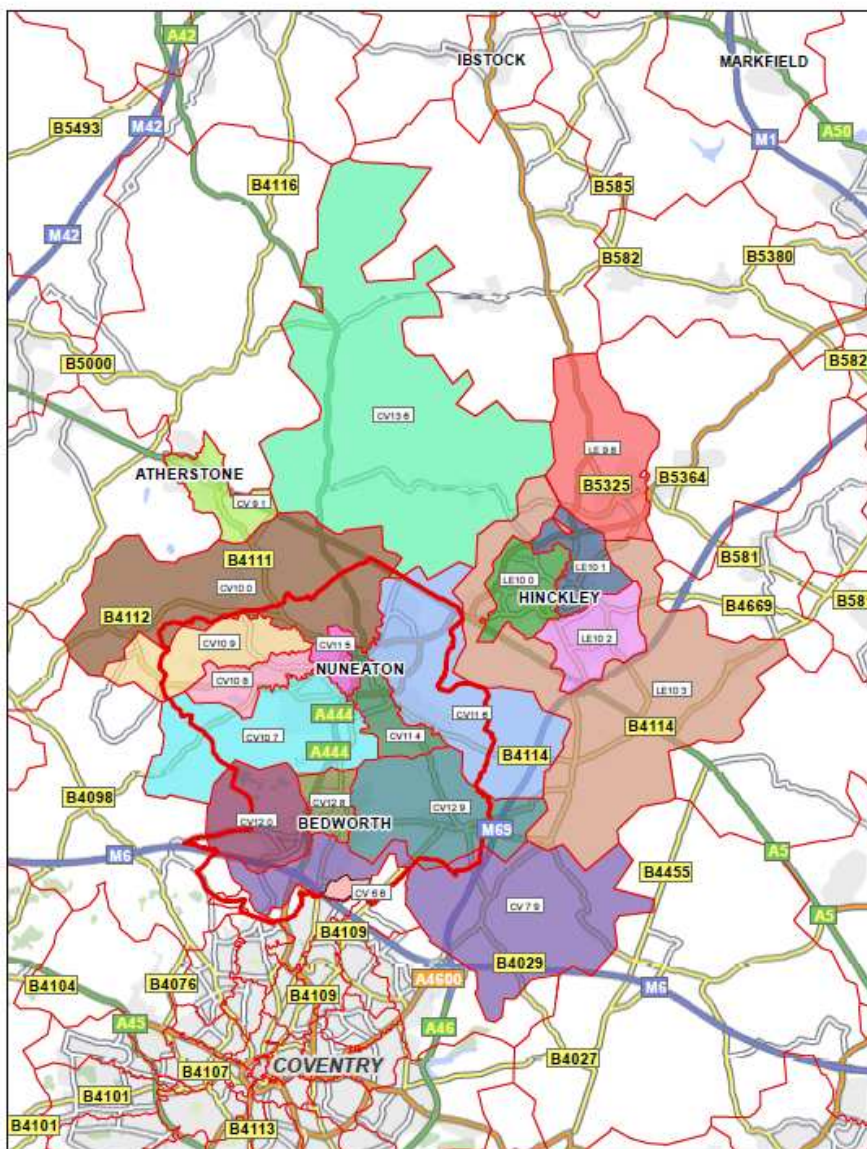
4.2 The first important step for retail assessments is to define a realistic and appropriate study (catchment) area. For strategic assessments the study area needs to be reasonably wide enough to 'capture' the potential trading performance and attraction of different shopping locations in the retail hierarchy, ranging from smaller local/district centres with a more localised catchment, up to larger town and city centres with much wider catchment areas.

4.3 To help with our definition of the study area, we have first referred to the study area adopted for the Council's 2007 comparison goods assessment undertaken by Roger Tym & Partners(RTP). Using this as a reference point, we have revised the study area using the latest postcode sector information and incorporating additional postcode sectors to cover the area to the north of Coventry's urban area.

4.4 As **Figure 4.1** shows, the study area extends well beyond the Borough³. The 19 postcode sector zones form the 'spatial framework' for the purpose of the household telephone interview survey and economic assessment.

³ Although the wider study area represents a robust framework for the strategic economic assessment, the Council should be aware that it does not necessarily represent a realistic catchment for the Borough's smaller centres and freestanding foodstores. We therefore advise the Council that when considering planning applications for new retail developments it will be necessary to first establish whether the defined catchment area for the proposed retail scheme is realistic and well related to the size and function of the proposal. It should also take account of the influence of competing centres and stores on the catchment area.

Figure 4.1 Study Area and Zones



HOUSEHOLD SURVEY

- 4.5 To help inform our quantitative and qualitative assessment, NEMS Market Research (NEMS) was commissioned to carry out a telephone interview survey of some 1,000 households across the defined study area. The questionnaire was designed by Strategic Perspectives LLP, working in partnership with the Council. The interviews were carried out by NEMS during August 2010.
- 4.6 The detailed survey tabulations from NEMS for each individual postcode sector are set out in **Appendix 1**. The survey results provide a broad picture of shopping patterns for both convenience and comparison goods purchases across the Borough and wider

study area. Our more detailed reweighted market share analysis⁴ is set out in **Appendix 2** and these market shares provide the robust evidence base used to inform our qualitative need and expenditure capacity assessments for food shopping only.

4.7 For **convenience goods**, the survey comprised standard questions on 'main' (trolley-based) and 'top-up' (basket-based) food shopping. The results of the two types of food expenditure were then merged through the application of a widely accepted weighting, which reflects the estimated proportion of expenditure accounted for by each type of food shopping. The survey results set out in **Appendix 2** show that across the study area the share of main food shopping as a proportion of total food shopping stood on average at 73%. We have used therefore applied a weighting of 75%:25% for 'main' and 'top-up' food shopping respectively. Notwithstanding this, we advise the local Council that the proportion of expenditure on 'top-up' food shopping could increase over time; particularly as the 'major' grocery retailers are increasing their share of the convenience goods ('top-up') sector. The weighting adopted produces a composite pattern of convenience goods spending, expressed as a market share for each centre and shop in each survey zone.

4.8 For **comparison goods** the survey comprised ten questions on different types of comparison goods shopping and expenditure. These categories are based on the following expenditure definitions used by Experian Business Strategies (EBS) for comparison goods retailing:

Table 4.1 Household Survey - Comparison goods expenditure categories

- | | |
|---|---|
| • clothing and footwear; | • audio-visual equipment (such as radio, TV, Hi-Fi, telephones, photographic and computer goods); |
| • furniture, carpets and floor coverings; | • chemist and medical goods, cosmetics and beauty products; |
| • household textiles and soft furnishings, including bedding; | • pets and related products; |
| • DIY, hardware, decorating supplies and gardening products; | • games, toys and hobbies; sport and camping; musical instruments; and |
| • large and small domestic household electrical items (ranging from fridges and washing machines, to kettles and hairdryers); | • all other comparison goods expenditure categories (including books, jewellery, watches, china, glassware, kitchen utensils, recreational and luxury goods). |

Source: Experian Business Strategies (EBS).

4.9 Although this study does not cover comparison goods retailing (or commercial leisure), the survey results and market share patterns provide a robust and up-to-date evidence base to help inform any updates of the qualitative and quantitative need for new comparison goods retailing in the Borough.

⁴ Please note that the survey results were re-weighted by NEMS to 'filter out' negative responses (such as by people who did not remember where they shopped for a particular type of good). Special Forms of Trading (i.e. purchases over the Internet, mail order shopping and market stalls) were also 'filtered out'. It is common practice in retail assessments to deduct SFT from the average expenditure per capita figures at the outset (see **Section 6**).

FOOD SHOPPING PATTERNS

- 4.10 It should be noted from the outset that there are no out-of-centre foodstores in the Borough. This represents a unique position compared with other centres and local planning authorities. The current pattern of foodstore distribution is therefore highly policy compliant.

