# Shropshire Council

# Shrewsbury Retail Study 2010 Update

# Final Report

# September 2010

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# 1.0 INTRODUCTION

## Objectives of Study

1.01 WYG Planning & Design (WYG) was commissioned by Shropshire Council in March 2010 to undertake an update of the Shrewsbury Retail Study (SRS). The SRS was originally undertaken by WYG in 2003 and has already been the subject of an earlier update in 2006.

1.02 The objectives of the SRS update were established by the Council's Project Brief, dated February 2010, with the key focus being the provision of an up-to-date assessment of the future capacity for retail development in Shrewsbury in accordance with national planning policy. The update is of particular importance given the downturn in the UK economy since the completion of the previous update, which has had a notable impact on the retail sector. The Project Brief also establishes a requirement to undertake a Shrewsbury Town Centre Health Check; to consider those locations which may be able to accommodate future retail growth; and to provide policy recommendations to assist in the preparation of future retail planning policy and strategies.

1.03 In order to provide an appropriate and comprehensive update, new empirical research has been undertaken, comprising a telephone survey of 1,000 households in the Shrewsbury area in order to ascertain retail expenditure patterns. The survey uses the same catchment area as that utilised by the 2003 and 2006 studies, in order to provide a basis for comparison of trading patterns over time. The SRS update also draws upon a comprehensive WYG survey of existing retail provision in Shrewsbury Town Centre and existing data sources, such as Experian Goad, FOCUS and the Valuation Office Agency.

# 2.0 CURRENT AND EMERGING RETAIL TRENDS

## Introduction

2.01 The retail property landscape across the UK has evolved significantly over the past 50 years, from post-war redevelopment in town centres, through to the emergence of retail warehouse parks and out-of-town regional shopping malls.

2.02 During this time, the retail and leisure sectors have both experienced considerable growth. Spending on retail goods has increased significantly over the past decade, particularly spending on comparison (or non-food) goods. This expenditure growth is attributable to a number of factors, including greater disposable income, cheaper prices and new technology.

2.03 The retail market is continually changing as a result of shifts in demographics, evolving planning policy and due to technological advancements, such as e-tailing. These changes have had a subsequent impact on the format of retail and leisure floorspace. Research undertaken by the British Council of Shopping Centres[1] indicates that retail development has increasingly been directed towards town centres in recent years, with the proportion of new retail space being developed in centres in England rising from 14% in 1994 to 35% in 2005. This increase exemplifies the 'town centre first' policy approach which has been pursued by recent Governments.

## Current Retail Picture

2.04 Research undertaken by Colliers CRE[2] provides information on recent trends together with forecasts for the future of retailing in the UK. The research confirms that the retail sector has been directly and significantly affected by the economic climate, due to a combination of lack of operating capital, increased operating costs, commercial rate increases and weakening consumer demand. The impact of the 'credit crunch' on the UK retail market has been swift and consumer confidence, along with footfall across the country's high streets and shopping centres, has been hit.

2.05 A number of retailers have fallen into administration and, with large scale closures and new development flooding the market and Zone A rental levels have generally fallen. The research undertaken by Colliers CRE states that, due to the challenging trading conditions, there are currently

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[1] 'The Future of Retail Property: In Town or Out of Town', British Council of Shopping Centres, 2006

[2] 'Midsummer Retail Report 2009', Colliers CRE, 2009

very few retailers currently looking to expand rapidly and those operators which continue to perform well tend to be focused towards younger customers.

2.06 Given current spending patterns and the wider economic climate, it is unsurprising that Oxford Economics, which identifies the latest retail consumer expenditure in the UK, has recently significantly revised its forecast growth rates for comparison goods expenditure. Its forecast annual per capita comparison growth rate over the short to medium term has been reduced from +5.0%[3] to +1.6%[4], after assessing the implications of the 'credit crunch'. This represents a significant reduction in the forecast growth of comparison goods expenditure from that experienced in recent years.

2.07 In line with the above expectations, it has been widely reported that a number of high street retailers suffered poor trading figures during the latter part of 2008 and through 2009, resulting in many operators selling heavily reduced goods. Despite heavy discounting over the 2008 festive period and the reduction in VAT from 17.5% to 15.0% until January 2010, a significant number of retailers fell into administration in 2008 and 2009, including Woolworths, Adams and Zavvi. Further loses to the high street are expected during 2010 and 2011.

