



Warwick Retail Study: Stage 1 Refresh 2013

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1.0 INTRODUCTION

- 1.1 Strategic Perspectives (SP) was commissioned by Warwick District Council in October 2012 to update the *2009 Retail and Leisure Study (RLS)* to help inform plan-making and decision-taking for all existing and proposed retail, leisure and town centre uses in the District and its main centres.
- 1.2 The commission is broken down into three inter-related stages:
- **Stage 1 –2013 Retail Study “Refresh”:** This first stage report comprises an overview of planning policy and market trends relevant to retail, leisure and town centres; an update of the town centre health checks for Leamington Spa, Warwick, and Kenilworth; and a “refresh” of the 2009 quantitative needs (retail capacity) assessment based on the most current population and expenditure forecasts derived from Experian Business Strategies (EBS) and other sources. Please note that a new household telephone interview survey (HTIS) has not been commissioned at this stage. This is because a new out-of-centre Morrisons is scheduled to open on the former Foundry site in early 2013 and it was agreed with the Council to delay the HTIS until after the Morrisons had achieved settled trading patterns (i.e. circa April 2013).
 - **Stage 2 –Clarendon Arcade Appraisal:** This report will provide an overview and appraisal of the retail and planning issues relating to the Clarendon Arcade retail proposal. It will specifically advise the Council on the quantitative and qualitative need for major new retail floorspace in Leamington Town Centre; any potential (positive and/or negative) impacts of a new comprehensive shopping scheme on the town’s overall vitality and viability; and, based on the available evidence, the optimum scale, format and composition of new retailing.
 - **Stage 3 – 2013 Retail & Leisure Study “Update”:** The final stage report will comprise a comprehensive update of the 2009 RLS and the retail capacity “refresh” (Stage 1 report) based on the commissioning of a new HTIS (scheduled for early June 2013). This will provide the robust evidence base required by the Council to inform their assessment of the capacity for new retail, leisure and town centre uses in the District and its main centres.
- 1.3 Taken together these inter-related (staged) reports will help the Council to identify and respond to the significant challenges facing the District and its main centres over the development plan period (such as, for example, the pressure for new out-of-centre retailing and the growth of Internet shopping). Based on the evidence and report findings, we will advise the Council on robust policy responses to help improve the competitiveness of the District’s town centres as places to live, work, shop and visit for a range of activities. In turn, this will ensure their long term vitality and viability as attractive, competitive and sustainable locations.

- 1.4 The studies will also help to inform the assessment and allocation of potential opportunity sites either in or on the edge of Leamington Spa, Warwick and Kenilworth for new retail, leisure and mixed uses to meet any identified need over the development plan period. If sufficient edge of centre sites cannot be identified, then the Council will need to set policies for meeting the identified needs in other accessible locations that are well connected to the town centre in accordance with policy guidance, including the identification of a robust threshold for Retail Impact Assessments (RIA).
- 1.5 The studies will be prepared in the context of current and emerging national and development plan policy guidance. They will specifically take into account the advice set out in the *National Planning Policy Framework* (NPPF) published in March 2012, as well as other key material considerations, including the *Practice Guidance on Need, Impact and the Sequential Approach* (the 'Practice Guidance').
- 1.6 This first stage "*Refresh*" will provide the necessary baseline evidence to help inform both Stages 2 and 3. To meet the Council's main aims and objectives, this "*Refresh*" report is structured as follows:
- **Section 2** reviews the national, regional and local planning policy context material to retail, leisure and town centre matters.
 - **Section 3** highlights some of the key trends that are driving the dynamic changes in the retail sector and how this has shaped (and is likely to shape) the UK's urban and retail landscape over the development plan period.
 - **Sections 4-6** set out the "*refresh*" of the town centre health check assessments for Leamington, Warwick and Kenilworth using the most up-to-date and available evidence relating to the vitality and viability of town centres (including, for example, vacancy levels, diversity of uses and retailer representation). Where possible the 2012 health check findings have been compared with the results of the 2009 RLS health checks to help identify and significant changes in each centre's overall role, attraction and performance.
 - **Section 7** provides a preliminary "*refresh*" of the 2009 quantitative needs (retail capacity) assessment based on the original 2009 HTIS, but drawing on the most up-to-date baseline evidence and forecasts. This will provide an early indication of any significant changes in the potential economic capacity for new convenience and comparison goods retail floorspace in Warwick District and its main centres over the forecast period (up to 2031). However, please note that this will be subject to future review and update following the commissioning of a new HTIS as part of the *Stage 3: 2013 Retail Study Update*.
- 1.7 It is important to state at the outset that capacity forecasts over the medium to long term should be interpreted with caution. Indeed, in the context of the impact of the

current economic downturn on consumer spending and the retail and leisure sectors, even forecasts beyond 2-3 years could be subject to change.

- 1.8 We therefore advise the Council that although this “refresh” study will provide the preliminary evidence base required to help inform plan-making, site allocations and the determination of planning applications, the forecasts should be constantly monitored and updated to take into account any significant changes in retail expenditure and population growth forecasts over time, as well as any potential impacts arising from other key trends in the retail sector (such as, for example, the growth in internet shopping).

2.0 PLANNING POLICY CONTEXT

2.1 This section briefly reviews the national and local development plan planning policy context material to the consideration and assessment of town centres and retailing in the District and its main centres.

NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

2.2 The NPPF was published in March 2012 and supersedes all previous national planning policy statements and guidance. It reinforces the importance of up-to-date plans and strengthens local decision making. The NPPF must therefore be taken into account in the preparation of Local Plans¹ and Neighbourhood Plans².

2.3 At the heart of the NPPF is a presumption in favour of sustainable development, which is seen as *"a golden thread running through both plan-making and decision-taking"* (paragraph 14). Sustainable development is defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs. The NPPF sets out the Government's view of what sustainable development means in practice for the planning system. There are *"three dimensions"* – economic, social and environmental – which give rise to the need for the planning system to perform a number of roles.

- For **plan-making** the NPPF (paragraph 14) states that local planning authorities (LPAs) should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change. This is unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits; either when assessed against the policies in the NPPF taken as a whole, or where specific policies indicate development should be restricted.
- For **decision-taking** (unless material considerations indicate otherwise) LPAs should approve development proposals that accord with the development plan without delay; and *"where the development plan is absent, silent or relevant policies are out-of-date, granting permission unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits"*; either when assessed against the policies in the NPPF taken as a whole, or where specific policies in the Framework indicate development should be restricted (the same as for plan-making).

2.4 The Framework states that policies in Local Plans should follow the approach of the presumption in favour of sustainable development so that: *"...it is clear that*

¹ Defined by NPPF (Annex 2) as the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current Core Strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

² A plan prepared by a Parish Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

development which is sustainable can be approved without delay. All plans should be based upon and reflect the presumption in favour of sustainable development, with clear policies that will guide how the presumption should be applied locally” (paragraph 15).

Core Planning Principles

2.5 The NPPF (paragraph 17) sets out 12 core planning principles that underpin both plan-making and decision-taking. Amongst other objectives these principles confirm that planning should:

- be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area;
- not simply be about scrutiny, but instead be a creative exercise in finding ways to enhance and improve the places in which people live their lives;
- proactively drive and support sustainable economic development to deliver homes, business and industrial units, infrastructure and thriving local places;
- always seek to secure high quality design and a good standard of amenity for all existing and future occupants of land and buildings;
- encourage the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value;
- promote mixed use developments, and encourage multiple benefits from the use of land in urban and rural areas;
- actively manage patterns of growth to make the fullest possible use of public transport, walking and cycling, and focus significant development in locations which are or can be made sustainable; and
- take account of and support local strategies to improve health, social and cultural wellbeing for all, and deliver sufficient community and cultural facilities and services to meet local needs.

Plan-Making

2.6 The NPPF (paragraph 150) emphasises that Local Plans are the key to delivering sustainable development that reflects the vision and aspirations of local communities. Local Plans should therefore be *“aspirational but realistic”*, and should set out the opportunities for development and clear policies on *“...what will or will not be permitted and where”* (paragraph 154). Only those policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan.

2.7 In broad terms the NPPF (paragraph 156) requires strategic priorities for the area covered by the Local Plan to deliver the homes, jobs, retail, leisure, health, educational, community, cultural and other facilities identified and needed. Crucially the NPPF (paragraph 157) indicates that Local Plans should, amongst other key requirements:

- plan positively for the development and infrastructure required in the area;
- be drawn up over an appropriate time scale (preferably 15 years), take account of longer term requirements and be kept up to date;
- indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;
- allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate; and
- identify land where development would be inappropriate, for instance because of its environmental or historic significance.

2.8 In terms of the evidence-based approach to planning, the Framework states LPAs should ensure that the Local Plan is based on "*...adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area*" (paragraph 158). Furthermore the assessment of, and strategies for housing, employment and other uses should be integrated, and take full account of relevant market and economic signals. The NPPF (paragraph 161) also states that LPAs should work closely with the business community to understand their changing needs and identify and address barriers to investment. LPAs should use this evidence base to assess:

- the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
- the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, *Strategic Housing Land Availability Assessments* (SHLAA) and should include a reappraisal of the suitability of previously allocated land;
- the role and function of town centres and the relationship between them, including any trends in the performance of centres;
- the capacity of existing centres to accommodate new town centre development;
- locations of deprivation which may benefit from planned remedial action; and

- the needs of the food production industry and any barriers to investment that planning can resolve.
- 2.9 The NPPF is clear that pursuing sustainable development requires "*...careful attention to viability and costs in plan-making and decision-taking*" (paragraph 173). Plans should be deliverable and, in this context, sites and the scale of development identified in the plan should "*...not be subject to such a scale of obligations and policy burdens that their ability to be delivered viably is threatened*" (paragraph 173).
- 2.10 The Framework (paragraphs 18-149) sets out 13 key 'principles' for delivering sustainable development, including building a strong, competitive economy; ensuring the vitality of town centres; promoting sustainable transport; delivering a wide choice of high quality homes; requiring good design; promoting healthy communities; protecting Green Belt land; and conserving and enhancing the natural and historic environment. The following sets out some of the key considerations for plan-making and decision-taking that are material to retail planning and other main town centre uses.
- 2.11 The NPPF (paragraph 23) states that planning policies should be positive and promote competitive town centre³ environments, as well as setting out policies for the management and growth of centres over the plan period. When drawing up Local Plans, LPAs should:
- recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
 - define a network and hierarchy of centres that is resilient to anticipated future economic changes;
 - define the extent of town centres and primary shopping areas⁴, based on a clear definition of primary and secondary frontages⁵ in designated centres, and set policies that make clear which uses will be permitted in such locations;
 - promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
 - retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;

³ The NPPF (Annex 2) states that references to town centres or centres apply to city centres, town centres, district centres and local centres, but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

⁴ Primary shopping area is defined by the NPPF (Annex 2) as the defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage).

⁵ The NPPF (Annex 2) states that 'primary frontages' are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. 'Secondary frontages' provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.

- allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres;
- ensure that the needs for retail, leisure, office and other main town centre uses are "met in full" and "not compromised by limited site availability". Assessments should therefore be undertaken of the need to expand town centres to ensure a sufficient supply of suitable sites;
- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

Decision-Taking

- 2.12 The Framework addresses decision-taking in paragraphs 186-207. In summary the NPPF states that LPAs should "...*approach decision-taking in a positive way to foster the delivery of sustainable development. The relationship between decision-taking and plan-making should be seamless, translating plans into high quality development on the ground*" (paragraph 186). It continues that LPAs should "...*look for solutions rather than problems, and decision-takers at every level should seek to approve applications for sustainable development where possible*" (paragraph 187). LPAs are encouraged to work proactively with applicants to secure developments that improve the economic, social and environmental conditions of the area.
- 2.13 Applications for main town centre uses⁶ that are not in an existing centre and not in accordance with an up-to-date Local Plan should be subject to the sequential and impact 'tests'
- 2.14 The **sequential approach**⁷ requires applications for main town centre uses to be located in town centres first, then in edge-of-centre locations and only if suitable sites

⁶ NPPF (Annex 2) defines 'main town centre uses' as retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, 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).

are not available should out-of-centre sites be considered. When considering edge and out of centre proposals, "...preference should be given to accessible sites that are well connected to the town centre" (paragraph 24). Applicants and LPAs should demonstrate flexibility on issues such as format and scale. The sequential approach does not apply to small scale rural offices or other small scale rural development.

2.15 An **impact assessment** is also required if the development is over a proportionate, locally set floorspace threshold (or, if there is no locally set threshold, the default threshold is 2,500m² gross). The NPPF (paragraph 26) states that this should include assessment of 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; and
- on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, "...the impact should also be assessed up to ten years from the time the application is made".

2.16 The NPPF (paragraph 27) states that "...where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused".

DEVELOPMENT PLAN

2.17 The development plan for Warwick District Council comprises the adopted Local Plan (2007) (incorporating the adopted Proposals Map) and a raft of Supplementary Planning Documents. The Warwickshire Structure Plan (2001) has been entirely superseded by the Local Plan (2007).

Warwick District Local Plan

2.18 The Warwick District Local Plan and accompanying Proposals Maps were adopted in September 2007. Although a number of policies were "deleted" in September 2010, the vast majority of policies were "saved". The following sets out the "saved" policies relevant to retail, leisure and town centres.

2.19 Chapter 6 of the Local Plan sets out the Council's policies on development within defined Urban Areas. The following "saved" Policies UAP3, UAP4 and UAP5 are material to the assessment of new retail proposals and floorspace.

- **Policy UAP3** ('Directing New Retail Development') states that new retail development will be directed towards the District's three main Town Centres.

⁷ This sequential approach should not be applied to applications for small scale rural offices or other small scale rural development.

Leamington Spa acts as a sub-regional shopping centre with a high-quality retail offer, whereas Warwick and Kenilworth provide more specialised retail functions. Outside defined Town Centres, proposals over 1,000 sqm gross floorspace will be required to justify how they comply with the provisions of Policy UAP3. This policy states that retail development will not be permitted unless the following criteria can be satisfied:

- There is a proven retail need for the proposal⁸;
 - There are no sequentially preferable sites;
 - It would reduce private travel;
 - The development will be well served by public transport; and
 - The proposal would not adversely impact upon Town or District Centres.
- **Policy UAP4** (*Protecting Local Shopping Centres*) states that the change of use from retail units (Use Class A1) will not be permitted in local shopping centres unless the unit has been vacant for at least one year and evidence is provided to demonstrate active marketing; the proposed will significantly increase pedestrian footfall; and the change of use will maintain the predominance of A1 uses in the centre.
 - **Policy UAP5** (*Protecting Local Shops*) does not permit the change of use away from retail units (Use Class A1) under any circumstance outside defined Town Centres and local shopping centres. This is to protect shops that serve the daily needs of local and isolated communities.

2.20 Chapter 7 of the Local Plan sets out the following development policies applicable to the defined Town Centres of Leamington Spa, Warwick and Kenilworth.

- **Policy TCP1** (*Protecting and Enhancing the Town Centres*) confirms that proposals for retail and leisure development will be permitted where they are appropriate in scale and function.
- **Policy TCP2** (*Directing Retail Development*) directs new retail development towards the retail areas of Leamington Spa, Warwick and Kenilworth as defined in the Proposals Map. Where retail opportunities cannot be found in the defined Retail Areas, development will be supported in the following hierarchy:
 - Leamington Spa – towards the new major retail growth area (Policy TCP3);
 - Warwick Town Centre – area designated for mixed use (Policy TCP8);
 - Other sequential sites in edge-of-centre locations.
 - Outside the defined Town Centres, new retail development will be considered in accordance with Policy UAP3.

⁸ It should be noted that although “need” is still material to plan-making and the allocation of sites, it cannot be used to justify for the refusal of retail, leisure and other town centre applications that are not in a centre and not in accordance with up-to-date development plan.

- **Policy TCP3** (*Providing for Shopping Growth in Leamington Town Centre*) underlines that large shopping proposals in Leamington Spa within the boundaries defined on the Proposals Map will be permitted on the basis that they satisfy a number of criterion.
- **Policy TCP4** (*Primary Retail Frontages*) permits the change of use from A1 to other Class A uses within defined Primary Retail Frontages providing that not more than 25% of the total frontage is in non-A1 use. Policy TCP5 (*Secondary Retail Areas*) permits the change of use from A1 to other Class A uses within Secondary Retail Frontages providing that not more than 50% of the total frontage is in non-A1 use.
- **Policy TCP7** (*Opportunity Sites in Old Town, Leamington Spa*) identifies the following sites suitable for regeneration proposals Station Area; Wise Street Area; Court Street Area; and Leamington Spa Cultural Quarter.
- **Policy TCP8** (*Warwick Town Centre Mixed Use Area*) promotes mixed use development within the defined area of Warwick Town Centre on the basis that there is no loss of residential use.

New Local Plan for Warwick District (Preferred Options)

- 2.21 The Council are currently preparing the New Local Plan for Warwick District to guide development over the next 18 years.
- 2.22 The *Preferred Options* document was published for consultation between June and July 2012, and the representations received are still being considered. Owing to slippage in the timetable for the Local Plan, it is understood that a Submission draft is unlikely to be confirmed before late 2013 or early 2014. In June 2013, the Council approved a *Revised Development Strategy* for the Local Plan which was published for public consultation between June and July 2013. This considered the broad locations for development in the district and the choice of development sites; it did not review the approach in the *Preferred Options* document towards retailing and town centres. *Upon adoption, the New Local Plan will entirely replace the 2007 Local Plan. It is intended that town centre designations will be reviewed and amended and will be informed by the findings of this Study.*
- 2.23 The Preferred Options document sets out the scope of information which will be addressed in the New Local Plan once it has been progressed and consulted upon further. The document explores the options to be considered relating to all development matters, including Town Centre and retail development. Chapters 4 and 9 discuss policy objectives which specifically relate to retail and leisure development.
- 2.24 Chapter 4 (*Spatial Portrait, Issues and Objectives*) establishes a broad overview of population trends and offers a spatial portrait of the District. The Chapter sets out a number of key opportunities and issues facing the District and identifies how these can

be addressed in the emerging New Local Plan. With regards to retail issues, paragraph 4.8 recognises the “*threat to the economic strength of the town centres of Warwick, Leamington Spa and Kenilworth from retail and leisure developments elsewhere*”. Paragraph 4.10 identifies a series of objectives which will contribute to achieving sustainable growth in the District. One of these objectives will be to:

“Provide a sustainable level of retail and leisure growth that will meet people’s existing and future needs, and will maintain and improve the vitality and viability of existing town and local centres as attractive and safe places to visit both by day and night”.