Main Food Shopping

- 4.11 Table 1 of **Appendix 2** details the market share analysis for 'main' food shopping destination question. Across the study area as a whole, the main foodstores identified are:
- Asda, Newtown Road - Nuneaton (25.7%);
 - J Sainsbury, Vicarage Street - Nuneaton (13.1%);
 - Tesco, Leicester Street - Bedworth (10.9%); and
 - Asda, Barwell Lane - Hinckley (10.2%).
- 4.12 The Asda, Newtown Road has a dominant market share from zones to the west of Nuneaton namely: CV10 9 (60.3%); CV10 7 (55.6%); CV10 8 (53.7%); and CV10 0 (51.5%).
- 4.13 J Sainsbury on Vicarage Street has a wider draw from zones surrounding Nuneaton, drawing from: CV11 5 (35.1%); CV11 6 (34.1%); CV10 7 (22.2%); CV10 0 (20.6%); CV10 8 (14.9%); and CV10 9 (10.3%).
- 4.14 The Tesco at Leicester Street dominates the postcode zones surrounding Bedworth and primarily draws its shoppers from: CV12 8 (72.9%); CV12 0 (54.2%); CV12 9 (31.3%); and CV7 9 (24.1%).

Top-Up Food Shopping

- 4.15 Table 2 of **Appendix 2** details the market share analysis for 'top-up' food shopping. From across the study area, the main foodstores and their trade draw patterns are as follows:
- **Tesco, Leicester Street** - Bedworth (8.0% from across study area): This store achieves the highest market shares from CV12 8 (43.8%); CV7 9 (35%); CV12 9 (31.9%); and CV12 0 (27.0%).
 - **Asda, Newtown Road** - Nuneaton (6.8%): draws a high 'top-up' market share from CV10 9 (17.7%); and CV11 5 (26.5%).
 - **Tesco, Hawley Road** - Hinckley (5.3%);
 - **Asda, Barwell Lane** - Hinckley (5.1%); ; and

- **J Sainsbury, Vicarage Street** - Nuneaton (4.3%):

All Food Shopping

- 4.16 Table 10 of **Appendix 5** details the 'market share analysis' for all food shopping trips (i.e. comprising both 'main' and 'top-up' food purchases) from across the study area weighted by available expenditure per capita.
- 4.17 The table shows that convenience goods floorspace within the Borough has a '**retention level**' of 52.4% from the entire study area. The majority of this market share is drawn by Nuneaton town centre (31%) followed by Bedworth Town Centre (11%). The District Local and Neighbourhood centres have a combined market share of 10.4%.
- 4.18 Considering the broad geographical extent of the study area we consider that this represents a relatively strong 'retention' of trips and reflects the good provision of modern food superstores in the Borough.
- 4.19 Further analysis of the postcode sectors that comprise the Borough area⁵ shows that the retention level increases to 74.3%. Again, the majority of this market share is drawn by Nuneaton town centre (43.3%) followed by Bedworth Town Centre (16.2%). The District, Local and Neighbourhood Centres have a combined market share of 14.8%.
- 4.20 Based on shopping patterns for both main and 'top-up' food shopping, the dominant foodstores in the Borough area are:
- **Asda, Newtown Road** – Nuneaton: (18% from the study area and 24.6% from the Borough area);
 - **J Sainsbury, Vicarage Street** – Nuneaton: (9.3% from the study area and 13.4% from the Borough area); and
 - **Tesco, Leicester Street** – Bedworth: (8.9% from the study area and 13.1% from the Borough area).
- 4.21 The dominant foodstores outside the Borough are the Asda at Barwell Lane in Hinckley (10.5% from the study area) and the Tesco Extra at the Arena Retail Park in Coventry (8.9% from the study area).
- 4.22 For the postcode zones that fall within the study area, more detailed analysis shows that they all have a relatively high retention level (except for CV6 6). Convenience goods floorspace in the Borough has a particularly high retention rate of over 80% from the following zones:

⁵ The Borough area is broadly represented to comprise the following postcode sectors: CV10 0; CV10 7; CV10 8; CV10 9; CV11 4; CV11 5; CV11 6; CV12 0; CV12 8; CV12 9; CV6 6 and CV7 9.

- CV11 5 (92.7%);
- CV10 7 (92.3%);
- CV10 8 (92.2%);
- CV12 8 (92.1%);
- CV11 4 (87.8%); and
- CV10 9 (87.1%).

4.23 The survey results also show that a wide 'arc' of zones beyond the Borough boundary, and specifically to the north and south, register a low market share from the floorspace within the Borough. This is to be expected considering convenience goods shopping is a localised activity. The specific zones are:

- CV9 1 (17.1%);
- LE10 0 (7.9%);
- LE10 3 (9.6%);
- LE10 2 (4.2%); and
- LE9 8 (2.9%).

4.24 The Borough's smaller District, Local and Neighbourhood Centres have a combined market share of 10.4%. Zones where their retention rate exceeds 15% are detailed below and are wholly or predominantly within the Borough boundary:

- CV10 8 (25.3%);
- CV10 7 (23.1%);
- CV10 9 (21.7%);
- CV11 6 (19.8%);
- CV11 4 (16.7%); and
- CV12 9 (15.1%).

4.25 The lower level of market shares is reflective of the lower level of provision in these types of centres which serve more day-to-date frequent food shopping trips. The market shares of the Borough's smaller District Centre's are reviewed in more detail in **Section 5**.

SUMMARY

4.26 The convenience goods floorspace within the Borough has a 'retention level' of 52.4% from the entire study area. Within the Borough area only the retention level is much higher at 74.3%. This represents a relatively strong retention level and indicates that only 25.7% of expenditure is 'leaking' out to centres and stores outside the Borough.

- 4.27 The 'market share analysis' has identified a good provision and choice of foodstores in the Borough. Inevitably the larger foodstores dominate market share and these are:
- Asda, Newtown Road - Nuneaton (18% from the study area and 24.6% from the Borough area);
 - J Sainsbury, Vicarage Street - Nuneaton (9.3% from the study area and 13.4% from the Borough area); and
 - Tesco, Leicester Street - Bedworth (8.9% from the study area and 13.1% from the Borough area).
- 4.28 The smaller food and convenience stores in the Borough's District and Local centres are achieving more limited market shares. This is to be expected given their role and function in the Borough's shopping hierarchy serving mainly the more frequent day-to-day needs of the local resident catchment population.

5.0 CONVENIENCE GOODS HEALTH CHECK ASSESSMENT

- 5.1 This section sets out our assessment of the convenience goods provision in the main town centres of Nuneaton and Bedworth.
- 5.2 Our assessment has been carried out in accordance with the key PPS4 (Annex D) town centre health check indicators. The health checks have been informed by a number of key data sources, including the Experian Goad Centre Reports for Nuneaton and Bedworth (**Appendix 3**); the market share analysis from the household survey; and our audit of the convenience provision in the centres in July 2010.
- 5.3 It should be noted that the Council has already undertaken a separate assessment for comparison goods and other town centre uses analysis⁶. This study does not therefore provide an assessment of comparison goods provision.

NUNEATON TOWN CENTRE

Role and Function

- 5.4 Nuneaton's history dates back to the 12th century. It is recognised culturally, notably for its annual carnival, the largest in Warwickshire, and its associations with the 19th Century author George Eliot.
- 5.5 The town has good transport links with rail and road in particular. The M6, M42, M69, A5 and A444 all provide easy access into and out of the centre.
- 5.6 The broad retail profile of the centre, with a focus on convenience goods, is as follows:

Table 5.1 Nuneaton: Retail Profile

Hierarchy	Town Centre
Total Outlets:	392
Convenience Outlets	28
Total GOAD Floorspace (m2 gross)	111,919
Convenience GOAD Floorspace (m2 gross)	19,695
Vacancy level (by outlet)	8.42%

Source: Goad Category Report (September 2008)

- 5.7 Based on the Goad data, Nuneaton has a slight under-representation of convenience goods outlets (7.1%) when benchmarked against national average (8.8%). **Appendix 3** provides a more detailed breakdown of the different convenience goods retailers represented in the town. In terms of total number of outlets the centre appears to

⁶ Nuneaton & Bedworth Borough Council – Town Centres Study (Roger Tym & Partners) – October 2009

have an under-representation across a number of different categories including, *inter alia*, bakers & confectioners; CTNs; convenience stores; fishmongers; greengrocers; delicatessens; health foods; markets; and off-licenses. Notwithstanding this, the centre shows a strong provision in floorspace particularly within its large supermarkets. The Experian Goad figures show that **convenience** goods floorspace represents 17.6% of total floorspace in the town centre, which is above the national average figure of 14.1%. The main foodstores in terms of sales area are:

- Asda, Newtown Road (3,029m² net);
- J Sainsbury, Vicarage Street (2,412m² net);
- Iceland, Queens Road (455m² net);
- Netto, Regent Street (679m² net); and
- Co-op, Abbey Street (828m² net).