2.08 Despite the difficulties set out above and the general decline in the comparison goods sector, specific types of goods continue to perform well. The market for recreational goods (including DVDs, CDs, toys, computers and books) has, as a whole, performed well in recent years, with healthy growth attributed to supermarket sales together with the growing popularity of online shopping, which continues to see an increase in sales year-on-year.

2.09 Convenience goods expenditure, although suffering a downturn and a slight negative per capita forecast growth rate, is not predicted to be the subject of as great a decrease in percentage points terms as comparison goods expenditure. Oxford Economics' most recent forecast suggests an annual per capita convenience growth rate to 2014 of 0.5%[5], compared to a previous forecast of +1.5%[6].

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[3] Average annual per capita comparison goods growth rate between 2005 and 2012 provided by Oxford Economics in MapInfo Information Brief 07/02, published September 2007

[4] Average annual per capita comparison goods growth rate between 2008 and 2014 provided by Oxford Economics in MapInfo Information Brief 09/02, published September 2009

[5] Average annual per capita convenience goods growth rate between 2009 and 2012 provided by Oxford Economics in its Revised Retail Spending Outlook, published March 2009

2.10 Perhaps as a consequence of these conditions, Colliers' research indicates that discount convenience retailers (including Lidl, Aldi and Netto) are performing strongly and are seeking to acquire additional sites which conform to their trading model, i.e. edge-of-centre site which will provide for a single storey building in the order of 1,000 sq m and around 100 car parking spaces. Conversely, at the other end of the market, Marks & Spencer Simply Food has not performed as well, resulting in the closure of 28 of its stores throughout the UK following a two or three year period of rapid expansion.

## Trends in Comparison Goods Shopping

2.11 Whilst it is anticipated that growth in retail spending over the next ten years will not mirror that of the last decade, there will continue to be some growth in comparison goods expenditure. Consequently, there is increasing impetus from retailers to achieve more efficient use of floorspace, particularly given the recent poor performance of many national multiples, many of which have been affected by the significant increase in e-tailing. As a consequence of their recent performance, retailers are more reluctant to commit to new development than they have been in previous decades. Instead, they are more selective and are holding out for accommodation that is appropriate both in terms of location and the type of premises provided. Indeed, retailers are seeking to occupy larger units in order to achieve more efficient use of floorspace and attract shoppers from a wider area. These larger floorplates enable retailers to provide a greater range of goods.

2.12 International market conditions and price deflation in some key sectors means that many high street names are becoming increasingly vulnerable to takeovers. Similarly, due to increased competition there have been a number of high profile losses from the high street, including Littlewoods, Music Zone, Woolworths, MFI and The Pier.

2.13 There will continue to be demand for larger, modern retail units in the future, although increased sensitivity over future viability will mean a cautious approach to new investment for many key national retailers. Marginal locations within centres will increasingly be rejected. Many national retailers, who would have previously considered smaller/lower order centres in order to increase their market share, are now assessing the performance and their future strategies given the ongoing downturn in the economy. Consequently, many investment decisions will be influenced by the scale of commitment

[6] Average annual per capita convenience goods growth rate between 2008 and 2014 provided by Oxford Economics in MapInfo Information Brief 09/02, published September 2009

from other retailers; developers will increasingly need to promote large town centre redevelopment schemes if they are to attract high quality retailers.

## Trends in Food Retailing

2.14 In the aftermath of the growth in the number of edge and out-of-centre large format supermarkets during the 1990s, development of such facilities is now more limited due to stricter planning laws, following the publication of PPS6 (and now PPS4), and a lack of suitable sites. As a result, the national multiples in the food retailing sector are finding a range of other measures to improve their market share. These include:

a. Offering a wider product range, such as financial and insurance products, petrol and non-food goods;
b. Developing a wider range of outlets, for example small-format convenience stores in town centres (e.g. Sainsbury's Local, Tesco Express), smaller supermarkets mostly in town centres (e.g. Tesco Metro), superstores (e.g. Tesco) and hypermarkets (e.g. Tesco Extra, Asda Supercentres);
c. Extended opening hours;
d. Offering cheap products and no-frills service;
e. Providing an attractive and powerful brand image; and
f. Offering a home delivery service.

