Wychavon

Town Centres & Retail Study

2007 Update

WYCHAVON DISTRICT COUNCIL

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Prepared on behalf of

WYCHAVON DISTRICT COUNCIL

Prepared by

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1.0 Introduction

Background

1.1 Malvern Hills District, Worcester City, and Wychavon District Councils instructed DPDS Regional Ltd to prepare a Town Centre and Retail Strategy to help inform policies of the emerging South Worcestershire Joint Core Strategy and the respective Local Development Frameworks (LDFs) for each administrative area. The output consists of three separate Town Centre and Retail Studies for each local authority and an Overall Retail Strategy document for the South Worcestershire Sub-Region. Work began in April 2007.

Objectives of the Wychavon Town Centres and Retail Study

1.2 In 2006, DPDS were instructed by Wychavon District Council to undertake a Town Centres and Retail Study. The study was issued in December 2006. The majority of the findings within that study remain valid and, for the purposes of the South Worcestershire Joint Core Strategy, it is not necessary to review every aspect of that work.

1.3 However, in terms of assessing the need for additional retail floorspace across the District, an update is required for the following reasons:

- New information has been released relating to forecasts of population and household expenditure growth, including forecasts of spending over the internet;
- In the interest of consistency within the overall South Worcestershire Joint Core Strategy, the Wychavon study should be based on the same data and assumptions used in the Worcester and Malvern Hills Retail Studies which incorporate the most up-to-date information referred to above;
- Since the 2006 study, planning consent has been granted for retail development in Evesham and Droitwich Spa which will affect the previous conclusions on the need for additional floorspace;

1.4 In addition, this update provides forecasts through to 2026 in line with the timescale for the Regional Spatial Strategy for the West Midlands, whereas the brief for the 2006 study required forecasts to 2021.

1.5 The following section reviews the assessment of need for additional facilities having regard to the above. Section 3 examines the implications of the revised need assessment for the overall town centres strategy provided in the 2006 study.

2.0 The Need for Additional Retail Floorspace

Introduction

2.1 This section assesses the need for additional floorspace in the District having regard to the following:

- The quantitative analysis contained at Appendix A, based on the results of the household telephone survey; and
- The qualitative assessment of retail provision in the District, described in Section 4 of the 2006 Town Centres and Retail Study for Wychavon District.

2.2 This approach is in accordance with guidance in PPS6 on assessing the need for retail development.

Key Assumptions

2.3 The capacity exercises for convenience and comparison goods are based on assumptions regarding the current market shares of stores in the three main towns in Wychavon District. Alternative scenarios are presented as part of the analysis.

2.4 Firstly, it is assumed that the market share of stores in each of the three towns is maintained and held as a constant. This is a conservative approach, making no allowance for an increase in expenditure retention, or 'clawback' from other towns. This 'neutral' assessment assumes that the three Wychavon town centres will remain in their current position in the retail hierarchy, and will continue to improve their retail offer in response to changes in retail trends and customer demands.

2.5 The second scenario is based on each town increasing their market share of available expenditure. This is a more positive approach, and assumes that through providing more retail floorspace in a town, it will increase its attractiveness as a shopping destination, and a greater proportion of expenditure will be retained.

2.6 The capacity exercises also take into account the following:

- Estimated base year and forecast expenditure for convenience and comparison expenditure (goods based)

2.0 The Need for Additional Retail Floorspace

- Forecast increases in the proportion of expenditure dedicated to special forms of trading (including internet sales) based on figures from Experian taking into account past trends and economic forecasts
- Forecast increases in the proportion of expenditure dedicated to special forms of trading (including internet sales) based on figures from Experian taking into account past trends and economic forecasts;
- Forecast increases in the sales efficiencies of existing floorspace based on figures from Experian;
- Estimated levels of overtrading or undertrading in convenience stores (see Table 15); and
- Retail floorspace commitments in the District which will, at least in part, absorb surplus expenditure capacity.

