Worcester
Retail Study

Worcester
CITY COUNCIL

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Retail Study

Prepared on behalf of

Worcester City Council

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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 Malvern Hills Retail Study

1.2 The key objectives of the Study are as follows:

- To assess retail expenditure capacity for the District up to 2026;
- To undertake a household shopping survey to establish shopping patterns and to inform the health checks of the three town centres (Great Malvern, Upton upon Severn and Tenbury Wells) and the two district centres (Malvern Link and Barnards Green, both in Malvern);
- To provide an assessment of commercial leisure facilities available to the District's residents;
- To present a full appraisal of alternative sites for retail development in accordance with the requirements of the sequential approach set out in PPS6;
- To provide a town centres and retailing strategy for the District in the context of the wider sub-regional hierarchy.

Study Structure

1.3 The study is structured as follows:

Section 2 Provides a summary of the relevant planning policy background

Section 3 Contains a review of current and likely trends in the shopping industry at the national level which could influence the need and future demand for additional retail floorspace.

1.0 Introduction

Section 4	Provides an overview of shopping facilities within the District and in the wider region, and assesses the levels of vitality and viability in the three town centres and two district centres. Reference is made to the results of the household shopping survey, commissioned as part of this Study.
Section 5	Contains a quantitative assessment of convenience and comparison goods expenditure capacity using the results of the household survey as the basis for assessing existing shopping patterns.
Section 6	Includes a review of trends in the commercial leisure industry and examines the need for additional leisure development in the District.
Section 7	Presents the recommended strategy for retailing and leisure uses in the District.
Section 8	Provides a summary of the main findings and conclusions.

2.0 Policy Background

National Policy

2.1 *Planning Policy Statement 6: Planning for Town Centres* (PPS6) sets out the Government's national policies and principles relating to the future of town centres and the main uses relating to them. These policies should be taken into account by local planning authorities in the preparation of local development frameworks (LDFs). The LDF is a folder of local development documents prepared by local authorities that outline the spatial planning strategy for the local area.

2.2 The Government's key objective for town centres is to promote their vitality and viability by:

- Planning for the growth and development of existing centres; and
- Promoting and enhancing existing centres, by focusing development in such centres and encouraging a wide range of services in a good environment, accessible to all.

2.3 Through local development documents, local planning authorities should implement the Government's objectives by planning positively for town centres and, in particular, should:

- Develop a hierarchy and network of centres;
- Assess the need for further main town centre uses and ensure there is the capacity to accommodate them;
- Focus development in, and plan for the expansion of, existing centres as appropriate, and at the local level identify appropriate sites in development plan documents;
- Promote town centre management, creating partnerships to develop, improve and maintain the town centre, and manage the evening and night-time economy; and
- Regularly monitor and review the impact and effectiveness of their policies for promoting vital and viable town centres.

2.4 This study seeks to inform the formulation of policies which address these principles and objectives. In accordance with PPS6, the study will:

- Assess the need for new floorspace for retail uses, taking into account both quantitative and qualitative factors;
- Identify deficiencies in retail and commercial leisure provision, assess the capacity of existing centres to accommodate new development;
- Identify centres where development will be focused;
- Review the boundaries of the primary shopping area;

2.0 Policy Background

- Identify sites in accordance with the sequential approach placing first preference on sites within centres; and
- Inform criteria-based policies for assessing proposals for retail development, including development on sites not allocated in the development plan documents.

The Regional Spatial Strategy for the West Midlands (formerly RPG11)

2.5 The West Midlands Regional Spatial Strategy (RSS) defines Birmingham / Solihull, the Black Country, Coventry and Stoke-on-Trent as the Major Urban Areas (MUA) and these are the main focus for major development, particularly housing and economic growth, over the period to 2021. In addition, Worcester, the nearest centre to Malvern to be mentioned, is identified in the Strategy as one of 5 sub-regional foci for development beyond the MUAs. The others are Hereford, Rugby, Telford and Shrewsbury.

2.6 The strategy identifies a network of town and city centres (Policy PA11) which will be the focus for major retail development (over 10,000 sq m gross of comparison goods floorspace), and uses that attract large numbers of visitors. The network includes Worcester, Redditch and Kidderminster. The policy acknowledges that there are many other centres in the Region which meet local needs and development plans should identify and develop policies for these centres within their respective areas to meet local needs. The Strategy urges local authorities to be pro-active in encouraging appropriate development to maintain and enhance their function as town centres.

2.7 The RSS is currently under review following the recommendation for increased housing numbers in the Barker Review of Housing Land Supply. The retail strategy should be adaptable to allow for the increased retail capacity that would accompany any large-scale expansion of the city.

West Midlands Regional Centres Study

2.8 In March 2006, Roger Tym and Partners with King Sturge undertook a strategic assessment of retail, leisure and office facilities in the West Midlands Region on behalf of the Regional Assembly. The Study estimated that the residual comparison goods requirement in 2021 will be around 427,000 sq. m. net. across the region as a whole In terms of Worcester, the nearest centre to Malvern to be mentioned, the Study estimated that the requirement for city centre comparison floorspace by 2021 will be between 14,000 and 34,000sq.m.net, depending on the assumptions used regarding, *inter alia*, population and expenditure growth.

2.0 Policy Background

Roger Tym and Partners are currently updating the Study which will project forward capacity assessments to 2026 and take into recent commitments and the most up-to-date forecasts of expenditure growth, internet shopping, floorspace efficiencies etc. The Study will inform RSS policies which are likely to set upper limits for additional retail development for centres in the Region.

Worcestershire Structure Plan

2.9 The Worcestershire Structure Plan was adopted by the County Council in 2001 and covers the period to 2011. Structure Plan policy focuses new retail development towards town centres but also recognises the importance of shops serving local day-to-day needs in rural settlements. The retail hierarchy within Worcestershire, as defined in the Structure Plan, is described in Section 4 of this study.

The City of Worcester Local Plan

2.10 The City of Worcester Local Plan was adopted by the Council in October 2004 and, in line with the Structure Plan, covers the period to 2011. The Central Shopping Area of the city centre is defined on the Proposals Map, within which are identified Primary, Secondary and Heritage Shopping Streets.

2.11 There are two areas allocated for retail expansion: The largest site is at Lowesmoor, to the east of the Central Shopping Area, which now benefits from planning consent for a mixed-use development including a new foodstore and non-food retail units. The other allocation is in the southern part of the Central Shopping Area and comprises the Lychgate/Cathedral Plaza Shopping Centre. Only part of this allocated site has been refurbished / redeveloped since the allocation emerged.

2.12 St Johns is the only District Centre defined in the Local Plan. The centre is approximately 1km west of the city centre, across the bridge over the River Severn. The site adjoining the centre to the east is allocated for a new foodstore.

2.13 The Local Plan identifies a number of neighbourhood centres across the City, intended to serve local shopping and service needs.

3.0 Retail and Leisure Trends

Introduction

3.1 The retail and leisure sectors are characterised by continuous change, activity and progress. Changes within these sectors over recent years have manifested themselves in new forms of development. These have resulted not only from innovations within the industries themselves but also from consumer demand, technological advances, and political intervention.

3.2 Within the last three decades, the UK has witnessed dramatic and continuing change in retail environments. The traditional town centre dominance of retailing has been challenged by innovative new retail formats in out-of-town locations and now commentators are considering the impact of internet shopping.

3.3 These changes in the retail sector occur rapidly and the planning system is often slow to respond, resulting in planning policy lagging behind the changes. Since the 1970s there have been four broad waves of retail change within Britain.

- First Wave – occurred in the late 1960s to early 1970s, where food retailers moved to 'out-of-centre' locations operating from free-standing superstores and hypermarkets.

- Second Wave – occurred in the late 1970s to mid-1980s, where key bulky goods operators (e.g. DIY, furniture, carpets, electrical goods and motor accessories) moved to out-of-centre locations either in free-standing premises or with other operators as part of 'retail parks'. This wave was also associated with the first large-scale retail warehouses. There was rapid growth of retail warehouses in the 1980s which slowed down in the 1990s due to the prevailing economic climate and more stringent planning legislation.

- Third Wave – occurred from the mid-1980s to early 1990s with other retailers in the non-bulky comparison goods sectors (such as clothing, footwear and toys) moving to out-of-centre locations, many to retail parks. This was the time when the large operators such as Marks & Spencer moved out-of-centre. This wave was also characterised by the rise of Regional Shopping Centres located close to motorway networks and serving very wide catchment areas (e.g. Meadowhall in Sheffield).

- Fourth Wave – occurred in the 1990s with the rise of warehouse clubs and factory outlet centres specialising in discounted goods. Retail complexes also emerged in many airport terminals.

3.0 Retail and Leisure Trends

3.4 A fifth retail wave has emerged since the turn of the century associated with increased use of personal computers in the office and at home. Online retailing (or e-tailing) has experienced rapid growth over this period, although it is still in its early stages. Services such as banking, estate agencies and travel agencies have also been affected. At this stage, it is difficult to draw firm conclusions on the implications for traditional 'high street' retailing over the coming years. However, changes in expenditure distribution have not gone unnoticed by retailers. The development and growth of e-tailing is discussed further below.

Expenditure

3.5 A key factor in the changing retail sector has been the changes in general expenditure; the last 30 years have seen a rapid increase in average income (GDP per head). Nearly all households have telephones, fridges and TVs, cars and many have more than one car. Many of these goods are bought through shops and this has led to an increase in consumer retail expenditure. Other expenditure, for example foreign holidays, expenditure on the purchase and maintenance of cars, and savings and pension plans is not considered as retail expenditure, but trends affecting it can have considerable impact on town centres. Savings exerted considerable pressure on town centre floorspace through the demand from building societies, although this has now passed its peak with the amalgamation of societies, the rationalisation of their structure and e-banking. The growth of home ownership in the 1980s and the active housing market has increased demand for estate agents offices.

3.6 One of the big areas of expenditure growth has been in the leisure sector. Eating out and take away meals have become commonplace for many households, increasing the demand for restaurants, and take-aways and as well as forming one of the fastest growing sectors of food retailing. The growth in leisure spending has also encouraged investment by large companies, both in large-scale out-of-centre complexes (including multiplex cinemas, nightclubs and restaurants) and in the conversion of large town centre premises to public houses. More details of trends in the leisure sector are contained at Section 5. Government policy to encourage the evening economy of town centres has focused attention on the importance of leisure spending to town centres, although such uses should not undermine the predominant shopping function in the core shopping areas of larger town centres.

3.0 Retail and Leisure Trends

Retail Expenditure

3.7 Retail expenditure is in competition with other types of expenditure, and has not simply increased with average earnings. In the period 1960 – 2004/5 expenditure on food and drink (excl alcohol) has declined from 30% of household expenditure to 16%, and expenditure on clothing and footwear from 10% to 5%. By contrast housing costs have increased from 9% to 18%, and transport, motoring and fares from 12% to 16%. Other expenditure items include recreation and culture, restaurants and hotels, miscellaneous goods, household goods, communication, education, and health, (source: ONS Family Spending, 2004/5, table 4.2).

3.8 MapInfo (formerly the Data Consultancy and, before that, URPI) has tracked retail expenditure back to 1964. It has risen from £2,274 per head in 1980 to £4,486 per head in 2004 (at constant 2002 prices), an increase of 97% over 24 years (source: MapInfo Information Brief 05/02). The annual growth rate is around 3.0% per annum between 1983 and 2004, although the pattern of growth year on year has been uneven, reflecting the economic cycles.

