Report of	Meeting	Date
LDF Joint Officer Team	Central Lancashire LDF Joint Advisory Committee	23 June 2010

CENTRAL LANCASHIRE RETAIL AND LEISURE REVIEW

PURPOSE OF REPORT

1. To outline the approach taken and the main findings of the research.

RECOMMENDATION(S)

2. That the report be noted.

EXECUTIVE SUMMARY OF REPORT

3. The review pulls together a consistent approach to retail and leisure matters across Central Lancashire. It combines on-street and telephone surveys with centre healthcheck, retail capacity and leisure development prospects. It demonstrates where there are quantitative and qualitative opportunities for additional provision taking account of existing planning permissions and other planned developments. This is all brought together into a proposed retail centre hierarchy for guiding the location of proposals through the Core Strategy with more detailed area boundaries for LDF Site Allocations work.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

4. So that Members are fully aware of the research in relation to LDF preparation.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. None.

BACKGROUND

6. Prior to this latest research, retail and leisure studies had been done at separate times by different consultants. A review by consultants of the separate evidence bases concluded that only a sub-regional household survey exercise commissioned by Preston City Council (2007) was sufficiently up to date and covered an appropriate catchment area to be adapted and reused for a composite retail and leisure review across Central Lancashire. The brief of the study can be summarised as:

- To understand the shopping and leisure behaviour of local residents living within and adjacent to the Central Lancashire area and to identify convenience and comparison goods expenditure patterns.
- To undertake a healthcheck assessment of the principal centres within Central Lancashire.
- To assess the future quantitative capacity and qualitative need for new retail and leisure provision through to 2026.
- To provide strategic advice on the overall future retail need and confirm an appropriate forward development strategy to be taken forward by the through the Core Strategy and wider LDF process including a hierarchy of the centres and reviewing centre boundaries.

APPROACH TAKEN

7. The study was informed by two independent data gathering exercises:
   - A total of 700 on-street face to face shopper surveys of visitors in the three principal centres (Preston – 300 surveys, Chorley and Leyland – 150 each) plus the Deepdale and Capitol Centre retail parks (50 surveys in each) were completed in February 2010 covering:
     - The profile of visitors and shoppers to the respective centres.
     - The strengths and weaknesses of the respective centres in terms of the existing retail offer, wider facilities and town centre environment.
     - Patterns of usage for the centre (i.e. frequency of visits, modal split, dwell times).
     - Suggested qualitative improvements which would persuade shoppers to visit or stay in the centre more frequently.
   - A catchment-wide telephone survey of 1,600 households was completed in 2007. The survey area covered the wider sub-region, extending from the Fylde coast to Ribble Valley, Blackburn and part of Hyndburn, all of Central Lancashire and part of West Lancashire. The survey has been adapted for the review and 18 sub zones have been defined in order to identify the market share performance of the principal centres and individual foodstores across Central Lancashire.

8. A healthcheck assessment was done in line with PPS4 national planning policy comparing the performance of centres against local and regional data on:
   - Diversity and proportions of floorspace uses
   - Quantum of edge of centre and out of centre uses
   - Existing range of retailers represented and those seeking space
   - Retail unit rent levels as an indication of the perceived strength of the centres
   - Property commercial yields as an indicator of investor confidence
   - Comparative ranking of the centres based on national multiple representation
   - Accessibility by transport modes and car parking availability
   - Customer and residents behaviour (from the above mentioned surveys)
   - Perceptions of safety – a subjective assessment but based on reported crime levels
   - Quality of the public realm

9. The review work also included a quantitative capacity modelling exercise of the principal centres in Central Lancashire, taking account of their current and likely future retail performance and market shares in respect of convenience, comparison (non-food) and bulky durable goods.

10. In addition to the main centres, on-site surveys were completed for the existing network of district and main local centres in Central Lancashire. The surveys identified the floorspace composition of the centres and recommendations have been made on appropriate boundaries for development management purposes.