2.25 In order to meet this objective, the New Local Plan will identify the function of the three Town Centres and manage their future growth to ensure a successful and sustainable level of retail and leisure growth.

2.26 Chapter 9 (*‘Retailing and Town Centres’*) establishes the Council’s broad policy objectives relating to leisure, retail and Town Centre development proposals. It reinforces the objectives of the 2007 Local Plan in respect of the settlement hierarchy by confirming that the focus for retail activity will be Leamington Spa, Warwick and Kenilworth:

- Leamington is identified as District’s largest Town Centres offering a sub-regional shopping destination.
- Warwick Town Centre fulfils the dual role of a local shopping which also supports the tourism trade.
- Kenilworth offers a range of shops for local residents and acts an important food retail destination.

2.27 The Preferred Options also recognises the importance of smaller local centres, shopping parades and shops in isolated locations.

2.28 **Preferred Option 9** (*‘Retailing & Town Centres’*) establishes the Council’s preferred approach for developing retail policies. This will address the following recommendations:

- Identifying a defined local retail hierarchy, including strategies for town and local centres;
- Encouraging Town Centres as the primary location for retail development;
- Supporting a major retail regeneration a scheme in Leamington Spa Town Centre⁹;
- Defining town centre boundaries, primary shopping areas, and primary and secondary retail frontages in designated centres;

⁹ The proposed retail floorspace identified for the Council-owned Chandos Street Car Park and wider site has been identified to meet the forecast need in the town centre

- Resisting out-of-centre retail proposals unless evidence can demonstrate that there would be no adverse impacts on town and local centres;
- Assessing Town Centre opportunity sites to identify their regeneration potential;
- Developing a framework for creating area action plans; and
- Protecting rural shops and services.

Warwick Town Centre Plan

- 2.29 The Warwick Town Centre Plan is currently being prepared by Warwick District Council in partnership with Warwickshire County Council, Warwick Town Council, Warwick Chamber of Trade and the Warwick Society. The Town Centre Plan forms part of the Local Development Framework and will guide the determination of planning applications for new development and inform other strategies for the Town Centre. The Plan includes a 'vision' for Warwick Town Centre and sets out how the issues identified can be addressed.
- 2.30 These considerations are set out in the Preferred Options paper which reflects the responses received during a public consultation that ran between October and December 2012. The Council will publish the results of this consultation in due course and prepare a Draft Plan which is expected to be made available for public consultation towards the end of 2013. The overarching vision for Warwick Town Centre is: "To achieve economic and social success by building on Warwick's distinctive architectural and cultural strengths"
- 2.31 The paper highlights the key objectives which will need to be addressed in order to successfully achieve this vision:
- Improve the mix of shops and services;
 - Enhance the vitality and attractiveness of the Town Centre;
 - Provide high-quality visitor accommodation;
 - Protect, maintain and enhance historic buildings parks and open spaces;
 - Enhance historic views and street patterns;
 - Improve public realm, parks and open spaces;
 - Reduce traffic flow through the Town Centre; and
 - Improve air quality by reducing nitrogen dioxide levels.
- 2.32 The Preferred Options identifies thirty 'Opportunity Sites' that have the potential to come forward for development. The paper recognises that these sites could act as a catalyst for a general improvement to the streetscape and the appearance of the Town Centre for the benefit of residents and tourist alike. The paper sets out the preferred

option for each site and identifies their suitability for a range of uses including residential, retail, offices, leisure, hotel, visitor attractions, car parking and service provision.

SUMMARY

- 2.33 This section has provided an overview of the national and local planning policy context material to plan-making and the determination of new retail and town centre uses.
- 2.34 The underlying objective of policy at all levels is to maintain and enhance the vitality and viability of town centres, and to promote new development in town centre locations "*first*" in accordance with the sequential approach.
- 2.35 The NPPF and the Council's development plan provide an important context for this Retail Study "*Refresh*".

3.0 RETAIL TRENDS OVERVIEW

3.1 Britain's urban landscape has altered dramatically since the 1980s. The changes in the location of new retail and leisure development and the dynamic shifts in the nation's shopping and leisure habits have largely been shaped by the complex interaction of policy, economic, social, consumer lifestyle and investment trends. In turn, these trends have had a significant impact on the current and future role of centres, which need to be taken into account when considering future needs, identifying sites and strategies, and assessing the impact of new development. This section summarises some of the key trends that have driven change in the retail sector over the last three decades, and will continue to shape change in the future.

ECONOMIC TRENDS & CONSUMER SPENDING

- 3.2 Following an unprecedented period of growth in consumer spending since the mid-1990s, the onset of the economic recession in 2007 has had an equally dramatic impact on household budgets, consumer spending, market demand and, as a result, the level and extent of new development.
- 3.3 The table below sets out the latest recorded and forecast expenditure per capita growth rates for the main categories of retail spending between 2005 and 2028 prepared by Experian Business Strategies (EBS).

Table 3.1 **Growth in UK Retail Spend per Head (% change per annum)**

	ACTUAL GROWTH-----:					FORECAST GROWTH-----:			
	2008	2009	2010	2011	2012	2013	2014	2015-19	2020-29
Retail Spend	1.0	-1.4	1.2	-0.7	0.9	1.1	1.6	2.1	2.3
Convenience Goods:	-3.5	-3.9	-0.8	-3.0	0.1	-0.1	0.0	0.6	0.8
Comparison Goods	3.0	-0.1	2.4	0.6	1.4	1.8	2.4	2.9	2.9

Source: Experian Retail Planner Briefing Note 10.1 (September 2012) Figures 1a and 1b.

- 3.4 The forecasts show limited growth in retail expenditure per head over the short term. EBS also forecast that per capita growth rates will be lower than historic trends over the longer term for a number of inter-related reasons including, *inter alia*, the increasing maturity of the UK economy and less expansionary consumer credit. As a result, average comparison goods retail spending growth of +2.8% per annum for the period 2013-2029 is significantly lower than growth rates based on historic trends of around +8.0%. For convenience goods the difference between the forecast and historic growth rates is not as marked.
- 3.5 The retail market therefore remains fragile. Analysts forecast that the retail sector will continue to struggle over the short to medium term. Business and consumer confidence has been weakened by a range of factors including, *inter alia*, the public

sector cuts; the rise in VAT; increasing unemployment; and the rising cost of living (including higher energy costs and petrol). This has effectively reduced disposable income and retailers' margins are being squeezed further as the downturn persists.

RETAIL DEVELOPMENT PIPELINE

- 3.6 The retail development pipeline has slowed dramatically during the economic downturn compared with the shopping centre "boom" experienced in the ten year up to 2007. One of the key impacts has been to "flush out" some of the more expensive and risky development schemes that were in the pipeline in 2007. The quantum of completed new shopping centre floorspace in the UK is currently at its lowest level since the 1990s. Following the development of circa 260,000m² in 2009, 232,000m² in 2010 and 280,000m² in 2011, there is limited new floorspace scheduled to open in 2012/13.
- 3.7 As a result, many of Britain's towns that were set to benefit from much needed new retail-led investment and regeneration over the next 5 years may now have to wait several years before confidence and investment returns. 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.

RETAIL OCCUPANCY TRENDS

- 3.8 In this context, retail operators have also had to adapt their business strategies and store formats to changes in customer requirements, planning legislation and the economic downturn. In general terms those retailers with strong brands and loyal customers, trading from the right stores in the right locations have managed to weather the economic storm.
- 3.9 The changes in the grocery sector over the last decade in particular illustrate the dynamic changes that have occurred in the competitive retail industry. For example:
- The major food operators have introduced smaller store formats which are capable of being accommodated within town centres, such as the Tesco 'Metro' and Marks and Spencer's 'Simply Food' formats.
 - In order to increase market share in the highly competitive grocery sector, several operators have also expanded into smaller convenience stores (e.g. Tesco now has circa 2,000 'Express' stores and Sainsbury's also has its 'Local' format). Similarly, Morrisons are seeking to increase their convenience store offer, and Asda's purchase of Netto has also allowed it to operate from smaller convenience store formats. Waitrose is also 'trailing' its smaller local stores, but only within the M25 at present.
 - The growth of European 'deep discount' food operators (such as Aldi and Lidl) has also been dramatic during the last decade. In turn, the established grocery retailers have responded through their own-range 'value' products and price discounts.

- The main grocery operators have increased the non-food sale areas of stores, including own-label clothing and electrical goods sales. In some of the larger stores operated by Tesco (i.e. the 'Extra' format) and Asda, a significant proportion of sales area (sometimes up to 60%) is set aside for non-food retailing. This growth in non-food sales responded to the stronger forecast growth in comparison goods expenditure.
 - The 'race for more space' and new store openings over the last decade has also resulted in extensions to existing stores and/or new mezzanine space.
- 3.10 Those non-food retailers that experienced significant growth up to 2007 will have to adapt to the very different market conditions. The retailers that are not flexible enough to respond to changing consumer needs, or are being squeezed in the increasingly competitive 'middle ground' between high end and value retailing, have largely struggled to maintain market share over recent years. In some cases, this has resulted in a series of high profile 'casualties' and a number of key retailers have either disappeared from our high streets altogether (e.g. Woolworths, TJ Hughes, Jessops and Jane Norman), or have gone into administration and been forced to reduce their representation in centres across the UK (e.g. HMV, Blockbusters, etc.).
- 3.11 The 'bulky goods' retail warehouse sector has also not been immune to the impact of the economic downturn. It has experienced a period of significant change and, more recently, instability. For example, during the late 1990s both B&Q ('Warehouse') and Homebase were rolling out very large out-of-centre retail warehouses (some exceeding 10,000m² gross) in an attempt to dominate market share. However, these same operators are now looking to scale down their stores. Other 'bulky goods' operators are failing in the economic climate including, for example, Focus DIY.
- 3.12 Within town centres, some high street multiple operators are changing their formats and requirements. Some traditional high street retailers (e.g. Boots, Next, TK Maxx and Marks & Spencer) are also taking space in out-of-centre stores. In 2012 for example Mothercare announce that it is to close 110 of its town centre stores (representing approximately a quarter of their store portfolio) to focus on their out-of-centre market.

TOWN CENTRES

- 3.13 These changes in retail development and market demand are clearly impacting on the UK's town centres and high streets. Research shows that there is an increasing polarisation of development activity and investment interest in the larger 'top 100' regional and sub-regional centres in the UK. This is because they have larger and established catchment areas and represent less risky investments for developers and operators in the current climate. These larger centres have also generally benefitted from recent new shopping centre development over the last decade and are therefore

better placed than smaller and medium sized centres to accommodate retailers' requirements for modern larger format units. The continuation of these trends will impact on future operator requirements, with retailers looking to satisfy their demand for larger modern premises in prime shopping locations, with strong catchment areas and a good supply of appropriate retail space.

- 3.14 In this context the latest Javelin VenueScore¹⁰ ranks Leamington Spa 80th in the UK's top shopping locations. In comparison, Coventry is ranked 60th and Birmingham is ranked 4th. Although within the 'top 100' centres, it should be noted that Leamington has slipped down the rankings from 73rd in 20011/12. This fall is most likely explained by the lack of recent investment in the town centre and the loss of certain retailers from the high street due to the impact of the economic downturn. This is discussed in more detail in **Section 4**.

INTERNET SHOPPING

- 3.15 New forms of retailing have also emerged in recent years and are becoming established as significant alternatives to more traditional 'bricks and mortar' shopping facilities. Internet and multi-channel shopping has increased its market share of retail sales in certain product categories due to the increased use of personal computers, mobile phones and faster Broadband access. Up to now, the impact of Internet shopping has been mainly concentrated on certain retail products and services (such as, for example, books, music and travel). In turn, this has resulted in a reduction in the number of retailers selling these types of products on the high street (the most recent examples being HMV and Blockbusters).
- 3.16 Although forecasters are still uncertain as to future growth, there does appear to be significant potential for increased market share of total retail expenditure. For example, the latest forecasts by Experian in *Retail Planner Briefing Note 10.1* (September 2012) indicate a growth in the market share of total non-store retail sales from 10.9% in 2012 to 19.8% by 2021. However, such forecasts need to be treated with caution as Experian forecast that currently approximately one-quarter of all Special forms of Trading (SFT) sales for comparison goods and some 70% for convenience goods occur through traditional ("physical") retail space. In other words, purchases that are made online via computers, smart phones, tablets, etc., are still being sourced from existing stores on the high street or in out-of-centre locations.

FUTURE TRENDS

- 3.17 Looking ahead, forecasters are uncertain as to when the UK will emerge fully from the economic downturn. The economy is forecast to face a period of:

¹⁰ The Javelin VenueScore is widely used as a key indicator to help inform the assessment of the changing attraction and performance of different shopping locations from year-to-year. VenueScore ranks the UK's town centres using a range of key performance indicators and includes a weighted allowance for the type of retail operators in any centre, reflecting their impact on shopping patterns.

- lower growth in consumer spending;
 - reduced bank lending;
 - limited access to credit;
 - cuts in public sector expenditure; and
 - a sluggish housing market.
- 3.18 Notwithstanding this, forecasters appear to agree that that the economy and retail sector post-recession will be very different to the "boom" years of the last decade. This presents significant challenges for all those involved in the retail planning, development and investment.
- 3.19 The economic downturn is also impacting on the vitality and viability of many of Britain's centres and high streets, through the loss of customers, the number and frequency of shopping trips, and new public/private sector investment. This is placing pressures on rental growth and market demand in many centres, which is further compounded by rising vacancy levels and the loss of key retailers.
- 3.20 In our opinion, a far more uncertain future awaits the next "wave" of new retail investment and development. The evidence suggests that high quality schemes in the strongest prime shopping locations will continue to prosper. In contrast, the weaker secondary centres and shopping locations with a more limited offer, smaller catchments and negligible market demand will continue to struggle.
- 3.21 Notwithstanding this reduction in the supply of new retail floorspace, industry experts predict that the demand from major retailers for new space will continue as it remains the primary mechanism for retailers to grow their businesses. 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. With increased demand and the lack of supply over the short to medium term, research for the British Council of Shopping Centres (BCSC) predicts that this will effectively 'push up' rental levels for the larger modern desirable units until a significant amount of new development reaches completion. As a result, over the medium term, retailers will be competing for limited available space. 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.
- 3.22 Research by the British Council of Shopping Centres (BCSC) has also identified an increased emphasis on asset management, as owners and developers invest in the expansion or refurbishment of existing shopping centres to increase their investment value and turnover. In the current economic climate this investment in existing assets

is less risky and financially onerous than new build projects. However, as the supply of suitable units “dry up” in prime locations, so retailers will also look at alternative options for delivering growth, such as through new out-of-centre openings, increasing sales through the internet, and/or expanding internationally.

- 3.23 Finally, although the NPPF reinforces the longstanding policy objective of promoting development and investment in town centres first, it is likely that applications for new and extended shopping facilities in out-of-centre locations will continue in the future, particularly where opportunities and/or sites have not been identified in existing centres. In this context, the next phase of out-of-centre investment and development could involve a further reinvention and masterplanning of existing out-of-centre 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 have the physical capacity (i.e. sequential sites) to increase their retail offer.
- 3.24 In this context, it is clear that the ‘top 100’ prime centres and shopping locations in Britain should continue to attract new investment and market demand once the economy recovers. The greatest challenge will be how to revitalise the fortunes of struggling small and medium sized centres that do not have the critical mass of retail, leisure and other uses to compete for more limited investment and development.

4.0 LEAMINGTON TOWN CENTRE: HEALTH CHECK UPDATE

APPROACH

4.1 Health checks are important tools used to appraise the overall vitality and viability of town centres for both plan-making and decision-taking purposes. There are a number of Key Performance Indicators (KPIs) that are widely used (where the information exists) to help assess and monitor the overall health and performance of centres. Some of the KPIs include, inter alia, assessments of:

- the diversity of uses (e.g. retail, leisure and services offer);
- retailer representation and demand;
- commercial property indicators (such as Prime Zone A Rents);
- vacancy levels;
- accessibility and parking provision; and
- the quality of the town centre environment.

4.2 In this case the most up to date and available KPIs have been gathered (where possible) to help inform the assessment of the overall vitality and viability of the District's main centres. SP also carried out site visits and audits of Leamington Spa, Warwick and Kenilworth in February 2013, as well as the main out-of-centre shopping and leisure facilities.

4.3 The health check assessments undertaken as part of the 2009 RLS provide a benchmark to help identify any significant changes in the vitality and viability of the District's three main town centres.

CONTEXT

4.4 Royal Leamington Spa is an affluent town in Warwickshire. The town centre is the principal shopping and commercial centre within the District, serving the population's retailing needs and requirements, as well as a wider shopping and tourist 'catchment'. The town centre's shopping provision is essentially divided by the River Leam and there are two distinct retail areas, namely the 'New Town' and 'Old Town'.

New Town

4.5 The New Town is focus of commercial activity, especially for comparison goods and fashion retailing. The town's retail offer is principally centred on and around the Parade (i.e. between Regent Street and Warwick Street), and includes the Royal Priors Shopping Centre.

4.6 The Parade comprises a good range of quality retailers accommodated in a mix of small, medium-sized and larger format stores. The town's retail offer is primarily anchored by the House of Fraser department store (trading on four floors) and the

adjoining Marks & Spencer. The former offers a mix of traditional high street fashion retailers including Miss Selfridges, Oasis, Coast, etc. This part of The Parade also hosts a range of mainstream national multiple retailers including Next, Monsoon, The Body Shop, and Wallis.