Convenience Goods

3.9 The category of convenience goods covers food and drink, including alcoholic drinks, tobacco, newspapers, cleaning materials and matches bought through retail outlets. According to data from MapInfo, convenience goods expenditure has increased very slowly over the very long term (1964 to 2004) at an average annual rate of 0.1%. Expenditure on these goods was depressed in the 1990s following considerable growth in the late 1980s. However, the average annual growth in convenience goods expenditure between 1998 and 2004 is 0.8%. The local estimates of expenditure data used in this study are from Experian. Experian forecast that growth in per capita convenience goods expenditure will be around 0.7% per annum over the study period.

Comparison Goods

3.10 Comparison goods include clothing and footwear, do-it-yourself goods, household goods (such as furniture, carpets, soft furnishings and hardware) recreational goods (such as TVs, radios, video and DVD players, sports goods, toys, books and bicycles) and other goods like pharmaceuticals, toiletries and jewellery. Expenditure on these goods has grown faster than expenditure on convenience goods, at a rate of almost 5.2%p.a. over the same period 1983 to 2004, and 8.5%p.a. over the period 1998 to 2004 (Source: MapInfo). However, both

3.0 Retail and Leisure Trends

Experian and MapInfo forecast that these growth rates cannot be sustained. For the period covered by this study, a forecast growth rate of 3.8% per annum has been used in respect of per capita comparison goods expenditure (from Experian).

3.11 Expenditure growth on different types of comparison goods can vary quite markedly. Audio-visual equipment, for example, has grown by almost 15.7%p.a. in the last 6 years whereas expenditure on household goods has been 6.7%p.a. Growth in sales of electrical equipment is likely to continue as new technologies and innovative products continue to emerge.

Social Trends

3.12 The growth in retail expenditure per head has given rise to a demand for additional retail floorspace. So has the modest but steady increase in the population – in England and Wales from about 49.6m in 1981 to 52.0m in 2001. However, how this pressure manifests itself as retail development is not consistent across the country and is determined largely by changes in social behaviour and the structure of the retailing sector itself.

3.13 Within regions, expenditure per capita will vary, as will growth or decline in the resident population. Within the regional context, however, the fortunes of individual town centres will depend on the population change within their catchment areas and their position within the retail hierarchy, rather than overall regional changes. Even in regions with declining population some towns will grow, while others decline. Often the impact of declining population will be greatest in district centres in larger conurbations.

3.14 The other social changes that are usually remarked upon in relation to retail patterns are the growth of car ownership and the substantial increase in the proportion of women working. The proportion of households with at least one car has increased from 52% in 1971, to 68% in 1991, and 73% in 2001. This has increased the likelihood of a car being available for shopping trips.

3.15 The use of cars rather than public transport has altered the whole pattern of accessibility in towns and cities, favouring peripheral sites where there is less congestion and car parking is more convenient. It has also reduced the time/distance disincentive to travelling for goods and services, resulting in fewer but larger shopping centres. Retailers can rely on people travelling to them, rather than having to provide branches at a local level to reach customers.

3.0 Retail and Leisure Trends

3.16 The very marked increase in the number of women working, particularly working full time, and bringing up families is generally seen as creating an income rich/time poor environment for shopping which favours convenience over price competitiveness and hence encourages one-stop shopping, and bulk shopping trips.

3.17 It is probably easy to overestimate the impact of these changes and there remain a substantial number of pensioner households and households without cars. Nevertheless, the pattern of relatively infrequent (usually weekly) bulk food shopping trips with additional top-up shopping in between, appears to be well established from the large number of household shopping surveys that have been carried out as part of retail impact studies. The growth of 'convenience stores', particularly at petrol filling stations, is another manifestation of this trend.

3.18 The pattern of non-food shopping trips is more complicated and assessed less frequently than convenience goods shopping patterns. The emergence of shopping as a leisure activity has been much trumpeted, and the close proximity of retail and leisure facilities in some regional shopping centres and large retail parks is evidence of this. These centres attract coach trips from far afield. Indeed, window-shopping has long been an established pastime, and daily food shopping is often used as an occasion for social interaction. Nevertheless, the relative success of attractive, historic shopping centres and centres containing purpose-built attractions suggest that shopping is often combined with more general leisure trips. Purchases may be impulse buys, but equally the decision to go to a particular centre may be based on a combination of its retail offer and other attractions.

E-Commerce

3.19 There has been considerable media attention devoted to internet shopping in recent times. 'High Street' sales were lower than expected over the Christmas 2005 and New Year period, whilst internet-based sales have been buoyant. However, contrary to some pessimistic forecasts, 'High Street' sales in Christmas 2006 were at their highest for three years. According to the ONS, growth was particularly high in respect of clothing and household goods in December 2006, but the highest growth rates were recorded in respect of 'non-store sales' including internet shopping. On this basis, it is still unclear the extent to which Internet shopping will replace traditional shopping.

3.20 In terms of convenience goods, the main food store operators have set up on-line shopping facilities. Tesco Direct, for example, has steadily increased its geographical coverage and has extended the range on offer through its online store to include books and household goods.

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3.21 However, doubts remain about how popular the Internet will be with food shoppers. While it may suit the purchase of basic standardised groceries such as tins or frozen products, it is likely that there will always be a significant number of customers who will want to choose their own fresh products and to browse the product range in goods sectors, like delicatessens, where the product offer changes rapidly.

3.22 Within the comparison goods sector Internet shopping will broadly offer the same service as catalogue and teleshopping. It is likely to prove popular for goods like books and CDs, but even with these goods, the inability to inspect the goods or satisfactorily test the selection is seen as limiting. For fashion goods, catalogue shopping, mail order and teleshopping are slowly claiming a larger market share. Internet shopping adds to the efficiency of the process rather than overcoming its disadvantages – particularly in seeing and trying on clothes. Remote sales rely on home delivery, which is, as a result of the increasing numbers of women who work, becoming a disadvantage in itself.

3.23 The disadvantages of home delivery do not apply to the delivery of many services, and telephone and Internet services have already become significant in banking and insurance services. The same trends are important in travel bookings and, to some extent, estate agency. This has led to or is likely to lead to, continued branch closures, as is being experienced in the banking sector at present. It seems reasonable to conclude that the Internet and telephone services will have a significant impact on the amount of activity in High Streets in the coming years, but will not replace them as places for shopping, business and entertainment.

3.24 According to Forrester Research, 'net-influenced' sales represent three times as much revenue as actual online sales. In other words, many people prefer to research products and prices online but then go to the high street to actually buy the goods. Forrester Research estimate that net-influenced sales in the UK will be worth approximately £22bn (7%) in 2007. The Interactive Media in Retail Group (IMRG) who represent on-line retailers claim that internet sales are matched by net-influenced sales. IMRG suggest that for 2006, internet sales will have represented £30bn or 10% of all retail sales and a further £30bn of high street sales will be 'influenced' by people browsing on the internet.

3.25 In any event, shopping online is a factor, alongside other forms of non-store business. Experian consider that internet shopping is still in the 'take-off' phase of its market penetration but, once shopping patterns are established and settled, internet sales will eventually plateau at a reasonably constant market share of overall spending. Experian's estimate of retail sales not taking place in stores in 2003 is 1.6% in respect of convenience goods and 5.4% in

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respect of comparison goods. The results of the household survey indicate that in the study area as a whole non-store convenience goods spending was 1.5% and for comparison goods it was 10.8%. The comparison goods figure is a higher than the Experian equivalent which is for 2003 but, given the forecast growth in such spending as a proportion of total spending, the higher figure is to be expected. In terms of different types of comparison goods, the survey revealed the following proportions of non-store spending:

Clothing / Shoes / Fashion:	5.3%
DIY Goods:	0.3%
Furniture / Floor Coverings:	3.5%
Small Electrical:	8.6%
Large Electrical:	8.4%
Other Non-Food Goods:	13.5%

3.26 Experian estimate that convenience goods expenditure which is not spent in stores will increase to around 6% by 2010 before levelling out in 2013 at around 6.5%. They estimate that comparison goods non-store spending will also continue to increase, levelling out at around 12.4% in 2013.

3.27 However, Experian have also produced forecasts of special forms of trading based on a ‘weaker-case scenario’ where internet shopping in particular does not grow at such a rapid rate over the next 5-8 years. As Experian explain in their Retail Planner Briefing Note (4.0, October 2006), there is a high degree of uncertainty in projecting the uptake of new technology and the rapid growth in internet sales could be a one-off result following the take up of broadband technology. If this is the case, internet growth would peak at a lower level and a little earlier than predicted. On this basis, Experian have produced what they describe as a “plausible low case” scenario for growth in non-store activity. In 2015, they estimate that non-store sales will be around 4% for convenience goods, and 8% for comparison goods.

3.28 In recent retail studies undertaken by DPDS, there appears to be strong growth in comparison sales over the internet particularly for non-bulky comparison goods. By comparison, there is much weaker growth in convenience sales. Therefore, having regard to Experian estimates and taking into account experience in other studies, the following proportions of non-store sales have been excluded from our forecasts of floorspace needs across the study area from 2012:

Convenience Goods:	4%
Comparison Goods (Bulky):	5%
Comparison Goods (Non-Bulky):	12%

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Retail Industry Trends

3.29 The emergence of new forms of retailing in the late 1980s and 1990s are well known and the so-called four waves have previously been outlined in this section.

3.30 The number of superstores (food stores with more than 25,000 sq.ft. sales floorspace) increased from 457 in 1986 to 1,102 in 1997, and their share of grocery spending increased from 29.9% in 1987 to 53.7% in 1996. This occurred at a time when the grocery spending per head increased very slowly. In contrast, the number of independent grocers fell from 116,000 in 1961 to 20,000 in 1997 (Figures quoted from the Environment, Transport and the Regional Affairs Committee Second Report Dec 1999). The Institute of Grocery Distributors Directory indicates that the number of superstores had risen further from 1,102 in 1997 to 1,280 in 2003.

3.31 The move towards car borne shopping and the advantages for peripheral, out-of-centre, sites for this are well known. The move started in convenience goods retailing where large stores could offer sufficient goods and facilities to attract customers without town centre facilities being available. Increasingly over recent years, these superstores have expanded into other in-store activities and services such as dry cleaning, coffee shops and the sale of financial services. It has now become commonplace for the larger food stores to sell comparison goods like mobile phones and televisions/DVD players at discounted prices in addition to the clothing and fashion goods sold by some. The take-over of Asda by WalMart, specialists in mixed-goods retailing, has led to others following the trend to a greater degree.

3.32 The next development was the movement of electrical, furniture and floor covering retailers to out-of-centre locations. These have tended to cluster together in retail warehouse parks, because they can benefit from ‘incidental’ purchases by customers of neighbouring stores. Also, the proliferation of individual free-standing retail stores often results in customers having difficulty remembering which store is where. Good visibility from main vehicular routes remains a pre-requisite in identifying retail locations. For retailers, warehouse units offer the possibility of stocking bulky goods and a wider range of normal goods than conventional units. Also, warehouses often allow retailers flexibility in terms of re-arranging the showroom area without contending with structural walls and pillars.