11. In respect of leisure uses the study considers the cinema, bingo, health and fitness and evening economy uses in terms of existing facilities and future provision.

MAIN FINDINGS

Centre Characteristics

12. Leyland town centre was found to have the following features –
    - High proportion of convenience (food) floorspace
    - Perform a significant service function
    - Lower than the regional average of vacant units
    - Very few national multiples represented but with some expressed demand from additional such retailers
    - Slight rise in rental levels since 2004
    - Good transport accessibility
    - Few reported crimes
    - Elongated poorly connected centre with main road barriers to pedestrian movement
    - Lack of modern retail units
    - Need for public realm investment

13. Chorley town centre is characterised as having –
    - Focus on comparison (non-food) floorspace with a strong offer
    - Excellent transport accessibility
    - Expanding service sector
    - Fewer vacant units than in 2005
    - Several national multiple retailers represented and expressed demand for more but not including key high street fashion stores
    - Little rise in rental levels since 2004
    - Significant number of reported crimes but an initiative aimed at tackling this situation
    - Recent investment in the public realm but more attention needed at the southern end of Market Street

14. Preston city centre is reported as exhibiting -
    - Lower than regional average proportion of convenience floorspace
    - Slight fall in comparison floorspace and significant rise in service provision
    - Rise in vacant units since 2004
    - Well represented with national multiples put missing some top names
    - Expressed demand from additional fashion multiples as well as food and drink operators
    - Slight rise in rental levels since 2004
    - High but reducing national ranking (probably because of relative improvement of other centres)
    - High transport accessibility
    - High level of reported crimes
    - Attractive pockets of public realm but overall physical environment is disjointed with additional investment needed

Shopper Perceptions – from on-street survey

15. Preston
    - Main purpose of visit was non-food shopping

- Levels of spend per person low in view of higher order retail offer
- Time spent on visit quite high
- Once a week visits were most prevalent, but more frequent visits also quite common
- Main alternative shopping destinations were Manchester (32%), Trafford Centre (18%) and Liverpool (14%)
- 45% of respondents never visit Preston city centre in evening
- Main suggested improvements were need for larger retailers and cleaner streets
- Main like was good range of shops, main dislike was poor condition of shopping streets

16. Leyland
    - Main purpose of visit was food shopping
    - Low level of average spend
    - Most respondents stayed less than 30 minutes
    - Quite high number of frequent visits
    - Main alternative shopping destinations were Preston city centre (75%), Chorley (27%) and Manchester (12%)
    - 61% of respondents never visit Leyland town centre in the evening
    - Main suggested quality improvements were need to attract larger retailers and improve range of independent/specialist shops
    - Main like was accessibility of centre, main dislike was poor range of shops

17. Chorley
    - Main purpose of visit split between food and non-food including visiting the market
    - Quite high average spend
    - Most respondents stayed from 1-2 hours
    - Once a week visits most common
    - Main alternative shopping destinations were Preston city centre (70%), Wigan (28%) and Manchester (19%)
    - 58% of respondents never visit Chorley town centre in the evening
    - Main suggested improvements were need to attract larger retailers and improve range of independent/specialist shops
    - Main like was accessibility of centre, main dislike was poor range of shops

18. In terms of shoppers surveyed in the Deepdale and Capitol Centre retail parks respondents were mainly there to buy non-food goods, typically went once a month, main likes were convenience to home, choice of shops and free parking. There were very high levels of visitor satisfaction with the main dislikes being not enough car parking and problems with traffic congestion.

Retail Capacity

19. The household survey covered convenience goods (main food and top up shopping), comparison and bulky goods expenditure as well as main leisure activities. The quantitative capacity assessment draws upon the results of the household survey to understand existing shopping patterns and to model existing flows of available expenditure to the main retail destinations in Central Lancashire. Having established the baseline position, the quantitative capacity modelling exercise goes on to establish the performance of the principal centres and their key anchor stores.