- 4.7 The covered **Royal Priors Shopping Centre** opened in 1987. It comprises circa 14,000m² of gross retail floorspace on two levels and is anchored by the town's second Marks & Spencer store. It is noted that the Centre has lost a number of key fashion retailers since the latest Experian Goad floorspace survey including Miss Selfridges, La Senza, and Jane Norman. Nonetheless, the centre still maintains a good presence of other high street brands (including Superdry, Gap, Top Shop and Top Man, Ann Summers, EE, Animal and New Look). The shopping centre benefited from a small (1,495m²) extension in 2002, known as 'Whitehead Court'. This has secured a number of key retailers including Kew (part of the Jigsaw brand), Starbucks, and Gap. The southern section of the Centre (Satchwell Court) is also undergoing investment and will comprise a new Carluccio's restaurant.
- 4.8 **Regent Court** is the only major retail investment in the town over the last decade or more. The mixed-use scheme was developed by Wilson Bowden and opened in August 2005. It is an open-air pedestrianised shopping street that runs between the Parade and Regent Street, and has circa 30 units and a total floorspace of circa 5,645m² at ground floor level and some 132 apartments above. The scheme includes a Travelodge Hotel (10,460m²) in the Grade II Listed former Regent Hotel. Its current tenant mix comprises more up-market national retailers (L K Bennett, Space NK, Jaeger and Austin Reed), and a good choice of restaurants (Strada and Prezzo) and cafes (Starbucks and Saint Jacques). However the scheme has struggled as a shopping location since it opened, with footfall and rental levels well below those achieved in the town's prime shopping areas. As a result it has never been fully let. Regent Court has recently been sold by Threadneedle to New River Retail and we understand that the new owners have plans to refresh the shopping environment and offer, and to reposition it more as a 'restaurant quarter' for Leamington Spa.
- 4.9 Other key retail pitches in the New Town include:
- **Upper Parade** - The Parade continues north beyond its junction with Warwick Street and hosts a range of national multiple retailers and commercial leisure operators (including Tesco Metro, Boots, Evans, McDonalds, Whittards, Café Nero, Bon Marche and Robert Dyas). A number of retailers have also closed or gone out of business since the last Experian Goad survey in 2008 (including MK One, Smallbone of Denzies, Adams, Shoe Zone, and Moben Sharps/Dophin).
 - **Lower Parade** - To the south of Regent Street, the Parade continues towards the 'Old Town' where it amalgamates with Bath Street, and is more secondary in nature. Following the closure of the Woodward's department store in July 2004 the building has been remodelled and refurbished to create a mixed-use

scheme of circa 1,579m², with retail at ground-floor and residential above. The site is now occupied by River Island which serves as an important retail anchor for this section of The Parade. Other key retailers in Lower Parade include Clarks and Laura Ashley.

- **Warwick Street, Regent Street and Park Street** - These three secondary streets follow the outer perimeter of the Royal Priors Shopping Centre and constitute a mix of purpose-built and converted retail properties hosting a complementary mix of Class A1- A5 uses. Warwick Street also has a second department/variety store (Heart of England), which is situated slightly beyond the main retail circuit and does not benefit from the strongest pedestrian flows. The store mainly focuses on household goods. The eastern section of Regent Street has undergone investment in a number of shop units including the sub-division of two former vacant units to create two extra units (three of the four units are now occupied). In contrast, the western section of Regent Street is characterised by a higher number of vacant units.

Old Town

- 4.10 The Old Town area is located to the south of the River Leam and its retail offer is characterised by lower value retailers. It functions as a secondary shopping area and complements the New Town's retail and service offer, and is mainly characterised by small unit shops that reflect the area's history as the original town centre. The shopping facilities are almost exclusively confined to Victoria Terrace and Bath Street, which at its southern end forks into Clemens Street and the High Street.
- 4.11 The Old Town mainly serves the day-to-date needs of its large walk-in catchment, comprising the surrounding residential neighbourhoods and a large student population. It also captures passing trade from commuters walking to and from the railway station. The Old Town has benefited from new investment over recent years and is to benefit further from Leamington Spa's selection as one of 27 town centres to receive £100,000 of funding through the 'Portas Pilot Town' Government. This funding will be spent on environmental improvements and events in the Old Town. Additional funding has also been raised from residents and local businesses for the High Street initiative.

DIVERSITY OF USES

- 4.12 To inform our assessment of the current retail, leisure and service provision in Leamington Spa, Warwick and Kenilworth we have referred to the latest Experian Goad *Town Centre Category Reports*. The Experian Goad datasets were also used to inform the town centre health checks carried out for the 2009 RLS and are an accepted evidence base for retail and town centre assessments.
- 4.13 In this case we been able to compare and contrast the most recent Experian survey data with the Centre Reports also conducted by Experian in July 2008. This will help

identify whether there have been any significant changes in the scale and range of each centre's retail and service offer over the last four years. Please note that for Leamington Spa, all references to the 'Town Centre' include both the 'new' and 'old' town, unless otherwise stated.

- 4.14 Tables 4.1 and 4.2 below summarise the changes in the scale and composition of Leamington's offer since 2008.

Table 4.1 Diversity of Uses (Outlets)

Operator Type	July 2008		June 2012		% Change	2009	2012
	No. of Outlets	Outlets (%)	No. of Outlets	Outlets (%)		Index ¹¹	
Comparison	266	40.12	255	37.61	-4.14%	113	114
Convenience	43	6.49	39	5.75	-9.30%	63	72
Retail Service	75	11.31	81	11.95	+8.00%	89	88
Leisure Services	137	20.66	140	20.65	+2.19%	97	94
Financial Services	67	10.11	69	10.18	+2.99%	87	93
Vacant	75	11.31	94	13.86	+25.33%	n/a	113
Total	663	100	678	100	+2.26%	-	-

Source: Centre Category Reports, Experian (2008 and 2012)

Table 4.2 Diversity of Uses (Floorspace)

Operator Type	July 2008		June 2012		% Change	2009	2012
	Area (m ²)	Area (%)	Area (m ²)	Area (%)		Index	
Comparison	51,858	42.45	48,894	40.17	-5.7%	109	110
Convenience	8,370	6.85	7,692	6.32	-8.1%	63	44
Retail Service	10,582	8.66	11,139	9.15	+5.3%	89	127
Leisure Services	28,029	22.94	28,159	23.13	+0.5%	97	102
Financial Services	11,399	9.33	11,185	9.19	-1.9%	87	111
Vacant	11,929	9.76	14,660	12.04	+22.9%	n/a	118
Total	122,167	100	121,730	100	-0.4%	-	-

Source: Centre Category Reports, Experian (2008 and 2012)

- 4.15 The tables shows that Leamington has 678 retail and service outlets (including vacant units recorded at the time of the audits) trading from a total ground-floor 'footprint'

¹¹The Index illustrates the difference between a percentage figure for the centre and the UK average. An index of 100, for example, represents the 'national average' for the circa 2,500+ centres and shopping locations audited by Experian Goad. An index of less than 100 indicates a below average provision, and an index of over 100 represents above average provision. The index is an effective 'gap' analysis tool to help identify specific categories that are under- or over-represented in a centre.

floorspace¹² of 121,730m² (1,310,300ft²). This is equivalent to an average size of units of 180m². This represents an increase in the number of outlets since 2008 (+15 units), but a slight fall in total floorspace (-437m²).

- 4.16 The tables also show that the town's total comparison and convenience offer (outlets and floorspace) has fallen between 2008 and 2012; there has been an increase in the main service categories over the same period; and also an increase in vacant units and floorspace.
- 4.17 These key changes are explained in more detail below.

Comparison Provision

- 4.18 There are currently estimated to be some 255 shops in Leamington Spa selling comparison goods, trading from a total 'footprint' floorspace of 48,894m². Although this represents a small fall in provision since 2009, Leamington Spa still has an above average provision of comparison goods retailing.
- 4.19 The town's comparison offer is anchored by the House of Fraser department store on The Parade and a smaller variety store (Heart of England Co-Operative) on Warwick Street. It also has a number of major retailers including Marks and Spencer, which operate two stores in the Royal Priors Shopping Centre and on The Parade. Fashion retailing is represented by a selection of popular UK multipliers including the Arcadia brands (Evans, Dorothy Perkins and Topshop), River Island, Laura Ashley, Monsoon, H&M, LK Bennett, Phase Eight and New Look. Since 2009, the town centre has attracted a number of new retailers including Superdry, H&M, NoaNoa and Joules.
- 4.20 Table 4.3 shows that Leamington Spa has above average provision of fashion clothing and footwear retailing. For example, the total 'footprint' floorspace of 15,868m² represents 13% of total floorspace in the town centre, which is above the national average of 9.8%.

Table 4.3 **Fashion (Clothing & Footwear) Retailing**

Operator Type	Outlets			Floorspace		
	No. Outlets	% of Total	UK Average (%)	Area (m ²)	% of Total	UK Average (%)
Children's & Infants Wear	4	0.59	0.46	492	0.40	0.35
Clothing General	20	2.95	2.25	3,995	3.28	3.60
Footwear	7	1.03	1.18	1,124	0.92	0.95
Ladies & Men's Clothing	14	2.06	1.17	3,363	2.76	1.59
Ladies Wear & Accessories	27	3.98	2.83	4,738	3.89	2.59

¹² The floorspace figures are derived from the Experian Goad Plans and show 'footprint' floorspace. They should not therefore be read as a definitive report of floorspace, but do provide a useful means of comparison between centres, as all outlets are measured in a consistent manner.

Operator Type	Outlets			Floorspace		
	No. Outlets	% of Total	UK Average (%)	Area (m ²)	% of Total	UK Average (%)
Men's Wear & Accessories	14	2.06	0.88	2,155	1.77	0.70
Total	86	12.67	8.77	15,868	13.02	9.78

Source: Goad Category Report, Experian (2012)

- 4.21 The number of fashion retailers has fallen from 98 to 86 between 2008 and 2012, mainly due to the impact of the economic downturn on retailing and the High Street. This is a trend which has occurred across many of the UK's high street, resulting in the failure of a number of key high street retailers, such as Woolworths (formerly at 60-64 The Parade). Other major comparison goods retailers that have been forced into administration over recent months include HMV and Jessops, with the latter closing its outlet on The Parade. However, HMV has subsequently been acquired by Hilco, which has resulted in some of its existing stores being saved from closure, including the outlet in Royal Priors.
- 4.22 Although Leamington has a relatively good provision and choice of comparison retailers across all sub-categories, there are many operators absent which would be expected to typically trade in comparable centres. For example, we would expect some of the following retailers to have a market interest in Leamington Spa:

- Bally
- Bench
- British Homes Stores (BHS)
- Books etc
- Cotswold
- Debenhams¹³
- Disney Store
- Envy
- Etam
- French Connection
- Footlocker
- F Hinds
- Hobbs
- Hush Puppies
- JD Sports
- John Lewis
- Karen Millen
- Lush
- L'Occitane
- Maplin Electronics
- Matalan
- Nike Store
- Poundland
- Primark
- Quicksilver
- Reiss
- Russell & Bromley
- Schuh
- Snappy Snaps
- Sole Trader
- Stead & Simpson
- Sunglass Hut
- Thomas Pink
- TM Lewin
- Timberland
- USC
- Waitrose
- Whistles
- White Stuff

Convenience Provision

- 4.23 There are estimated to be some 39 food and convenience goods outlets in Leamington Spa (as defined by Experian Goad), trading from a total estimate 'footprint' floorspace of 7,692m² gross. This represents a fall in convenience provision since 2008.
- 4.24 Supermarket provision in the town centre has remained unchanged since 2008. Its main foodstores are limited to Tesco Metro and Marks & Spencer Simply Food on the

¹³ Debenhams is to take the former Focus unit in the Leamington Shopping Park.

Parade, Co-Op on Clemens Street and Iceland on Bath Street. The town's convenience retail offer is supported a number of smaller multiples (Spar and Costcutter) and independent retailers. In addition, Co-op is to open a small convenience store within the Premier Inn development at 156 The Parade.

- 4.25 Overall, convenience retail only accounts for 6.3% of centre floorspace compared to the national average of 14.3%. This reflects the absence of a major foodstore anchor in the town centre. The nearest larger format foodstore serving the main 'bulk' food shopping needs of the town centre's resident catchment are the out-of-centre Sainsbury's store on the retail park, and the new Morrisons superstore on the former Ford Foundry factory site (Morrisons).

Markets

- 4.26 A number of markets operate in the town centre including monthly farmers' markets at Pump Room Gardens (held on the fourth Saturday of the month). The market offers a range of locally produced goods and is considered popular with locals and tourists. In addition, seasonal markets operate at The Parade during the Autumn and Winter (Christmas market).

Leisure Services

- 4.27 There are currently some 140 leisure services¹⁴ in Leamington Spa. This represents 20.65% of total provision and is slightly below the national average figure of 21.93%.
- 4.28 As Table 4.4 shows, there are 68 restaurants and cafes (Use Class A3) and provision is above the national average. There has also been an increase in the number of restaurants and cafes since 2008, from 58. The A3 offer include a mix of national multiple operators and independent traders. The main multiples are concentrated in the New Town area and include Pizza Express, Pizza Hut, McDonalds and Zizzi (all located on the Parade), La Tasca (Warwick Street), Ask (Clarendon Avenue), Cafe Rouge (Regent Street), Prezzo (Regent Grove) and Strada (Regent Court). Restaurant offer has been further enhanced with the opening of a Wagamama outlet on The Parade in 2012.
- 4.29 There are also an estimated 30 drinking 'venues' in the centre, and these are predominantly independent operators. This represents a reduction from the number recorded by Experian in 2008 (37 venues).

¹⁴ Leisure services as defined by Experian Goad include cafes, bars, restaurants and take-away outlets; cinemas; casinos and betting offices; clubs and nightclubs; hotels and guest houses; sports and leisure facilities; bingo halls; and amusement arcades.

Table 4.4 **Eating and Drinking**

Categories	OUTLETS			FLOORSPACE		
	No. Outlets	% Total	UK Average (%)	Area (m ²)	% Total	UK Average (%)
Eating Offer:						
Cafes	22	3.24	4.06	2,081	1.71	2.11
Restaurants	46	6.78	4.37	9,309	7.65	3.78
Sub-total	68	10.02	8.43	11,390	9.36	5.89
Drinking Offer:						
Bars & Wine Bars	10	1.47	1.41	1,830	1.50	1.77
Clubs	2	0.29	0.68	901	0.74	1.18
Dance & Nightclubs	2	0.29	0.25	1,115	0.92	0.53
Public Houses	16	2.36	2.84	4,664	3.83	3.77
Sub-Total	30	4.41	5.18	8,510	6.99	7.25
Other:						
Fast Food/Take Away	30	4.42	5.38	2,703	0.92	0.53
Sub-Total	30	4.42	5.38	2,703	0.92	0.53
TOTAL	128	18.85	18.99	22,603	17.27	13.67

Source: Centre Category Report, Experian (June 2012)

- 4.30 Other leisure activities in the centre include two health clubs (Pure and Bizz Fitness) and a 6-screen cinema operated by Apollo, situated to the west of the town centre on Portland Place East.
- 4.31 These leisure services help to strengthen the attraction of the town's evening economy and also underpin the retail offer by encouraging local residents and visitors alike to spend more money in the centre.

Other Uses & Attractions

- 4.32 According to Experian Goad there are 30 hotels and guest houses in the town centre (see Table 4.5). The main hotels include the 54-bed Regent Hotel operated by Travelodge, which is located on the junction of the Parade and Regent Court; and the 48-bed independent hotel (Angel), which is at the junction of Kenilworth Street and Regent Street.

 Table 4.5 **Hotel Accommodation (2012)**

Categories	Outlets			Floorspace		
	No. Outlets	% Total	UK Average (%)	Area (m ²)	% Total	UK Average (%)
Hotels and Guest Houses	30	4.42	5.38	1,263	1.04	1.87

Source: Centre Category Report, Experian (June 2012)

- 4.33 Although current provision is below the national (Experian) average, the town's hotel offer will be enhanced by the new Premier Inn at the former Regency Arcade (154-156 The Parade). The new hotel will provide some 83 bedrooms and will restore the buildings original façade.
- 4.34 In addition to its retail and service offer, the centre contains a diverse range of other activities, including:
- an information centre
 - community centre and halls
 - advice centres
 - places of worship
 - theatres (Assembly Rooms & Loft)
 - museum (Royal Pump Room & Baths)
 - library
 - public parks and gardens
 - private and public sector offices
 - educational facilities
 - doctors surgery
 - town hall
 - dental surgery
 - art gallery
- 4.35 These other attractions, facilities and services all contribute to the overall vitality and viability of the town centre, generating trips, footfall and expenditure.

RETAILER REPRESENTATION AND DEMAND

- 4.36 According to Experian Goad, some 215 outlets in Leamington Spa are occupied by national multiple operators (Use Classes A1-A5). As Table 4.6 shows, multiples account for 31.7% of totals outlets in the town centre and 44.6% of all floorspace.

Table 4.6 **National Multiple Representation (2012)**

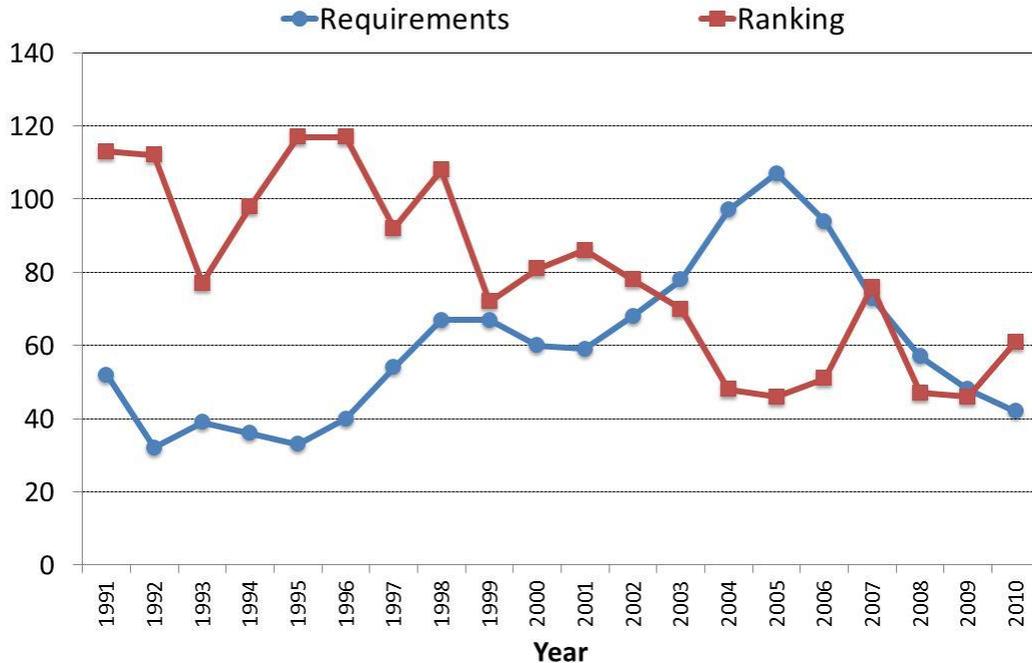
Categories	Outlets			Floorspace		
	No. Outlets	% Total	UK Average (%)	m ²	% Total (m ²)	UK Average (%)
Comparison	117	54.42	43.44	33,445	57.22	48.18
Convenience	14	6.51	10.95	5,630	9.63	22.3
Retail Service	21	9.77	9.99	3,623	6.2	5.01
Leisure Services	35	16.28	19.52	9,578	16.39	15.52
Financial Services	28	13.02	16.09	6,169	10.55	8.99
Total	215	100	100	58,445	100	100

Source: Centre Category Report, Experian (2012)

- 4.37 Compared with the 2008 Experian data, there has been a decline in the number of outlets occupied by national multiple operators by 22 outlets (-9.3%); from 237 to 215. This is mainly explained by the fact that a number of high street retailers have gone into administration since 2009 (most recently Jessops on The Parade).
- 4.38 Retailer demand for representation in any centre is an important indicator used to assess a centre's overall health and viability. In identifying retailer demand we have firstly referred to the CoStar Focus retailer requirements database. This is a standard

published dataset used to inform retail assessments, as identifies known retailer and leisure requirements for approximately 1,000 UK centres and shopping locations. The figure below shows the total recorded requirements over a twenty year period since 1991 and the centre's national ranking based on its requirements.