5.8 These stores attract a market share of 29.4% from the study area and a higher market share of 41.1% from the Borough area. Overall, the market share analysis shows that the convenience goods floorspace in Nuneaton attains a market share of 31% from the study area and a higher market share of 43.3% from the Borough area.

Vacancy Levels

5.9 **Table 5.1** shows that vacant units as a proportion of total outlets in the town centre is 8.4%. This is lower than the national average of 10.3% and is a positive indicator of the centre's vitality and viability particularly when considered against the backdrop of the economic recession⁷.

Prime Zone A Rental Levels

5.10 As detailed in the Council's comparison goods assessment, the Prime Zone A rents in the centre remained static at £754 per m² between 1999 and 2005, but increased significantly to £1,292 per m² post the opening of the Ropewalk Shopping Centre in 2005. Currently prime rents still remain at around £1,292 per m². We do not anticipate a significant increase in rental values over the short term due to the impact of the recession and the fact that there is no major planned investment for the centre.

New Investment and Development

5.11 The last major investment in the centre was the opening of the Ropewalk Centre in 2005. In the intervening period there has been a substantial downward shift in the macro-economy (as indicated in **Section 2**). As a result the broader national investment climate has cooled somewhat. We are not aware of any anticipated new

⁷ The closure of the Marks & Spencer store in Nuneaton in January 2011 is not reflected in the vacancy figure stated above.

investment in the short term. However, over the longer term we are aware that the Council has a broad vision for Nuneaton to potentially expand the centre's retail core. This may yield new investment into the centre over time, albeit over the long term.

Retailer Requirements: Convenience Goods

- 5.12 There are currently no published requirements for convenience goods retailers seeking space in Nuneaton. As part of our assessment we also contacted a number of leading foodstore operators to understand their potential requirements for new floorspace in the Borough and its main centres. However, apart from existing commitments, the operators would not divulge whether they have any future plans to increase their representation in the Borough, either through store extensions and/or new stores, as this would potentially undermine their future business strategies. We nevertheless understand that the main foodstore operators would consider any opportunities for different sizes and formats of stores to help increase their market shares in the future.

Accessibility

- 5.13 Nuneaton's good links to the transport network largely accounts for its growth as an important and successful administrative centre for the Borough. It lies on the strategic M6, M69 and A5 routes. The town centre has good accessibility by all modes of travel including public transport and is served by a railway station which is within walking distance of the town centre. The centre has good rail connections with frequent links to Leicester, Hinckley, Birmingham, Bedworth, and Coventry as well as both London and Milton Keynes.

Environmental Quality

- 5.14 Nuneaton is characterised by a good mix of attractive historic and modern buildings that make a positive contribution to the streetscape. In addition, there is a good provision of street furniture, litter bins, seating area and signage.
- 5.15 Overall, we consider that the town centre has an attractive environment, but it faces significant challenges due to the lack of recent investment in its retail offer. In our opinion, new investment is needed to help improve both the shopping environment and the perception of the centre as a place to shop and visit for a range of uses and activities.

BEDWORTH TOWN CENTRE

Role and Function

- 5.16 Bedworth is located approximately 5km to the south of Nuneaton. As with Nuneaton, it has a long history, dating back to the time of the Domesday Book. From the 18th

century up until the mid to late 20th century, it was primarily an industrial town focused largely upon coal mining and textile industries.

- 5.17 The town benefits from good accessibility by all forms of transport. It is in close proximity to major cities including Birmingham, Coventry and Leicester. The broad retail profile of the centre, with a focus on convenience goods, is detailed below:

Table 5.2 Bedworth: Retail Profile

Hierarchy	Town Centre
Total Outlets:	140
Convenience Outlets	21
Total GOAD Floorspace (m² gross)	28,205
Convenience GOAD Floorspace (m² gross)	8,222
Vacancy level (by outlet)	12.86%

Source: Goad Category Report (March 2007)

- 5.18 Based on the Experian Goad data, Bedworth has a higher representation of convenience goods outlets (15%) when benchmarked against the national average figure (8.8%). This indicates the important role of the Bedworth as a centre meeting the day-to-day food shopping needs of its catchment population.
- 5.19 **Appendix 3** provides a more detailed breakdown of the different convenience goods retailers represented in the town. It shows that the centre has a higher representation in most categories apart from convenience stores, fishmongers, grocers & delicatessens and markets.
- 5.20 The Experian Goad figures also show that convenience goods floorspace represents 29.2% of total floorspace in the town centre, which is more than twice the national average figure of 14.2%. A more detailed analysis of the floorspace breakdown shows that the town centre is under-represented specifically in convenience stores, grocers & delicatessens and markets categories. The main supermarket offer in the town centre includes:
- Tesco, Leicester Street (2,903m² net);
 - Aldi, Mill Street (956m² net); and
 - Iceland, Mill Street (326m² net).
- 5.21 The household survey shows these stores attract a market share of 10.6% from the study area and a higher market share of 15.7% from the Borough area. Overall, the market share analysis shows that the total convenience goods floorspace in Bedworth attains a market share of 11% from the study area and a higher market share of 16.2% from the Borough area.

Vacancy Levels

- 5.22 **Table 5.2** shows that vacant units as a proportion of total outlets in the town centre is 12.9% which is slightly higher than the national average. It is evident from our more recent audit that vacant units are dispersed across the town centre and there are no significant clusters of vacant units in the town's prime shopping streets.

Prime Zone A Rental Levels

- 5.23 Due to the paucity of transactions there is no recent prime zone A rental evidence for Bedworth.

New Investment and Development

- 5.24 The last major investment in the centre was the redevelopment of the site housing the Aldi and Home Bargains store in 2006. This notwithstanding, we understand from the Council that plans are advanced for redevelopment at George Street Ringway and Leicester Street. This will be a comprehensive redevelopment with a new Tesco store forming its centrepiece. At the time of writing this report a formal planning application has not been made on the scheme.

Retailer Requirements: Convenience Goods

- 5.25 There are currently no convenience goods retailers seeking space in Bedworth.

Accessibility

- 5.26 Although, transport links in Bedworth are not as strong as neighbouring Nuneaton it is in close proximity to major cities including Birmingham, Coventry and Leicester. It also has easy access to the M6, direct rail links to Coventry and a strong bus network.

Environmental Quality

- 5.27 Bedworth has a good mix of attractive historic and modern buildings that make a positive contribution to the streetscape. Notable buildings in the town include the Tudor style Nicholas Chamberlaine Almshouses on All Saint's Square and the more modern Bedworth Civic Hall and attached arts centre. Overall, the pedestrianised area is free of litter and graffiti and there is a good provision of street furniture, litter bins, seating area and signage. The centre also benefits from a pleasant landscaped garden area adjacent to the Almshouses.
- 5.28 The Council has made attempts to avoid 'dead frontages' on Council-owned empty retail units by 'cladding' them with visually attractive street scenes of the centre. This

enhances an otherwise empty unit and improves the visual appeal of areas with vacancies.

SUMMARY

- 5.29 The health check findings indicate that despite having a slight under-representation of convenience goods outlets, Nuneaton has a relatively strong convenience floorspace provision due to its larger supermarkets. The centre also has a lower than average vacancy rate. Whilst the town centre has an attractive environment, it faces significant challenges due to the lack of recent investment in its retail offer. In our judgement, new investment is needed to help improve both the shopping environment and the perception of the centre as a place to shop and visit for a range of uses and activities.
- 5.30 Bedworth has a comparatively higher vacancy rate than Nuneaton and it too has not benefited from any significant recent investment. However we understand plans are advanced for the redevelopment of the Tesco store at George Street Ringway and Leicester Street which will significantly transform this part of the centre. The centre also benefits from a pleasant environment and the Council has made attempts to avoid 'dead frontages' on Council owned empty retail units by innovative cladding. We consider the centre to be both vital and viable.

6.0 DISTRICT CENTRES: OVERVIEW

6.1 This section sets out our assessment of the convenience goods provision in the main District Centres of:

- Bulkington;
- Attleborough;
- Horeston Grange;
- Queens Road;
- Kingswood Road; and
- Chapel End.

6.2 PPS4 (Annex B) defines district centres as usually comprising: "...groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library" (page 25).

6.3 At the outset it is important to note that there is a paucity of data at this level. This assessment is therefore informed by our own on-site audit in July 2010; the findings of the household survey; and the Council's audit of convenience goods floorspace (where available).