3.33 The advantages for retailers of out-of-centre locations are clearly not restricted to retailers of bulky goods; a number of clothing and footwear retailers (e.g. Next and Marks & Spencer) have shown willingness to trade from out-of-centre locations realising the benefits identified above. In looking for new sites, DIY operators also now prefer a retail warehouse location (or a site adjacent to a food superstore) above free-standing locations.

3.0 Retail and Leisure Trends

3.34 Factory Outlet Centres (FOC) developed rapidly in the 1990s. In the past it was common to find small shops attached to places of production/manufacture selling end-of-line, out-of-season, or slightly damaged products. Other routes for disposal of such goods have been through markets, and exports to eastern European countries. These alternatives are declining. There are now FOCs in most parts of the country, both purpose-built as out-of-centre shopping locations and in converted buildings. A FOC has recently been granted planning permission by the Secretary of State as part of the Gloucester Quays redevelopment. Although the industry may seek to operate what is effectively a two-tier pricing structure, there is clearly likely to be considerable substitution of goods between the two and limits on expenditure and usefulness means that some of the money spent on FOC goods, will not be spent in the high streets.

3.35 Warehouse clubs, like Costco, which sell a wide range of discounted goods to members from very large premises, have failed to spread widely in the UK. A court case established that, in terms of planning law, warehouse clubs were not shops. However, Government policy on retail development advises that in policy terms they should be treated as if they were retail businesses.

3.36 More recently, the largest supermarket retailers have been concentrating on acquiring smaller convenience stores. Tesco and Sainsburys have been active in the convenience sector over recent years and it is likely that Asda Wal-Mart will soon join them. Sales at Tesco convenience stores in particular are rising so fast that analysts expect sales at stores trading under the fascia Tesco Metro (in town centres) or Tesco Express (at local stores or petrol filling stations) will surpass sales at Spar, the UK's current leading operator in the convenience store sector. Tesco sales in this sector are already alongside Musgrave's (which own Londis and Budgens).

3.37 The Association of Convenience Stores has warned that the larger supermarket chains are using their considerable influence and purchasing power to force independent traders out of business. In November 2005, the Office of Fair Trading was ordered by the Courts to review its earlier decision that the supermarket's increasing dominance of the grocery market should not be referred to the Competition Commission for a full enquiry. The OFT is now carrying out the study focussing in part on the way retailers seek to influence competition through the planning system.

3.38 However, it should be noted that the convenience store sector is more diffuse than the larger food superstore market. Spar, the current leaders in the sector, has just 5.6% of sales, whilst

3.0 Retail and Leisure Trends

Tesco and Musgrave have 5.4% each, and the Co-operative Group a further 5.2% (Source: Verdict Research). This is compared with Tesco's 30.5% market share of the grocery sector overall (Source: TNS market research).

Retail Concentration

3.39 The retail industry is becoming concentrated in fewer, larger firms with a greater share of the market. These concentration levels have been achieved partly through mergers, but many of the leading companies have also captured increased market share through organic growth. This is particularly so in the food sector, where the market share of the top five operators is 79%, and the top ten over 90%. Increased size can produce more favourable purchasing prices from suppliers and economies of scale arising from distribution logistics, and the spread of advertising costs. Advertising and branding is increasingly important, with retailers developing their own brand products and their own brand image. This brand strengthening allows many of them to trade more easily from freestanding out-of-centre locations.

3.40 These changes give national multiples considerable advantages, and their presence in town centres is an important measure of the success of town centres. Those towns which fail to attract such stores will loose market share. At the same time, the need for independent shops to give town centres 'character' is becoming recognised (to avoid the label of 'clone town'). People will want to shop in larger towns with greater choice and retailers can increasingly rely on people travelling to these shops by car, rather than having to provide shops locally. There is thus a tendency for larger towns to have strong retailer interest and to support new development, while smaller, traditional market towns decline.

Summary

3.41 The retail and leisure sectors are characterised by continuous change. Growth in retail expenditure fluctuates. In terms of comparison goods, after a period of relatively high growth in expenditure, more modest levels of growth are expected in the short to medium term. Expenditure growth in respect of convenience goods is historically lower than the equivalent for comparison goods and this is expected to continue.

3.42 Increasing car ownership has led to significant levels of retail and leisure floorspace being constructed in out-of-centre locations. To a degree, the extent of out-of-centre development has, in turn, led to increased dependence on the car.

3.0 Retail and Leisure Trends

3.43 E-commerce and shopping online is a factor alongside other forms of non-store activity. Analysts suggest that non-store shopping will continue to increase into the next decade which, inevitably, will divert some trade from 'high street' stores.

3.44 Retailing is becoming increasingly concentrated in fewer, larger firms. National multiples have significant advantages over independent traders but, whilst their presence in a town centre is generally acknowledged to be a sign of success, it is important to recognise that a strong independent sector gives a centre character and broadens it appeal.

4.0 Existing Shopping Facilities

Introduction

4.1 This section of the study provides an overview of the shopping facilities available to residents of, and visitors to, Worcester. In particular the section focuses on facilities in the city centre and St Johns district centre. First, the regional and sub-regional shopping hierarchy is examined in order to understand the city centre's position relative to competing centres. Second, there is a review of facilities in the city centre, St Johns district centre and out-of-centre provision including free-standing food stores and non-food retail warehouses. The assessment of the shopping facilities in this section is based on DPDS fieldwork, information from Worcester City Council, established data sources including Management Horizons, the Valuation Office, and Experian, and the results of the specially commissioned Household Telephone Survey.

The Household Telephone Survey

4.2 To gain a better understanding of shopping patterns in the area, a household telephone survey was commissioned from NEMS and conducted in May 2007. The survey area was defined in consultation with officers from the three commissioning local authorities, and having regard to the results of a household survey carried out during 2000 as part of a previous retail study undertaken by MVM Planning on behalf of Worcester City Council. The area to the east of Worcester had already been surveyed in 2006 as part of the Wychavon Retail Study, and the results of this survey were incorporated into this Study. The overall survey area reflects the likely area of influence of Worcester city centre and the main town centres within Wychavon and Malvern Hills Districts (the other commissioning authorities).

4.3 The new household survey had an sample of 1,500 households. A plan showing the geographic extent of the survey area is contained in Appendix A. For the purposes of analysis the area was split onto 15 zones based on postcode geography. The area surveyed as part of the Wychavon Retail Study is also shown on the plan at Appendix A.

4.4 The questionnaire for the survey was designed to gain information on shopping patterns which would not only inform the assessment of retail expenditure capacity but also provide valuable information on the views of visitors to the main town centres in the Study Area. Reference is made to the results of the survey in this section. The full results are contained in Appendix B.

4.0 Existing Shopping Facilities

Regional Shopping Hierarchy

4.5 The *West Midlands Regional Spatial Strategy, Technical Paper 5 – Quantitative Need in Retail and Leisure Sectors* identifies a retail hierarchy defined on the basis of comparison goods turnover. The Study focuses on the 26 centres with the highest comparison goods turnovers (of around £100m and above). Birmingham is at the top of the hierarchy, followed by Merry Hill Shopping Centre, Coventry, Hanley, Wolverhampton and Solihull. Worcester is 7th in the rankings. In terms of other centres in the region which are relatively close to Worcester, Hereford is 11th, Redditch is15th, Kidderminster is 17th, and Stratford upon Avon is 18th.

Sub Regional Shopping Hierarchy

4.6 The Worcestershire Structure Plan under Policy D.31 identifies the following retail hierarchy within the County:

Figure 4.1: Policy D.31 Retail Hierarchy

Retail proposals in the following centres should be of a scale which is appropriately related to the roles of those centres and should retain and reinforce the following retail hierarchy:

Worcester City	Sub-Regional centre
Kidderminster	Major County centre
Redditch	Major County centre
Evesham	Minor County centre
Bromsgrove	Minor County centre
Malvern	District centre
Droitwich	District centre
Pershore	Minor District centre
Stourport	Minor District centre

Source: Worcestershire Structure Plan 1996 -2011, Adopted Plan June 2001

4.7 Figure 4.1 shows that Worcester is the highest placed shopping centre and defined as the ‘Sub-Regional Centre’. The Structure Plan acknowledges that the sheer scale and variety of shopping facilities in Worcester contributes towards its sub-regional role, the retention and development of which is a key strategic objective. In terms of other centres within the South Worcestershire Sub-Region, Evesham is defined as a ‘Minor County Centre’ and is higher in the hierarchy than Droitwich Spa and Malvern which are classed as ‘District Centres’, and Pershore which is a ‘Minor District Centre’.

4.0 Existing Shopping Facilities

4.8 The Structure Plan hierarchy is based on the Management Horizons Europe (MHE) Shopping Index. In terms of retailing, MHE surveys shopping centres in the UK and ranks them according to their relative retail strength and the assessed level of vitality and viability. The factors influencing a centre's position in the hierarchy include the number of national multiple retailers present in the centre, the number of key attractors (such as John Lewis or Marks and Spencer), the total retail floorspace available, and the level of vacant floorspace.

4.9 Figure 4.2 below identifies the centres within the South Worcestershire Sub-Region, which appear in the national rankings, and the main competing centres in the wider sub-region. The previous rankings from 2000/2001 are included for reference.

Figure 4.2 The MHE shopping Index: South Worcestershire and the Surrounding Area

Centre	MHE Rank 2003-04	MHE Rank 2000-01
Birmingham	6	6
Bristol	23	18
Cheltenham	24	24
Bath	28	30
Worcester	**54**	**53**
Brierley Hill, Merry Hill	61	49
Hereford	77	90
Gloucester	89	65
Cribbs Causeway, Bristol	100	89
Kidderminster	156	169
Redditch	165	165
Stratford upon Avon	170	145
Evesham	**262**	**269**
Dudley	301	249
Bromsgrove	336	282
Tewkesbury	565	572
Stourport on Severn	773	775
Malvern	**800**	**699**
Droitwich Spa	**829**	**739**
Ledbury	1449	989

Source: Management Horizons Europe

4.0 Existing Shopping Facilities

4.10 Worcester is ranked 54th in the MHE rankings and significantly higher than any other centre in the South Worcestershire Sub-Region. Evesham is ranked 262nd, Malvern is 800th and Droitwich Spa is 829th. Other centres in the South Worcestershire Sub-Region are not large enough to feature in the rankings. In terms of the changes over recent years, Worcester has remained relatively stable

4.11 The results of the household survey support the hierarchy structure as Worcester has by far the highest market share of comparison goods expenditure generated within the South Worcestershire Sub-Region. However, towns and cities outside the Sub-Region also influence shopping patterns within it. The household survey indicates that Cheltenham has a significant influence on comparison goods shopping patterns within the south-eastern part of the Sub-Region, and Kidderminster attracts a notable amount of spending generated in the north-western part of the Sub-Region.

4.12 Other towns and cities outside the South Worcestershire area have less influence on shopping patterns in the study area, but the combined draw of destinations such as Stratford-upon-Avon, Redditch, Birmingham, Tewkesbury, Hereford and Bromsgrove is notable.

Shopping Facilities in Worcester

4.13 Having considered the regional and sub-regional shopping context, this section now turns to a detailed assessment of shopping provision within the City. The city centre and St Johns district centre are assessed in turn having due regard to the key indicators of vitality and viability set out in paragraph 4.4 of PPS6. An overview of any out-of-centre provision is also provided.