Figure 4.1 **Leamington Spa – Retailer requirements and ranking**



4.39 The figure shows that retailer demand for representation in Leamington Spa increased steadily during the 1990s, and apart from a slight dip between 1998 and 2001, demand peaked at some 110 requirements in 2005. At this point Leamington Spa was ranked 46th out of all the centres covered by CoStar in the UK. Since the onset of the recession, published retailer requirements have fallen across all centres. Notwithstanding this, Leamington Spa had 42 requirements in 2010, which placed it 61st in the national rankings. Overall, Leamington Spa has consistently been ranked amongst the top 75 centres in the UK in terms of retailer requirements and in our judgement its position will not have changed despite the impact of the economic recession.

4.40 Some of the main retailers and leisure operators currently with a stated interest in Leamington Spa, either for new or larger premises, include:

- **Comparison operators:** Matalan, L'Occitane, Poundland, Brighthouse, Topps Tiles, and Moshulu.
- **Convenience operators:** Pret a Manger, West Cornwall Pasty Co Ltd, Millies Cookies and Heron Frozen Foods.
- **Leisure operators:** The Gym Group

- 4.41 However, the current data sourced from CoStar is less reliable than before, as many retailers and leisure operators now choose not to publicly reveal their requirements for specific locations. Notwithstanding this, it still shows a good level of demand when benchmarked against other centres and when considered against the impact of the economic downturn on retailer and market confidence.
- 4.42 It should also be noted that the CoStar database does not identify all requirements for centres, as many retailers and their agents prefer not to make their requirements known on the open market. This is not unusual, as many foodstore operators, major anchor stores (e.g. Marks & Spencer) and fashion retailers (e.g. Next and Gap) prefer not to "reveal their hand" as it could damage their negotiating position. Moreover, such databases only identify the current level of market demand and do not reflect how demand might change in the future. For example experience shows that a new scheme that offers retailers modern, well configured floorspace adjacent to like-minded tenants in a prominent location will generally generate a significant uplift in market interest and demand.

COMMERCIAL PROPERTY INDICATORS (CPIS)

- 4.43 The estimates of Prime Zone A rental levels in Leamington Spa have been based on evidence set out in the CoStar *Town Centre* Reports and our discussions with local property agents.
- 4.44 The highest rents of are being achieved in the town's prime shopping locations (The Parade and Royal Priors Shopping Centre), where the larger format multiple retailers benefit from the highest levels of trips and footfall. We understand that Prime Zone A's of up to £1,292 per sq m (£120 per sq ft) have been achieved on The Parade. Regent Street is also reported to have achieved Prime Zone A's of around £915 per sq m (£85 per sq ft). Rental values for secondary retail locations are lower and range from £170 per sq m (£16 per sqft) on Clemens Street to £380 per sq m (£35 per sqft) on Warwick Street. This is because these secondary locations have lower footfall and typically attract more retail services, independent and lower value retail.
- 4.45 In comparison Regent Court is struggling as a shopping location. Prime Zone A's have reportedly fallen back to circa £269 per sq m (£25 per sqft) from £377 per sq m (£35 per sq ft) over recent years.

VACANCY LEVELS

- 4.46 Experian recorded that some 94 units were vacant in June 2012. This is equivalent to a vacancy level of 13.86%, which is above the national average for all centres covered by Experian of 12.22%.

Table 4.7 **Vacant accommodation**

Year	Outlets			Floorspace		
	No. of Outlets	% of Total Outlets	UK Average (%)	Goad Area (m ²)	% of Total (m ²)	UK Average (%)
2008	75	11.31	10.41	11,929	9.76	8.43
2012	94	13.86	12.22	14,660	12.04	10.16
Change	+19	+2.55	+1.81	+2,731	+2.28	+1.73

Source: Centre Category Report, Experian (2008 and 2012)

4.47 According to Experian the number of vacant outlets has increased from 75 in 2008 to 94 in 2012, and vacant floorspace increased by 23% (to 14,660m² gross in 2012). A recent survey of vacant units carried out by SP in February 2013 identified a fall in the number of vacant units to 80 outlets. This is a positive sign that market demand from businesses for representation in the town centre is strong. Although the vacancy level of 12.6% (as a proportion of total outlets) is still high, it has fallen below the current national vacancy level which is estimated to be circa 13.5%. Furthermore, there is limited evidence of long-term vacancies; for example, H&M now occupy the former Woolworths store (60-64 The Parade)¹⁵.

4.48 Based on our audit of the centre in January 2013 we have identified the following units that have been vacant since July 2008, and can therefore be considered as being long term vacancies:

 Table 4.8 **Long Term Vacancies (July 2008-January 2013)**

New Town	102 Parade; 1-3 and 5-9 Tavistock Street; 37, 63, 65 & 119 Regent Street; 34 Regent Grove
Old Town	4-6 Victoria Terrace; 6 Gloucester Street; 27 & 39 Bath Street; 6 High Street; 16, 30 & 31 Clemens Street

Source: Experian Goad Plan (July 2008) and SP audit (January 2013)

4.49 The table shows that the centre contains a number of units that have failed to secure an occupier. This could be for a number of reasons such as, for example, the unit being unsuitable (in terms of size and configuration) to accommodate modern format requirements, high rents, poor marketing, restrictive covenants, etc.

4.50 We also note that the majority of long term vacant units are within secondary retail locations. The greatest concentration is within the western section of Regent Street (west of the Parade), which has seen vacancies persist since the 2008 Experian Goad survey.

¹⁵ Although vacancy levels and the changes in vacancies are often referred to as a key indicator to help inform the overall assessment of the vitality and viability of centres, it should be recognised that some units recorded as being vacant at any point in time may be in the process of being fitted out or refurbished for new operators. It is therefore important to distinguish between short and long term vacancies in centres, and also the location of these vacant units (i.e. prime, secondary or tertiary streets).

PEDESTRIAN FLOWS

- 4.51 The 2009 RLS health check analysed footfall data for the town centre over a 10 year period between 1999 and 2008. An updated count was undertaken in 2012 using the same 42 count locations applied to the previous survey. The survey was undertaken by Pedestrian Market Pedestrian Market Research Services Limited (PMRS) on behalf of Warwick District Council and is set out in full in **Appendix 1**.
- 4.52 In summary, the footfall data shows a significant increase in average pedestrian counts since 2009 of +18.2% for the town centre. Thus although there has been a small percentage decrease (-1.2%) in overall footfall in the ten year period up to 2012, the overall picture is positive as the 2009 RLS reported a more significant decrease in footfall (-11.8%) between 1999 and 2008. This suggests that the town centre remains a popular destination for a range of activities, despite the impact of the economic downturn, Internet shopping and competition from other centres and shopping facilities.
- 4.53 Pedestrian count findings have remained largely unchanged since the last survey in terms of highest and lowest recordings. In the New Town, the highest customer counts were recorded in the Lower Mall of the Royal Priors Shopping Centre where retail provision is strongest. The lowest recorded footfall is in the secondary retail areas, such as Euston Place, Park Street, and Warwick Street. In the Old Town, the highest pedestrian flows remain primarily along Bath Street and Victoria Terrace with a notable increase in footfall since 2009 at Victoria Bridge. Footfall appears lowest in the High Street and Spencer Street areas, which is also consistent with the findings of the 2009 RLS.

ACCESSIBILITY & PARKING

- 4.54 Royal Leamington Spa benefits from excellent road links to the national and regional road networks. The M40 provides a strong link to Birmingham and the north via the M42, M5 and M6, and south to London. Connections to the M1, M4, M25 and M23 provide good access to the rest of the United Kingdom. Coventry airport is located only 10 kilometres from the town.
- 4.55 It is also easily accessible by a choice of public transport modes. The railway station is located in the south-east of the town centre and is a ten minute walk to the centre's prime retailing pitch. The station provides services to London and Birmingham; there are frequent services to London Marylebone, with a journey time of approximately 1 hour 45 minutes. The centre is also well-served by numerous national, regional and local bus routes.
- 4.56 Leamington Spa also benefits from a good provision of both multi-storey and at grade car parking facilities strategically located across the centre. There are 1,877 car parking spaces in the town centre, including a good provision of disabled car parking

facilities. Table 4.9 below sets out the town's main car parks and the changes in total annual usage between 2007 and 2012.

Table 4.9 **Changes in annual car parking levels**

Location	Spaces	2007/ 2008	2009/ 2010	2011/ 2012	% Change
Royal Priors (MSCP)	534	299,109	270,854	222,682	-26.6
Rosefield Street	44	18,073	15,210	15,559	-13.9
Adelaide Bridge	44	5,401	3,424	3,274	-39.4
St Peters	380	24,164	115,914	125,025	417.4
Covent Garden (Multi)	534	109,238	143,787	165,961	51.9
Covent Garden (Surface)	78	108,992	75,525	82,755	-24.1
Chandos Street	153	266,532	222,811	245,968	-7.7
Bedford Street	49	76,150	66,660	83,392	9.5
Sub Total - New Town	1,816	907,659	914,185	944,616	4.1
Bath Place	62	32,751	17,180	16,555	49.5
Packington Place	30	13,242	11,331	15,439	16.6
Court Street	40	7,973	5,440	10,308	29.3
Sub Total - Old Town	132	53,966	33,951	42,302	-21.6
TOTAL	1,948	961,625	948,136	986,918	2.6

Source: Warwick District Council – Car Parking Services Team

- 4.57 The table shows that overall parking levels have increased, although there has been a fall in parking in the Old Town's car parks as a whole. However, over the past two years the trends have been in reverse with the Old Town car parks being more popular.
- 4.58 In the New Town, St Peters has attracted the greatest increase in car numbers over the five year period (+417%). The growth in numbers spiked in 2008/09 as a result of improved security and an expansion of the car park's operational hours. In recent years demand appears to be increasing at the Bedford Street and Covent Garden car parks. Parking usage recorded at Chandos Street, which is subject to proposals for a new retail development (Clarendon Arcade), have declined by -7.7% over the last five years.
- 4.59 Overall, the increase in car parking usage across the town centre's car parks is a positive indication that more people are visiting Leamington. This marries up with the recorded increase in footfall levels. Given the challenges facing many town centres across the UK, the results are very positive and suggest that Leamington is a popular location for visitors and shoppers.
- 4.60 Our visual inspections of the town centre also identified a good provision for cyclists (i.e. cycle paths, parking etc.). Indeed, cycling is a popular means of travel for

residents and students in Royal Leamington Spa and subsequently a higher than average number of shopping trips is undertaken by this means of transport.

ENVIRONMENTAL QUALITY

- 4.61 Whilst it is difficult to be objective as to the environmental quality of any centre, the historic town centre is unquestionably attractive with a strong character and identity. The overall appearance and quality of the main shopping streets is good and well maintained. This is reflected by the fact that the town centre is designated a Conservation Area and has a number of historic buildings of national and local interest.
- 4.62 The compactness of the centre; traffic-free areas (such as Royal Priors and Regent Court); wide pavements in the primary shopping area; and a good provision of pedestrian crossings at grade, together with the fact that there no intimidating underpasses, all provide shoppers and visitors with a safe and pleasant environment in which to shop and visit. This is certainly the case for most of the New Town area. However there are number of areas where there appears to be long-term neglect, including the eastern section of Regent's Grove where there are a number of derelict buildings.
- 4.63 Overall, the prime retail pitches are well-maintained with no visual signs of graffiti, litter or areas of deprivation. The town centre has a good provision of street furniture, landscaped areas, litter-bins and signage. All these factors encourage shoppers and visitors into the centre and they are likely to spend a longer time perusing the shops. Insofar as these factors do actually contribute to a centre's vitality and viability, we consider their contribution to be positive.
- 4.64 Notwithstanding this, there is still a need to upgrade some derelict premises and sites in secondary and tertiary areas, particularly in the Old Town area. Particular 'hot spots' that would benefit from environmental and shop front improvements include High Street and Clemens Street. The recent funding from the Portas Pilot Town initiative will help with some of these improvements.

OUT-OF-CENTRE RETAIL PROVISION

- 4.65 The majority of non-town centre retail and leisure provision in Warwick District is located between Leamington Spa and Warwick town centres. Although it serves residents in both towns, the majority of the out-of-centre provision is located in Warwick.
- 4.66 Table 4.10 below shows that Leamington Shopping Park (in Warwick) is the largest out-of-centre shopping facility in the District. It is owned by British Land and comprises eight units ranging in size from 465m² to 3,716m² net. The scheme has Open Class A1 consent and the main anchor tenants are Sainsbury's, Argos, New Look, Boots, Next and Clarks. The retail park is served by some 1,049 car parking spaces,

together with a KFC 'drive-thru' restaurant, and a standalone Frankie & Benny's restaurant and Caffé Nero.

Table 4.10 **Out-of-centre retail provision in Warwick and Leamington**

Retail Park	Operators
Leamington Shopping Park (Warwick)	Argos; Boots; Carpetright; Carphone Warehouse; Clarks; Everything Everywhere; Halfords; Mamas & Papas; New Look; Next; Outfit; Caffé Nero; Greggs; Frankie & Benny's; KFC; Subway
Shires Gate (Warwick)	Mothercare World; Curry's
Myton Road (Leamington)	Homebase; Blockbuster (vacant); Dream; Pets at Home
Emscote Road (Warwick)	Homebase; Owens
Wharf Street (Warwick)	Godiva Carpets; Wallaby's; Flooring Inspirations; Bedlam
Old Warwick Road (Leamington)	Travis Perkins; Jewson
Rugby Road (Leamington)	Jewsons

4.67 Other retail warehouse schemes in the District include Shires Gate, located adjacent to Leamington Shopping Park and occupied by Mothercare World and Currys; as well as Homebase, Pets at Home, Dreams and Blockbuster at Myton Road. It should be noted that Blockbuster and Dreams have gone into administration and the Blockbuster unit was vacant at the time of preparing this report.

4.68 As Table 4.11 below shows, Warwick District also has a good provision and choice of out-of-centre foodstores, including large format Asda, Sainsbury's and Tesco superstores. There is also a new Lidl store on Myton Road and permission for an Aldi on land off Queensway. The town's out-of-centre superstore provision has recently been strengthened by the opening of the new Morrison superstore at the former Ford Foundry site in Leamington Spa. We also understand that planning permission is currently being sought for a new retail unit adjacent to the Morrison's superstore. In addition, planning permission was also recently granted for a small Co-Op store at Woodloes (440m²).

Table 4.11 **Out-of-centre foodstore provision in Warwick and Leamington**

Operators	Address	Net Floorspace (m ²)
Sainsbury's	Leamington Shopping Park, Warwick	5,419
Asda	Sydenham, Royal Leamington Spa	3,928
Morrisons	Gateway (former Ford foundry site), Royal Leamington Spa	3,345
Tesco	Emscote Road, Warwick	3,905
Tesco	Cubbington Road, Royal Leamington Spa	220
Lidl	Myton Road, Warwick	1,603
One Stop	Tournament Fields, Warwick	280
Total		18,700

SUMMARY

4.69 Overall it is apparent that Leamington Spa remains a vital and viable town centre, despite the impact of the recession on retail investment and market demand across the UK. The centre has a number of key strengths and opportunities:

- An attractive shopping environment and streetscape along The Parade.
- An increase in town centre usage based on pedestrian footfall levels and car park patronage since 2008/09.
- Good multiple retailer representation, balanced with a good choice of independent and specialist retailers.
- A strong visitor and tourist market that makes a significant contribution to the town's economy.
- Current opportunities for new retail development in the town centre on the Chandos Street car park.

4.70 Some potential weaknesses and areas for concern include:

- A fall in the town's convenience and comparison provision since 2008.
- A 'gap' in the town's retail offer compared with competing town centres and shopping locations.
- The absence of a large foodstore to help anchor the town centre's offer and provide greater choice and competition in the face of increasing competition from out-of-centre locations.
- A fall in retailer requirements since 2008, principally due to the impact of the economic downturn on market demand and investment activity.
- The strength of the shopping provision in other competing centres and out-of-centre retail locations across the region, including Stratford-upon-Avon, Solihull, Coventry, Birmingham, etc.

5.0 WARWICK TOWN CENTRE: HEALTH CHECK UPDATE

CONTEXT

- 5.1 Warwick is the county town of Warwickshire and administrative centre of the County. It is a historic town situated approximately four kilometres from Royal Leamington Spa, seven kilometres from Kenilworth, thirteen kilometres from Stratford-upon-Avon and fifteen kilometres from Coventry.
- 5.2 The town centre is characterised by its historic street pattern and buildings, including a number of churches, heritage buildings and public buildings, all of which are of architectural interest and have considerable value. These include the Collegiate Church of St Mary, one of England's largest churches, and the Warwickshire Museum, housed within the town's 17th Century market hall. The shopping streets also merge with narrow lanes and alleyways, which are a reminder of the earlier town.
- 5.3 Other nearby attractions include Warwick Castle and Warwick Racecourse, which generate significant trips from day-trippers and tourists to the local area.