2.7 Where surplus expenditure is identified (i.e. the difference between the total available expenditure and the expenditure absorbed by existing and committed floorspace), it is converted to a floorspace figure using an appropriate sales density.

Convenience Goods

2.8 Tables 16 to 18 of Appendix A provide projections of convenience goods expenditure and the estimated turnover of stores in the District over the period to 2026.

2.9 Per capita convenience goods expenditure growth is much lower than the equivalent comparison goods figure. For the study period, a growth rate of 0.7% per annum has been adopted based on the latest forecasts from Experian (the rate used in the 2006 study was 0.6%).

2.10 Tables 16 to 18 present alternative scenarios for growth based on assumptions made about the market share of each centre in the future. The low growth scenario for each of the three towns is based on the current market share held as a constant. The high growth scenario is based on an increase in market share to allow for a greater proportion of expenditure retention or 'clawback'. The floorspace requirements are summarised below in terms of sq m net sales.

2.0 The Need for Additional Retail Floorspace

Low Growth Scenario

	2012	2017	2026
Evesham	0	0	317 – 634
Droitwich	0	0	0
Pershore	0	0	0

High Growth Scenario

	2012	2017	2026
Evesham	0	280 - 560	737 - 1474
Droitwich	0	0	0
Pershore	114 - 227	172 - 344	265 - 530

2.11 Tables 16a and 16b indicate that there will be only modest levels of expenditure capacity in Evesham towards the end of the study period (2017-2026).

2.12 Tables 17a and 17b show that, even with the more positive assumptions regarding expenditure growth, there is still no surplus convenience goods expenditure capacity in Droitwich Spa over the plan period. This is because large convenience stores in the town are assessed to be under-trading cumulatively (see Table 15) and commitments for convenience goods floorspace (a new Aldi store and an extension to the existing Morrisons store) will also absorb expenditure.

2.13 At Tables 18a and 18b, surplus expenditure capacity in Pershore arises in around 2012 if it assumed that there will be an increase in expenditure retention.

2.14 Turning to qualitative factors, Evesham has a range and choice of supermarkets. The two largest supermarkets are in out-of-centre locations. The town centre has three supermarkets (Somerfield, Marks and Spencer's Simply Food, and Iceland), the largest of which (Somerfield) has a sales area of 1,187sq.m. However, the town centre lacks a food superstore offering a broad range of goods to compare with the two out-of-centre superstores

2.15 Droitwich Spa has a choice of two large supermarkets, both located in the town centre. There are no clear qualitative deficiencies in foodstore provision in the town. Since the 2006 study, the Council have resolved to grant permission for an Aldi food store in an out-of-centre location in Droitwich Spa.

2.0 The Need for Additional Retail Floorspace

2.16 Pershore has two supermarkets: The Co-op (1,475sq.m.net) in the town centre and Somerfield (791sq.m.) to the north of the town. The household survey indicated that visitors consider the range and choice of foodstore provision to be relatively poor in the town centre and an additional store would bring about some qualitative benefits for the centre.

2.17 On the basis of the above, the conclusions on quantitative need for additional convenience goods floorspace are the same as those in the 2006 study: it is considered that there is no overriding need for a new foodstore in Wychavon District in the short to medium term.

2.18 However, in line with the strategy for maintaining the vitality and viability of existing centres, where opportunities exist within centres, retailers should be encouraged to improve convenience goods facilities, including new development.

Comparison Goods

2.19 The two scenario approach to assessing the need for additional convenience goods floorspace has also been adopted for comparison goods. The high and low growth scenarios both assume an increase of 3.8% per annum in per capita expenditure, as recommended by Experian (3.6% in the 2006 study). Both scenarios also assume that special forms of trading (SFT) in respect of non-food goods will increase based on estimates of the increase in internet shopping (from Experian) and DPDS experience in this study and elsewhere. It has been assumed that SFT in respect of non-bulky goods will rise to 12% by 2012 and SFT in respect of bulky goods will increase to 5% by 2012.