2.15 Verdict[7] estimates that the food and grocery market was worth £124.1bn in 2008 and that, defying wider retail market gloom, such retailers increasing their combined sales by 5%.

2.16 The same Verdict research indicates that the 'credit crunch' and subsequent recession – allied with a bout of inflation – have had a profound impact on consumer behaviour and the wider dynamics of grocery retailing. Price, or specifically value, is now identified as the key issue for consumers and more and more shoppers are looking at value for money. Consequently, supermarket operators have responded with new products at lower prices. The focus has shifted towards lower price point products. This is exemplified by Tesco launching its discount range (Tesco Value).

2.17 Given the recent success of the food and grocery market, Verdict indicates that, during 2008, retailers' total space increased by 1.3%, delivering an additional net 1.5m sq ft of new floorspace. The 'Big Four' (Asda, Morrisons, Tesco and Sainsbury's) have been highly active in both new store openings

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[7] 'UK Grocery Retailers', Verdict, April 2009

and extensions, particularly Morrisons and Sainsbury's. In addition, the Verdict report also identifies that Waitrose, Iceland and hard discounters, such as Aldi and Lidl, have been particularly busy in developing more retail floorspace. Hard discounters such as Aldi and Lidl appear to have benefitted from the recession, opening new stores and increasing their market share, and attracting a greater proportion of more affluent ABC1 shoppers.

2.18 Verdict highlights that growth, for Tesco and Asda in particular, was focused on the non-food market. However, this sector has been hit hard during 2008. Despite this, the non-food sector remains crucial to the growth of leading supermarket operators. Verdict anticipates that new space, format development and multichannel growth will help supermarket operators continue to drive non-food sales – albeit at a slower place than in the last couple of years.

2.19 In terms of the trading performance of leading supermarket operators, Morrisons saw a significant improvement during 2008, as too did Asda. In contrast, although Verdict identifies that Tesco increased its market share by 0.5 percentage points, over the past couple of years it has a seen a strong resurgence among its competitors and its non-food growth has been impeded by the economic downturn.

2.20 Similarly, M&S Simply Food is identified by Verdict to be under pressure. The retailer's upmarket food positioning has exposed it greatly to weakening consumer sentiment. M&S has seen its like-for-like food sales fall into reverse over the past year and in January 2009 the retailer announced that several underperforming Simply Food outlets were to close.

### Out-of-Centre

2.21 The research undertaken by Colliers CRE notes that demand for out-of-centre representation is limited, with those retailers seeking to acquire stores having a pick of vacant stock and able to take advantage of attractive terms. Notable retailers with out-of-centre requirements include Dunelm, Halfords, Home Bargains, Pets at Home, JD Sports, Mothercare, Next, New Look, M&S, Home Sense (TK Maxx) and Next Home.

2.22 Looking forward, Colliers CRE indicates that out-of-town operators face an uncertain immediate future. There continues to be steady demand for open Class A1 retail and foodstore units, which will enable the fashion park segment of the market to outperform retail parks as a whole. However, bulky goods stores in particular, such as carpet and furniture retailers, will continue to suffer from the lack of transactions in the residential sector. A further decline in demand for units from such occupiers will cause additional rental declines and lead to increases in the number of vacant units.

### Shopping Centre Development

2.23 Colliers CRE research recognises that within town centres, as at retail parks, supply outstrips demand. This is particularly prevalent in terms of lettings within shopping centres. As a result, committed development schemes have been delayed and, in many cases, indefinitely postponed. Furthermore, Colliers CRE also reports a number of developments where work has ceased after construction has started. Retailers are able to 'cherry-pick' the best schemes to which they commit, and the largest anchor stores, including Debenhams, House of Fraser and Marks & Spencer, are able to negotiate very favourable letting terms.

2.24 Town centre shopping centre schemes that will be successful in the future are considered to be those which benefit from good design and good location. Car parking facilities are also a distinct advantage. It is this type of development that will be able to compete with out-of-centre shopping facilities, which whilst more convenient for many consumers are considered not to offer an attractive shopping experience.