CHARACTER

- 5.4 The majority of the shops and premises in the town centre are small, with a limited number of larger format units. As a result the centre's retail and service offer is mainly characterised by specialist/independent retailing, service business and places to eat and drink.
- 5.5 The historic nature of the centre and street pattern means that the town has not experienced significant new investment and development for many years. The town does not have any major new purpose-built modern retail floorspace, apart from Westgate House (which comprises Boots and Marks & Spencer Simply Food, with offices above).
- 5.6 Swan Street is the main focus for retail provision in Warwick and some of the key operators here include Superdrug, Subway, Greggs, Co-op Travel, Thorntons, Natwest, Johnsons, Timpsons, Lloyds TSB and Caffè Nero. Market Street accommodates a Costa coffee shop (part of the former Woolworths premises) and WH Smith. However, compared to Royal Leamington Spa there are limited multiple retailers. The streetscape in this area generally lacks the historic character in the remainder of the centre and as a consequence appears tired and stale, especially in terms of shop fascias and decor.
- 5.7 The pedestrian-friendly Market Place is the heart of the town centre and combines a mix of shops, public houses and civic offices. It also hosts numerous events throughout the year, including the popular charter market (every Saturday) and the farmer's market (on the fifth Saturday of every month). The markets draw a large number of local residents and visitors into the centre from which other shops and

businesses also benefit. The markets also provide an important and different offer to Royal Leamington Spa.

- 5.8 The secondary shopping area which runs from the High Street into Jury Street and then into Smith Street, along an east-west axis, has a complementary mix of convenience, comparison and service operators, together with a diverse mix of other uses, in primarily historic premises. The linear street also has a good selection of public houses and restaurants.

DIVERSITY OF USES

- 5.9 To help inform the broad assessment of the changes in the diversity of retail and services uses in the town centre (as measured by outlets and floorspace provision), we have compared and contrasted the findings of the latest 2012 Experian *Goad Town Centre Category Report* with the 2008 Experian *Goad Report* (see Tables 5.1 and 5.2).

Table 5.1 **Diversity of Uses (Outlets)**

Operator Type	April 2008		January 2012		% Change	2008	2012
	No. of Outlets	% of Total	No. of Outlets	% of Total		Index	
Comparison	95	34.93	88	31.65	-7.4	99	96
Convenience	23	8.46	19	6.83	-17.4	63	86
Retail Service	31	11.4	34	12.23	+9.7	90	90
Leisure Services	68	25	68	24.46	-	118	112
Financial Services	33	12.13	34	12.23	+3.0	105	112
Vacancies	22	10.35	35	12.59	+59.0	78	103
TOTAL:	272	100.0	278	100.0	+2.2	-	-

Source: Centre Category Reports, Experian (2008 and 2012)

Table 5.2 **Diversity of Uses (Floorspace)**

Operator Type	April 2008		January 2012		% Change	2008	2012
	Area	% of Total	Area	% of Total		Index (v.UK average)	
Comparison	11,501	29.55	9,838	23.19	-14.5	76	63
Convenience	6,996	17.98	6,735	15.87	-3.72	63	111
Retail Service	2,341	6.02	7,163	16.88	+205.9	88	234
Leisure Services	11,808	30.34	10,916	25.73	-7.6	135	113
Financial Services	3,725	9.57	3,623	8.54	-2.7	106	103
Vacancies	2,546	6.54	4,153	9.8	+63.1	78	96
TOTAL:	38,917	100.0	42,428	100.0	+9.0	-	-

Source: Centre Category Reports, Experian (2008 and 2012)

- 5.10 As the tables show there were 278 retail and service units (Class A1-A5) including vacant outlets in Warwick town centre in 2012, trading from a total ground-floor 'footprint' floorspace of 42,428 m² (456,700ft²). There has been a slight increase in the number of outlets since 2008 (+6 outlets), but a more significant increase in the total quantum of floorspace (+3,511 m²).
- 5.11 The following provides a more detailed assessment of the changes in the provision of the different types of retail and service provision in the town centre.

Comparison Provision

- 5.12 There are estimated to be some 88 comparison goods retailers currently trading in Warwick from a total 'footprint' floorspace of 9,838m². Although the total provision of outlets (31.7%) is only slightly below the national average (33.1%), the level of floorspace provision (23.2%) is significantly below the national average (36.6%). This confirms the fact that the centre's comparison offer is dominated by smaller shop units, with an average size of circa 110m².
- 5.13 Much of the comparison retail offer in Warwick is geared towards the needs of its local residents and the wider visitor/tourist market. Generally, the quality of comparison of retail provision is good and is characterised by a number of independent fashion retailers, along with a mix of jewellery, gift and souvenir shops. Warwick also has a good range of antique shops. The town is not anchored by any major national department or variety stores. This is explained by the limited development opportunities in the town, and the fact that larger format retailers and multiples will inevitably gravitate towards the larger centres of Leamington Spa, Birmingham, Coventry, Solihull, etc.

Convenience Provision

- 5.14 The town has some 19 food and convenience retailers trading from a total 'footprint' floorspace of 6,735m². Although the number of outlets is below the national average, convenience floorspace represents 15.9% of the town's total floorspace, which is above the national average of 14.4%.
- 5.15 Its main foodstore retailers include the larger Sainsbury's supermarket at Saltisford (2,415m² net), Marks & Spencer at Westgate House (612m² net) and Sainsbury's Local at Coten End (293m² net). There are notable 'gaps' in the town's convenience offer. For example, there are no fishmongers, frozen food retailers, greengrocers and off licences.
- 5.16 Comparisons with the 2009 Experian report also show that the two greengrocers and one off licence in the town have since closed, along with the three general convenience retailers, tobacconists and newsagents (CTNs) and one bakers/confectioners.

Leisure Services

- 5.17 Warwick has a strong and growing variety and choice of restaurants, cafes and public houses, catering for a wide range of tastes and age groups. Whilst its offer is mainly traditional and independent in nature, some national multiples are represented including Pizza Express, ASK and Lloyds No 1.
- 5.18 As the tables show, there are 68 leisure service operators in Warwick (as defined by Experian), which is the same as in 2008. This sector represents 24.5% of total outlets in the town, which is above the national average of 21.9%. Although total leisure service floorspace has fallen slightly since 2008 to 10,916m², provision is still above the national average of 22.7%.

Table 5.3 **Eating and Drinking**

Categories	Outlets			Floorspace		
	No. Outlets	% Total	UK Avg (%)	Area (m ²)	% Total	UK Avg (%)
Eating Offer:						
Cafes	13	4.68	4.06	1,161	2.74	2.11
Restaurants	23	8.27	4.37	3,549	8.36	3.78
Sub-total	36	12.95	8.43	4,710	11.1	5.89
Drinking Offer:						
Bars & Wine Bars	2	0.72	1.41	483	1.14	1.77
Clubs	2	0.72	0.68	567	1.34	1.18
Public Houses	10	3.6	2.84	2,332	5.5	3.77
Sub-Total	14	5.04	5.18	3,382	7.98	7.25
Other:						
Fast Food & Take Away	11	3.96	5.38	687	1.62	2.57
TOTAL	61	21.95	18.99	8,779	20.7	15.71

Source: Centre Category Report, Experian (June 2012)

- 5.19 A more detailed analysis of the representation of different types of leisure services indicates that, compared with the national average figures, the town has a relatively good provision of cafes, casinos and betting offices, hotels and guest houses, public houses and restaurants. However, there are currently no cinemas, theatres, concert halls, bingo halls, amusement arcades and nightclubs in the town centre as measured by Experian. There also appears to be potential to provide more bars/wine bars and sports/leisure facilities.

Retail & Financial Services

- 5.20 The Experian data shows that Warwick has a relatively good provision of shops/businesses in the following categories:

- dry cleaners/laundrettes (3 outlets);
- health and beauty operators (20);
- opticians (5);
- post offices (1);
- financial services (8);
- property services/estate agents (10); and
- retail banks (5).

5.21 In contrast there is limited or no provision of the following retail and financial services; photo processing & photo studios, printing & copying, travel agents, TV/video rental and building societies. This is not unexpected, however, as these types of retail and financial services have experienced the most significant impact from the growth of online shopping.

Other Uses & Attractions

5.22 Warwick has a strong provision of hotels and guest houses catering for the high volume of day trippers and tourists visiting the town's historic centre, together with nearby visitor attractions (such as Warwick Castle; Warwick Racecourse; museums; historic houses; gardens; theatres; events; and festivals). The Experian report indicates that there are three hotels and guest houses with a total floorspace of circa 1,820m² in the town centre. The visitor accommodation is independent in nature and is dominated by two principal hotels, the Lord Leycester on Jury Street (40 rooms) and Warwick Arms on High Street (35 rooms)

5.23 Warwick town centre is also an important administrative centre, with Warwickshire County Council being one of the largest employers in the town. The civic offices are spread across the centre, but the main concentration is to the north of Market Place. This results in a large volume of workers into the centre between Monday and Friday, especially at lunch-times and in the evenings. Other uses include:

- private sector offices
- dwellings
- advice centres
- educational facilities
- museums
- art galleries
- community halls
- places of worship
- dental surgery
- library
- community centre
- tourist information

MULTIPLE REPRESENTATION AND DEMAND

5.24 The town centre is dominated by independent/specialist retailers, and has a more limited multiple offer. According to Experian the number of multiples fell from 55 in

2008 to 49 in 2012. This decline has occurred across all the main retail and service categories. The table below shows the current multiple provision, which is the same as for Kenilworth, but obviously significantly below that of Leamington Spa (237).

Table 5.4 National Multiple Representation

Categories	Outlets			Floorspace		
	No. of Outlets	% of Total Outlets	UK Average (%)	Area (m ²)	% of Total (m ²)	UK Average (%)
Comparison	11	22.45	43.44	2,601	19.00	48.18
Convenience	9	18.37	10.95	6,122	44.71	22.3
Retail Service	2	4.08	9.99	186	1.36	5.01
Leisure Services	19	38.78	19.52	3,651	26.66	15.52
Financial Services	8	16.33	16.09	1,133	8.28	8.99
Total	49	100	100	13,694	100	100

Source: Centre Category Report, Experian (2012)

5.25 Key multiples trading in, or on the edge of the town centre currently include Boots, Sainsbury's, WH Smith and Superdrug.

5.26 The latest evidence published by CoStar indicates that Warwick currently has requirements from 12 operators for representation in the town centre (see table below). The majority of these are seeking units of between c.100 - 300m², which broadly corresponds to the average size of the premises in the town centre. Of note, Matalan has a requirement for a larger unit of up to 3,250m² of retail floorspace. Other national retailers potentially seeking representation in the town include Phase Eight, Brighthouse and Card Factory. Warwick, along with Kennilworth, will always lose out to higher order centres such as Leamington Spa in terms of attracting major multiples.

Table 5.5 Retailer Requirements

Operator	Category	Floorspace Requirement (m ²)	
		Min.	Max
Glitz Accezzoriez	Comparison	37	93
Matalan Retail Ltd	Comparison	1,858	3,252
Phase Eight	Comparison	65	186
Sue Ryder	Charity Shop	74	650
Acorns Children's Hospice	Charity Shop	74	800
Cancer Research UK	Charity Shop	70	116
Card Factory	Comparison	93	232
Hatton Goldsmiths	Comparison	9	46
Brighthouse	Comparison	209	325
Bargain Book Time	Comparison	74	279
Select & Save	Comparison	325	372

Source: CoStar Retailer Requirements Report (April 2013)

VACANCY LEVELS

- 5.27 According to Experian there were 35 vacant retail and service outlets in June 2012, which represented 4,152m² (44,700ft²) of vacant floorspace. At Table 5.6 shows, Warwick's vacancy level is currently 12.6% (total outlets), which is slightly above the national vacancy figure of 12.2%. However, when expressed as a proportion of total floorspace, the vacancy level of 9.8% is below the national average of 10.2%. Although vacant units and floorspace have increased since 2009, this needs to be placed in the context of the overall growth in national vacancy levels due to the impact of the economic downturn.

Table 5.6 **Vacant accommodation**

Year	Outlets			Floorspace		
	No. of Outlets	% of Total Outlets	UK Average (%)	Area (m ²)	% of Total (m ²)	UK Average (%)
2008	22	8.09	10.35	2,546	6.54	8.38
2012	35	12.59	12.22	4153	9.79	10.15
Change	+13	+4.5	+1.87	+1,607	+3.25	1.77

Source: Centre Category Report, Experian (2008 and 2012)

- 5.28 SP's more recent audit of the town centre in February 2013 identified that the longer term vacancies (i.e. outlets that have remained vacant since 2008) are mainly located in secondary locations, such as Smith Street. There are also a number of vacancies in prominent locations, including two units on Market Place which were formerly occupied by fashion retailers. Notwithstanding this, SP's survey showed that occupancy is strong in prominent locations, such as Swan Street.

ACCESSIBILITY & PEDESTRIAN FLOWCOUNTS

- 5.29 Warwick Town Centre benefits from good accessibility by a choice of means of transport. The railway station is located to the north of the centre, which is within a 10 minute walk to the primary retailing area (via Coventry Road which 'dog-legs' into Smith Street/Jury Street/High Street). There are numerous bus routes to all parts of the town centre's catchment that terminate in front of Westgate House.
- 5.30 The Council have been monitoring footfall count in the town centre since 2006 with the latest survey carried out in 2012. Footfall counts were monitored across 23 locations which include prime and peripheral locations. The survey was undertaken by Pedestrian Market Pedestrian Market Research Services Limited (PMRS) on behalf of Warwick District Council and is set out in full in **Appendix 1**.
- 5.31 In summary, the footfall findings show a reduction in average pedestrian counts since 2009 of -14.6% for the town centre. However, it should be noted that poor weather was recorded on one of the survey date ("*mild with heavy persistent rain*") and this could have impacted on shopping visits and footfall levels. Notwithstanding this fall

between 2009 and 2011, the analysis of average pedestrian counts over the ten year period to 2011 shows an increase in average pedestrians footfall levels by 5% across the town centre.

- 5.32 Further detailed analysis indicates that pedestrian footfall levels by location have remained largely unchanged since 2009 in terms of highest and lowest recordings. The highest pedestrian counts were recorded at survey points in and around Swan Street and Market Place, the town's prime shopping pitch, whereas the more peripheral and secondary streets had the lowest footfall (e.g. Church Street, Jury Street, etc.).
- 5.33 Overall, the pedestrian surveys suggest that Warwick is maintaining a steady footfall against the backdrop of a challenging economic climate, and competition from Leamington Spa and other centres. Tourism and visitor trips to the town centre are clearly important to its overall vitality and viability. Therefore, measures to encourage linked trips between the town centre and key visitor attractions should be supported and marketed.

ENVIRONMENTAL QUALITY

- 5.34 Warwick town centre is designated as a Conservation Area and is characterised by many historic and attractive buildings and streets, with Market Place at its heart. In addition, there is a good provision of street furniture, landscaping, open spaces, public toilets and signage. The centre is well-maintained with no visual signs of graffiti, litter or pockets of dereliction. The priority should be to maintain, manage and enhance the town's environmental quality, in line with its important role as a tourist attraction and its day-to-day function as a place to live, work and shop for local residents.

NON-TOWN CENTRE RETAIL AND LEISURE PROVISION

- 5.35 There is a significant amount of out-of-centre retail provision within Warwick that serves both Warwick and Leamington (see paragraphs 4.61 – 4.65 and Tables 4.10 – 4.11). Beyond this, retail and leisure provision in Warwick is largely confined to the town centre.
- 5.36 The Sainsbury's supermarket at Saltisford is included in the town centre as identified by Experian, but is defined as being 'edge-of-centre' in retail policy terms. As the only main supermarket either in or on the edge of the town centre, Sainsbury's nevertheless makes an important contribution to Warwick's overall food and convenience offer. The evidence also shows that Sainsbury's generates important linked trips to the town's other shops, services and businesses.
- 5.37 Outside of Warwick Town Centre, Tesco on the at Emscote Road (and, at a more local level, Sainsbury's Local at Coten End) also serves the more frequent top-up and main food shopping needs of Warwick's residents, as well as people living in the wider District.

- 5.38 There is also small retail provision at neighbourhood centre level, including the recent permission for a Co-Op foodstore (440m²) at Woodloes. The smaller independent and multiple retailers in these local and neighbourhood centres predominantly meet the 'day-to-day', more frequent convenience and service needs of their local catchment populations.

SUMMARY

- 5.39 Warwick town centre has a good choice of independent retailers and places to eat and drink that cater for shoppers, day-trippers and tourists.
- 5.40 In comparison with Leamington Spa, Warwick has a limited number and range of national multiple retailers. This is not necessarily negative; particularly given the strength of existing retail offer albeit tourist focused. Leamington Spa is clearly the destination of choice for the District's residents for fashion shopping and other goods and services, whereas Warwick has evolved as a largely complementary shopping location, serving the more day-to-day needs of its local catchment population.
- 5.41 Warwick town centre has not benefitted from significant new retail investment or development for many years. It has low multiple representation and limited market demand. There has been a marked increase in vacancy levels since 2009. Given the proximity of Leamington Spa, it is likely that the town centre will continue to lose shoppers and trade to the larger and more dominant centres and shopping destinations in its hinterland, including competing out-of-centre retail facilities. This suggests that its overall vitality and viability is vulnerable to competition and/or the loss of key retailers, particularly if opportunities for new investment and development in the town centre cannot be identified and promoted.

6.0 KENILWORTH TOWN CENTRE: HEALTH CHECK UPDATE

CONTEXT

- 6.1 The historic market town of Kenilworth is situated on the northern side of the District. It is six kilometres north-west of Leamington Spa, seven kilometres north-east of the county town of Warwick and nine kilometres to the south of Coventry. It is smaller than Leamington and Warwick, and mainly serves the more frequent day-to-day retail and service needs of its local catchment population. Notwithstanding this, it does benefit from nearby local attractions, including the ruins of Kenilworth Castle and the surrounding Abbey Fields.

CHARACTER

- 6.2 Kenilworth's retail and service offer is located off Warwick Road, which runs north-south through the town, and functions as the centre's traditional high street. There are a range of independent and national multiple retail and service operators in the town, including Superdrug, William Hill, HSBC, Iceland, Halifax, Barclays, Natwest, Peacocks, Waitrose, Sainsbury's, Lloyd's Banking Group, Specsavers and Subway. The two other main retail areas within the town centre are

- **Talisman Square** – this centre benefited from a major redevelopment and refurbishment programme which secured Waitrose as an anchor tenant and attracted a number of national multipliers (including Dolland & Aitchison, Costa Coffee, Greggs, and Clarks). There is potential to provide additional retail development at the site, however, this will be dependent on market demand.
- **Station Road** – this part of the centre suffered from long term vacancies following the closure of Budgens but which is now occupied by Wilkinsons. Further along the Station Road is Millar Court, comprising eight small units.

- 6.3 The town's retail offer is largely anchored by Waitrose and Sainsbury's. These operators have considerably upgraded the shopping offer of the centre as a whole and have reduced the need for and frequency of car-borne food shopping trips to out-of-centre locations and, more importantly, other competing towns.