20. Relevant deductions have been made within the quantitative assessment for population and associated expenditure growth, expenditure that is not available to stores (i.e. internet and mail order) and improvements in the sales efficiency of existing retail

floorspace within the principal centres. The capacity assessment is projected forward to 2026 to accord with the Joint Core Strategy timescales. Given the recent recession and uncertainties about future expenditure levels, relatively cautious long term expenditure figures / trends have been assumed in the assessment.

CONVENIENCE RETAILING

21. People trend to travel less distance for convenience than comparison (non-food) shopping. Food retailing is made up of a number of types of shops from larger superstores to smaller discount and independent operators. There are two types of convenience shopping; main food (bulk) shopping is usually undertaken on a weekly basis at principally supermarkets and superstores whilst top-up (daily) shopping for everyday provisions is usually undertaken at local shops near to a place of work or residence.

22. In calculating forward capacity for new convenience floorspace, the review presents two scenarios namely a large retailer capacity and a medium sized capacity. The larger retailer capacity directly relates to the mainstream operators comprising Asda, Morrison's, Sainsbury's and Tesco which are more efficient at handling sales volumes and therefore achieve higher turnover rates per square metre of floorspace (sales density). The medium sized retailers are defined as Co-Op and discount operators such as Aldi and Netto which achieve a lower sales density.

23. In calculating future quantitative capacity, in addition to needs generated by forward population and expenditure growth, the overtrading of existing stores can provide additional needs for new provision. Overtrading is calculated on a quantitative basis (i.e. survey-based trading performance relative to expected company 'benchmark' performance) and also physical basis (i.e. store congestion at checkout, accesses and car parks).

Chorley

24. The capacity assessment for Chorley identifies:

- A convenience expenditure pot of £128.5 million in 2010 rising to £163.5m by 2026 (£35 million growth over Core Strategy period).
- Most local residents within the defined Chorley catchment undertake their main food shopping at either the Morrison's in Chorley (35%), the out-of-centre Tesco (31%) or Asda Clayton Green (6%); all three stores draw in trade from nearby adjoining areas.
- In terms of top-up food shopping, local shops within Chorley town centre retain 23% of existing expenditure. The larger foodstores perform less well with Tesco store at Foxhole securing 17%, Morrison's 14% and Asda Clayton Green 2.6%.
- Smaller local centres perform a more notable role for top-up shopping (Eccleston 6.4%, Coppull 2.6% etc.).
- The quantitative exercise identifies that the Morrison's store in Chorley is significantly overtrading relative to its expected company benchmark performance.
- Taking account of the permitted but not yet built Tesco store at Buckshaw Village, the apparent capacity for additional convenience floorspace is limited but once the over-trading at Morrison's is allowed, the consultants conclude there is scope for a new large mainstream foodstore in Chorley town centre to enhance competition and choice for local residents.

Preston

25. The review work reveals the following capacity findings:

- A total convenience expenditure pot of £282.7m in 2010 rising to £351.1m by 2026 from the four areas that make up the Preston catchment (two inner urban areas and two rural catchments which extend northwards beyond the built-up area
- The large out-of-centre foodstores in Preston dominate local residents spending, drawing 65% and 77% market shares from the two inner urban catchments.
- The survey exercise identifies that:
  - Asda Fulwood secures a £80.4 million turnover (£32.6 million above its expected company benchmark)
  - Morrison's Mariners Way secures a £76.3 million turnover (£38.9 million above its expected company benchmark)
  - Sainsbury's Deepdale secures a £37.5 million turnover (£6 million above its expected company benchmark)
- The city centre performs only a small role in capturing convenience expenditure.
- Local centres such as Sharoe Green perform minor main food but notable top-up shopping roles.
- For the future, proposed new foodstores at Queens retail park and Cottam should alleviate the existing over-trading conditions at the other mainstream foodstores and provide increased choice and competition for local residents.

South Ribble

26. The convenience shopping assessment for South Ribble is split into two catchment zones reflecting the discrete catchments that Bamber Bridge and Leyland serve.