2.20 However, the differences between the alternative scenarios are as follows:

Low Growth Scenario
- The current market share is held as a constant;
- Floorspace efficiencies of existing stores will increase to 2.5% per annum (the high point of the range recommended by Experian).

High Growth Scenario
- The current market share is increased (by 10% of each town’s current market share) to allow for a greater proportion of expenditure retention or ‘clawback’;
- Floorspace efficiencies of existing stores will increase by 2% per annum (the lowest point within the range suggested by Experian);

2.0 The Need for Additional Retail Floorspace

2.21 For the purposes of analysis, expenditure capacity in respect of comparison goods has been split into bulky and non-bulky categories. Assumed sales densities for new floorspace in Wychavon District reflect the different sales efficiencies of operators within these two sub-categories. However, PPS6 advocates assessing need within the broad categories of convenience and comparison goods. Therefore, in identifying overall floorspace capacity, the figures referred to below combine the quantitative assessments of need for bulky and non-bulky goods floorspace.

2.22 It is assumed that new non-bulky goods floorspace will have the following sales densities:

	Current Sales Density*	Assumed Sales Density
Evesham	£3,917/sq.m.	£4,000/sq.m.
Droitwich Spa	£2,834/sq.m	£3,000/sq.m.
Pershore	£3,289/sq.m.	£3,250/sq.m.

**based on results from the household survey*

2.23 It is further assumed that bulky goods floorspace will trade at £2,000 per.sq.m., having regard to typical sales densities achieved by national multiple bulky goods operators in Mintel's Retail Rankings.

2.24 On this basis, Tables 19 to 21 set out the capacity calculations in respect of Evesham, Droitwich Spa and Pershore. Table 22 provides a summary and the results are described below. The figures refer to net sales floorspace.

Low Growth Scenario

	2012	2017	2026
Evesham	0	0	8090
Droitwich	207	592	1909
Pershore	292	779	1731

High Growth Scenario

	2012	2017	2026
Evesham	1987	6808	16491
Droitwich	928	1865	5292
Pershore	910	1603	3882

2.0 The Need for Additional Retail Floorspace

Evesham

2.25 Facilities in Evesham currently attract around 25% of non-bulky goods expenditure and 38% of bulky goods expenditure generated in the study area. Adopting the 'low growth' scenario, there will be no capacity until towards the end of the study period to 2026. However, applying the 'high growth' scenario results in significant levels of surplus expenditure by 2017 equating to around 7,000sq.m.net of additional floorspace. By 2026, surplus expenditure rises to £62m, equivalent to around 16,500 sq.m.net comparison goods floorspace.

Droitwich Spa

2.26 Shops in Droitwich Spa attract far lower levels of expenditure from the study area than stores in Evesham, despite the fact that the towns are similar in size of population. Currently, the market share of facilities in Droitwich Spa is around 8% for non-bulky goods and around 14% for bulky goods. Its proximity to other large centres such as Worcester, Kidderminster and Redditch, means that much of the expenditure arising in the Droitwich Spa catchment area currently leaks to other centres.

2.27 The scope for additional comparison goods floorspace in the town is limited in 2012. Even adopting a high growth scenario, floorspace capacity is about 900 sq m.net

2.28 By 2017, there will be surplus expenditure of between £3m and £7m, equivalent to between 600 sq m. net to 1,900 sq.m.net floorspace, depending on the growth scenario adopted.

2.29 Given the size of population in Droitwich Spa and the amount of expenditure leakage to other centres, there is the potential to claw back expenditure and increase its market share by more than the 10% specified in the high growth scenario. However, this can only be achieved by development which brings about a significant step-change in the town centre's retail offer.

Pershore

2.30 Stores in Pershore currently attract around 6% of non-bulky goods expenditure and 3% of bulky goods expenditure generated in the study area.