DIVERSITY OF USES

- 6.4 To help inform the broad assessment of the changes in the diversity of retail and services uses in the town centre (as measured by outlets and floorspace provision), we have compared and contrasted the findings of the latest 2012 Experian Goad *Town Centre Category Report* with the 2008 Experian Goad Report (see Tables 6.1 and 6.2).

Table 6.1 Diversity of Uses (Outlets)

Operator Type	April 2008		January 2012		% Change	2008	2012
	No. of Outlets	% of Total	No. of Outlets	% of Total		Index (v.UK average)	
Comparison	62	37.8	65	38.92	+4.8	107	118
Convenience	13	7.93	12	7.19	-7.7	63	90
Retail Service	26	15.85	27	16.17	+3.9	125	119
Leisure Services	31	19.9	34	20.36	+9.7	89	93
Financial Services	19	11.59	17	10.18	-10.5	100	93
Vacancies	13	7.93	12	7.19	-7.7	77	59
TOTAL:	164	100.0	167	100.0	+1.8	-	-

Source: Centre Category Reports, Experian (2008 and 2012)

Table 6.2 Diversity of Uses (Floorspace)

Operator Type	April 2008		January 2012		% Change	2008	2012
	Area (m ²)	% of Total	Area (m ²)	% of Total		Index (v.UK average)	
Comparison	8,742	33.09	10,303	34.03	+17.9	85	93
Convenience	4,246	16.07	7,042	23.26	+65.9	63	162
Retail Service	2,090	7.91	2,360	7.79	+12.9	116	108
Leisure Services	5,407	20.46	6,708	22.15	+24.1	91	98
Financial Services	2,871	10.86	2,443	8.07	-14.9	120	97
Vacancies	3,066	11.6	1,421	4.69	-53.7	138	46
TOTAL:	26,421	100.0	30,277	100.0	+14.6	-	-

Source: Centre Category Reports, Experian (2008 and 2012)

6.5 As the tables show there were 167 retail and service units (Class A1-A5) including vacant outlets in Kenilworth town centre in 2012, trading from a total ground-floor footprint floorspace of 30,227m² (325,900ft²). There has been a slight increase in the number of outlets since 2008 (+3 outlets), but a more significant increase in the total quantum of floorspace (+3,856m² / 41,505ft²). The increase in floorspace is probably explained by the Talisman Square redevelopment.

6.6 The following provides a more detailed assessment of the changes in the provision of the different types of retail and service provision in the town centre.

Comparison Provision

6.7 In terms of its total outlets, Kenilworth has above average comparison goods provision. The town's total non-food floorspace has increased by +17.9% since 2008, to 10,303m², mainly due to the redevelopment of Talisman Square. Notwithstanding this, current provision of 34% is slightly below the national average for all centres covered by Experian of 36.6%.

Convenience Provision

- 6.8 As described above, Kenilworth benefits from a strong food and convenience retail offer. This is anchored by Waitrose (1,966m²) in Talisman Square and Sainsbury's at Warwick Road (1,731m²), along with Iceland on Warwick Road (186m²). Following the development of Talisman Square, Kenilworth's convenience retail floorspace increased by +65.9%, from 4,246m² in 2008 to 7,042m² at present. The centre has a greengrocers and specialist bakery which add to its overall food and convenience offer. However, a more detailed analysis of the Experian figures shows that the town lacks smaller independent CTNs, convenience stores, fishmongers, and/or delicatessens which would normally be expected in centres of Kenilworth's size and position in the network and hierarchy of centres.

Commercial Leisure Provision

- 6.9 Kenilworth town centre has an excellent provision of national multiple and independent eating establishments catering for a wide range of tastes. There are estimated to be some 13 restaurants in the town centre at present and provision is significantly above the national average. Some of the main restaurants include Ego, Zizzi, Pomeroy's and Almanack (gastro-pub). A Loch Fyne restaurant is located in Kenilworth (High Street), albeit situated outside the town centre boundary.

Table 6.3 **Eating and Drinking**

Categories	Outlets			Floorspace		
	No. of Outlets	% Total	UK Average (%)	Goad Area (m ²)	% Total (m ²)	UK Average (%)
Eating Offer:						
Cafes	5	2.99	4.06	678	2.24	2.11
Restaurants	13	7.78	4.37	1,988	6.57	3.78
Sub-total	18	10.77	8.43	2,666	8.81	5.89
Drinking Offer:						
Bars & Wine Bars	2	1.2	1.4	632	2.1	1.77
Clubs	1	0.6	0.68	177	0.58	1.18
Disco & Nightclubs	1	0.6	0.25	65	0.21	0.53
Public Houses	3	1.8	2.84	715	2.36	3.77
Sub-Total	7	4.2	5.18	1,589	5.24	7.25
Other:						
Fast Food & Take Away	4	2.4	5.38	334	1.1	2.57
TOTAL	29	17.37	18.99	4,589	15.15	15.71

Source: Centre Category Report, Experian (June 2012)

- 6.10 In terms of drinking establishments and late night venues, the public house provision in the town centre appears to be more limited. There are also no branded fast-food or take-away outlets in Kenilworth, such as McDonalds, Burger King and KFC.
- 6.11 There is, however, a good representation of cafes and coffee shops. This includes a Starbucks, operating from ground-floor of the Holiday Inn, and Costa Coffee (Talisman Square).

Other Uses & Attractions

- 6.12 There are four hotel and guest houses in the town centre, which is the same as in 2008. Provision (both outlets and floorspace) is above the Experian national average. The hotel accommodation is dominated by the 108-bed Holiday Inn. Other visitor accommodation in the centre includes The Grand Hotel and Abbey Guest House. Kenilworth also has a community theatre (Talisman Theatre) located in the town centre with a second theatre located at Rosemary Hill.
- 6.13 In addition to its retail and service function, the centre has a diverse range of other activities, including:
- youth and community centre
 - dwellings
 - doctor's surgeries
 - veterinary surgery
 - theatre
 - community hall
 - place of worship
 - library / tourist information centre
 - police station
 - sports centre
- 6.14 As part of the proposed Kenilworth Town Centre Action Plan a number of investment proposals are put forward include the development of a new civic centre at Jubilee House. The proposal would include a new theatre and health centre.

MULTIPLE REPRESENTATION AND DEMAND

- 6.15 According to the latest Experian Town Centre Category Report (2012) there are 54 national multiple operators (Classes A1-A5) in Kenilworth town centre trading from 17,800m² (191,600ft²). This is broadly the same as the provision in 2008 (i.e. 55 multiples).
- 6.16 The town's multiples currently represent 32% of all outlets and 59% of total floorspace. Notably, the proportion of floorspace occupied by national multipliers has increased by one-third since the 2009 RLS. This is mainly explained by the new Waitrose floorspace and the recent addition of Poundland. Overall Kenilworth has a good multiple offer for a centre of its size and role in the retail hierarchy.

Table 6.4 **National Multiple Representation**

Categories	Outlets			Floorspace		
	No. of Outlets	% of Total Outlets	UK Average (%)	Area (m ²)	% of Total (m ²)	UK Average (%)
Comparison	20	37.04	43.44	5,137	28.86	48.18
Convenience	6	11.11	10.95	6,615	37.16	22.3
Retail Service	7	12.96	9.99	725	4.07	5.01
Leisure Services	12	22.22	19.52	3,920	22.03	15.52
Financial Services	9	16.67	16.09	1,403	7.88	8.99
Total	54	100	100	17,800	100	100

Source: Centre Category Report, Experian (2012)

- 6.17 In terms of requirements from retailers and service businesses for representation in Kenilworth, the latest CoStar published data shows that there are seven operators with a recorded interest, which is the same as in 2008. Key retailers seeking requirements include Heron Frozen Foods (278 - 465m²) and Card Factory (70 - 232m²).

 Table 6.5 **Retailer Requirements**

Operator	Category	Floorspace Requirement (m ²)	
		Min.	Max
Bruton Knowles	All	-	418
Glitz Accezzoriez	Comparison	37	93
Card Factory UK	Comparison	93	232
Hatton Goldsmiths	Comparison	9	46
Heron Frozen Foods	Convenience	279	465

Source: Town FOCUS (April 2013)

- 6.18 While the number of requirements may appear low, particularly for comparison, this is typical for a centre of Kenilworth's size. Another factor is that many recent requirements have been satisfied by the redevelopment of Talisman Square.

VACANCY LEVELS

- 6.19 According to Experian's Town Centre Category Report some 13 units were vacant in June 2012, trading from 1,421m². This represents a vacancy level of 7.19% for total outlets, which is well below the UK average (12.22%); and a vacancy level for total floorspace of 4.69%, which is also significantly below the national average of 10.16%.

Table 6.6 **Vacant accommodation**

Year	Outlets			Floorspace		
	No. of Outlets	% of Total Outlets	UK Average (%)	Area (m ²)	% of Total (m ²)	UK Average (%)
2008	13	7.93	10.40	3,066	11.6	8.38
2012	12	7.19	12.22	1,421	4.69	10.16
Change	-1	-0.74	-1.82	-1,647	-6.91	-1.78

Source: Centre Category Report, Experian (2008 and 2012)

- 6.20 Comparisons with the 2008 Experian data indicate a small fall in vacant outlets since 2008 (i.e. one outlet), but a significant reduction in the total quantum of vacant floorspace. This is explained by the occupation of one of the town's larger vacant units. SP's survey of the town centre in January 2013 identified that the number of vacant outlets had fallen to just five within the primary shopping areas. However, it is noted that the unit occupied by Blockbuster at Abbey Court is likely to become vacant due to the company entering administration.

ACCESSIBILITY & PEDESTRIAN FOOTFALL

- 6.21 Kenilworth benefits from good accessibility by car and other modes of transport. It has good connections with the main regional A roads (A46 and A452), which, in turn, link to the motorway network (M6, M40 and M42).
- 6.22 The town also has a good choice and number of car parking spaces. As the table below shows, there are 775 spaces in the town's four main car parks. There is also a good provision of on-street parking facilities, which are subject to charges between 08.00 and 20.00 seven days a week, with a maximum stay of two hours. The car parking facilities are all covered by 'pay and display'.

 Table 6.7 **Car parking facilities**

Location	Type	Capacity
Waitrose	Short Stay	288
Abbey End	Long Stay	227
Sainsbury's	Short Stay	140
Square West	Long Stay	120
Total		775

Source: Warwick District Council

- 6.23 There are numerous bus routes that pass through the centre, including the main bus facility on Abbey End at the northern end of Warwick Road, that provide regular services to surrounding towns and villages in the catchment.

- 6.24 Whilst Kenilworth does not have a railway station (the nearest station is Coventry some nine kilometres away), there is the opportunity to connect to Birmingham (20 minutes) and London (one hour).
- 6.25 The town centre does suffer from high levels of traffic and the movement of heavy goods vehicles along Warwick Road. Consideration needs to be given to what improvements can be made to channelling heavy goods vehicles away from Warwick Road, encouraging walking and cycling in the town and promote a better use of public transport. A co-ordinated approach to public parking and traffic management should also be contemplated.
- 6.26 The Council have been monitoring footfall count in the town centre since 1999 with the latest survey carried out in 2012. Footfall counts were monitored across up to 23 locations. The survey was undertaken by Pedestrian Market Pedestrian Market Research Services Limited (PMRS) on behalf of Warwick District Council and is set out in full in **Appendix 1**.
- 6.27 In summary, the footfall findings show a reduction in average pedestrian counts since 2009 of -14.6% for the town centre. The timeline for the survey shows how new developments in the town centre, notably Talisman Square, has influenced footfall dispersal and overall footfall levels in the town centre. For example, between 1999 and 2008 average footfall fell by -38%, but this has been followed by a +24% increase between 2008 and 2012. The increase in footfall since 2008 reflects the redevelopment of Talisman Square and specifically the opening of the Waitrose store. Looking at the specific pedestrian count locations across the town, the majority have recorded an increase in average footfall since 2008.
- 6.28 Clearly, the refurbishment of Talisman Square has been a key driver in attracting customers back to the town centre and increasing footfall since 2008. As with other town centres, the results are positive given the competition with other centres and stores for retail market share. Kenilworth's strength lies with its strong convenience retail offer, which in turn will support other town centre businesses and services.

ENVIRONMENTAL QUALITY

- 6.29 Kenilworth is an attractive town centre. It has benefitted from a range of environmental improvements in recent years, including the investment and refurbishment associated with the redevelopment of Talisman Square. The scheme is comprehensively pedestrianised, and provides a safe and pleasant environment. This, in turn, has provided a pleasant focal point in the town centre. Similarly, residential and commercial development at Abbey End has increased the attractiveness of this end of the town centre.
- 6.30 The town centre has a good provision of street furniture, landscaping, open spaces, public toilets, litter bins and cycle racks. It is evident that the centre is well maintained

with investment in decorative planting and no obvious visual signs of dereliction, litter, graffiti, neglect or long-term vacancy. Overall, we consider the centre to be environmentally-friendly and attractive.

SUMMARY

- 6.31 Kenilworth is a healthy and attractive town centre that adequately meets the more frequent day-to-day needs of the local catchment and visitors alike. Its overall vitality and viability is underpinned by its foodstore offer, which generates the trips and linked expenditure needed to support other shops, businesses and services across the town centre as a whole. Kenilworth is therefore performing well at its level in the shopping hierarchy.
- 6.32 In general the health of the town centre has remained largely unchanged since the 2009 RLS. Some of the positive indicators of its overall vitality and viability include:
- a good range of national multiple retailers;
 - a good choice of foodstores that help to anchor the town's overall retail offer;
 - a good range and choice of restaurants;
 - low and falling vacancy levels since 2008; and
 - an attractive town centre environment.
- 6.33 The centre has also benefited from new investment over recent years, following the redevelopment of Talisman Square.
- 6.34 Although Kenilworth town centre will never compete with the higher order centres for comparison trade (such as Leamington Spa), especially in the fashion sector, it does have an important role and function meeting the day-to-day needs of its local catchment population and other visitors/tourists to the town. Therefore its future performance and prospects are inextricably linked to its anchor foodstores. Fundamentally, at this level in the shopping hierarchy, the maintenance and enhancement of the food shopping function is of paramount importance.
- 6.35 Despite the centre's current robust health, there are concerns however as to the limited amount of investment in traffic management in the centre, which could result in the town losing its competitive edge and attractiveness. Subsequently, an injection of investment in this area is required to remain robust and competitive.

7.0 ECONOMIC CAPACITY ASSESSMENT "REFRESH"

- 7.1 This section sets out the "refresh" assessment of the quantitative need (retail capacity) for new comparison and convenience goods floorspace in Warwick District over the development plan period, between 2012 (the 'base year') and 2029 (the 'design year'), as well as up to 2031.
- 7.2 This assessment supersedes the previous retail capacity forecasts set out in the Warwick RLS 2009. It is based on the latest expenditure and population projections provided by Experian Business Strategies (EBS) for the study area and each sub-zone (i.e. Zone's 1-10).
- 7.3 However, it should be noted at the outset that this "refresh" is based on the market share analysis derived from the (2008) household telephone interview survey (HTIS) that informed the 2009 RLS. It has been agreed with the Council that a new HTIS will be commissioned in early 2013, once the Morrisons store at the former Foundry site on Old Warwick Road has opened and had time to achieve more settled trading patterns. The results of the new HTIS will then inform a final update of the retail capacity assessment that will supersede both this "refresh" assessment and the 2009 RLS.
- 7.4 For the purpose of this "refresh" assessment we have also 'tested' the potential impact of new planned housing allocations in the District over the development plan period on the retail capacity forecasts. This is based on the latest information provided by Warwick District Council.
- 7.5 The economic tabulations detailing the convenience and comparison goods capacity forecasts are set out in **Appendix 2** and **Appendix 3** respectively.

THE CREATE CAPACITY MODEL – APPROACH & ASSUMPTIONS

- 7.6 The **CREATE**^e economic model has been developed by Strategic Perspectives over a number of years to specifically assess the capacity for, and impact of new retail floorspace. The Excel-spreadsheet based model draws on the advice set out in the NPPF and *Practice Guidance*; it adopts a transparent step-by-step approach in which all the key assumptions and forecasts can be easily tested and interrogated.
- 7.7 Capacity arises from the relationship and differences between the baseline trading performance of existing centres and stores, and the forecast growth in expenditure and turnover levels. In simple terms a 'surplus' capacity generally points to an under-provision of retail facilities within a centre and/or study area (which, all things being equal, would suggest a need for new floorspace), whereas a deficit would suggest an over-provision of retail facilities.
- 7.8 In this case our economic capacity approach is underpinned by industry standard datasets and evidence. The key inter-related sources, assumptions and forecasts used to inform the retail assessment are as follows:

- The **catchment area** definition is based on the study area used for the 2009 RLS and earlier retail studies.
- Average **expenditure per capita** levels for convenience and comparison goods in the study area are based on the 'Area Profile Reports' ('APRs') produced by Experian Business Strategies ('EBS'). All expenditure and turnover figures are expressed in 2011 prices.
- The base year **population** and projections up to 2031 are also derived from the 'Area Profile Reports' ('APRs').
- The year-on-year **expenditure growth forecasts** are based on the most recent forecasts published by EBS in 'Retail Planner Briefing Note 10.1' (September 2012).
- An allowance is made for **Special Forms of Trading** ('SFT') at the base year and over the forecast period using the most recent forecasts by EBS as a guide.
- The '**potential**' **turnovers** of all retail floorspace in the District area at 2012 are informed by the survey-derived market share analysis for each zone, and judgements as to the likely trade draw of centres/stores from outside the study area. The growth in 'potential' turnovers over the study period is based on a *constant market share* approach.
- The '**benchmark**' turnovers for existing centres/stores in 2012 is based, where possible, on the company average sales densities (or 'turnover to floorspace ratios' - £ per square metre) of specific retailers published by Mintel and informed by other evidence, including health checks and recent retail assessments.
- The growth in 'benchmark' turnovers over the study period allows for the growth in the '**productivity**' (or 'efficiency') of existing and planned/committed floorspace in accordance with national policy and the advice set out in the *Practice Guidance*. This reflects the ability of retailers to absorb increases in their costs by increasing their average sales densities¹⁶.

7.9 Before describing the capacity approach and outputs in more detail, it is important to be aware at the outset that capacity forecasts carried out over a long period of time are less robust and reliable, due to economic uncertainties and the potential for significant changes in some of the key assumptions (such as, for example, the potential for much stronger growth in internet shopping than currently forecast). As a result we advise the Council that the forecasts should be treated with caution and greater emphasis should be placed on the short term forecasts, up to 2017.