6.4 Overall, the household survey indicates that the District Centres are achieving a market share 6.1% from the entire study area and 8.5% from the Borough area. The broad provision of convenience outlets is summarised below:

Table 6.1 District Centres: Convenience Goods Profile

Centre	Convenience Goods Floorspace (m ² net)	No. of Convenience Outlets
Bulkington	532	4
Attleborough	1,318	4
Horeston Grange	1,058	3
Queen's Road	1,057	5
Chapel End	0	0
Total	4,764	12

Bulkington

- 6.5 Bulkington is a strong centre anchored by a relatively small Co-Op food centre with a post office. It has good provision of on-street car parking, public realm, paving and street furniture. The centre's other convenience offer includes a Spar, a newsagent and an independent off licence. The centre also houses two public houses, a library and a dental surgery.
- 6.6 The household survey shows the Co-Op attains a market share of 29.8% for 'top-up-food' shopping in its core catchment zone of CV12 9 and 11.1% in the adjacent catchment zone LE10 3. It does not register a market share for 'main' food shopping. This indicates the dominant role of this store for top-up shopping. On this basis the store achieves a total food shopping market share of 0.5% from the study area and a slightly higher 0.7% from the Borough area. The store's highest market share of 7.4% is in its core catchment zone of CV12 9 driven by its top-up market share.
- 6.7 At the time of our visit we observed only one vacant unit; a former car sales unit on School Road. This suggests that the centre is viable. The centre has relatively good accessibility and is served by bus stops on School Road. Bulkington is surrounded by a captive residential community, some of whom reside above the retail units. This contributes to the centre's overall vitality and viability. It is therefore served by both a walk-in catchment and car borne shoppers by virtue of its location off School Road.

Attleborough

- 6.8 Located in the east of the Borough and to the south of Nuneaton, this centre has a range of retail provision that is anchored by a large Co-Op foodstore. The Co-Op itself benefits from dedicated on-site parking, which is supplemented by other parking within the centre. The other convenience goods provision in the centre includes an independent bakery, off-licence and newsagent (with post office).
- 6.9 The household survey analysis shows that the Co-Op attains a 24.5% market share for 'top-up' food shopping in its core zone (CV 11 4). For 'main' food shopping it again attains its highest market share of 4.5% in its core zone (CV11 4). In terms of total food shopping, the store achieves a market share of 0.8% from the study area and a slightly higher 1.2% from the Borough area. The store attains its highest market share of 9.5% in its core catchment zone (CV11 4).
- 6.10 Independent retailers include, *inter alia*, a cycle shop, hairdressers, beauticians, carpet shop and ladies wear outlets. The centre is surrounded by a captive residential catchment. The overall environment of the centre is good with no visible signs of dereliction or litter. In our judgement the centre is both vital and viable.

Horeston Grange

- 6.11 Horeston Grange Shopping Centre is a District Centre surrounded by a substantial residential catchment population that has grown due to new housing development in the area since the late 1980s and early 1990s. The centre serves both a walk-in catchment and car-borne shoppers.
- 6.12 The retail units are located on the northern junction of Camborne Drive and Eastboro Way. The centre has a range of national multiples including a Co-Op (formerly Somerfield), Farmfoods, Subway and Betfred. The centre is also served by ample on-site parking. Independent retailers at the centre include a pet shop, carpet shop and a takeaway.
- 6.13 The Co-Op attains a 'top-up-food' market share of 17.6% in its core catchment zone (CV11 6) and 6.3% in zone (CV10 0). In terms of 'main' food shopping it achieves a 2.3% market share in its core zone (CV11 6).
- 6.14 Overall, the store attains a total food market share of 0.7% from the study area and a slightly higher 1.0% from the Borough area. The store attains its highest total food market share of 6.1% in its core catchment zone (CV11 6).
- 6.15 The overall environment of the centre is good with no visible signs of dereliction or litter. The centre is surrounded by a captive residential catchment which contributes to its vitality and viability.

Queens Road

- 6.16 This linear centre lies on the busy B4102 artery to the west of Nuneaton town centre. It is a busy thoroughfare with very little on-street car parking. The centre is served by a substantial residential catchment population, which generates significant levels of local walk-in trade.
- 6.17 The centre's main convenience retailers include a Lidl and Premier Supermarket. There are also other smaller convenience stores including M.P. Superstore (grocer & off-licence), P&S Supershop (newsagent & post-office) and Dunya Supermarket.
- 6.18 The household survey shows Lidl attains its highest 'top-up-food' market share of 23.5% in its core catchment zone (CV11 5). However, for 'main' food shopping it achieves its highest market share (3.2%) in the adjacent catchment zone (CV10 7) and 1.8% in its core catchment zone (CV11 5).
- 6.19 Overall, the store attains a total food market share of 0.5% from the study area and a slightly higher 0.8% from the Borough area. The store attains its highest market share of 7.2% in its core catchment zone (CV11 5) driven by its role as a top-up food shopping destination.

- 6.20 Other provision in the centre includes a Lloyds pharmacy, a number of takeaways and a range independent comparison goods outlets, including ethnic clothing stores.
- 6.21 There are no signs of dereliction, graffiti or litter and the centre has a good environment despite being located on a major thoroughfare.

Kingswood Road

- 6.22 As with Horestone Grange this District Centre is located within a dense residential area. There are two distinct areas of retail provision. The first is in the extreme eastern end of the centre dominated by the large Aldi store at the junction of Kingswood Road and Churchdale Close. The other is the collection of small retail units on Kingswood Road opposite Wenlock Way, comprising a pet supplies shop, take away, beauty parlour and hairdresser and one vacant unit. In between the Aldi and the shops there is the Kingswood Tavern Public House and a number of residential uses.
- 6.23 The Aldi attains its highest 'top-up-food' market share of 15.2% in its core catchment zone (CV10 8). For 'main' food shopping it achieves a market share of 11.9% in the core zone (CV10 8) and 10.3% in the adjacent zone (CV10 9). Overall, the Aldi store attains a market share of 2.2% from the study area and a higher 2.9% from the Borough area. The store attains a high market share in zones CV10 8 (12.8%) and CV10 9 (8.9%).
- 6.24 The overall environment of the centre is good, albeit a bit desolate with occasional signs of graffiti. The centre is served by both a walk-in catchment and car borne shoppers by virtue of its location off the main Kingswood Road. Additionally, the centre is also well served by the provision of bus facilities and stops though the length of the Kingswood Road.
- 6.25 However, the centre has no 'core' retail area as there is some distance between the two retail areas that form the defined District Centre. Whilst the centre is served by the Aldi supermarket, there is no immediate grouping of shops and/or facilities around the store. As a result, we consider that the Aldi essentially functions as a standalone out-of-centre store. The small cluster of shops on Kingswood Road (opposite Wenlock Way), along with Kingswood Tavern, are divorced from the Aldi by residential uses and there is no obvious functional relationship between the two different shopping locations. We therefore consider that the existing extended boundary is too elongated and warrants a re-designation. In our judgement the cluster of retail units on Kingswood Road (opposite Wenlock Way) should be re-designated as a Local Centre and the Aldi store should be identified as a standalone out-of-centre store.

Chapel End

- 6.26 Located to the extreme north west of the Borough on the border with North Warwickshire Borough Council. This centre has a collection of small retail units dispersed across Camp Hill Road / Coles Hill Road (the proportion that falls within the

Borough boundary) and Bucks Hill. At the time of our visit to the centre we did not identify any convenience goods outlets.

- 6.27 The broad representation in the centre includes a social club, hairdresser, two take away outlets, a DIY shop and a pharmacy. At the time of our visit there were a number of vacant units and signs of litter and graffiti.
- 6.28 The centre also serves primarily a local function and in our judgement does not comply with the PPS4 definition of a District Centre and therefore warrants a re-designation as a Local Centre in its own right.

EMERGING CENTRE

- 6.29 As part of our audit of convenience floorspace in the Borough we consider that the new centre emerging at Camp Hill warrants designation as a District Centre. At the time of our audit the retail provision comprised a Co-Op convenience store, a Boots Pharmacy, Post Office, Cafe and a charity shop. The centre is located as part of an emerging residential community and over time is likely to evolve to serve a substantial and captive retail catchment.

LOCAL CENTRES

- 6.30 According to PPS4, local centres include *"a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette"*. There are a number of local centres and neighbourhood parades within the Borough that serve primarily a local function. The assessment of these centres is beyond the remit of this study and are therefore not analysed. This notwithstanding we provide a listing of their convenience provision by centre in **Appendix 4**.