2.31 The expenditure capacity assessment shows that there is limited scope for additional comparison goods floorspace in Pershore in the short term. However, by 2017 and adopting the high growth scenario, there will be around 1,600sq.m.net floorspace required.

2.0 The Need for Additional Retail Floorspace

Qualitative Factors

2.32 The vitality and viability of all three town centres would benefit from additional comparison goods floorspace which would attract new retailers. Respondents to the household survey indicated that they were less satisfied with the range and choice of non-food shops in Evesham and Droitwich Spa than they were with other aspects of the town centres. Visitors to Pershore were generally more satisfied with the range and choice of non-food shops. The Focus database suggest that a number of retailers typically operating from 'High Street' locations have requirements for Evesham but there appears to be far less interest in Droitwich Spa and Pershore.

Summary

2.33 There is no overriding need for additional convenience goods floorspace in the District in the short to medium term. Improvements to food store provision within the town centres should be encouraged in line with a strategy to enhance the vitality and viability of those centres.

2.34 There is a need for additional comparison goods floorspace in the District. Depending on the assumptions used to forecast special forms of trading and other variables influencing expenditure growth, the floorspace requirement will be as follows:

	2012	***2017***
Evesham	up to 2,000 sq.m.	up to 6,800 sq.m.
Droitwich Spa	200 – 900 sq.m.	600 – 1,900 sq.m.
Pershore	200 - 1,000 sq.m.	900 - 2,000 sq.m.

Net sales floorspace figures

2.35 These figures suggest that, in accordance with guidance in PPS6, the local planning authority should identify suitable sites to accommodate additional comparison goods retail floorspace in the three Wychavon town centres. Possible sites to meet this requirement are discussed in Section 7 of the 2006 study and revisited in the following section of this report.

2.36 Whilst the statistical tables at Appendix A address retail 'needs' over the period to 2026, it is important to place a strong caveat on long-term forecasts of floorspace requirements. As with all forecasts, their reliability diminishes over time. Retailing is a dynamic industry.

2.0 The Need for Additional Retail Floorspace

Experian and MapInfo, recognised as experts within the industry, only provide forecasts of expenditure growth in the next decade. PPS6 also urges caution over long-term forecasts and recommends frequent updates of retail needs assessments based on the most up-to-date information.

2.37 It is difficult to imagine how most large town and city centres in the UK can accommodate the floorspace requirements which are being forecast for 15-20 years ahead based on current assumptions of expenditure growth, non-store sales, and sales efficiencies.

2.38 Even if retail interest were strong and significant levels of investment were forthcoming, a major expansion of large centres in the UK every 5 to 10 years to meet the forecast floorspace requirements is likely to serious implications. For example, new developments may shift the balance of centres, resulting in lower levels of vitality in the older parts of the centre. Instead of attracting new retailers, existing retailers may simply move to newer premises.

2.39 Therefore, it is recommended that in identifying sites or opportunities for new retail development in Wychavon District, caution should be taken over the 2026 forecast and the 2017 forecast should be seen as a broad guide to the likely requirement at this stage.

3.0 The Implications of Revised Assessment for the Overall Strategy

Introduction

3.1 This section revisits the retail strategy provided in the 2006 study in light of the revised expenditure capacity figures and assessment of retail need. The previous section of this report has identified a need for additional comparison goods retail floorspace within each of the three main town centres over the study period. Also, a need to broaden the range of leisure uses was identified as part of the 2006 study.

3.2 Potential areas to accommodate additional development have been identified and assessed following discussions with officers at the District Council, on the basis of our own surveys, and having regard to existing retail or mixed use allocations in the local plan. The areas of opportunity have been assessed having regard to their availability, suitability and viability for retail and other town centre uses in accordance with the sequential approach as set out in PPS6.