Visitor / User Perceptions

4.14 Respondents in the household survey were asked a series of questions about the retail centres they used. Visitors and users were asked to rate the centre in relation to a range of factors including range and choice of non-food shops, the quality of the environment, and accessibility by car. Respondents were given the option of rating centres as ‘very good’, ‘good’, ‘average’, ‘poor’, or ‘very poor’. For the purposes of analysis, these responses were given a score of 200, 100, 0, -100, and -200 respectively and an average score was then calculated. Therefore, a score above 0 means that the centre was rated above average and the higher the score, the higher the centre was rated. A score below 0 means that the centre was poorly rated. The average scores are referred to in the following assessments.

4.0 Existing Shopping Facilities

Worcester City Centre

4.15 The City of Worcester lies on the banks of the river Severn, about 11km to the north-east of the Malvern Hills and about 10km to the south-west of Droitwich. In terms of its relationship with large cities and towns, Worcester lies some 51km south west of central Birmingham, around 45km north of Gloucester and Cheltenham, and approximately 40km north west of Hereford.

4.16 Worcester's historic core developed on the east bank of the river, approximately where the city centre is now situated. The skyline of the city centre is dominated by the Cathedral on the banks of the Severn. Originally the settlement spread mostly in a northwards direction and, in more recent times, grew significantly to the east and the south. The River Severn, its flood plain, and the general topography have curtailed the spread of the City to the west.

4.17 Worcester's fortunes were based on glove making, pottery manufacture (Royal Worcester Porcelain), salmon fisheries, and the famous Worcestershire sauce. The Worcester and Birmingham Canal, built in the early part of the 19th century, significantly boosted the local economy, as did the construction of the M5 motorway in the 1960s. Employment in the City is now largely provided through a mix of manufacturing (e.g. Worcester-Bosch) and business uses (e.g. npower), and the City Council, County Council and West Mercia Police employ a significant number of people.

4.18 The Primary and Secondary Shopping Streets largely follow the city centre's medieval street pattern. High Street runs northwards from the Cathedral and is the 'prime pitch' in retail location terms. The Crowngate Shopping Centre and the older Lychgate Shopping centre are located off the High Street. The remainder of the city centre's shopping area is formed mainly by The Shambles, New Street, Friar Street, Market Place, Broad Street, and St Swithins Street.

Retail Composition

4.19 Figures 4.3 and 4.4 overleaf show the current composition of the city centre and changes since 1999, the survey date used in the last retail study for Worcester.

4.0 Existing Shopping Facilities

Figure 4.3: Retail Composition of Worcester City Centre (Units)

	No. of units 1999	No. of units 2006
Convenience	48 (8%)	44 (7%)
Comparison	346 (55%)	331 (53%)
Services	153 (24%)	185 (30%)
Vacant	72 (12%)	52 (8%)
Miscellaneous	9 (1%)	14 (2%)
Total	628 (100%)	626 (100%)

Source: Experian/MVM Planning (1999), Experian (2006)
Figures may not add due to rounding
'Miscellaneous' category comprises post offices, employment agencies and information centres

Figure 4.4: Retail Composition of Worcester City Centre (Floorspace)

	Floorspace 1999	Floorspace 2006
Convenience	8350 (7%)	8036 (8%)
Comparison	67500 (59%)	60656 (59%)
Services	24010 (21%)	24703 (24%)
Vacant	12520 (11%)	6447 (6%)
Miscellaneous	3110 (3%)	2564 (3%)
Total	115490 (100%)	102407 (100%)

Source: Experian/MVM Planning (1999), Experian (2006)
Figures may not add due to rounding
'Miscellaneous' category comprises post offices, employment agencies and information centres

4.20 The overall number of units available in Worcester city centre is 626, relatively unchanged from 1999 (628). However, the overall floorspace available has dropped by around 13,000sq.m.gross over this period.

4.21 The number of convenience units has fallen from 48 to 44 and convenience goods floorspace has fallen by over 300sq.m.gross to just over 8,000sq.m.gross. This represents just 8% of the city centre's floorspace, well below the national average of 17%. It should also be noted that since the last Experian survey, Sainsburys, the largest foodstore in the town centre, has closed, reducing the convenience floorspace further. The Experian analysis suggests that Worcester city centre lacks the scale of convenience goods provision normally found in major centres. The new food superstore to be provided as part of the Lowesmoor mixed-use development granted consent in 2006 will increase provision available the visitors to the city centre.

4.0 Existing Shopping Facilities

4.22 The number of comparison shops in the city centre has fallen from 346 to 331 between 1999 and 2006, and comparison goods floorspace has fallen by almost 7,000sq.m. to around 60,700sq.m. However, the sector remains dominant occupying 53% of units and 59% of city centre floorspace.

4.23 The service sector has grown considerably over the period 1999 to 2006. 32 additional units have been created taking the number of service units to 185.

4.24 Vacancies have fallen from 72 and 52. Falling vacancy rates are a trend across town centres in the UK over this period. However, the current vacancy rate of 8% is below the national average of 11%.

The Comparison Goods Sector

4.25 Key national multiple comparison goods retailers include Argos, BHS, Boots, Burtons, Carphone Warehouse, Clarks, Clintons, Currys Digital, Debenhams, Dorothy Perkins, H&M, HMV, Marks & Spencers, New Look, Next, River Island, Superdrug (two), TopMan, TopShop, Vodafone, WH Smith, Waterstones and Woolworths. Other multiples include the following:

Clinton Cards	Phones 4 U
Bon Marche	The Works
Dunelm Mill	Partners
Mark One	Millets
Mothercare	Dolland & Aitchison
QS	Adams childrenswear
Blacks	Jessops
The Entertainer	Early Learning Centre
H Samuel	Body Shop
Carphone Warehouse	Claires Accesories
Shoe Zone	Ann Summers
JJB Sports	Fat Face
Monsoon	Wallis
Multiyork Furniture	Cotton Traders
Ethel Austin	Accessorize
Russell & Bromley	Laura Ashley
Sony Centre	JD Sports
Treds Shoes	Evans
Gamestation	Specsavers
Vision Express	Bang & Olufson

4.0 Existing Shopping Facilities

4.26 Complementing the national multiples is a large number of independent retailers of comparison goods. The offer from these retailers is broad and stores sell clothing, shoes, carpets, books, household furnishings and goods, gardening goods, musical instruments, sports equipment, toys, gifts, stationary, pet accessories, toiletries and pharmaceutical products, glasses and contact lenses, computer equipment, and jewellery. Some of the more specialist shops can be found on the 'heritage shopping streets' of New Street, Friar Street and some of the smaller arcades. The Shambles Market Hall also provides variety in the retail offer.

4.27 According to the household survey, between 66% and 73% of spending on clothes and footwear generated by Worcester residents (in Zones 6, 7 and 8) is spent in Worcester city centre. However, the city centre also attracts significant levels of fashion goods expenditure from its wider catchment area outside the City. For example, the city centre attracts the following proportions of clothing, shoes and fashion expenditure from the following zones:

61% from Zone 5 (immediately north-west of Worcester)
48% from the "Droitwich Zone"
42% from the "Pershore Zone"
33% from Zone 10 (the area west of Worcester and north of Malvern)
40% from Zone 11 (Malvern area), and
27% from Zone 4 (Tenbury Wells area)
23% from Zone 14 (Upton upon Severn area)

4.28 Shopping facilities in Worcester, including those on retail warehouse parks, are also popular for bulky goods (e.g. carpets, furniture, electrical and DIY goods) in the same geographical areas.

4.29 Overall, comparison goods facilities in Worcester have an estimated turnover of around £440m, of which an estimated £360m is in the city centre.

The Convenience Goods Sector

4.30 Since the recent closure of the Sainsburys store, and until the new food superstore is constructed at Lowesmoor, the city centre lacks a supermarket.. The stores in the city centre, including Somerfield, Iceland and the Marks & Spencer, attract only a very small proportion of the expenditure generated in the Study Area when compared to the large supermarkets outside the city centre.

4.0 Existing Shopping Facilities

4.31 Notwithstanding this, the city centre has a reasonable range of stores selling complementary convenience goods, including health food stores, bakers, butchers and delicatessens. In addition, there are newsagents, confectioners, and off licences.

Vacant Units

4.32 Figure 4.3 sets out the information on the number of vacant units and floorspace in Worcester city centre. As previously noted, the number of vacancies has decreased markedly since 1999, as has the amount of vacant floorspace. The vacancy rate is currently 8%, below the national average of 11%.

4.33 In terms of distribution, there are very few vacancies on the Primary Shopping Frontages with two notable exceptions: The lower end of the High Street and Cathedral Plaza and the area around the Angel Place market. Indeed since the Experian survey in November 2006, further units in the vicinity of Cathedral Plaza have become vacant including the Sainsburys store. Outside of the Primary Shopping Area, vacancies are reasonably dispersed, and a higher proportion of vacant units are located in secondary and tertiary areas to the north of the city centre (e.g. Foregate Street and The Tything)

The Evening Economy

4.34 Worcester's evening economy appears to be flourishing, especially in terms of public houses, clubs and restaurants. There are many pubs ranging from small, traditional pubs selling real ales to large, modern, themed venues. St Nicholas Street and Angel Street are particularly busy on Friday and Saturday nights. Some of the larger pubs include Wetherspoons, RSVP, O'Neills, and Vibe. Nightclubs include Tramps and Jewel.

4.35 The household survey indicates that approximately a half of Worcester residents have visited pubs and nightclubs in the city centre in the last 12 months and around a third have eaten in restaurants there. Despite the nucleus of bars and nightclubs at the northern end of the High Street, and several 'hotspots' of criminal incidents in the city centre, personal security was not perceived to be a major issue by many respondents in the household survey. However, recent surveys undertaken by the Council have highlighted fear of crime as a significant issue.

4.0 Existing Shopping Facilities

Other Uses in the City Centre

4.36 In addition to retail and service uses, Worcester city centre attracts significant numbers of visitors for other reasons. The Cathedral and other historic buildings and associations play a large part in attracting tourists to the city centre. Worcestershire Cricket Ground (New Road) and Worcester Race Course are relatively central. The city centre has the main offices of Worcester City Council, schools, a college, public houses and nightclubs, two cinemas, bingo, a public library, two museums and art galleries, a theatre and school of music, the Guildhall, hotels, the post office, a community centre, employment agencies and a jobcentre, solicitors, accountants and other businesses. There are also residential properties between and above traditional city centre uses. Leisure facilities in the city centre and elsewhere in Worcester are discussed in more detail in Section 7.

Environmental Quality

4.37 One of the most attractive assets of Worcester city centre is its environment. Whilst a significant part of the city centre was redeveloped in the 1950s and 1960s, a period in which many of Worcester's medieval buildings were lost, the centre still contains many historic buildings. The 'heritage shopping area' around Friar Street and New Street, and the pleasant covered arcades, provide a very different shopping environment to the more modern shopping centres elsewhere in the city centre.

4.38 Much of the city centre is pedestrianised providing a safe, traffic-free environment and there are many covered shopping areas providing shelter from inclement weather. High quality street furniture, pavement treatments and signage all add to the sense of place within the city centre. There are areas for relaxation away from the main shopping streets although linkages to the banks of the River Severn could be improved to make this area more easily accessible.