SUMMARY

- 6.31 The District Centres assessed are attractive places to shop and provide important environmentally sustainable services which predominantly serve their local areas. They serve a top-up shopping function and we have not found any deficiencies in terms of provision. The majority of them are vital and viable. We would however recommend that the Chapel End and Kingswood Road should be re-designated as Local Centres.
- 6.32 Apart from the re-designations mentioned above, we consider the hierarchy of centre as appropriate. Furthermore we recommend the new emerging centre at Camp Hill should be designated as a District Centre.

7.0 CONVENIENCE GOODS ECONOMIC CAPACITY ASSESSMENT

7.1 This section sets out our economic assessment of the quantitative need (retail capacity) for new convenience goods retail floorspace only in the Borough over the forecast period, up to 2026. The economic tabulations accompanying the 'baseline' convenience goods capacity forecasts are set out in **Appendix 5**.

APPROACH & EVIDENCE BASE

7.2 The CREAT^e economic model has been designed and developed by Strategic Perspectives LLP over a number of years to specifically assess the capacity for and impact of new retail floorspace. The Excel-spreadsheet model draws on the advice set out in PPS4 and the *Good Practice Guidance*. It adopts a transparent 'step-by-step' approach in which all the key assumptions and forecasts can be easily tested and interrogated.

7.3 In simple terms the economic capacity approach is based on the following key steps:

- definition of a reasonable and realistic study (catchment) area and zones (see **Section 4**);
- an assessment of expenditure per capita levels and available expenditure in the study area and zones at the base year based on the 'Area Profile Reports' ('APRs') specifically produced by Experian Business Strategies ('EBS'). Please note that all monetary values are expressed in 2008 prices;
- the forecast growth in convenience goods expenditure per capita levels over the forecast period up to 2026, informed by the most recent forecasts prepared by EBS in 'Retail Planner Briefing Note 8.1' (August 2010);
- an allowance for Special Forms of Trading ('SFT'), informed by the latest research published by EBS;
- estimates of the current population at the base year (i.e. 2010) and population projections over the forecast period up to 2026, derived from the EBS 'Area Profile Reports' ('APRs');
- the assessment of the 'benchmark' turnover of existing centres, superstores and other retail floorspace at the base year. This has been informed by a number of sources⁸;
- the assessment of the 'potential' turnover of all existing convenience goods retail floorspace in the Borough area based on the 'market share analysis' derived from the household survey results;

⁸ These include, inter alia, company average sales densities (i.e. £ per square metre) published by Mintel ('UK Retail Rankings') and Verdict Research (where available); centre health checks; and other published retail studies;

- an allowance for the growth in the 'productivity' (or 'efficiency') of existing floorspace, in accordance with advice set out in PPS4 and the *Practice Guidance*;
 - the forecast growth in the 'potential' turnover of existing centres and stores over the forecast period based on a '*constant market share*' approach;
 - the projected growth in the 'benchmark' turnover of existing centres and stores is then subtracted from the forecast growth in 'potential' turnover to provide a forecast of the residual expenditure that could potentially be available to support new retail floorspace; and
 - the forecast turnover of existing commitments is then deducted from the residual expenditure to arrive at an overall residual expenditure capacity. An average sales density (£ per m²) is applied to the residual expenditure to determine the potential capacity for new convenience and comparison goods retail floorspace over the forecast period (i.e. at 2011, 2016, 2021 and 2026).
- 7.4 The following provides a summary of the key assumptions and findings of the retail capacity assessment based on the detailed economic tabulations set out in **Appendix 5**.

BASELINE POPULATION AND PROJECTIONS

- 7.5 Table 1 (**Appendix 5**) sets out the base year population for each zone and the projections to 2026. The table shows that the total study area population of 206,592 in 2010 is projected to increase to 225,279 by 2026 (+9%). For the Borough area⁹ the population is projected to increase from 137,088 in 2010 to 146,228 (+6.7%).

AVERAGE EXPENDITURE LEVELS

- 7.6 The EBS '*Area Profile Report*' ('APR') indicates that average **convenience goods** expenditure levels in 2010 range from a 'low' of £1,706 per capita in Zone 6 (CV 11 5) to a 'high' of £2,037 per capita in Zone 7 (CV 11 6) in 2008 prices (inclusive of SFT – see below).
- 7.7 This compares with the national average expenditure figure of £1,833 per capita in 2010 (at 2008 prices). Expenditure per capita levels in the study area are above the national average figure in Zones 1 (CV 10 0), 7 (CV 11 6), 9 (CV 12 8), 10 (CV 12 9), 11 (CV 13 6), 14 (CV9 1) and 15 (LE 10 0).

⁹ The Borough area is broadly equivalent to the following postcode sectors: CV10 0; CV10 7; CV10 8; CV10 9; CV11 4; CV11 5; CV11 6; CV12 0; CV12 8; CV12 9; CV6 6 and CV7 9.

SPECIAL FORMS OF TRADING

- 7.8 SFT is made up of purchases that generally occur outside of shops (such as, for example, via mail order, vending machines, market stalls and the Internet). It is important to note that Internet-based retail sales include sales by both 'bricks-and-mortar' retailers and wholly Internet-based businesses. Therefore part of e-tailing's increasing share of SFT sales is still being sourced directly from stores rather than from warehouses. This is particularly the case for the grocery sector where entire orders over the Internet are generally processed and 'hand-picked' in local stores. As a result, retail floorspace is still needed to support the growth in Internet sales. Notwithstanding this, we advise the Council that the growth in the market share of on-line sales and SFT could be higher than we forecast. We therefore strongly recommend that the Council regularly monitors the research relating to the growth in e-tailing and updates the forecast growth rates when necessary.

EXPENDITURE GROWTH FORECASTS

- 7.9 The latest EBS expenditure growth forecasts take into account the impact of the 'credit-crunch' and economic downturn on retail spending over the short, medium and longer term. As a result the latest forecasts for convenience goods expenditure growth are more pessimistic than previous forecasts and (historic) 'trend-based' projections.

Table 7.1 Expenditure Growth Forecasts (% per annum)

Period	Convenience Goods
2008	-1.6%
2009	-2.9%
2010	+0.3%
2011	+0.0%
2012	+0.4%
2013 - 2017	+0.8%
2018 - 2027	+0.9%

Source: Experian Business Strategies 'Retail Planner Briefing Note 8.1' (August 2010).

- 7.10 The reasoning behind these lower growth forecasts is that economic growth in the 'post-recessionary' period will not be as strong (see **Section 2**). Consumer spending growth over the longer term will therefore be lower than previous historic levels.

TOTAL AVAILABLE EXPENDITURE

- 7.11 The total growth in available expenditure for convenience goods (see Table 3: **Appendix 5**) is derived from the EBS population and expenditure growth forecasts. The table shows that expenditure will increase by +£73.4 million (+20.3%) between 2010 and 2026.

EXISTING FLOORSPACE

- 7.12 The floorspace estimates for existing convenience goods retailing in the Borough has been derived from a variety of sources¹⁰. The aggregated sales areas for the main study centres and shopping locations are set out in Table 4 (**Appendix 5**).
- 7.13 As described previously, the Borough is unusual in that all the convenience goods floorspace provision is located within, or on the edge of the main town and district centres. There is no out-of-centre convenience provision.
- 7.14 Nuneaton and Bedworth Town Centres have a total estimated convenience goods sales area of circa 14,771m² net and 6,166m² net respectively. Based on the Council's most recent floorspace audits, the Borough's District Centres have a total estimated convenience goods sales area of 4,764m². Finally, we estimate that the Local Centres have a total estimated convenience goods sales area of 1,330m² net and the Neighbourhood Centres have 4,194m² net of convenience goods floorspace.

'BENCHMARK' TURNOVER LEVELS

- 7.15 The next stage in our analysis involves an assessment of the 'benchmark' turnovers of the existing convenience and comparison goods floorspace at the base year. The average turnover to floorspace sales densities of existing grocery operators and 'other' convenience goods floorspace have been informed by the company averages published by Mintel ('*UK Retail Rankings*') and Verdict Research.
- 7.16 We estimate that Nuneaton town centre's convenience goods retailing is achieving a total 'benchmark' turnover of £98.6m in 2010 (Table 4: **Appendix 5**), Bedworth Town centre is estimated to be achieving £50.5m. The District Centres are achieving a turnover of £21.5m; Local Centres £3.3m; and Neighbourhood Centres £10.5m.