### Growth in E-tailing ('E-commerce')

2.25 Many consumers who previously shopped in town centres and at retail parks are now using the internet for some of their purchases. This trend is set to continue, although the exact impact that e-commerce will have on the high street has yet to be fully established. However, the rise in the UK in recent years of e-commerce has impacted upon retailers, developers and investors alike. As access to the internet/online shopping continues to grow through digital televisions and mobile phones, proportionally less money is anticipated to be spent in the high street or at retail parks.

2.26 The growth in use of the internet as a sales medium has been enabled by increasing access to the internet by households. The proportion of households with access to the internet is expected to increase further over the coming years. This has supported the strong growth recorded, together with improved consumer confidence in the security of online payment, and heavy demand for expensive electrical products available online.

2.27 Office for National Statistics (ONS) data[8] indicates that the number of people using the internet to purchase goods continues to rise, with 64% of the UK population having ever purchased products over the internet by 2009, compared to 53% at 2007. Of these, 83% had made such a purchase within the last three months.

2.28 Additional research conducted by the Interactive Media in Retail Group and analysts Capgemini[9] indicates that internet shopping accounted for 15p of every £1 of retail spending during 2007. This equates to some £46.6 billion of expenditure and it is now likely to have increased further. However, it should be noted that the British Retail Consortium's estimation of such expenditure is somewhat different, with its sources identifying that online sales accounted for around 6% of retail spending during 2007[10]. Despite these differing results, it is commonly acknowledged that internet spend has increased significantly in recent years.

2.29 With regard to supermarket operators, Verdict's research identifies that, with the exception of Morrisons (which does not trade online), major retailers have seen their online business grow over 2008 as online shopping penetration has increased, and as the likes of Asda and Sainsbury's have improved their geographical coverage and capacity. However, the growth in online convenience goods purchases identified by Verdict contrasts with Pitney Bowes Business Insight's[11] assertion that special forms of trading accounted for only 1.8% of food goods expenditure at 2007[12], with little sign of the sector being the subject of significant growth.

2.30 Notwithstanding this relatively modest estimate, it is evident that internet shopping as a whole is having an impact upon traditional high streets, in light of increased competition and lower prices. Consequently, there is a possibility that online retailing will put some pressure on retail rental growth over the next five to ten years, but is unlikely to impact on capital values. Research by BCSC[13] identifies that 'large' and 'very large' shopping centres (of over 40,000 sq m) are deemed almost immune from the impact of online shopping as they offer the complete 'day out'. However, as the size of the shopping centres decreases, it is more likely that there will be greater adverse effects. Within

[8] 'Statistical Bulletin: Internet Access Households and Individuals', Office for National Statistics, 2009

[9] IMRG Capgemini e-retail Sales Index, January 2008

[10] 'Larger Households Drive Growth in Internet Sales this Christmas' press release, British Retail Consortium, November 2007

[11] Formerly known as MapInfo

[12] 'Retail Expenditure Guide', Piney Bowes Business Insight, September 2009

[13] 'Future of Retail Property – Online Retailing: The Impact of Click on Brick', British Council of Shopping Centres, 2006

small shopping centres (sized between 5,000 sq m and 20,000 sq m), including those in market towns, it is likely that the growth of online shopping could reduce turnover notwithstanding any growth in disposable income.

2.31 Despite all these different assumptions with regard to the future effect of online shopping, it is considered that e-tailing will not replace the shopping experience as shopping is a social activity. The BCSC research suggests that online shopping be considered a complementary tool to support retail sales from physical destinations. For successful retailers, online selling provides an additional route to the market. Online retailers benefit from demand generated through physical channels whilst high-street outlets can benefit from reaching a wider customer base through the internet. Clearly, those retailers who are likely to have a healthy future are those which combine a strong high street presence with an interesting and closely related e-tail offer.

## 3.0 PLANNING POLICY CONTEXT

### Introduction

3.01 Given that this study seeks to provide important evidence to assist in the production of the Local Development Framework (LDF), it is important to review key policy advice and explore how current national planning policy may impact upon the delivery of local policy.

### Planning Policy Statement 4: Planning for Sustainable Economic Growth

3.02 The Government published the much anticipated Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4) in December 2009, which provides essential guidance to assist in achieving the over-arching aim of sustainable economic growth. The document seeks to support growth which can be sustained within environmental limits, but also enhances environmental and social welfare and avoids greater extremes in future economic cycles.