4.39 The city centre is not without its environmental problems. The area in front of the Cathedral (the Cathedral Plaza complex and roundabout) is dated in appearance, detracts from the Cathedral's setting, and effectively presents a barrier to pedestrian movement between the Cathedral and the rest of the city centre. There are also a number of buildings and structures which detrimentally affect the character of the city centre, including the link bridge over the Shambles.

4.0 Existing Shopping Facilities

Footfall

4.40 According to data collected by Worcester City Council, and on the basis of surveys undertaken for this Study, the highest levels of footfall are typically recorded at the northern and central areas of the High Street, where flows of around 1800 to 2000 pedestrians per hour are recorded. Other busy areas include The Cross, Angel Place and the eastern end of Broad Street. At the southern end of the High Street, pedestrian flows represent less than half the flows recorded at the northern end. In peripheral areas of the city centre, including the 'heritage shopping streets' of New Street and Friar Street, relatively low pedestrian flows were recorded, typically around 200 pedestrians an hour. The overall results suggest that the north western part of the city centre is busiest in terms of pedestrian movements.

Commercial Yields

4.41 The yields expressed in Figure 4.5 below are 'all risk yields' calculated by dividing the annual rent, as though it had been received as a single sum at the year end, by the capital value or sale price of the property. The 'all risk yield' is a simple benchmark which the property market uses to assess the comparative attractiveness of different shopping centres. It is the ratio of rental income to capital value and is expressed in terms of the open market rent of a property as a percentage of the capital value.

4.42 As a measure of retail viability, yields are a valuable indictor, but one that needs to be used with care. The level of yield on its own is of less value than in comparison with other yields at different points in time and in different locations. Yields measured consistently over time can give an indication of the direction in which a particular town centre is moving, although yields also reflect the state of the economy in general and the attraction of the property market compared to other forms of investment.

4.43 This trend can be compared with national levels of yields and with those towns of similar size and type, or with neighbouring and competing towns. A comparative analysis of this type, conducted on a regular basis, can give an indication of how the viability of retailing in a town centre is changing.

4.0 Existing Shopping Facilities

Figure 4.5: Commercial Yields (%), 2000-2007

Centre	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Worcester	**4.75**	**4.75**	**4.75**	**4.75**	**4.75**	**4.75**	**4.75**	**4.75**
Birmingham Central	5	5	5	4.75	5	5	5	4.75
Cheltenham	6	6	6	6	6	6	5	5
Stratford-upon-Avon	5.25	5.25	5.5	5.5	5.5	5.5	5.25	5.25
Hereford	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.25
Redditch	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Gloucester	6.75	6.75	7	7	7	7	7	6
Kidderminster	8	8	7.75	7.5	7.5	7.5	7.5	6
Bromsgrove	8	8	8	8	8	8	7	6
Evesham	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Great Malvern	9.5	8.5	7.5	7.5	7.5	7.5	7.5	7.5
Ross on Wye	8.5	8	8	8	8	8	7.5	7.5
Droitwich	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Tewkesbury	8	8	8	8.5	8.5	8.5	8.5	8
Stourbridge	9	9	9	9	9	9	8	8
Stourport	9.5	9.5	9.25	9.25	9.25	9.25	8.5	8
Halesowen	8.5	8.5	8	8.25	8.25	8.25	8.25	8.25
Stroud	9	9.5	9.5	9.5	9.5	9.5	9.5	8.5
Ludlow	11	11	>=10	>=10	>=10	9	9	9
Ledbury	9.25	9	9	9	9	9	9	9

Source: Valuation Office (first valuation of the year)

4.47 Figure 4.5 above illustrates that Worcester's yield has remained constant over the past 7 years at 4.75%. This is the lowest in the sub-region and on a par with the Regional Centre of Birmingham. Other centres in the South Worcestershire Sub-Region have much higher yields (Evesham, Great Malvern and Droitwich all have yields of 7.5%). In terms of other competing centres which draw trade from the Study Area, Cheltenham has a yield of 5% (recently improved), Redditch 5.25% (static over recent years), Hereford 5.25% (recently improved), Kidderminster 6% (and improving), Bromsgrove 6% (and improving) and Tewkesbury 8% (remaining fairly static).

4.0 Existing Shopping Facilities

4.48 On the basis of yields, it appears that no other centre within a considerable distance is regarded as safer investment locations than Worcester.

Retail Rents

4.49 Figure 4.6 below shows Prime Zone A retail rents achieved in towns and cities in the surrounding area.

Figure 4.6: Retail Rents (£/sq.ft), 1994-2006

Centre	1994	2000	2006
Birmingham Central	175	330	325
Cheltenham	135	150	190
Worcester	95	150	170
Stratford-upon-Avon	85	120	130
Gloucester	n/a	n/a	130
Hereford	85	115	120
Redditch	95	110	115
Kidderminster	50	60	70
Halesowen	40	50	70
Bromsgrove	n/a	n/a	65
Evesham	n/a	n/a	60
Droitwich	n/a	n/a	50
Stourbridge	n/a	n/a	50
Ross on Wye	n/a	n/a	40
Stroud	n/a	n/a	40
Tewkesbury	n/a	n/a	35
Ludlow	n/a	n/a	25

Source: Colliers CRE

4.50 Worcester's prime retail rents have almost doubled over the period 1994 -2006 from £95 per square foot to £170. In terms of competing centres, Central Birmingham attracts the highest rents (£325 per sq.ft) followed by Cheltenham (£190).

Retailer Requirements

4.51 A list of requirements for retail and leisure premises in Worcester, as shown on the Focus database, is contained at Appendix C. The database shows 80 requirements comprising 44 from comparison goods operators, 3 from convenience stores, 28 from the service sector

4.0 Existing Shopping Facilities

and 5 other users, including 3 from the leisure sector. 53 of the requirements are for prime shopping frontage property and a further 9 would accept appropriate secondary frontage property.

4.52 The largest requirement is from House of Fraser who are seeking premises of between 100,000 to 200,000sq.ft (approximately 10-20,000sq.m.). TJ Hughes, TK Maxx and Toys R Us are also seeking large-scale premises of up to 55,000, 40,000, and 35,000sq.ft respectively.

4.53 Overall, it appears that there is a healthy level of demand for retail premises in Worcester which bodes well for attracting future investment in expending city centre floorspace.

Accessibility

4.54 Worcester is located just off the M5 motorway and is served by junctions 6 and 7. In combination with the M42, M40 and M4 motorways, the City is relatively accessible by car from distant locations.

4.55 The following large car parks serve Worcester city centre (the number of spaces is based on information from Worcester City Council):

St Martins Gate	796 spaces
Crowngate Shopping Centre	750 spaces
Cathedral Plaza	360 spaces
Cattlemarket	320 spaces
Newport Street	139 spaces
King Street	112 spaces
Queen Street	88 spaces
Providence Street	60 spaces
Claire Street	51 spaces
Silver Street	20 spaces

4.56 The city centre is served by Worcester Foregate Street station and Shrub Hill station which have services to London, Birmingham, Bristol, Oxford, Stratford and Hereford. In terms of surrounding towns, there are regular services to Kidderminster, Malvern, Evesham and Droitwich.

4.57 The terminus/interchange for many bus services in Worcester is CrownGate Bus Station. However, popular bus stops are also located outside the Lychgate Centre / Cathedral Plaza, and on Sansome Street.

4.0 Existing Shopping Facilities

4.58 Pedestrian movement around the city centre is relatively easy. It is a relatively compact centre on level ground. The majority of vehicular traffic is diverted around the city centre and there are few pedestrian-vehicle conflicts within the main shopping streets. High Street, The Shambles, Pump Street, Broad Street, Church Street, Bank Street, Mealcheapen Street, and the majority of Angel Place and Friar Street are pedestrianised. Crowngate Shopping Centre, The Cathedral Plaza and the smaller arcades are also traffic-free.

Visitor Views

4.59 As previously mentioned, the household telephone survey asked respondents their views on the centres they visited. Respondents were asked to rate various aspects of the city centre and the results are shown in Figure 4.7 below.

Figure 4.7: Visitor Perceptions of the Worcester City Centre

Factor	**Score**
Range and choice of non-food shops	46
Choice and quality of supermarkets	16
Choice and quality of service facilities	97
Range and choice of leisure / entertainment facilities	39
Accessibility by public transport	41
Accessibility by car	61
Adequacy of parking arrangements	15
Quality of the environment	81
Ease of pedestrian movement around the centre	87
The level of personal security and safety	80

Notes: Respondents were given the option of rating centres as 'very good', 'good', 'average', 'poor', or 'very poor'. For the purposes of analysis, these responses were given a score of 200, 100, 0, -100, and -200 respectively and an average score was then calculated.

4.60 Respondents of the household survey were also asked to indicate aspects which they disliked about Worcester city centre. The most commonly mentioned factors are summarised in Figure 4.8 overleaf together with the percentage of respondents mentioning the factor:

4.0 Existing Shopping Facilities

Figure 4.8: Main Dislikes of Worcester City Centre

"Not enough shops"	11%
"Lack of / cost of parking"	8%
"Unattractive environment"	8%
"Poor quality shops"	6%
"Traffic problems"	5%
"Lack of personal safety / rowdiness"	4%

4.61 Also recorded as part of the survey, were respondents' views on potential measures to encourage them to visit town centres more often. Figure 4.9 below provides a summary of the main responses:

Figure 4.9: Measures to Encourage Visits to City Centre

"Broader range of shops"	18%
"Better or more niche / specialist shops"	6%
"More parking"	6%
"Less expensive parking"	4%

4.62 Figures 4.7, 4.8 and 4.9 suggest the following:

- The city centre received positive scores across all aspects mentioned in the survey. The range of services, the ease of pedestrian movement around the centre, environmental quality, and the level of personal safety were all rated highly.
- Whilst receiving positives scores, the range and choice of supermarkets and non-food shops were not rated so highly. Indeed, when asked, respondents highlighted the range and choice of shops as their main criticism and, if the choice were broadened, the aspect most likely to encourage them to visit the city centre more often.
- Adequacy of parking arrangements received the lowest score overall. The cost of parking also attracted criticism, although this is not uncommon in studies of this type. Indeed, respondents generally rated accessibility by car relatively highly, and traffic problems are not perceived to be a major issue.

Summary of Worcester City Centre

4.63 Worcester is 54th in the UK shopping centre rankings. Of its nearest competing centres, only Birmingham and Cheltenham are higher in the rankings. Worcester city centre attracts Prime Zone A rentals of £170 per square foot and again is behind only Birmingham and Cheltenham in terms of competing centres. Yields are at a level of 4.75%, one of the lowest yields of shopping centres in the UK.

4.0 Existing Shopping Facilities

4.64 The city centre has over 600 retail and service units and around 102,000sq.m. of floorspace. The comparison goods sector, which is broad and varied, dominates the city centre although some visitors have indicated that they would still like to see more.

4.65 Planning permission exists for a food superstore on the edge of the city centre which would help address a deficiency in supermarket provision accessible to city centre visitors.

4.66 The number of vacant units is declining and the proportion of vacant units is below the national average for town centres.

4.67 The city centre has a historic and attractive environment, and it attracts visitors for many other reasons besides shopping. The centre is reasonably accessible by public transport and the car, and pedestrian movement around the compact centre is easy.

4.68 Surveys suggest visitors generally are content with the city centre, its environment and what it has to offer. Retailer demand for a presence in the city is high, with most operators seeking city centre premises.