'PRODUCTIVITY' GROWTH RATES

- 7.17 The 'benchmark' turnover levels are projected forward to 2026 assuming an allowance for some claim on spending growth by existing retailers and floorspace due to increased 'productivity' ('efficiency') in their trading performance. This is in accordance with advice set out in PPS4 and the '*Practice Guidance*'.
- 7.18 The 'productivity' growth rates adopted for the purpose of this economic assessment have been informed by research published by EBS. These have then been adjusted to reflect our own assumptions in relation to the prevailing economic climate at the national and local level; the level of expenditure growth forecast for the sector; and

¹⁰ Sources include the latest audits by the Council and resulting floorspace estimates; the Nuneaton and Bedworth Town Centre Experian Goad 'Retail Category Reports'; recent planning applications and retail assessments; and our own research.

our assessment of the likely performance of existing floorspace, shops and stores in the Borough. On this basis we have adopted the following 'productivity' growth rates:

Table 7.2 Productivity Growth Estimates (% per annum)

Period	Convenience Goods
2008 - 2011	0.0%
2012	+0.2%
2013 - 2021	+0.4%
2022 - 2026	+0.5%

7.19 Although we consider that these growth forecasts are realistic and robust, it is important to note that individual centres, stores and shopping facilities will achieve higher and/or lower growth depending on a range of trading factors, including location and the size and quality of the retail floorspace.

MARKET SHARE LEVELS

7.20 The weighted market shares derived from the household survey are a key input to the economic capacity assessment. The 'market share analysis' was described in some detail in **Section 4** and the detailed tabulations are set out in **Appendix 5**.

7.21 These market shares have been inputted into the CREAT^e model. Table 6 (**Appendix 5**) summarises the 'market shares' for 'top- up' food shopping and Table 7 for 'main-food shopping'. The total market shares are set out in Table 10.

7.22 As described in **Section 4**, convenience goods floorspace within the Borough has a 'retention level' of 52.4% from the entire study area. The majority of this is drawn by Nuneaton town centre (31%), followed by Bedworth Town Centre (11%). The District Centres (6.1%), Local Centres (1%) and Neighbourhood Centres (3.4%) are achieving lower overall market shares.

7.23 Based on the postcode sectors that comprise the Borough area¹¹ only, we estimate that the retention level increases to 74.3%. Again, the majority of this market share is drawn by Nuneaton town centre (43.3%) followed by Bedworth Town Centre (16.2%). The District, Local and Neighbourhood centres have a combined market share of 14.8%.

TRADE DRAW ESTIMATES

7.24 In order to provide a more realistic assessment of the turnover performance of the Borough's main centres and stores it is necessary to consider whether they currently draw shoppers and expenditure from beyond the defined study area. As the *Practice Guidance* identifies, it is widely accepted that the trade draw of centres, stores and

¹¹ The Borough are is broadly represented to comprise the following postcode sectors: CV10 0; CV10 7; CV10 8; CV10 9; CV11 4; CV11 5; CV11 6; CV12 0; CV12 8; CV12 9; CV6 6 and CV7 9.

shopping facilities is a function of their location, size, range, quality and attraction, compared with the competitive influence of other centres and stores. For the purpose of our strategic assessment and considering the wide extent of the study area, we have assumed no trade draw from outside the defined study area.

'POTENTIAL' TURNOVER LEVELS

- 7.25 Table 17 sets out the total 'potential' ('actual') turnover for convenience goods (**Appendix 5**) floorspace based on the survey-derived market share assumptions. The table shows that convenience goods floorspace in the Borough is estimated to be achieving a 'potential' turnover of almost £189.2m in 2010. This is marginally higher than the estimated 'benchmark' turnover of £184.4m (Table 4).
- 7.26 The overall difference between the 'potential' and 'benchmark' turnover levels is £4.8m. However, more detail analysis on a store-by-store basis indicates that some foodstores are achieving significantly higher 'potential' turnovers when compared against their 'benchmark' turnovers, specifically:
- Asda, Newtown Road - Nuneaton (+£19.4m);
 - J Sainsbury, Vicarage Road - Nuneaton (+9m);
 - Aldi, Mill Street - Bedworth (+0.5m); and
 - Aldi - Kingswood Road (+5.0m).
- 7.27 Furthermore, the survey evidence indicates that all the Borough's local and neighbourhood centres are trading some £1.72m above their 'benchmark' turnover levels. Notwithstanding this, other convenience goods floorspace in the Borough is not trading as strongly. As a result, the survey evidence indicates that the Borough's total convenience goods floorspace is broadly in 'equilibrium' at the base year.

RETAIL COMMITMENTS

- 7.28 The Council has identified a number of commitments in the Borough¹² for new convenience goods (see Table 5, **Appendix 5**). These are:
- **Rugby Club Site, Liberty Way, Nuneaton CV11 6RR (Planning Ref: 9718)** – Permission granted (9/10/2006) for an extension to existing club house; erection of retail, residential & office building for Nuneaton Rugby Football Union Football Club (NRFUFC); new stand & club house; improvements to footpath/cycle links. No specific operator has been identified for the retail component. As a worst case scenario we have assumed that that the gross retail area of 400m² (320m² net assuming a gross to net ratio of 80%) proposed is used for convenience goods.

¹² Floorspace over 100m² either with planning permission or under construction (at September 2010).

- **126 Abbey Street Nuneaton CV11 5BZ (Planning Ref: 30060)** - Permission granted (13/5/2010) for A1 use single storey extension to rear. As a worst case scenario we have assumed the gross retail area is 150m² (120m² net assuming a gross to net ratio of 80%) is used for convenience goods.
- 7.29 It is estimated that the above commitments will have a combined total convenience goods turnover of £1.0m in 2010 rising to £1.1m by 2026. However, this is based on a 'worst case' scenario, assuming the floorspace proposed is used for convenience goods only.

CONVENIENCE GOODS CAPACITY

- 7.30 Table 18 (**Appendix 5**) sets out the key steps in the assessment of the residual expenditure available to support new convenience goods floorspace in the Borough.
- 7.31 The forecast capacity arises from the growth in expenditure up to 2026, after making an allowance for the growth in 'productivity' of existing floorspace and the 'take-up' of expenditure by new floorspace commitments. Capacity also arises from the difference between the 'potential' and 'benchmark' turnovers of existing floorspace. This is a material consideration, where it can be demonstrated that stores are trading significantly above their company averages.
- 7.32 The 'baseline' assessment follows a standard '**constant market share approach**'. It is important to note that this approach does not model the potential uplift in market shares and increase in retention levels that can occur within catchment areas following the development of new retail floorspace.
- 7.33 The following briefly explains each step in the economic capacity assessment:
- **Step 1:** the total existing convenience goods sales area is 31,226m² net. This is derived from Table 4.
 - **Step 2:** identifies the total 'potential' turnover of all existing convenience goods floorspace at 2010. The growth in the 'potential' turnover of existing floorspace up to 2026 is a function of applying the 'baseline' market share to the growth in total available expenditure.
 - **Step 3:** sets out the total 'benchmark' turnover of existing convenience goods floorspace at 2010. It is assumed that the turnover of existing floorspace will achieve a 'productivity' growth as set in Table 6.2 above.
 - **Step 4:** sets out the forecast 'residual' expenditure potentially available to support new convenience goods floorspace over the forecast period (i.e. the difference between the growth in the 'benchmark' and 'potential' turnovers).
 - **Step 5:** identifies the forecast convenience goods turnover of all committed floorspace, as derived from Table 5.

- **Step 6:** shows the net residual expenditure available to support new convenience goods floorspace after taking account of all new commitments.
 - **Step 7:** forecasts the capacity for a major new superstore operator (such as, for example, Sainsbury's, Tesco, Asda, Morrisons and Waitrose) and/or 'deep discounter' floorspace in the Borough. We have assumed that a major grocery operator will achieve an "average" sales density of £12,000 per m² in 2010, increasing to £12,779 per m² by 2026. Please note, however, that this could be higher or lower depending on the operator. For a smaller supermarket and/or deep discounter this is based on the operator achieving an average sales density of circa £6,000 per m² in 2010 rising to £6,389 per m² by 2026.
- 7.34 The table below summarises the residual expenditure and convenience goods capacity forecasts based on the different foodstore formats.

Table 7.3 Borough-wide convenience goods capacity

	2011	2016	2021	2026
Net Residual Expenditure (£m):	+3.55	+9.78	+17.0	+25.7
Floorspace Capacity (sq m net):				
Major food superstore:	+296	+801	+1,367	+2,012
Supermarket / Deep Discounter:	+591	+1,601	+2,735	+4,023

Source: Table 18, **Appendix 5** – Steps 7 & 8.