3.03 In order to achieve such growth, paragraph 10 of the document sets out a number of key objectives for planning which can be summarised as follows:

- To build prosperous communities by improving economic performance;
- To promote regeneration and tackle depravation;
- To deliver more sustainable patterns of development and reduce the need to travel;
- To promote the vitality and viability of established towns and other centres; and
- To raise the quality of life and environment in rural areas.

3.04 As well as providing guidance on the need to gather evidence and to monitor and manage the evidence base over time, the document is essentially sub-divided into two sections, with the first section focussing on plan making policies, and the second section on development management policies. In addition to PPS4 – which is a much more simplified document compared to the various statements and guidance that it replaces – there is lengthy accompanying Practice Guidance which provides additional detail on key retail policy tests including impact and the sequential approach. The Practice Guidance must be read in conjunction with the relevant sections of PPS4 which deal with retail planning matters and town centres.

3.05 In terms of planning for economic development, Policy EC2.1 of PPS4 indicates that local planning authorities should ensure that their development plan:

- Sets out a clear economic vision and strategy for their area which encourages sustainable economic growth;
- Supports existing business sectors, but with sufficient flexibility to respond to changes in economic circumstances;
- Plans for the location, promotion, and expansion of clusters or networks of high technology industries;
- Ensures the most efficient and effective use of land and prioritises the re-use of previously developed land;
- Identifies, protects and promotes key distribution networks, and locates development which generates substantial transport movements in accessible locations;
- Plans for the delivery of sustainable transport and other infrastructure required to support economic growth;
- Where appropriate, safeguards land from other uses in order to meet the needs of future economic development;
- Encourages new uses for vacant and derelict buildings;
- Considers how sites for different business types can be delivered, including through the use of compulsory purchase powers and other planning tools, including Area Action Plans, simplified planning zones and local development orders; and
- Facilitates new working practices such as live/work.

3.06 In terms of planning for established town centres, the statement reiterates much of the guidance set out in the previous PPS6 but introduces, through Policy EC3.1, a requirement for flexible policies to be set for established centres which are able to respond to changing economic circumstances. Furthermore, the same policy also requires local planning authorities to consider establishing floorspace thresholds for the scale of edge-of-centre and out-of-centre development which would need to be subject to an Impact Assessment (as required by Policy EC16.1 of the statement).

3.07 Furthermore, the guidance seeks to encourage local planning authorities to proactively plan to promote competitive town centre environments and enhance consumer choice. Policy EC4.1 states that this should be achieved by:

- Supporting a diverse range of uses which appeal to a wide range of age and social groups;
- Planning for a strong retail mix which meets the requirements of the local catchment area, recognising that smaller shops can significantly enhance the character and vibrancy of a centre;
- Supporting shops, services, and other important small scale economic uses (including post offices, petrol stations, village halls and public houses) in local centres and villages;
- Identifying sites in the centre, or failing that at edge-of-centre, capable of accommodating large format developments;
- Retaining and enhancing existing markets and, where appropriate, re-introducing or creating new ones; and
- Taking measures to conserve and, where appropriate, enhance the established character and diversity of centres.

3.08 As part of the plan making process, PPS4 confirms that local planning authorities should assess the need for future economic development, including retail and town centre uses, and then identify an appropriate range of sites to accommodate the identified need. Policy EC5.1 indicates that, in identifying sites to accommodate future need, the sequential approach to site selection should be applied.

3.09 With regard to the sequential approach, Policy EC5.2 states that the first priority is to identify sites within existing centres which are likely to become available within the plan period, followed by edge-of-centre locations with preference given to sites which are or will be well connected to the centre. Only then should out-of-centre sites be considered, again with preference given to those sites which are or will be well served by a choice of means of transport, and are closest to the centre and have a higher likelihood of forming links.

3.10 Policy EC5.3 states that sites which best serve the needs of deprived areas should be given preference when considered against alternatives with similar location characteristics.

3.11 Having identified the necessary sites to accommodate the need required, Policy EC5.4 indicates that the impact of the development of theses sites should then be assessed, particularly for development over 2,500 sq m or for development greater than any locally set threshold.