¹⁶ For convenience and comparison goods retailing we have identified appropriate annual 'productivity' growth rates that are compatible with the annual expenditure per capita growth forecasts. However, it should be noted that individual centres, stores and shopping facilities will be capable of achieving higher and/or lower annual 'productivity' growth depending on a range of trading factors (including the scale, quality and type of their retail floorspace).

Furthermore, the forecasts are only intended to provide a broad indication of the potential need for new retail floorspace to help inform plan-making and potential future site allocations. They should not, therefore, be treated as 'maximum' or 'minimum' thresholds (or 'targets') that have to necessarily be met over the lifetime of the development plan.

- 7.10 In this context, the following provides a summary of the key baseline assumptions and forecasts underpinning the retail capacity assessment for convenience and comparison goods retailing.

STUDY AREA DEFINITION

- 7.11 The definition of an appropriate study (catchment) area is an important starting point for any retail and town centre assessment. This "*refresh*" assessment is based on the same study area used to inform the 2009 RLS, which also provided the basis for the household telephone interview survey (HTIS) carried out in December 2008 to inform the 2009 RLS.
- 7.12 The study area extends beyond the District boundary, as this helps to identify shopping patterns and retail expenditure flows across a wide area and the relative influence of competing centres and stores outside Warwick District.
- 7.13 In this case, Zones 1-3 and Zone 7 broadly correspond to the immediate residential catchments of Leamington Spa, Warwick and Kenilworth. The rest of the study area (Zones 4-6 and 8-10) broadly represents the wider catchment areas of the District's main centres, but principally Leamington Spa.
- 7.14 For the purpose of the 2009 RLS and this "*refresh*" the study area zones have been grouped together to define geographic areas that broadly correspond to the residential catchments of the District's three main centres, as follows:

Table 7.1 **Study Area and Zones**

Geographic Area	Household Survey Zones
Core East (Leamington Spa)	Zones 1 and 3
Core West (Warwick)	Zone 2
Kenilworth	Zone 7
Outer North	Zones 5 and 6
Outer East	Zones 4 and 10
Outer West	Zones 8 and 9

Source: Warwick RLS (2009)

- 7.15 However, it is important to state at the outset that this wider study area does not represent a realistic catchment for the District's smaller centres, or indeed its out-of-

centre shopping locations. The catchments for these smaller centres and individual stores will depend on a range of factors including, *inter alia*, the scale, quality and attraction of their retail offer; their location within the defined catchment area and zones; their accessibility by a range of modes of travel; and the 'like-for-like' competition from similar stores and centres both within and outside the study area.

'BASELINE' STUDY AREA POPULATION & EXPENDITURE

Base Year Population & Projections

- 7.16 The base year (2012) population estimates have been derived from the outputs of the *Area Profile Reports* produced by Experian. These are based on the latest ONS 2011 Census population estimates and take account of the key 'drivers' of population change, including birth and death rates and net migration.
- 7.17 It should be noted at the outset that although Experian's demographic model and population projections do take account, in part, of new housing allocations at the local level, they do not necessarily account for all the potential uplift in population and retail expenditure that could occur following new residential development. As a result we have carried out a 'baseline' retail assessment using the Experian population projections and then 'tested' the impact on the capacity forecasts based on the additional new population and retail expenditure that is likely to be generated by the new housing allocations, over and above the 'baseline' forecasts.
- 7.18 As **Table 1** (Appendix 2) shows, the total study area population is estimated by Experian to be 300,201 in 2012. Almost 41% (122,031) of this total population live in the Leamington (Zones 1 & 3), Warwick (Zone 2) and Kenilworth (Zones 7) 'core' zones, with the remainder resident in the 'outer' zones. Experian forecast a total growth in population of 17.5% to 352,865 by 2031. Within the 'core' areas the population is forecast to increase by 18.7%, to 144,897.

Base Year Expenditure Per Capita Levels

- 7.19 The average 2012 expenditure per capita levels by zone for convenience goods are set out in **Table 2** (Appendix 2) and in **Table 2** (Appendix 3) for comparison goods. These average spend estimates take account of the underlying socio-economic profile of the population in each geographic area, which explains the variance in average expenditure between the different study zones.

Special Forms of Trading (SFT)

- 7.20 An allowance is made over the forecast period for the market share of 'non-store' retail sales (i.e. *Special Forms of Trading*)¹⁷, based on the latest research by Experian Business Strategies (EBS) in *Retail Planner Briefing Note 10.1* (September 2012).
- 7.21 Increasingly the growth in SFT is dominated by the growth of internet sales in total retail transactions. Experian report that the share of internet sales as a proportion of total retail sales has increased dramatically from just 2.9% in March 2007 to some 9% in March 2012. The latest trading figures for December 2012 confirm that this growth has accelerated further.
- 7.22 Overall Experian forecast that SFT accounts for almost 11% of total retail sales in 2012. Experian assume that non-store retail sales will continue to grow at a faster pace than total retail sales over the medium term (up to over 18% by 2020), principally due to the increased take-up of new technology by individuals and households such as, for example, smart phones, tablets and interactive TVs. They then forecast a slowdown in growth to circa 20% of total retail sales by 2030.
- 7.23 Notwithstanding Experian's forecasts, there is some debate and differences between forecasters as to growth in SFT and internet shopping, and how this could impact on the demand for new retail (physical) floorspace. It is Experian's judgement that the overall impact on traditional store-based shopping will be "tempered" by the fact that:
- a proportion of online sales are sourced from regular stores rather than dedicated warehouses (particularly in the case of foodstore operators); and
 - store-based expenditure per capita is still forecast to increase, even if this growth is "outpaced" by non-store retailing.
- 7.24 The assumption therefore is that internet shopping and traditional store-based shopping could be mutually beneficial; as illustrated by the growth of 'click and collect' and multi-channel retailing, where internet shopping actually drives demand for traditional outlets.
- 7.25 In this context we have taken account of Experian's assumptions that some 25% of SFT comparison goods sales and 70% of convenience goods sales will be sourced from traditional retail space over the forecast period. Although no official breakdown is available between convenience and comparison goods, we forecast that SFT's market share of retail sales will increase from 2% to 5.7% for convenience goods between 2012 and 2031, and from 9.9% to 17.5% for comparison goods. In our judgement there is potential for stronger growth in SFT over the long term, and for it to increase its market share of total retail sales and expenditure per capita levels.

¹⁷ SFT is made up of purchases that generally occur outside of shops such as, for example, via mail order, vending machines, telephone sales, market stalls and the Internet.

- 7.26 Notwithstanding the robust allowances for SFT and internet shopping over the forecast period, we advise that the Council continues to monitor the research and updates the forecast growth rates when necessary.

Expenditure Growth Forecasts (2012 – 2031)

- 7.27 The forecast annual growth rates in per capita convenience and comparison goods expenditure have been informed by the latest *Retail Planner Briefing Note 10.1* (September 2012) published by EBS (see Section 3, Table 3.1). Most forecasters broadly agree that retail spending growth over the short, medium and long term will be lower than previous historic levels for a variety of reasons, including less expansionary consumer credit and higher energy costs. For the purpose of this assessment we have adopted the EBS annual growth forecasts up to 2019, but assume higher annual growth rates than EBS forecast over the long term (i.e. 2020 to 2031) of +0.8% for convenience goods and +3.5% for comparison goods. We consider that this is a reasonable and robust assumption in this case, as it also takes into the District's local economic market and performance.

Total Available Expenditure

- 7.28 Total available retail expenditure in the study area and zones is derived by multiplying the population and average expenditure per capita levels at 2012 and the forecasts up to 2031.
- 7.29 As **Table 3** (Appendix 2) shows, there is estimated to be some £587.2m of available **convenience goods** expenditure in the study area at the base year (2012), and £235.3m within the 'core' Leamington, Warwick and Kenilworth zones. Between 2012 and 2031 the total available expenditure in the study area is forecast to increase by +£163.4m (+27.8%) to £750.6m.
- 7.30 For **comparison goods** there is estimated to be £846.4m of comparison goods expenditure in 2012 (Table 3: **Appendix 3**), and this is forecast to increase by 95% (+£803m) to £1,649.5m by 2031.
- 7.31 The forecast growth in comparison goods expenditure significantly outstrips convenience goods expenditure growth. All things being equal, this inevitably means that there will be greater capacity potential for new comparison goods floorspace over the forecast period than for convenience goods.

MARKET SHARE ANALYSIS

- 7.32 As explained previously, the market share analysis derived from the 2009 RLS is used for the purpose of this "refresh" to inform the updated retail capacity assessment. This "refresh" has been carried out in advance of a new HTIS being commissioned in early 2013, as this will allow time for the new out-of-centre Morrisons store on the former Foundry site to achieve settled trading patterns. At this point the retail

capacity assessment will be updated to take account of the most recent survey information and market share analysis.

- 7.33 In the meantime, the following provides a brief overview of shopping patterns and market shares for convenience and comparison goods within the study area.

Convenience Goods - Market Share Analysis

- 7.34 **Table 4** (Appendix 2) sets out the market share analysis for **convenience goods** retailing based on the weighted 2008 household survey results for main 'bulk' and 'top-up' food shopping.
- 7.35 As the table shows, the District's foodstores and shops are achieve a strong retention in the 'core' Leamington, Warwick and Kenilworth zones of 97.7%, 95.7% and 91.2% respectively. This does not point to any underlying weakness or 'gap' in the convenience goods offer within these zones.
- 7.36 Notwithstanding this, it is apparent that the out-of-centre foodstores in Warwick and Leamington Spa dominate food shopping patterns. For example, the out-of-centre stores in the Core East (Leamington) zone are achieving a market share of 63.4%, which is significantly higher than for Leamington Town Centre of 23.7%. Similarly, in the Core West (Warwick) zone, out-of-centre retailing achieves a market share of 59.2%, compared with 26.6% for Warwick Town Centre. Furthermore, this 'polarisation' between the foodstore offer in the District's two main town centres and out-of-centre retailing is likely to increase further following the opening of the new Morrisons store (this will be assessed by the new HTIS to be commissioned in circa April 2013 which will, in turn, inform the final retail capacity update).
- 7.37 In Kenilworth the picture is different. In its 'core' zone (Zone 7) the town centre is achieving a market share of 61.8%, compared with the 15.8% share achieved by the District's out-of-centre retailing. This reflects the good range and choice of foodstores and convenience shops in Kenilworth, which were further boosted following the opening of Waitrose as part of the Talisman Square redevelopment.

Comparison Goods - Market Share Analysis

- 7.38 **Table 4** (Appendix 3) set outs the market share analysis for comparison goods retailing based on the weighted 2008 household survey results for different categories of comparison goods expenditure(as defined by the 2009 RLS).
- 7.39 As the table shows, the District's centres and out-of-centre shopping facilities are achieving a strong retention in the Core East (Leamington) and Core West (Warwick) zones of 87.1% and 77.9% respectively.
- 7.40 The retention level for Kenilworth (Zone 7) is slightly lower (66.7%) and this reflect the proximity and accessibility of Coventry's shops and stores for people living to the

north of the District. Coventry is achieving a market share of 24% in the Kenilworth zone and a substantial 74.4% in the zones to the north of the study area (Zones 5-6).

7.41 The market share analysis confirms that Leamington Spa is the main comparison goods shopping destination for residents in the District. For example, it is achieving the highest market shares of 74%, 47.1%, 33.9% and 34.5% in the Core East, Core West, Kenilworth and East zones respectively. In terms of competing centres:

- Coventry (74.4%) is Leamington's main competition to the north (Zones 5-6);
- Stratford (28.4%), Banbury (7.4%), Coventry (6.6%) and Rugby (6.0%) are all competing for comparison goods shopping trips to the east of the study area (Zones 4 and 10); and
- Solihull (30.2%) and Stratford (35.0%) are achieving relatively strong market shares to the west (Zones 8 and 9).

7.42 Both Warwick (22.2%) and Kenilworth (26.6%) are achieving good market shares in their 'core' zones, but their market shares outside of these zones fall away significantly. This reflects their more limited comparison goods offer, and the fact that Leamington Spa largely dominates shopping in the District's network and hierarchy of centres.

BASELINE TURNOVERS& FORECASTS

'Potential' Turnover Estimates

7.43 The next step in the retail assessment is to determine the 'potential' turnovers of all existing convenience and comparison goods floorspace at the base year and over the forecast period. This approach allocates all the available convenience and comparison goods expenditure (£ million) in the study zones at 2012 (**Table 3**) to the District's centres/stores based on the market share analysis (%) derived from the (2008) household survey results.

7.44 The 2012 convenience goods turnover estimates for all centres/stores based on the market share approach are set out in **Table 5** (Appendix 2). For comparison goods, the 2012 'potential' turnover levels are set out in **Table 5** (Appendix 3).

7.45 The forecasts of the growth up to 2031 are necessarily based on the assumption that market shares will remain constant over the study period. This is a standard approach used to inform retail assessments. Notwithstanding this, it is accepted that significant new retail investment and development both within and outside the District will inevitably impact on the base year market share patterns and could potential increase or reduce the capacity for new retail floorspace over the forecast period.

7.46 The forecast growth in 'potential' turnover levels up to 2017, 2022, 2027, 2029 and 2031 are set out in **Tables 6-10** (Appendix 2) for convenience and comparison goods.

7.47 The turnovers derived from the market share analysis only take account of expenditure drawn from within the defined study area and do not make any allowance for shopping trips and expenditure that could potentially be derived from outside the study area. We have therefore made the following informed judgements as to the likely trade draw of comparison and convenience goods expenditure (if any) from outside the study area.

- For **convenience goods**, we have assumed that the District's foodstores will not draw any additional trips or convenience goods expenditure from outside the study area (**Table 11**, Appendix 2). This is based on the wide geographic area covered by the study area; the wide range and choice of competing foodstore provision both within and outside the District; and the fact that shoppers generally travel to their most convenient and accessible foodstores to carry out main 'bulk' and top-up food shopping.
- For **comparison goods** we have made an allowance for the fact that the District's main centres will draw a proportion of their turnovers from outside the study area (**Table 11**, Appendix 3). This reflects that these centres, to varying degrees, will draw expenditure from day-trippers and visitors to the area, as well from commuters who live outside the study area. In the absence of detailed evidence on the trade draw of the District main centres and stores, we have assumed in this case that Leamington Spa will draw 10% of its turnover from outside the study area; Warwick and Kenilworth will both achieve trade draws of 5%; and the District's out-of-centre retail warehouses and parks will achieve a more modest trade draw of 2%.

7.48 **Table 12** (Appendix 2) sets out the total 'potential' convenience goods turnovers of the main centres/stores based on the market share and trade draw analysis. **Table 12** (Appendix 3) sets out the equivalent comparison goods turnover estimates and forecasts.

'Benchmark' Turnover Estimates

7.49 To help inform the retail capacity assessment we have also (where possible) estimated the 'benchmark' turnovers of the District's existing centres and stores based on published company average sales densities (£ per m²) for key retailers and other research evidence, including the Experian Goad reports for the three main centres.

7.50 For **convenience goods** retailing, and principally the main foodstore operators, it is possible to provide robust 'benchmark' turnover estimates based on published figures. The 2012 company average sales figures are set out in **Table 13** (Appendix 2), along with the estimated convenience goods sales areas of all the major in-centre and out-of-centre foodstores in Leamington Spa, Warwick and Kenilworth. Multiplying the sales areas of specific operators by their average company sales figures produces the

'benchmark' turnover levels at 2012. These 'benchmark' turnovers are then projected forward up to 2031 based on a reasonable allowance for the increased 'productivity' of all existing floorspace, in accordance with national policy advice and good practice.

- 7.51 For **comparison goods** retailing it has not been possible to provide robust 'benchmark' turnover estimates for the District's main centres, as the national and local evidence is not as readily available. For example, there is simply no reliable published information detailing the sales areas and average turnover levels for the District's main centres. For this reason we have necessarily placed more weight on the survey-derived 'potential' turnover estimates to inform our judgements as to the current trading performance of the Borough's existing centres.

Evidence of Under or Overtrading?

- 7.52 Comparisons between the survey-derived 'potential' turnover estimates and 'benchmark' turnovers based on company averages can provide a quantitative indication of whether existing centres or stores are under-performing or overtrading at the base year. For example, if 'potential' turnover levels are significantly above 'benchmark' levels then this can be a sign that the centre or store is overtrading. The *Practice Guidance* states (paragraph 3.16) that the extent to which the turnover of existing stores significantly exceeds 'benchmark' turnovers may be a qualitative indicator of need, and in some cases can inform quantitative need considerations. For example, it may be an expression of the poor range of existing facilities in an area, or it may be due to a limited choice of stores and a lack of new floorspace within a locality.
- 7.53 The *Practice Guidance* (paragraph B.42) also advises that 'benchmarks' should not be used "*prescriptively*" or in "*isolation*" to indicate a measure of need. This is because operators in different locations will trade significantly above or below their company averages depending on a range of factors. As a result, given the inherent margins of error involved in this type of exercise, the *Practice Guidance* states that the use of company averages as benchmarks should be "*...treated with caution unless they are corroborated by other independent evidence of under-performance, or strong trading*" (paragraph B.43). Other supporting evidence will include, for example, the results of in-centre health checks, or any signs of in-store congestion and/or queuing at checkouts.
- 7.54 With this caveat in mind, we nevertheless consider that for convenience goods the estimated 'benchmark' turnovers do provide a robust position for assessing the overall performance of the District's existing stores and convenience floorspace in quantitative terms (**Table 13**, Appendix 2). Comparisons between the survey-derived 'potential' turnovers and 'benchmark' turnovers reveal, for example, that Leamington Spa, Warwick and Kenilworth are all achieving turnover levels below their 'benchmarks'. In contrast, the District's out-of-centre foodstores are achieving a total 'potential'

turnover of £170.8m in 2012, which is significantly higher than the 'benchmark' level of £151.7m based on published company averages. However, the overall 'potential' turnover for all the District's main centres and foodstores (£279.4m) is below the estimated 'benchmark' level (£297.5m), which indicates that there is no pent-up demand for new convenience goods floorspace at the base year. This is further underlined by the new foodstore commitments in the pipeline.