Areas for New Development

3.3 In the context of a forecast rise in population and expenditure growth within the catchment areas of the three main town centres, there is a need for additional comparison goods floorspace in the District over the next 5 to 10 years. There is a need to maintain the market share of the three town centres in the face of strong and increasing competition from towns and cities including Worcester, Gloucester, Cheltenham, Stratford, and Swindon. Improvements, or further developments, are likely to be required to bolster the vitality and viability of the District's town centres.

3.4 Any changes to existing retail allocations in the Local Plan would need to be made by way of a Development Plan Document rather than an SPD. Ideally, the need for additional comparison goods floorspace should be addressed predominantly through a single allocation in each of the town centres in the relevant Local Development Document. Concentrating new retail development in one area will help to achieve the 'critical mass' of retail floorspace necessary to attract investment. New retail development should either be within, or relate well to, the existing primary shopping areas of the three town centres.

3.5 The areas of opportunity in Evesham, Droitwich Spa, and Pershore are identified broadly on the plan at Appendix B.

3.0 The Implications of Revised Assessment for the Overall Strategy

Evesham

3.6 The site at Oat Street and Cowl Street and to the rear of Bridge Street and High Street is allocated in the adopted Local Plan for non-food retail development. This area remains the best opportunity for an expansion of the town centre in light of the identified need for additional retail development in Evesham.

3.7 Given its proximity to the Primary Shopping Frontage on High Street and Bridge Street, the area represents an area of under-used land and, through a comprehensive redevelopment, has the potential to provide a significant amount of additional comparison goods floorspace providing a mix of unit sizes to suit modern retailer requirements.

3.8 The site is in multiple ownership and existing access and parking arrangements would need to be considered as part of any redevelopment proposals. The site would benefit from the production of a development brief to facilitate its promotion. The Council should also consider adopting such a brief as SPD to provide developer certainty on the site.

3.9 Redevelopment of this site will no doubt be a costly affair and it is essential that the Council makes every effort to attract investment in a comprehensive scheme. The site is suitable for a major, multi-level redevelopment. In addition to retail development, other town centre uses would be appropriate, including leisure, restaurant, café and office uses. Town centre parking should also be provided (and would be required by potential developers and retailers). Residential units on upper floors would also add to the sense of vitality in the town centre. However, it is important to reiterate that the area represents the most appropriate location for significant levels of retail floorspace to meet the identified need. Any proposals for a comprehensive mixed-use development must address the need for retail development as a priority above other uses.

3.10 Whilst there is a clear quantitative need for additional comparison goods floorspace (up to 6,800 sq.m. by 2017), the site would also be suitable for convenience goods shopping as this would broaden the choice of foodstores in the town centre. In the context of the need to broaden the range of leisure facilities, the site would also be well suited to a large-scale D2 use. However, the development as a whole should include provision for significant levels of additional comparison goods floorspace which would help address the identified need.

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3.11 The design of such a scheme is crucial in order to ensure that development enhances the vitality and viability of the town centre, and meets current design standards for public streets and areas. The retail element of redevelopment proposals for this area should be pedestrian-friendly and create a retail 'loop' breaking through to the existing primary shopping frontages on High Street and Bridge Street.

3.12 Given the importance of design (in its broad context) in ensuring that redevelopment in this area enhances the town centre, the Council should take a strong lead in the design process and should, in view of the complex access and land ownership issues involved, and the need for a comprehensive development, consider preparing a planning brief for the area as a priority. The Council must actively promote the site and may have to take positive measures to bring forward the development including indicating its willingness to use CPO powers to ensure that land assembly problems do not prejudice a satisfactory development. Positive action by the Council to help bring the site forward for development is also likely to attract potential investors.

Droitwich Spa

3.13 The quantitative needs assessment indicates that by 2012 there will be expenditure capacity to support modest levels of additional comparison goods floorspace. However, looking at the longer term, there will be a need for up to 1,900 sq.m.net by 2017, assuming a reasonable increase in the town's current market share of expenditure.