- 7.35 The table shows that over the medium term up to 2016 there is capacity for new convenience goods floorspace. Based on our understanding of the requirements of modern food retailers we are of the opinion that this could support a small supermarket or 'deep' discounter in the Borough, or alternatively the extension of existing foodstores.
- 7.36 Overall, we advise that any qualitative and quantitative need for new convenience goods floorspace should be directed to Borough's town centres first, followed by District centres, in accordance with national policy and the sequential assessment. Research shows that a foodstore located in or immediately adjacent to centres, with good pedestrian connections to Primary Shopping Areas, can result in significant positive benefits for a centre's overall vitality and viability through 'linked trips' and 'spin off' expenditure.

SUMMARY

- 7.37 This section has modelled capacity for new convenience goods retail floorspace across the Borough up to 2026. These forecasts have been updated to take account of new baseline evidence and forecasts including, *inter alia*:

- market shares derived from the new household survey; and
 - the revised expenditure growth rates published by *Experian Business Strategies* (EBS).
- 7.38 The findings of the household survey show the larger foodstores dominate market share in the Borough specifically the Asda and J Sainsbury in Nuneaton; and the Tesco in Bedworth.
- 7.39 The 'baseline' capacity assessment has identified that at the strategic Borough-wide level, the potential capacity for new convenience goods floorspace (after taking into account commitments) is between 801m² for a 'superstore' operator and 1,601m² net for a 'deep discounter' in 2016. The capacity increases to between 1,367m² and 2,735m² net by 2021; and to between 2,012m² and 4,023m² net by 2026. The capacity derived over the short term to 2016 could support a small supermarket or floorspace extensions. Over the longer term, to 2026, there is capacity for a medium sized store.
- 7.40 Currently, the Borough is well served by foodstores. The main foodstores are either in, or on the edge of the town centres and there are no out-of-centre store. There is no demonstrable need for new out-of-centre retailing and, in any case, we advise the Council that any future investment planned for the Borough's centres should not be jeopardised or harmed by proposals for out-of-centre foodstores.
- 7.41 To address any qualitative gap in provision a store located in or immediately adjacent to a town centre with good pedestrian connections will help to maximise the benefits to overall vitality and viability through 'linked trips' and 'spin off' expenditure.
- 7.42 Finally, we advise the Council that the forecast capacity identified by our economic assessment provides only a broad indication of the potential for new convenience retail development in the Borough. The forecasts do not represent maximum or minimum 'thresholds' (or 'targets') that should necessarily be met. No account has been taken, for example, of the potential uplift in market shares that could arise from floorspace extensions and/or new stores.

8.0 SUMMARY & CONCLUSIONS

- 8.1 This study provides a strategic assessment of the quantitative and qualitative need for new convenience goods retail floorspace in the Borough to help inform the preparation of the Council's DPDs. It provides a sound framework based on robust baseline evidence to guide the shopping needs up to 2016, 2021 and 2026. The principal findings and recommendations of the analysis are set out in this concluding section.
- 8.2 Our analysis has focused on the opportunities and threats facing Nuneaton and Bedworth town centres, which together are the principal shopping destinations in the Borough. We also comment on the future performance of other smaller district and local centres in the Borough, as they perform important local roles in the retail hierarchy.

THE CONTEXT FOR RETAIL GROWTH

- 8.3 The retail and urban landscape has changed dramatically over the last two decades. Increased car ownership has resulted in greater household mobility and therefore the choices of shopping locations and the distances that can be travelled are much greater. The so-called 'waves' of retail decentralisation have resulted in substantial new convenience and comparison goods retail floorspace being developed in out-of-centre locations. Additionally, over the recent past, the growth of Internet shopping has taken an increasing market share of retail sales.
- 8.4 At a spatial level, there has been a long-term polarisation of new retail development and investment in the country's top 50 to 100 larger centres. In some cases this has further weakened the vitality and viability of those smaller and medium-sized centres that are also competing with out-of-centre shopping locations. The renewed focus on urban regeneration has increased demand for town centre sites for a wider range of land uses. At the same time, national multiple retailers and leisure operators have become increasingly space hungry as they seek larger store formats and buildings to accommodate a wider product offer. In turn, this is placing increased pressure on LPAs to identify and allocate larger sites in town centres for comprehensive retail and mixed use developments. These trends present significant opportunities and challenges on the Borough's centres.
- 8.5 As part of a dynamic industry, retailers have also continued to evolve their formats and offer, particularly in the grocery sector. The tighter policy controls on out-of-centre retailing over the last decade, along with changing demographic and socio-economic trends, has resulted in the main foodstore operators and larger format retailers returning to the high street. In order to maintain and increase their market share of the grocery sector, retailers such as Tesco and Sainsbury's have moved into the convenience goods sector through the rapid expansion of their respective Express and

Local store formats. At the same time, the foodstore operators are increasing the comparison goods offer in their existing stores through extensions and as part of the wider offer of new store proposals. Some of the larger superstores are emerging as typical variety or department stores. This trend could represent a threat to smaller centres, where the larger out-of-centre stores evolve into one-stop shopping destinations.

- 8.6 Underpinning the dynamism of the retail sector has been the state of the economy. The boom enjoyed by the UK over the last decade is over and the prevailing economy is in a fragile state. This presents significant additional challenges for the sector and retail-led investments in particular. Depressed levels of consumer and business confidence; rising unemployment; contracting disposable incomes and a bleak international backdrop suggest negative or flat growth over the short term and a slow upturn over the medium term. This too has implications for future expenditure growth and capacity over the forecast period.

NUNEATON AND BEDWORTH TOWN CENTRES

- 8.7 The economic performance of Nuneaton town centre is important to the continued growth and prosperity of the Borough as a whole. As the principal centre in the Borough for retail, leisure and service uses, it has a clear role to play in driving the development of the Borough into the future.
- 8.8 Nuneaton has a relatively strong provision in floorspace particularly within its large supermarkets. The centre has an attractive environment and lower than average vacancy rates, which is a positive indication of its overall vitality and viability. Notwithstanding this, Nuneaton faces significant challenges due to the lack of investment in its retail offer over recent years. In our judgement, new investment is needed to help improve both the shopping environment and the perception of the centre as a place to shop and visit for a range of uses and activities.
- 8.9 Although Bedworth also has a pleasant environment, it has not benefited from a significant investment over recent years and it has a higher vacancy rate than Nuneaton. In response, the Council has made attempts to avoid 'dead frontages' on Council-owned empty retail units through innovative cladding. Overall we consider that the centre is both vital and viable, although vacancy levels in the centre will need to be carefully monitored.
- 8.10 In summary, we consider that both centres need to attract further investment to maintain and strengthen their important role and function within the Borough and the wider sub-regional shopping hierarchy. This calls for a robust and deliverable vision and policy direction in the light of increasing competition from other sub-regional centres and the changing economic backdrop.

DISTRICT CENTRES

- 8.11 These centres primarily serve a more local (walk-in) catchment within their established and, in certain cases, growing residential areas. They are attractive places to shop and, being local, provide environmentally sustainable services and facilities that serve their local areas and communities.
- 8.12 Based on our assessment, we found that the majority of the District Centres appear to be healthy and viable. They primarily serve a top-up shopping function and, overall, we did not identify any significant deficiencies in terms of their provision.
- 8.13 Notwithstanding this, we advise that both Chapel End and Kingswood Road should be re-designated as Local Centres for the following reasons:
- **Kingswood Road** has no 'core' retail area. The centre is served by an Aldi supermarket at one end with no adjacent grouping of shops or services and essentially functions as a standalone out-of-centre store. The small cluster of shops on Kingswood Road (opposite Wenlock Way), along with Kingswood Tavern, are divorced from the Aldi by residential uses and there is no obvious functional relationship between the two different shopping locations. We therefore consider that the existing extended boundary is too elongated and warrants a re-designation. In our judgement the cluster of retail units on Kingswood Road (opposite Wenlock Way) should be re-designated as a Local Centre and the Aldi store should be identified as a standalone out-of-centre store.
 - **Chapel End** consists of a collection of small retail units dispersed across Camp Hill Road / Coles Hill Road (the proportion that falls within the Borough boundary) and Bucks Hill. In our judgement the centre does not comply with the PPS4 definition of a District Centre and therefore warrants re-designation as a Local Centre.
- 8.14 We also advise the Council that the new centre emerging at Camp Hill should be designated as a District Centre. The current provision comprises a Co-Op convenience store, a Boots Pharmacy, Post Office, Cafe and a charity shop. As it is located as part of an emerging residential community, we consider that over time this is likely to evolve into a substantial and captive retail catchment that will look to Camp Hill for its main day-to-day food, convenience and service needs.