4.69 Overall, the city centre displays strong levels of vitality and viability having regard to the relevant indicators as set out in PPS6.

St Johns District Centre

4.70 St Johns was once a settlement in its own right, separate from Worcester. However, despite the fact that the urban areas have merged and the city centre is only 1km to the east, the Worcester Retail Monitor 2004 notes that St Johns still retains much of the historic scale and character of the original village and acts as a focus for local shopping and services on the western side of Worcester (west of the River Severn). St Johns district centre is the largest shopping centre outside of the city centre in Worcester.

4.71 Figure 4.10 overleaf sets out the retail composition of St Johns district centre and highlights the changes over the period 1997 to 2007. In terms of changes in the last ten years, there is one notable trend.

4.0 Existing Shopping Facilities

Figure 4.10: Retail Composition of St Johns District Centre

	No. of units 1997	No. of units 2002	No. of units 2007
Convenience	8 (10%)	10 (13%)	9 (10%)
Comparison	25 (32%)	25 (31%)	26 (39%)
Services	28 (36%)	34 (43%)	31 (43%)
Vacant	16 (21%)	11 (14%)	5 (7%)
Miscellaneous	n/a	n/a	1 (1%)
Total	77 (100%)	80 (100%)	72 (100%)

Source: Worcester City Council (1997 & 2002), DPDS (2007)
Figures may not add due to rounding
'Miscellaneous' category comprises post offices, employment agencies and information centres

4.72 The number of vacant units in the district centre has fallen from 16 to just 5. This is a common trend in many traditional district or local centres in the UK, but quite often this is because vacant property is being converted into housing. Indeed in St Johns, whilst the number of vacancies has fallen, the overall number of retail or service units has also fallen from 80 in 2002 to 72 in 2007. However, it is important to note that the number of shops selling comparison and convenience goods has remained relatively stable over the last ten years (33 in 1997 and 35 in 2002 and 2007). This suggests that whilst there may have been some conversions of shops to residential use, these have not reduced the number of retail businesses in the centre or diluted its retail function.

4.73 Turning to the retail offer, stores sell a relatively modest range of non-food goods or services including:

Furniture
Printing
Second hand goods
Books
Hardware
Electrical goods
Flowers
Chemist goods
Gifts
Pet accessories
Windows and doors
Carpets
Graphics services
Kitchens
Vehicles

4.74 There are six charity shops and a pawnbroker and the overall the retail offer is orientated towards the discount end of the range.

4.0 Existing Shopping Facilities

4.75 The convenience goods sector in St Johns is anchored by the Co-op store but supplemented by two butchers, two newsagents, an off licence, two bakers, and a greengrocer. Planning consent has been granted for a new supermarket, to be operated by Sainsburys on the south-west edge of the district centre on the site of the existing Sports Centre which will be relocated on an adjoining site.

4.76 The service sector comprises 13 cafes, restaurants or take-away food outlets. In addition, there are seven hairdressers. Other services include a launderette, estate agent, travel agent, dry cleaners, and three of the national banks.

4.77 Other uses in the district centre include St Johns church, architects, accountants and financial services offices, a crèche, public houses, dental practices, a library, and a Post Office. Two primary schools and a secondary school are located in the surrounding area.

4.78 The centre has a reasonably attractive physical environment and is situated within a conservation area. The environment is marred somewhat by traffic passing through the centre but no doubt this passing trade contributes towards the turnover of the centre.

4.79 Pedestrian counts indicate that footfall is highest at the northern end of the district centre towards the Co-op foodstore.

4.80 The household survey asked those respondents who visited St Johns district centre to rate various aspects. The results are shown in Figure 4.11 below:

Figure 4.11: Visitor Perceptions of the St Johns District Centre

Factor	Score
Range and choice of non-food shops	-15
Choice and quality of supermarkets	-33
Choice and quality of service facilities	2
Range and choice of leisure / entertainment facilities	-22
Accessibility by public transport	61
Accessibility by car	63
Adequacy of parking arrangements	8
Quality of the environment	47
Ease of pedestrian movement around the centre	58
The level of personal security and safety	77

Notes: Respondents were given the option of rating centres as 'very good', 'good', 'average', 'poor', or 'very poor'. For the purposes of analysis, these responses were given a score of 200, 100, 0, -100, and -200 respectively and an average score was then calculated.

4.0 Existing Shopping Facilities

4.81 Most aspects of St Johns district centre were rated positively. In particular, high scores were received for accessibility (by public transport, by car, and on foot), the level of personal security and its environmental quality. Not surprisingly for a centre of its size, the range and choice of shops and facilities received negative scores. As previously mentioned, planning permission has been granted for a new supermarket adjoining the district centre.

4.82 Overall, St Johns district centre appears to function well in its role serving local residents west of the River Severn. It is a reasonably vital and viable centre with the prospect of further investment and expansion through new development in the near future.

Out-of-Centre Retail Provision in Worcester

4.83 As previously mentioned, the majority of convenience goods floorspace in Worcester is located outside the city centre. Two Tesco stores were constructed as part of neighbourhood centres intended to serve housing expansion areas. One other food superstore (defined as a foodstore of over 2,500sq.m.) exists in Worcester: the Sainsbury's store at Blackpole. In addition, there are the following main foodstores outside of centres in Worcester:

Co-op, Ombersley Road
Aldi, Pheasant Street
Lidl, Blackpole Road
Lidl, Newton Road

4.84 Turning to comparison goods, the vast majority of out-of-centre floorspace is located within retail parks in four locations as follows:

Shrub Hill Retail Park
Dreams Beds
Wilsons Pets
Rightprice Tiles
Wickes
Carphone Warehouse
Blockbuster Video
Staples

4.0 Existing Shopping Facilities

Blackpole Retail Park
Harveys
Paul Simon Furniture
Currys
Comet
Carpetright
Pets at Home

Elgar Retail Park
Homebase
MFI
Allied Carpets
Apollo 2000
Halfords

Hylton Road Retail Park
Homebase
PC World

4.85 There are stand-alone retail warehouses in the City, including the Homebase store on Bath Road and some industrial areas, such as the area to the east of Shrub Hill station, which have retail sales of bulky goods, usually ancillary to the manufacturing use.

5.0 The Need for Additional Retail Floorspace

Introduction

5.1 This section assesses the need for additional floorspace in the City having regard to the following:

- The quantitative analysis contained at Appendix D, based on the results of the household telephone survey; and
- The qualitative assessment of retail provision in the City, described in the previous section.

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

Key Assumptions

5.3 The capacity exercise for convenience and comparison goods is based on the current market shares of facilities in Worcester. In other words, it is assumed that the current market share of stores in Worcester is maintained and held as a constant. This approach makes no allowances for an increase in market share arising from improvements in the retail offer thus increasing its attractiveness. At the same time, no allowance is made for a reduction in market share, possibly arising from improvements in provision in competing centres which may divert existing trade away from Worcester.

5.4 This 'neutral' assessment assumes that Worcester will remain in its current position in the retail hierarchy, and will continue to improve its retail offer relative to other centres in the hierarchy, and in response to changes in retail trends and customer demands.

5.5 The capacity exercises take into account the following:

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

5.0 The Need for Additional Retail Floorspace

- 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 16); and
- Retail floorspace commitments in the City which will, at least in part, absorb surplus expenditure capacity.

5.6 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

5.7 Table 17 of Appendix D provides projections of convenience goods expenditure and the estimated turnover of stores in the City over the period to 2026.

5.8 As previously mentioned in Section 3 of this study, per capita convenience good expenditure growth is much lower than the equivalent comparison goods figure. For the period to 2026, an estimated growth rate of 0.7% per annum has been used.

5.9 Other assumptions used in Table 17 are as follows:

- The current market share is held as a constant;
- Floorspace efficiencies of existing stores will increase by 0.75% per annum (as recommended by Experian);
- Internet and other non-store sales will increase to 4% from 2012 onwards (also based on information from Experian).

5.10 On the above basis, and taking into account existing commitments for convenience goods retail development, Table 17 shows that there will be no surplus expenditure capacity for new convenience goods floorspace over the study period.

5.11 Turning to qualitative factors, Worcester has a range and choice of supermarkets. Geographically, as previously noted, there is no supermarket to serve visitors to the city centre.. However, the new food superstore at Lowesmoor will address this. To the west in St Johns centre, the commitment for a foodstore adjacent to the centre will bring about qualitative improvements for residents of Worcester living to the west of the River Severn.

5.0 The Need for Additional Retail Floorspace

5.12 On the basis of the above, it is considered that there is no overriding need for a new foodstore in Worcester having regard to both quantitative and qualitative factors. 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

5.13 Table 21 sets out the assessment of expenditure capacity in respect of comparison goods for Worcester. The assessment assumes an increase of 3.8% per annum in per capita expenditure, as recommended by Experian. The following assumptions are also used:

- The current market share is held as a constant;
- Floorspace efficiencies of existing stores will increase by 2.25% per annum (the mid point of the range recommended by Experian);
- Special Forms of Trading in respect of non-bulky goods will increase to 12% by 2012, based on estimates of the increase in internet shopping (from Experian) and DPDS experience in this Study and elsewhere.
- Special Forms of Trading in respect of bulky goods will increase to 5% by 2012 (see Section 3)

5.14 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 Worcester 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.

5.15 On this basis, Table 21 sets out the capacity calculations in respect of Worcester.

5.16 Taking into account the commitment for additional floorspace at Lowesmoor, the additional floorspace required is as follows

2012	1780 sq. m. net,
2017	14650 sq m net
2026	50140 sq m net.

5.0 The Need for Additional Retail Floorspace

Qualitative Factors

5.17 The vitality and viability of the city centre would benefit from additional comparison goods floorspace which would attract new retailers. Respondents to the household survey indicated that generally they were satisfied with the range and choice of non-food stores in the city centre, but an increased range would encourage people to visit more often. The Focus database suggests that a significant number of retailers typically operating from 'High Street' locations have requirements for the city centre. Overall, there would be strong qualitative benefits in improving the non-food retail offer in Worcester city centre, not least to ensure that it maintains its position vis-avis its larger competitors.

Summary

5.18 There is no need for additional convenience goods floorspace in Worcester over the period to 2026, with the exception of improvements to foodstore provision within centres. This should be encouraged in line with a strategy to enhance the vitality and viability of those centres.

5.19 There is a need for additional comparison goods floorspace in City. The broad estimate of requirements for non-food floorspace over the plan period is as follows:

2012	1780 sq. m. net sales
2017	14670 sq. m. net sales
2026	50,140 sq. m. net sales

5.20 These figures should not be used with precision. Whilst this Study addresses 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. As previously mentioned, retailing is a dynamic industry. 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.

5.21 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.

5.0 The Need for Additional Retail Floorspace

5.22 Even if retail interest was 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 have 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.

5.23 Therefore, it is recommended that in identifying sites or opportunities for new retail development either within or on the edge of Worcester city centre, caution should be taken over the 2026 forecast and the 2017 forecast should be seen as a broad guide to the likely requirement.

6.0 Leisure Facilities

Introduction

6.1 This section of the study examines commercial leisure facilities in Worcester. Sub-sectors such as health and fitness, cinemas and bingo halls are addressed in turn below, examining trends in the industry. Facilities available to Worcester residents are assessed and the section concludes by assessing the potential for additional facilities.