Bamber Bridge

- A convenience expenditure pot of £65.1 million in 2010 rising to £84.9m by 2026
- Most of the main food shopping (28%) is done at the out-of-centre Sainsbury's store at Cuerden. The store also draws trade from nearby adjoining areas.
- The in-centre Somerfield store only captures about 6% of the local catchment convenience expenditure
- Food spending flows out of the catchment mainly to Asda Clayton Green and the Tesco in Leyland
- The Sainsbury and Somerfield stores are trading close to company benchmark levels. The consultants however consider that there would be positive qualitative benefits arising from the provision of a new mainstream foodstore in Bamber Bridge to draw local residents back into the centre and provide effective competition to the out-of-centre Sainsbury's store.

Leyland

- A convenience expenditure pot of £98.7 million in 2010 rising to £129m by 2026
- Most of the main food shopping is done at the Tesco Extra store (48%) in the town centre followed by Morrison's at Olympian Way. The two stores also draw in trade from nearby adjoining areas.
- The Tesco store is slightly over-trading whilst the Morrison's is performing to expected benchmark levels.
- Given the existing depth of convenience provision within the town centre (mainstream stores and discount operators, there is no need for additional provision through the Core Strategy.

COMPARISON RETAILING

27. In contrast to convenience shopping patterns which tend to be more localised, comparison shopping is destination-based with shoppers prepared to travel further to undertake shopping for clothes and fashion goods. Shopping patterns are therefore more mobile and less restricted to a local catchment or a particular centre. The increased mobility in spending has partially led to the decline in the performance of smaller centres in the retail hierarchy; national high street retailers have tended to concentrate within larger centres.

Chorley

- In terms of comparison retailing the 2010 expenditure pot is £176.1m
- At present Chorley town centre retains over 49% of comparison expenditure arising in its immediate catchment. The town also performs a wider sub-regional role, drawing inflows from nearby adjoining catchments.
- There are substantial outflows of expenditure from Chorley to Preston (11%) and Bolton (8.3%). The Middlebrook retail park at Horwich is a significant draw for bulky durable goods
- Taking account of existing permissions, the forward capacity for 2026 in terms of additional comparison floorspace is nearly 30,000 (gross) square metres equivalent to a 50% increase in Chorley town centre's overall floorspace
- The main qualitative improvement would need to be in the fashion/clothing offer in order to enable Chorley to effectively compete with larger centres and retain more locally-arising expenditure.

Preston

- In terms of comparison retailing the 2010 expenditure pot is £385.8m
- At present Preston city centre retains 54% and 43% of available comparison expenditure arising within its two urban catchment zones (Eastern and Western).
- The city centre also draws in c. £148m of expenditure from the wider sub-region (Fylde Coast, Wyre Valley, Central Lancashire etc.).
- Deepdale retail park captures 21% of expenditure and has particularly notable market share performances for clothing, recreational goods and major household appliances; the retail park provides strong competition to the city centre.
- Taking account of existing permissions the forward floorspace capacity for 2026 in is over 110,000 (gross) square metres equivalent to a 55% increase in the city centre's overall floorspace
- This capacity assessment does not rely on any market share uplift from competing centres and the additional floorspace is comparable to the scale of the current Tithebarn scheme
- The main qualitative improvements needed are a department store and additional modern retail units. The city centre needs to also improve its clothing and fashion offer in qualitative terms to enable it to clawback expenditure which is presently flowing to the out-of-centre Deepdale Shopping Park and Capitol Centre.