3.14 Following the redevelopment of the site to the north of the High Street (Gurney's Lane) for a Waitrose supermarket, there are no sites allocated for retail development in the adopted Local Plan. However, an extension of the primary shopping area in a westward direction from the Salters Shopping Centre would be desirable as further modern development in the eastern part of the town centre is likely to affect its historic character and opportunities for redevelopment in this area are extremely limited.

3.15 Development on land between Saltway, Covercroft, Winnetts Lane, and Priory Lane should retain, refurbish or replace the existing supermarket, as the choice of foodstores in the town centre is one of its key strengths. It is recommended that appropriate uses should comprise comparison goods retailing, including a mix of units sizes, and any of the following uses: D2 leisure, A3 restaurant & cafes, A4 drinking establishments. Offices and/or residential uses

3.0 The Implications of Revised Assessment for the Overall Strategy

should be encouraged at the upper floor levels to bolster the centre's vitality. The loss of parking would have to be considered carefully and any car parking needs arising from the development provided for.

3.16 Comprehensive redevelopment of this site could provide a large quantum of additional comparison goods floorspace, significantly higher than that which this study forecasts to 2012 and 2017. However, as previously discussed, there is potential for Droitwich Spa town centre to claw back significant levels of retail expenditure currently leaking to other centres and broadening the range and choice of non-food shopping facilities for Droitwich Spa's residents. For this to occur, a step-change in the retail (and leisure) offer is required.

3.17 The Council is keen to promote such a step change and to further increase the attractiveness of Droitwich Spa as a destination, building on recent improvements such as the redevelopment of its Lido and brine baths and the future redevelopment of its canal side. In accordance with the strategy suggested as part of the 2006 retail study, the Council has undertaken work with the site owners – Kandahar Real Estate Ltd – to produce a development brief for the site. The brief, which will be completed in late 2007, will guide any future applications on the site.

Pershore

3.18 This study has identified a need for very modest levels of additional comparison goods floorspace in Pershore by 2012. By 2017, the floorspace requirement increases to between 800-1,600 sq.m. net. The quantitative assessment of need also suggests that there is scope for some additional convenience goods floorspace too. Broadening the range of leisure facilities in the centre of the town would also benefit its overall vitality and viability.

3.19 Pershore has a very compact town centre and opportunities for new development are constrained by planning policies relating to its historic environment. However, the site at the northern end of the High Street allocated for mixed-use development in the adopted Local Plan offers some scope for an expansion of town centre uses. The site is currently used as a garage/workshop and car sales showroom. Land further to the south-east is under utilised, given its central location, and is well related to the largest town centre car park and the Market.

3.0 The Implications of Revised Assessment for the Overall Strategy

3.20 These two areas of the town centre represent the best opportunity for additional development and should be the focus for new town centre uses. New development should create good pedestrian linkages with High Street and/or the area around the Market, Co-Op and the Leisure Centre on King Georges Way.

3.21 In light of the identified need, LDF policy should promote retail development, both convenience and comparison goods floorspace, on the site. Given that the quantitative need for new floorspace is not particularly strong, and the Focus database suggests a lack of retailer demand for additional floorspace in Pershore, it is not recommended that LDF policy should insist that the site is developed comprehensively. However, the design of individual proposals should not prejudice other developments coming forward. In particular, retail development dedicated to one type of goods category (convenience or comparison) should not prejudice development for the other type coming forward. A2, A3, A4, A5, and D2 uses will be appropriate complementary uses at ground floor level, with leisure, office and/or residential uses above. An expansion of the popular indoor market would benefit the vitality and viability of the town centre. Any redevelopment in this area should ensure the continued success of Pershore Indoor Market.

Summary

3.22 The revised assessment of quantitative need contained in this report does not materially affect the strategy for town centres and retail development suggested as part of the 2006 study. There is a clear need to provide additional non-food retail floorspace in each of the three Wychavon town centres and a requirement for a broader range of leisure uses. An area of opportunity has been identified within, or close to, existing primary shopping areas in each town centre, and these should be identified and promoted through the Local Development Framework.