The Arts

6.2 According to the Arts Council's Review 2006, arts and culture in the UK has never been in a better situation. In the last 60 years much focus has been given to developing and improving the practice of arts, investing in, and supporting artists and organisations. However, more recently the focus has turned to audiences, widening the appeal and increasing the levels of participation in arts and culture.

6.3 Worcester Live incorporates Huntingdon Hall, The Swan Theatre, which was re-opened in 2003, and the annual Worcester Festival. Huntingdon Hall on Crowngate is a grade II listed building originally built as a chapel in 1773. It has a good reputation for hosting live music events, and has over 200 events a year including educational activities and children workshops. There is a variety of talent shown at the hall including jazz, blues, rhythm n' blues, acoustic rock, classical, folk music, alongside comedy, theatre and dance. The Hall also includes a recital room and a new café bar.

6.4 The Swan Theatre is located on The Moors to the northwest of the city centre. The theatre is a 350 seat venue offering facilities for professional touring theatres companies, amateur dramatic and operatic societies, live music, dance, comedy and drama groups.

6.5 The Worcester Festival is held in the summer in the city centre and has children's events, music, drama, dance, art, history, and many other non-arts based events.

6.6 The household survey indicates that theatre and concerts are popular as around a third of residents in Worcester and the immediate surrounding area, including Malvern, have visited facilities in Worcester in the last 12 months. In addition, almost a third of respondents had visited a museum, art gallery or other exhibition in the past 12 months.

6.0 Leisure Facilities

6.7 Turning to cinemas, during the 1990's the domestic cinema industry underwent considerable expansion. Significant growth in cinema audiences (reacting to more popular output from Hollywood film studios) led to the development of large multiplex cinemas, often as part of multi-activity leisure developments in out-of-centre locations, but sometimes as anchors for mixed-use development in or on the edge of town centres.

6.8 Mintel estimate that growth in expenditure in cinemas in the UK increased by 12 % over the period 1997-2002 (from £674m to £758m) but the industry's future is difficult to forecast due to a number of factors including:

- The industry relies to a great extent on the quality and popularity of movies being produced;
- Improvements in the quality, cost, availability, and accessibility of home entertainment including audio/visual equipment (plasma screens, LCD, High Definition, Nicam Stereo etc), film downloads, pay-per-view channels, and digital television reduces the appeal of cinemas;
- The industry itself is also entering a period of change with the sale of Warner Village, Odeon and UGC.

6.9 The West Midlands Regional Spatial Strategy's " Regional Centres Study" (Technical Paper 3) suggests that there are parts of the region which have been 'over screened' in the past, threatening the viability of smaller single or double-screened cinemas. Even the 9-screen UGC cinema in the Arcadian Centre, Birmingham and UCI's 8-screen cinema in Solihull closed.

6.10 Worcester has two cinemas in the city centre: The Odeon and Vue, both of which are reasonably accessible by public transport. The household survey indicates that over half of the respondents had visited a Worcester cinema in the past 12 months.

Serviced Accommodation, Hotels and Guesthouses

6.11 Travelling for business and holidays is said to reflect macroeconomic conditions, and so the last few years since the 11th September attacks in 2001 have seen a gradual increase in visitor numbers and travellers across the UK, and particularly in London.

6.12 Budget operators including Travelodge, Premier Lodge, and Premier Travel Inn have been key drivers in hotel growth in recent years. At the other end of the market, major hotel chains are also beginning to offer 'apartment hotels' in major towns and cities which offer luxury suites to extended-stay guests.

6.0 Leisure Facilities

6.13 As the Local Plan recognises, Worcester serves as an important role as a tourist location due to a number of factors, including its historic city centre and cathedral, the appeal of the surrounding countryside, and its location just off the M5 motorway.

6.14 Worcester has a range of hotels and guest houses, including large hotels with conference facilities, including Worcester Whitehouse in The Foregate, Fownes Hotel on City Walls Road, Diglis Hotel on Severn Street and Ye Olde Talbot Hotel on Friar Street. It also has modern budget hotels including Travelodge on the High Street and the Premier Travel Inn on Wainwright Way (in the southern part of Worcester close to the M5). There are also a selection of pubs available with bed & breakfast accommodation, and numerous small guest houses, many of which are close to the city centre.

Sports, Health & Fitness

6.15 The health and fitness sector grew rapidly in the 1990's and benefited from a wider trend towards attaining a healthier lifestyle. According to Mintel, by 2001, there were 2,631 private health and fitness clubs in the UK and expenditure exceeded £1.6bn, an increase in 95% in 5 years. However, more recently there has been a period of consolidation in the industry although, in 2005, there were still over 2,000 private clubs with over 6 million UK members (Source: The Leisure Database Company).

6.16 Many health and fitness clubs offer a broad range of facilities and activities under one roof. As the market appears to be reaching saturation point, brand identity will be of great importance in terms of commercial survival. Locations close to major employment uses will also be of value to health and fitness operator looking to generate business.

6.17 There is a range of leisure complexes in Worcester. Four are public sector complexes managed by Leisure Connection on behalf of Worcester City Council.

6.18 The Nunnery Wood Sports complex on Spletchley Road has a multi functional sports hall, gym, fitness suite, dance studios, squash courts, all weather pitch, athletic track, football pitches, bar and crèche. St Johns Sports Centre, Swanpool Walk, has a multifunctional sports hall, all weather pitch, fitness suite, crèche and bar. Perdiswell Leisure Centre on Bilford Road has similar facilities but also has an astro turf pitch, exhibition area, golf course, archery, function rooms and a gymnasium. Worcester Swimming Pool and Fitness Centre on Sansome Walk has a separate main and training pools, a sauna, steam room and jacuzzi. Other facilities include a gym, dance studio and conference facilities. All of the centres provide a range of fitness classes and leisure activities for all ages of the public.

6.0 Leisure Facilities

6.19 The community centres at Warndon, Dines Green, Ronkswood and in the city centre provide some leisure activities for children and the general community.

6.20 There are a number of private health facilities that provide a range of fitness facilities, examples of these include the following:

- Canons Health Club, Droitwich Road
- Pro-Fitness, The Butts
- Energy Health & Fitness, Worcester Trade Park, Sheriff Street
- Gym XL, Orchard Street
- Gymophobics, Charles Street
- Butlers, Farrier Street

6.21 There is a further swimming pool in Worcester at Worcester Citizens Swimming Pool on Weir Lane. The facilities here consist of a 20m swimming pool and health hydro including steam room, sauna and spa pool.

6.22 Worcester has numerous clubs and societies providing a range of leisure and sporting events. Cricket clubs in Worcester include the Worcestershire County Cricket Club at New Road and Old Elizabethans Cricket Club, Perdiswell Park. Worcester City Football Club is on St. Georges Lane, and Worcester Rugby Football Club is located on Pershore Lane (home to the Worcester Warriors).

6.23 There are four golf clubs within Worcester's administrative boundary:

- Worcester Golf and Country Club, Boughton Park, Bransford Road
- Perdiswell Park Golf Course, Bilford Road
- Ravenmeadow Golf Club, Hindip Lane
- Worcester golf range (driving range) Weir Lane

6.24 However, there are many more courses in the countryside around Worcester. Other clubs and facilities include arrange of activities including rowing (Worcester Rowing Club on Grand Stand Road), tennis (Worcester Lawn Tennis Club in Northwick Close), bowling (Worcester Bowling Club on Wood Terrace and Barbourne Bowling Club on Redcliffe Street) and a motor yacht club located on Bath Road. According to the household telephone survey, around a quarter of respondents had used sports or health club facilities in Worcester in the last 12 months.

6.0 Leisure Facilities

Ten Pin Bowling

6.25 Two technological advancements have boosted the success of tenpin bowling in the UK. The first was the introduction of automates 'pinspotters' in the 1960's which led to the development of around 160 bowling centres in the UK. However, around two-thirds of these had closed within 5 years, according to research by Sport England. The second change in technology was the introduction of electronic automated scoring in the 1980's, making the game much simpler and more attractive to the public. Operators including Hollywood Bowl and Bowlplex were the major driving force behind bowling centre development.

6.26 Research by Mintel suggests that the continued popularity of tenpin bowling is attributed to its broad appeal, attracting both younger consumers along with the older age grouped within the family. The increase in levels of personal disposable income and growth in the number of consumers in the younger and family age groups have helped the market grow. Operators have benefits from positioning their venues as multi-leisure entertainment sites focused around a tenpin bowling offer.

6.27 Despite participation falling slightly since the mid 1990's, expenditure grows largely as a result of propensity of existing customers to spend more on ancillary services such as food, drink, video games and slot machines. Operators have also been proactive, offering discounts to students, children, families and large groups.

6.28 There are two ten pin bowling alleys in Worcester: BowlXtreme on Droitwich Road and Worcester Tenpin Bowling on the Everoak Estate. BowlXtreme has 16 lanes and an 8 or 9-ball pool arena which over looks the bowling lanes. Worcester Tenpin Bowling provides 16 lanes with amusement games and activities. Over a quarter of residents of Worcester and the surrounding area have used these facilities in the last 12 months, according to the household telephone survey.

Bingo

6.29 Trends in bingo since 1980 have seen a decrease in the number of licensed premises from 1,700 to about 970 in 1994 and around 700 in 2004. However, there has been a substantial increase in turnover.

6.30 Legislative changes in 2002 allowed higher prizes in the larger clubs which has led to a marked trend towards consolidation, with the development of new style clubs in large units on

6.0 Leisure Facilities

out of centre retail or leisure parks, mirroring the trend associated with the growth of multiplex cinemas. The new purpose built clubs have a greater seating capacity, many with between 1,000 and 2,000 seats, and some over 3,000. Some bingo halls have simply converted retail warehouse units to suit their needs for large space with the benefit of plentiful adjacent parking (particularly in the evening out of normal shopping hours).

6.31 Operators are promoting a more up-market image with bar and catering facilities and sometimes stage acts as past of the entertainment package. In terms of demographics, there have been increases in the number of male visitors and younger people since the 1990's. Over 3 million people in Britain now pay bingo with over 90 million admissions per year (source: DTZ).

6.32 Whilst the industry had been experiencing something of a renaissance in the late 1990s and early 2000s, recent trends have been adverse with the closure of smaller, independent clubs. The tax regime is regarded by the industry as the main cause but the smoking ban and the growth of on-line bingo are likely to increase any difficulties.

6.33 There are two dedicated bingo halls within Worcester City: the Gala Club on Foregate Street and the Majestic Bingo & Social Club on Derwent Close. Around 6% of residents in and around Worcester have played bingo in Worcester in the last 12 months according to the household telephone survey.

Casinos

6.34 There has been much debate regarding casinos in recent years. Following the Gambling Act 2005, an independent Casino Advisory Panel on behalf of the Government selected locations for one 'regional casino' (in East Manchester), eight larger casinos (minimum customer area 1,500sq.m), and eight smaller casinos (min. 750sq.m) across the UK. The nearest local authority area to Worcester which has been permitted a large casino is Solihull.