QUANTITATIVE NEED ASSESSMENT

- 8.15 The baseline capacity forecasts provide a broad strategic economic assessment of the potential for new convenience goods floorspace in the Borough. This is based on the forecast growth in the total population and available expenditure up to 2026, as well as the take-up of this expenditure by existing floorspace and new commitments.
- 8.16 Over the medium term to 2016 there is identified capacity for between 801m² net and 1,601m² net depending on the average sales level of the new convenience goods

floorspace. Floorspace capacity increases to between 1,367m² net and 2,735m² net by 2021 and to between 2,012m² net and 4,023m² net by 2026.

- 8.17 We consider the forecast capacity identified over the medium term (to 2016) could potentially support a small supermarket or 'deep' discounter in the Borough, or an extension to existing provision. This recommendation is based on our understanding of the floorspace requirements of modern food retailers.
- 8.18 As part of our assessment we did contact a number of leading foodstore operators to understand their potential requirements for new floorspace in the Borough. However, apart from existing commitments, the operators would not divulge whether they have any future plans to increase their representation in the Borough either through store extensions and/or new stores, as this would potentially undermine their future business strategies. We nevertheless understand that the main foodstore operators would consider any opportunities to increase their market shares in the Borough.
- 8.19 The floorspace capacity forecasts identified by this study should be treated as a broad indication of the potential need for new retail floorspace, rather than a maximum or minimum threshold (or target) that should necessarily be met. Forecasts more than five years ahead are inherently less certain and should therefore be treated with caution and regularly updated.
- 8.20 Furthermore, it should be noted that the capacity forecasts are based on a constant market share approach. Although this is an accepted approach for retail studies, it inevitably does not take account of changing shopping patterns that can arise from new development. This will be one of a number of important considerations for the Council when assessing and determining future planning applications. For example, if an opportunity is identified for a large scheme in the town centre, or a sequentially preferable edge-of-centre site, then this could increase the town centre's market share of expenditure from within the Borough and the wider catchment area. Any uplift in market shares arising from new development would, therefore, generate additional residual expenditure and forecast capacity for new floorspace over and above the forecasts identified by this study.
- 8.21 The main foodstores in the Borough are uniquely either in, or on the edge of the town centres and there are no out-of-centre stores. There is no demonstrable need for new out-of-centre retailing and, in any case, any future investment planned for the Borough's centres should not be jeopardised or harmed by any out-of-centre retailing.

OVERALL STRATEGY

- 8.22 Nuneaton and Bedworth are the dominant centres in the study area in terms of the relative scale and quality of their retail offer, as well as its wider town centre uses. However, it is important that the centres maintain and strengthen their important role and function in the shopping hierarchy. Otherwise there will be leakage to competing centres, which could result in stagnation and decline.

- 8.23 During this period of economic downturn and uncertainty it is vital that developer, investor and business confidence in the town centre is encouraged and promoted proactively.
- 8.24 The identified quantitative capacity for convenience goods retailing up to 2016 is of a scale to support a small supermarket or 'deep' discounter, or an extension to existing floorspace. The capacity for new floorspace rises over the development plan period to 2026, although these long term forecasts should be treated with caution.
- 8.25 The majority of the Borough's District and Local Centres are relatively healthy. They primarily serve the more frequent day-to-day top-up food and service needs of their local resident catchment populations. In general terms the vitality and viability of these smaller centres is, to varying degrees, anchored by their food and convenience store offer. It is therefore vitally important that this offer is maintained and enhanced where possible. We therefore recommend that a robust vision and strategy be developed to help consolidate and strengthen the important role and status of these smaller centres in the Borough's shopping hierarchy.
- 8.26 Overall, the Borough's centres remain vital and viable, despite the impact of the downturn in the economy and on the retail sector generally. This notwithstanding, it is important for the Council to monitor any deficiencies in provision arising from the struggling economy and competition from other centres and shopping facilities. We therefore strongly recommend that any weakness or fragility identified in the town centre's offer be met head-on through the promotion and delivery of new investment and development.
- 8.27 In terms of future planning and policy, the Council will need to consider whether it is necessary to identify and allocate development opportunity sites in the Borough's main centres over the short, medium and longer that could accommodate the identified need for new retail floorspace once the current commitments have been developed. It was beyond the scope of this study to carry out a detailed sequential assessment of potential opportunity sites.
- 8.28 In terms of out-of-centre retailing, the qualitative and quantitative evidence indicates that the Borough is well served by foodstores in or the on the edge of the town centres. There is no demonstrable need for new out-of-centre retailing and, in any case, the significant new investment committed and planned for the Borough's main centres should not be jeopardised or harmed by additional out-of-centre retailing.

9.0 GLOSSARY & ABBREVIATIONS

TOWN CENTRE	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined on a proposals map.
PRIMARY SHOPPING AREA (PSA)	Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are contiguous and closely related to the primary shopping frontage). The extent of the primary shopping area should be defined on the proposals map. Smaller centres may not have areas of predominantly leisure, business and other main town centre uses adjacent to the primary shopping area, therefore the town centre may not extend beyond the primary shopping area.
PRIMARY FRONTAGE	Primary frontages are likely to include a high proportion of retail uses.
SECONDARY FRONTAGE	Secondary frontages provide greater opportunities for a diversity of uses.
EDGE-OF-CENTRE	For retail purposes, a location that is well connected to and within easy walking distance (i.e. up to 300 metres) of the primary shopping area. For all other main town centre uses, this is likely to be within 300 metres of a town centre boundary. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances. For example, local topography will affect pedestrians' perceptions of easy walking distance from the centre. Other considerations include barriers, such as crossing major roads and car parks, the attractiveness and perceived safety of the route and the strength of attraction and size of the town centre. A site will not be well connected to a centre where it is physically separated from it by a barrier such as a major road, railway line or river and there is no existing or proposed pedestrian route which provides safe and convenient access to the centre.
OUT-OF-CENTRE	A location which is not in or on the edge of a centre but not necessarily outside the urban area.
OUT-OF-TOWN	An out-of-centre development outside the existing urban area.
CONVENIENCE SHOPPING	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
MARKET SHARE	Market share or retention level is the proportion of consumer expenditure within a given area taken by a particular town centre or shopping facility.
SUPERMARKETS	Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
SUPERSTORES	Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.
COMPARISON SHOPPING	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
RETAIL WAREHOUSES	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
RETAIL PARKS	An agglomeration of at least 3 retail warehouses.
CONVENIENCE GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages/ Tobacco/ Alcoholic beverages (off-trade)/ Newspapers and periodicals/ Non-durable household goods.

COMPARISON GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments/ Shoes & other footwear/ Materials for maintenance & repair of dwellings/ Furniture & furnishings/ carpets & other floor coverings/ Household textiles/ Major household appliances, whether electric or not/ Small electric household appliances/ Tools & miscellaneous accessories/ Glassware, tableware & household utensils/ Medical goods & other pharmaceutical products/ Therapeutic appliances & equipment, Bicycles/ Recording media, Games, toys & hobbies/ sport & camping equipment/ musical instruments/ Gardens, plants & flowers/ Pets & related products/ Books & stationery/ Audio-visual, photographic and information processing equipment/ Appliances for personal care/ Jewellery, watches & clocks/ Other personal effects.
SPECIAL FORMS OF TRADING	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and market stalls.
GROSS GROUND FLOOR FOOTPRINT FLOORSPACE	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
GROSS RETAIL FLOORSPACE	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
NET RETAIL SALES AREA	The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
RETAIL SALES DENSITY	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.
FLOORSPACE EFFICIENCY FACTOR	The percentage by which a retail sales density is assumed to increase annually in real terms over a stated period.

- END -

APPENDIX 1: HOUSEHOLD SURVEY

**APPENDIX 2: CONVENIENCE GOODS – MARKET SHARE
ANALYSIS**

APPENDIX 3: EXPERIAN GOAD CATEGORY REPORTS

**APPENDIX 4: LOCAL & NEIGHBOURHOOD CENTRES –
CONVENIENCE PROVISION**

APPENDIX 5: CONVENIENCE GOODS – ECONOMIC TABLES