South Ribble

- In terms of comparison retailing the 2010 expenditure pot for Leyland is £134.2m
- At present Leyland town centre only retains about 11% of comparison expenditure arising in the local catchment, of the remainder, most outflow is to Preston city centre
- The Capitol Centre captures over 13% of the Leyland catchment comparison expenditure (plus 16% of that arising in Bamber Bridge as well as significant in-flows from Preston's sub-catchment areas).
- The forward capacity in Leyland (borough-wide) for 2026 in terms of additional comparison floorspace is nearly 5,000 (gross) square metres equivalent to a 12%

increase in the town centre's overall floorspace. The prospects of securing the mainstream comparison retailers required to deliver a significant enhancement in its market share performance is however limited given its proximity to the higher order offer within the Capitol Centre and Preston City Centre.
- The main qualitative improvement would need to be in the public realm enhancements of the type identified in the Town Centre Masterplan

LEISURE ASSESSMENT

28. Like retailing the leisure industry generally, has been hit hard by the economic recession and the ban on smoking, bingo has also been suffered from on-line gambling, whilst restaurants and bars have been adversely affected by competition from supermarkets and changes in licensing legislation. The UK average spend on leisure activities is £1,225 per person per year.

29. The particular findings for **Leyland** (Bamber Bridge in brackets):
- Average spend on leisure activities below the UK average at £1,109 (£1,108)
- 45% of local residents regularly visit the cinema of whom over 52% (63%) visit Vue at the Capitol Centre
- Given the existing provision and that planned in the Tithebarn scheme and the limited catchments the prospects for an additional cinema are limited
- 20% of Leyland residents (23% Bamber Bridge) regularly visit health and fitness facilities, Virgin Active at the Capitol Centre being the most popular
- Given existing public and private leisure centres there is no over-riding need for additional gym provision
- 11% (16%) of local residents regularly play bingo in local clubs but given existing difficulties facing this sector there is no need to plan for new provision through the LDF
- 72% of Leyland residents (57%) regularly visit restaurants, most popular are those in Preston city centre
- 54% of local residents regularly go out to drink in pubs/nightclubs, most go to Leyland town centre (Bamber Bridge 52% most to Preston city centre)
- Review recommends the Leyland and Bamber Bridge in centre evening economies should be diversified towards more family orientated establishments to increase dwell times and linked trips

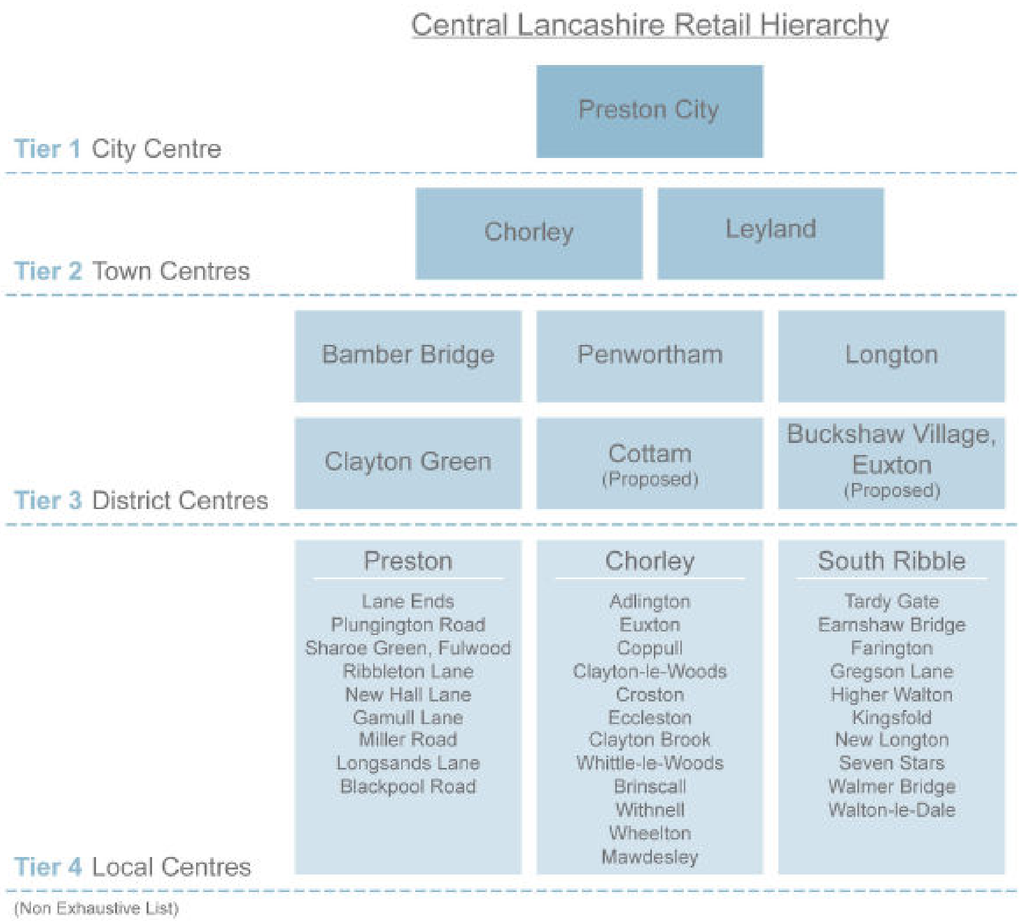
30. The situation in **Preston** (averaging the Central West and East sub-catchments) is:
- Average spend on leisure activities below the UK average at £1,069
- 50% of local residents regularly visit the cinema, the Riversway Odeon is the most popular followed by Vue at the Capitol Centre
- The lack of provision in the city centre undermines its role as a sub-regional centre that planned in the Tithebarn scheme would remedy this
- 22% of central Preston residents regularly visit health and fitness facilities, the public leisure centres at Westview and Fulwood are the most popular
- Given modern public leisure centres and the limited patronage of private facilities by local residents there is no over-riding need for additional gym provision
- 9% of local residents regularly play bingo in local clubs but given existing difficulties facing this sector there is no need to plan for new provision through the LDF
- 66% of central Preston residents regularly visit restaurants, most popular are those in Preston city centre
- Review finds that the city centre evening economy lacks depth with several national chain operators not represented, however the Tithebarn scheme provides an opportunity address this