Summary

6.35 PPS 6 (paragraph 2.23) advises Council's to prepare policies to help manage the evening and night time economy. Policies should encourage a range of uses which appeal to a wide range of age and social groups and should ensure *"that provision is made where appropriate for a range of leisure, cultural and tourism activities such as cinemas, theatres, restaurants, public houses, bars, night clubs and cafes".*

6.0 Leisure Facilities

6.36 It is considered that Worcester is strong on arts and 'traditional' cultural facilities but also has a good range of more contemporary commercial leisure facilities. Section 4 of this Study has also identified a broad range of bars, restaurants and clubs in the city centre. Worcester has a choice of serviced accommodation for visitors, although previous studies have revealed a lack of facilities relative to its role as a tourist destination and for business and conference uses.

6.37 While the Council could seek to encourage a specific, large scale commercial leisure development to the city centre (e.g. an ice rink), the implementation would be out of its hands and we do not see the value of identifying sites for such development for two main reasons. Firstly, where there is market demand for such a development, it is likely to come forward without encouragement and where there is not, the allocation of a site will not help. Second, the priorities of commercial leisure investment change rapidly and the LDF risks becoming quickly dated and unhelpful if it is too specific.

6.38 As discussed in the following section, there opportunities for growth within and on the edge of the city centre. The larger opportunities would be suitable for a range of town centre uses including leisure uses. However, to specify the type of leisure use would risk sterilising potential sites and tend to pre-determine the content and character of the rest of the development rather than allowing the package to be assessed as a whole.

7.0 Recommended Strategy

Introduction

7.1 This section provides a recommended retail and leisure strategy for Worcester. It includes an assessment of potential areas which could accommodate additional retail and leisure development. Previous sections of this report have identified a need for additional comparison goods retail floorspace over the period to 2026.

7.2 Potential areas to accommodate additional development have been identified and assessed following discussions with officers at Worcester City 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

7.3 In the context of a forecast rise in population and expenditure growth within the catchment area, there is a need for additional comparison goods floorspace in the Worcester over the period to 2026. There will be a significant amount of new comparison goods floorspace constructed at Lowesmoor as part of the planning consent. However, forecasts suggest that a further 15,000 sq.m.net or so will be required over the next 10 years. This level of additional provision will help maintain Worcester's market share of expenditure in the sub-region in the face of strong and increasing competition from other towns and cities including Birmingham and Cheltenham. Improvements in the range and choice of comparison goods provision are likely to be required to bolster the vitality and viability of the city centre.

7.4 Ideally, the need for additional comparison goods floorspace should be addressed predominantly through a small number of large sites rather than a large number of small sites. Concentrating the majority of new retail development in one or two areas will help to achieve the 'critical mass' of retail floorspace necessary to attract investment. New retail development should either be within or well-related to the existing Primary Shopping Area.

7.5 In this context, the current allocated site at Cathedral Plaza should remain a priority in terms of attracting a redevelopment which provides further (or better quality) retail floorspace and achieves environmental improvements in this area.

7.0 Recommended Strategy

7.6 It is very unlikely that the redevelopment of Cathedral Plaza could physically accommodate the amount of floorspace required over the next ten years (15,000 sq. m.).

7.7 Therefore, in addition to the existing allocation, there are areas of opportunity around the city centre which offer significant redevelopment potential to expand the retail offer and create good linkages with the existing Primary Shopping Area. Our initial view is that an area to the west of the city centre should be assessed in terms of its potential to meet the identified need for additional floorspace.

7.8 The area incorporates many existing uses (including the fire station and Worcestershire College of Technology) and is in multiple ownership. However, redevelopment of this area would provide an opportunity to significantly improve linkages between the city centre's shopping area and the banks of the River Severn. Linkages are currently poor and the river is an under-used asset. The riverbank public realm has received considerable investment in recent years and improving accessibility will enhance the visitor's enjoyment of the city centre.

7.9 Obviously, there is much to consider, not least the feasibility and implications of relocating existing occupiers (as previously noted in Section 4, the diversity of uses in the city centre is a contributing factor in its vitality and viability). And the potential of other sites around the city centre should also be thoroughly investigated. Given the likely complexity of site assembly on such sites, and the importance of achieving a high-quality physical environment, opportunity sites would benefit from the production of a development brief to facilitate their promotion. The Council should also consider adopting a brief as SPD to provide developer certainty on sites. On larger sites, design will also be an important factor in ensuring that a mix of unit sizes is provided to suit modern retailer requirements and the retail element of redevelopment proposals should be pedestrian-friendly and create a retail 'loop' breaking through to the existing Primary Shopping Areas.

General City Centre Strategy

Car Parking

7.10 According to the household telephone survey, the most negatively perceived aspect of the city centre is the range and choice of shops. The recommendation for the allocation of additional sites for retail development seeks to address this aspect. However, the second most negative aspect identified through the household survey is availability and cost of car parking. This is a common complaint in retail studies of this type and often reflects the significant differences

7.0 Recommended Strategy

between small and large centres in the cost and availability of parking. In the context of increasing competition from other retail centres, it is important that Worcester city centre remains competitive in this respect by providing sufficient parking and ensuring that the cost of parking does not become comparatively expensive. Parking regimes in competing centres should be monitored and due consideration should be given to existing and future parking arrangements.

Markets

7.11 Street markets predominantly selling discount goods have generally struggled in recent years across the UK as specialist discount stores in the 'High Street' have grown. Stores including Primark, QS, Peacocks, and Bon Marche offer similar goods at discount prices, and customers are turning to these stores because their fixed status and nationwide coverage gives them the edge over market traders in terms of customers' perceptions of quality and reliability.

7.12 However, almost a half of residents in Worcester have used the Angel Place market in the two months prior to the household telephone survey and the market hall on The Shambles adds diversity to the retail offer in the city centre. In line with a strategy to broaden the retail offer in general, proposals to expand or diversify the existing markets should be encouraged.

City Centre Boundary, Primary Shopping Area and Shopping Frontages

7.13 According to PPS6 (see Table 2, Annexe A), the Primary Shopping Area is the defined area "*where retail development is concentrated (generally comprising the primary and those secondary frontages which are contiguous and closely related to the primary shopping frontage). The extent of the Primary Shopping Area should be defined on the proposals map."* Primary Shopping Frontages are *"likely to include a high proportion of retail uses" and "Secondary Frontages provide greater opportunities for a diversity of uses."*

7.14 The definition of the Primary Shopping Frontage and the Primary Shopping Area is of great importance. Planning policies can be formulated to prevent the dilution of the main retail function of Primary Shopping Frontages. Also, importantly, the Primary Shopping Area constitutes 'the centre' for retail development. A site which lies within the town centre boundary, but outside the Primary Shopping Area, falls outside 'the centre' for the purposes of retail planning policy. Therefore, the extent of the Primary Shopping Area has a significant bearing on deciding where to allocate sites for further retail development, and in the determination of planning applications for retail development.

7.0 Recommended Strategy

7.15 Having regard to the definitions contained in PPS6 and based on the latest Experian Goad plan, it is considered that the “Continuous Shopping Streets - Primary Streets” as defined on the adopted Local Plan proposals maps should be retained and renamed as Primary Shopping Frontages.

7.16 In terms of the PPS6 definitions, the Secondary Shopping Frontages would comprise those currently defined in the Local Plan as “Continuous Shopping Frontage – Secondary Streets” and “Heritage Streets”. The distinction between the “secondary” and “heritage” streets remains valid and the separate policies for each are justified given local circumstances.

7.17 Therefore, mindful of the PPS6 definition, the overall Primary Shopping Area should consist of the Primary Shopping Frontages, the Secondary Shopping Frontages and the Heritage Shopping Streets (or Frontages). The current “Central Shopping Area” should be renamed (e.g. “City Centre Boundary”) and retained with a policy identifying this as the area as the focus for appropriate city centre uses.

Out-of-Centre Retailing

7.18 The areas previously identified in or on the edge of the city centre can accommodate the need for additional retail development. There is no need to allocate additional sites for retail development outside the city centre. Policies in the development plan should direct all retail development in the first instance towards the city centre, and also to St Johns district centre where appropriate in scale to the role of that centre.

7.19 In terms of existing out-of-centre retail floorspace, applications to vary conditions which would change the character of the existing development, for example by lifting restrictions on the type of goods to be sold or by sub-dividing units, should only be approved in exceptional circumstances.

8.0 Summary and Conclusions

Existing Shopping Facilities in Worcester

8.1 Worcester is 54th in the UK shopping centre rankings. Of its nearest competing centres, only Birmingham and Cheltenham are higher in the rankings. Worcester city centre attracts Prime Zone A rentals of £170 per square foot and again is behind only Birmingham and Cheltenham in terms of competing centres. Yields are at a level of 4.75%, one of the lowest yields of shopping centres in the UK.

8.2 The city centre has over 600 retail and service units and around 102,000sq.m. of floorspace. The comparison goods sector, which is broad and varied, dominates the city centre although some visitors have indicated that they would still like to see more.

8.3 Planning permission exists for a food superstore on the edge of the city centre which would help address in the lack of supermarket in the city centre visitors.

8.4 The number of vacant units is declining and the proportion of vacant units is below the national average for town centres.

8.5 The city centre has a historic and attractive environment, and it attracts visitors for many other reasons besides shopping. The centre is reasonably accessible by public transport and car, and pedestrian movement around the compact centre is easy.

8.6 Surveys suggest visitors generally are content with the city centre, its environment and what it has to offer. Retailer demand for a presence in the City is high, with most operators seeking city centre premises.

8.7 Overall, the city centre displays strong levels of vitality and viability having regard to the relevant indicators as set out in PPS6.

The Need for Additional Retail Facilities

8.8 There is no need for additional convenience goods floorspace in the Worcester over the period to 2026, with the exception of improvements to foodstore provision within centres, which should be encouraged in line with a strategy to enhance the vitality and viability of those centres.

8.0 Summary and Conclusions

8.9 There is a need for additional comparison goods floorspace in City. The broad estimate of requirements for non-food floorspace over the plan period is as follows:

2012	1780 sq.m.net
2017	14,650 sq.m.net
2026	50,140 sq.m.net

Leisure Facilities

8.10 It is considered that Worcester is strong on arts and 'traditional' cultural facilities but also has a good range of more contemporary commercial leisure facilities. The City also has a broad range of bars, restaurants and clubs in the city centre.

8.11 It is recommended that rather than allocate a site for a specific commercial leisure development to the city centre, such uses should be encouraged as part of larger retail-led mixed-use development in or on the edge of the city centre.

Opportunity Sites

8.12 The current allocated site at Cathedral Plaza should remain a priority in terms of attracting a redevelopment which provides further (or better quality) retail floorspace and achieves environmental improvements in this area.

8.13 It is very unlikely that the redevelopment of Cathedral Plaza could physically accommodate the amount of floorspace required over the next ten years (about 15,000 sq. m.). Therefore, in addition to the existing allocation, other areas around the city centre should be identified. An initial assessment indicates that there are areas of opportunity to the west of the city centre which offer significant redevelopment potential to expand the retail offer and create good linkages with the existing Primary Shopping Area.

Out-of-Centre Retailing

8.14 There is no need to allocate additional sites for retail development outside the city centre. Policies in the development plan should direct all retail development in the first instance towards the city centre, and also to St Johns district centre, where appropriate in scale to the role of that centre.

8.0 Summary and Conclusions

8.15 In terms of existing out-of-centre retail floorspace, applications to vary conditions which would change the character of the existing development, for example by lifting restrictions on the type of goods to be sold or by sub-dividing units, should only be approved in exceptional circumstances.