- 7.55 **Table 13** (Appendix 3) sets out our best estimates of the comparison goods sales area of existing centres and stores, and their likely average sales densities based on the available evidence. In this case, however, we advise caution in the strict use and interpretation of the estimated 'benchmark' comparison goods turnover levels to inform the quantitative retail assessment, as significant changes in the sales area and turnover assumptions will inevitably impact on the capacity forecasts.
- 7.56 Notwithstanding this, comparisons between the 'benchmark' and 'potential' turnovers indicate that Warwick is trading slightly above 'benchmark' levels, whereas Kenilworth Town Centre and the District's out-of-centre retail warehousing are trading below 'benchmarks'.
- 7.57 It is material to this retail assessment that Leamington Spa's 'potential' turnover of £314.1m in £2012 is some £60m higher than the town's estimated 'benchmark' turnover of circa £254m. Although it does not necessarily follow that this 'residual' expenditure directly reflects a 'need' for new retail floorspace, the health checks carried out in the town centre over a number of years have consistently confirmed that it is an attractive, popular and busy centre that is trading well, despite the recent impact of the economic downturn. On the basis that new retail floorspace in the town centre could achieve an average sales level of circa £6,000 per m², we forecast that the circa £60m sales over and above the 'benchmark' could support some 10,000 m² net of comparison goods floorspace in 2012. This potential 'residual' capacity at the base year is something that will need to be carefully considered when assessing the overall capacity for new retail floorspace in Leamington.

RETAIL COMMITMENTS

- 7.58 Based on information provided by the Council, we understand that there are three permitted foodstores in the District at the present time. These are:
- The **Morrison's** superstore on the former Foundry site at Old Warwick Road. This store is scheduled to open in early 2013 and is estimated to have a total gross floorspace of 7,100m². The permitted store will have a total sales area of 3,400m² net, of which 2,686m² net will be set aside for convenience goods sales and 714m² net for comparison goods retailing. Assuming that this sales area trades at company average 'benchmark' turnover levels, we estimate it

will achieve a total convenience goods turnover of circa £34.6m and a comparison goods turnover of £6.9m.

- The permitted **Aldi** on land of Queensway has a total permitted sales area of circa 1,125m² net and we estimate that it will achieve a total convenience turnover of £4.3m based on company average sales densities.
- The small committed **Co-Op** on land adjacent to Woodloes Tavern has a permitted sales area of 250 m² net and has an estimated convenience turnover of circa £1.8m.

7.59 We understand that there are no major commitments for new comparison goods floorspace at the time of preparing this retail assessment.

'BASELINE' CAPACITY FORECASTS

Convenience Goods Capacity

7.60 **Table 15** (Appendix 2) sets out the capacity approach for convenience goods retailing.

7.61 It shows that the District's three main centres and out-of-centre stores are achieving a total 'potential' turnover of £279.4m in 2012 based on the survey-derived market shares. This is lower than their estimated 'benchmark' turnover of £297.5m based on robust and reasonable company average turnover levels. This indicates that there is no 'pent-up' capacity for new convenience goods floorspace at the base year.

7.62 After allowing for all the known new retail commitments, there is no forecast capacity for new convenience goods floorspace in the District up to 2031.

Comparison Goods Capacity

7.63 **Table 15** (Appendix 3) sets out the detailed steps in the capacity approach for comparison goods retailing.

7.64 As previously stated, because of the limited detailed and reliable evidence on the sales areas and average turnover performances of the District's main centres, it has necessarily been assumed for the purpose of the comparison goods assessment that the retail market is in 'equilibrium' at the base year. In other words no allowance is made in this capacity scenario for any potential underperformance or 'overtrading' of existing centres and stores at the base year.

7.65 In this case the forecast residual expenditure growth available to support new retail floorspace in the District up to 2031 is informed by the differences between the forecast growth in 'potential' turnovers based on constant market shares, and the constrained growth in turnovers based on reasonable annual 'productivity' growth forecasts.

7.66 On this basis the table below summarises the 'baseline' comparison goods capacity forecasts for Warwick District:

Table 7.2 **Warwick District – “Baseline” Comparison Goods Capacity Forecasts**

	2012	2017	2022	2027	2029	2031
Residual expenditure (£m):	-	£21.1	£65.8	£166.2	£201.6	£239.8
Floorspace capacity (m ² net):	-	3,357	9,596	21,939	25,588	29,247

Source: Table15, Appendix 3 (Steps 5 & 6)

- 7.67 The table shows that there is a forecast residual expenditure of £21.1m in 2017, increasing to £201.6m by 2029 and £239.8m by 2031.
- 7.68 This residual expenditure has been converted into a net retail sales area based on an assumed average sales density for all new comparison goods floorspace of circa £6,000 per m² in 2012 (2011 prices). This average sales density reflects the likely trading performance of high quality, modern floorspace in a prime shopping location. However, this average sales density will vary depending on the scale, quality and attraction of different centres and stores within their catchment areas. For example, published figures show that ‘bulky goods’ retailers in the DIY, carpet and furniture sectors generally achieve lower average sales levels of between £1,500 and £4,000 per m², whereas large format electrical goods retailers can achieve average sales of circa £7,000 per m².
- 7.69 These different average sales levels assumptions will have implications for the assessment of the need for, and impact of, different types of comparison goods retailing. It will also be a material consideration for the local planning authority when assessing and determining applications for large format retailing (such as retail warehouses for example).
- 7.70 The assumption that all new floorspace will trade at £6,000 per m² results in the capacity for 3,357m² net of new comparison goods floorspace in Warwick District by 2017, rising to 25,588m² by 2029 and 29,247m² by 2031. We have also assessed the capacity generated by the District’s three main centres and other floorspace. The results are set out in **Tables 16-19** (Appendix 3) and summarised below.

 Table 7.3 **Warwick District’s Centres – “Baseline” Capacity Forecasts**

	2012	2017	2022	2027	2029	2031
RESIDUAL EXPENDITURE (£m):						
Leamington Spa Town Centre	-	£22.5	£57.8	£135.2	£162.7	£192.3
Warwick Town Centre	-	£2.5	£6.4	£15.3	£18.5	£21.9
Kenilworth Town Centre	-	£0.9	£2.7	£7.8	£9.5	£11.2
Other	-	-£4.8	-£1.0	£7.9	£11.0	£14.3
TOTAL:	-	£21.1	£65.8	£166.2	£201.6	£239.8
FLOORSPACE CAPACITY (m² net):						
Leamington Spa Town Centre	-	3,591	8,422	17,851	20,652	23,459

	2012	2017	2022	2027	2029	2031
Warwick Town Centre	-	391	931	2,026	2,344	2,674
Kenilworth Town Centre	-	137	396	1,024	1,202	1,368
Other	-	-762	-152	1,038	1,391	1,746
TOTAL:	-	3,357	9,597	21,939	25,589	29,247

Source: Tables 16-19, Appendix 3 (Steps 5 & 6)

- 7.71 **Table 7.3** shows that there is significant capacity for new comparison goods retail floorspace in Leamington Spa over the forecast period; 20,652m² net in 2029, rising to 23,459m² by 2031. This is over and above the potential capacity for an additional 10,000m² that could be supported in the town centre at the base year, if Leamington Spa is in fact trading significantly above its estimated 'benchmark' turnover.
- 7.72 Finally, as stated previously, capacity forecasts beyond a five year period should be treated with caution, and do not necessarily represent 'thresholds' or 'targets' that should be met. Furthermore, the capacity assessment follows a standard **constant market share approach**. It does not therefore model the potential uplift in retention levels and capacity that can occur within catchment areas following new retail development, or conversely the fall in retention levels and capacity that may arise due to the impact of new retail floorspace in competing centres and shopping locations.

REVISED CAPACITY – IMPACT OF NEW RESIDENTIAL ALLOCATIONS

- 7.73 Warwick District Council has confirmed that some 10,800 new homes have been allocated for the District up to 2029, as set out in the emerging Local Plan Preferred Options¹⁸. At the time of preparing this Retail Study *Refresh* these figures represent the most up-to-date assessment by the District Council of likely levels of housing growth in Warwick District over the next 17 years.
- 7.74 Although Experian's population projections up to 2031 do generally take account of policy-led dwelling allocations at the local level, they will not include all the population and retail expenditure growth that will arise from the Council's planned allocation. This revised capacity assessment therefore 'tests' the potential impact of the Council's housing allocations on the 'baseline' retail capacity forecasts.
- 7.75 For the purpose of this assessment we have assumed an average occupancy rate of 2.3 residents per dwelling, based on standard residential densities¹⁹. This results in a total additional population of 24,852 in the District over the plan period (**Table 16:** Appendix 2 for convenience goods and **Table 20:** Appendix 3 for comparison goods). There will, however, be some overlap in Experian's population growth forecasts and the population uplift arising from the Council's planned housing growth allocations,

¹⁸ Provided by the Council on 18th December 2012. The Local Plan Preferred Options document was approved by Warwick District Council in May 2012 and subsequently subjected to public consultation.

¹⁹ This average occupancy rate per dwelling will vary depending on the size and type of homes planned.

which will lead to an element of double counting. Although the extent of this double-counting has yet to be accurately determined at this stage²⁰, for this Stage 1 *Refresh* report we have assumed that some 50% of the additional population arising from the new dwelling allocations will represent new population growth not accounted for by Experian's original projections.

- 7.76 In order to assess the amount of additional retail expenditure arising from the new dwelling allocations we have assumed that average convenience and comparison goods expenditure per capita levels and forecast growth up to 2029 and 2031 will be consistent with the averages for the District as a whole.
- 7.77 We have also assumed that the majority of the new expenditure arising from the uplift in the population will be retained within the District, and will therefore be available to existing centres and stores within the study area. In this case we have assumed a 'retention level' for convenience goods expenditure of 90% and 75% for comparison goods. We have necessarily held the retention levels constant over the forecast period.
- 7.78 Based on the above assumptions and forecasts, the following sets out SP's assessment of the potential impact of the new housing allocations and population growth on the convenience and comparison goods capacity forecasts.

Revised Convenience Goods Capacity

- 7.79 **Table 16** (Appendix 2) shows that the planned housing growth will generate an additional £6.6m of convenience expenditure in 2017 and this is forecast to increase to £23.8m by 2029 and £24.1m by 2031.
- 7.80 **Table 17** sets out the revised residual expenditure capacity available to support new convenience goods retail floorspace based on the additional retail expenditure generated by the new housing allocations. The capacity forecasts are summarised in Table 7.4.

Table 7.4 **Warwick District – Revised Convenience Capacity Forecasts**

	2012	2017	2022	2027	2029	2031
Residual expenditure (£m):	-£16.8	-£39.7	-£18.1	£6.8	£16.3	£22.5
Floorspace capacity (m ² net):	-1,344	-3,135	-1,400	517	1,227	1,681

Source: Table14, Appendix 2 (Steps 5 & 6)

- 7.81 As the table shows, there is no residual expenditure capacity until towards the end of the forecast period.

²⁰ This will need to be discussed in more detail with the Council and Experian.

- 7.82 In order to convert the residual expenditure capacity into retail floorspace we have assumed a major superstore operator will achieve an average sales density of circa £12,500 per m² in 2012²¹. This results in capacity for 517m² net of new 'superstore format' floorspace in 2027, increasing to 1,227m² by 2029 and 1,681m² by 2031. In our judgement this would support either a smaller format foodstore, or extensions to existing foodstores in the District (subject to satisfying the sequential and impact tests in compliance with national and local policy).
- 7.83 For the purpose of this assessment, we have also assessed the floorspace capacity for smaller format supermarket operators (e.g. Co-Op and Budgens) and/or 'deep discounters' (e.g. Aldi and Lidl) based on the fact that they achieve lower average turnover levels. In this case we have assumed an average sales density of circa £6,000 per m², which results in capacity for 1,080m² net of new floorspace in 2027, increasing to 2,560m² by 2022 and 3,500m² by 2027.

Revised Comparison Goods Capacity

- 7.84 **Table 20** (Appendix 3) shows that the planned housing growth will generate an additional £8.6m of comparison goods expenditure in 2017, increasing to £41.6m by 2029 and £44.3m by 2031.
- 7.85 **Table 21** sets out the revised comparison goods capacity assessment for Warwick District, based on the additional retail expenditure generated by the new housing allocations. The revised capacity forecasts are as follows:

Table 7.5 **Warwick District – Revised Comparison Capacity Forecasts**

	2012	2017	2022	2027	2029	2031
Residual expenditure (£m):	£1.6	£29.7	£85.4	£200.9	£243.2	£284.1
Floorspace capacity (m ² net):	263	4,726	12,453	26,522	30,867	34,650

Source: Table14, Appendix 3 (Steps 5 & 6)

- 7.86 **Tables 22-24** (Appendix 3) set out the revised capacity forecasts for the District's main centres up to 2031. The table below summarises the key capacity outputs.

Table 7.6 **Warwick District's Centres – Revised Capacity Forecasts (m² net)**

	2012	2017	2022	2027	2029	2031
Leamington Spa Town Centre	119	4,211	9,716	19,928	23,046	25,909
Warwick Town Centre	92	872	1,935	3,638	4,201	4,574
Kenilworth Town Centre	51	404	954	1,919	2,230	2,420

Source: Table14, Appendix 3 (Steps 5 & 6)

²¹ This is based on the average trading performance of the main foodstore multiple operators, namely Asda, Tesco, Sainsbury's, Morrisons, Waitrose and Marks & Spencer.

- 7.87 As the table show, the additional population and expenditure arising from the new housing allocations result in a slight uplift in the capacity for new retail floorspace in all three centres. For Leamington Spa, the capacity for new retail floorspace at 2029 increases from 20,652m² net to 23,046m² net after taking into account the new residential allocations. For Warwick, floorspace capacity increases from 2,344m² net to 4,201m² net.

SUMMARY

- 7.88 The updated capacity forecasts take into account all extant permissions identified by the local planning authority at the time of preparing this study, and the potential impact of the additional population and retail expenditure arising from the housing allocations that are not covered by Experian's forecasts.
- 7.89 The capacity forecasts indicate no or limited capacity for convenience goods floorspace over the forecast period. Any capacity over the short to medium term will be taken up by the new foodstore commitments in the District; principally the Morrisons superstore on the former Ford Foundry factory site on Old Warwick Road, which opened in April 2013.
- 7.90 Even assuming 'equilibrium' at the base year, there is significant capacity for new comparison goods retail floorspace in the District over the development plan period.
- 7.91 The forecasts indicate capacity for between 25,590 m² and 30,870 m² net of new retail floorspace by 2029 (the higher capacity figure arises from the District's housing allocations). Not surprisingly, the majority of this floorspace capacity is generated by Leamington Spa; between 20,650 m² and 23,050 m² net up to 2029.
- 7.92 The capacity forecasts identified by this retail assessment need to be considered in the context of the advice set out in the NPPF (paragraph 23), which states that "*it is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability*". It follows that the local planning authority needs to allocate a range of suitable sites in town centres to meet the scale and type of retail, leisure and other town centre uses needed. This may mean assessing the need to expand its town centres to ensure a sufficient supply of sites; or allocating appropriate edge-of-centre sites that are well connected to the town centre; or, if sufficient town centre and edge-of-centre sites cannot be identified, setting policies for meeting the identified needs in other accessible locations that are well connected to the town centre. Any sites in edge and out of centre locations will need to be assessed against the sequential and impact 'tests' in accordance with the advice set out in the NPPF, as well as other material considerations.
- 7.93 Finally, it is important to restate that these capacity forecasts should be treated with caution, particularly post-2017, as they are based on various layers of assumptions

and forecasts with regard to the trading performance of existing centres and stores, and the growth in retail spending, etc. For example, if the growth in Internet and multi-channel shopping is stronger than current forecasts by Experian suggest, then this will reduce the future demand and capacity for new 'physical' space over the long term.

8.0 GLOSSARY & ABBREVIATIONS

CITY CENTRES:	The highest level of centre identified in development plans. In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas which may perform different main functions. Planning for the future of such areas can be achieved successfully through the use of area action plans, with master plans or development briefs for particular sites.
TOWN CENTRES:	Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.
DISTRICT CENTRES:	District centres will usually comprise 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.
LOCAL CENTRES:	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. In rural areas, large villages may perform the role of a local centre.
TOWN CENTRE USES:	Main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities 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, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
TOWN CENTRE BOUNDARY:	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 adjoining 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 & SECONDARY FRONTAGES	Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses, such as restaurants, cinemas and businesses.
EDGE-OF-CENTRE	For retail purposes, a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances. (For example, local topography will affect pedestrians' perceptions of easy walking distance from 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	A location out of centre that is outside the existing urban area.
CONVENIENCE SHOPPING	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
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.
WAREHOUSE CLUBS	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
FACTORY OUTLET CENTRES	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.
REGIONAL & SUB-REGIONAL SHOPPING CENTRES	Out-of-centre shopping centres which are generally over shopping centres 50,000 square metres gross retail area, typically comprising a wide variety of comparison goods stores.
LEISURE PARKS	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
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 temporary open 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 'PRODUCTIVITY' ('EFFICIENCY') GROWTH	The percentage by which a retail sales density is assumed to increase annually in real terms over a stated period. The choice of the most appropriate level of growth will depend on individual circumstances, and in particular the capacity of existing floorspace to absorb increased sales. It is also important that selected rates of growth in productivity are compatible with assumptions about the growth in per capita expenditure.
QUANTITATIVE NEED	Is conventionally measured as expenditure capacity (i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by

	identification of an imbalance between the existing facilities and current level of expenditure available in an area.
QUALITATIVE NEED	Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.
OVERTRADING	The extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, and in some cases inform quantitative need considerations. For example it may be an expression of the poor range of existing facilities or limited choice of stores and a lack of new floorspace within a locality. In certain cases 'overtrading' occurs when there is an imbalance between demand (i.e. available spend) and supply (i.e. existing floorspace capacity).
BENCHMARK TURNOVER	In the case of specific types of provision (such as foodstores) company average turnover figures are widely available and can provide an indication of a 'benchmark' turnover for existing facilities. However, the <i>Practice Guidance</i> advises that such turnover benchmarks should not be used prescriptively or in isolation to indicate a measure of 'need'. It is important to recognise that a range of factors (such as rental levels and other operating costs) mean that operators are likely to trade at a wide range of turnover levels. Given the inherent margins of error involved in this type of exercise, the use of company averages as benchmarks should be treated with caution unless they are corroborated by other independent evidence of under-performance, or strong trading. Examples might include the results of in-centre health checks, or the extent of congestion in stores and queuing at checkouts.

- END -

APPENDICES:

APPENDIX 1 FOOTFALL COUNT SURVEY DATA

APPENDIX 2 CONVENIENCE RETAIL ASSESSMENT TABLES

APPENDIX 3 COMPARISON RETAIL ASSESSMENT TABLES