31. In respect of **Chorley** the main findings are:

- Average spend on leisure activities below the UK average at £1,133
- 47% of local residents regularly visit the cinema of whom nearly 49% visit Vue at Middlebrook, less than 9% visit Preston
- Although town could support a cinema there are limited prospects of new provision here because of competition from existing facilities
- 19% of Chorley residents regularly visit health and fitness facilities, David Lloyd (Next Generation) being the most popular
- Given existing public and private leisure centres there is no over-riding need for additional gym provision
- 14% of local residents regularly play bingo in local clubs but given existing difficulties facing this sector there is no need to plan for new provision through the LDF
- 71% of Chorley residents regularly visit restaurants, mainly in the town centre
- 48% of local residents regularly go out to drink in pubs/nightclubs, the majority go to Chorley town centre
- Review recommends the town centre evening economy should be actively managed and diversified towards more family orientated establishments to increase dwell times

Centre Hierarchy

32. The review recommends a hierarchy of retail centres for inclusion in the Central Lancashire Core Strategy. It is based on PPS4 criteria and the healthcheck and quantitative capacity assessments. The hierarchy definition also has regard to the size of the respective centres, overall shopping and service offers and the number of national multiple retailers represented. The purpose of having a hierarchy is to direct future retail and leisure proposals to appropriately sized and located centres. A four tier hierarchy is proposed (see below); it should be noted that the list of local centres is not exhaustive.



Centre Boundaries and Frontages

33. The consultants have also reviewed the composition of uses in district and larger local centres. They have gone on to recommend boundary changes for some of these and have also suggested changes to the town and city centre boundaries as well as primary and secondary frontage proposals. Confirming the extent of these carefully defined areas (in the Site Allocations development plan documents) will help ensure the effective use of policies which encourage and control the location of retail and leisure uses to best effect.

Background Papers			
Document	**Date**	**File**	**Place of Inspection**
Central Lancashire Retail and Leisure Review	March 2010	-	Lancastria House, Preston Civic Offices, Leyland Union Street Offices, Chorley County Hall, Preston

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