3.12 In seeking to determine planning applications for economic development, PPS4 states that local planning authorities should adopt a positive and constructive approach towards planning applications, and that applications that secure sustainable economic growth should be treated favourably. In seeking to assess planning applications for economic development, Policy EC10.2 states that such applications should be assessed against the following impact considerations:

- Whether the proposal has been planned over the lifetime of the development to limit carbon dioxide emissions, and minimise vulnerability and provide resilience to climate change;
- The accessibility of the proposal by a choice of means of transport and the effect on local traffic levels and congestion after public transport and traffic management measures have been secured;
- Whether the proposal secures a high quality and inclusive design;
- The impact on economic and physical regeneration in the area including the impact on deprived areas and social inclusion objectives; and
- The impact on local employment.

3.13 Where planning applications for economic development are not in accordance with an up to date development plan, Policy EC11.1 states that local planning authorities should weigh market and other economic information alongside environmental and social information, take full account of any long-term benefits as well as the costs, and consider whether those proposals help meet the wider objectives of the development plan.

3.14 In dealing with applications for main town centre uses, the most significant change in respect of the previous guidance set out in PPS6, is the removal of the need test. Whilst this could be seen as a significant shift in policy, it must be noted that the guidance still requires the production of an Impact Assessment which would include an assessment of the impact on the trade/turnover in the centre and the wider area, and how this relates to future consumer expenditure capacity in the catchment area defined. Therefore, although on the one hand the guidance suggests that the well established test of need is removed, PPS4 Policy EC16.1 still sets out a requirement to examine the turnover of proposed development and how this would impact upon the trading performance of existing facilities within the defined catchment, which in some cases will be a very similar exercise.

3.15 The requirement to apply a sequential approach to development, in order to identify centrally located sites which are available, suitable and viable development prospects, remains and is set out by Policy EC15.1.

3.16 Policy EC17.2 states that, where no significant adverse impacts have been identified, planning applications should be determined by taking account of the positive and negative impacts of the proposal, as well as the likely cumulative effect of recent permissions, developments under construction, and completed developments. The statement stresses that judgements about the extent and significance of any impact should be informed by the development plan.

## Regional Spatial Strategy

3.17 In discussing the wider policy context for the SRS, it is relevant to note that Regional Spatial Strategies were revoked by the Government with immediate effect on 6 July 2010. As a result, local authority development plans currently comprise adopted Local Development Framework Development Plan Documents, read together with any remaining saved policies from Local Plans or Unitary Development Plans. In the case of Shrewsbury, relevant retail policy at a local level is provided by the 'saved' policies of the Shrewsbury and Atcham Local Plan (which was adopted in June 2001, with relevant policies subsequently being 'saved' in September 2007).

## 4.0 ORIGINAL MARKET RESEARCH

### Introduction

4.01 The undertaking of original market research enables in-depth analysis at a local level and allows the evaluation of the trade draw of particular town centres. The use of specifically commissioned and tailored survey research is fundamental to identifying the likely capacity for future retail floorspace in the Shrewsbury area. Notwithstanding this, WYG acknowledges that there can be limitations to survey research, particularly with regard to the size of sample which can be achieved, and the results should therefore be taken to be a broad indication of consumer preferences.

4.02 A key requirement of this study is the detailed understanding of shopping patterns in terms of the use of Shrewsbury Town Centre and the identification of the centre's catchment area. To this end, WYG commissioned specialist market researchers (NEMS Market Research Limited) to undertake a comprehensive household telephone survey to identify consumers' habits and preferences.

### Household Telephone Survey

4.03 In April 2010, a survey of 1,000 households was undertaken within a defined Study Area, which corresponds with that used for the 2003 Shrewsbury Retail Capacity Study. The Study Area was originally defined on the basis of a 20-minute drivetime, which was then subject to amendment to take into consideration competing centres and their retail offer. The use of the same Study Area allows direct comparison to be made with regard to shopping patterns and the performance of the town's retail offer over time.

4.04 The defined catchment has been broken down into the same six survey zones as those utilised in the 2003 study. The zones comprise: Shrewsbury North, Shrewsbury East, Shrewsbury South, Shrewsbury West, Shrewsbury Central West and Shrewsbury Central East. Table 4.1 sets out the postal codes adopted in defining each of the six survey zones used for the study.

**Table 4.1: Post Codes by Survey Zone**

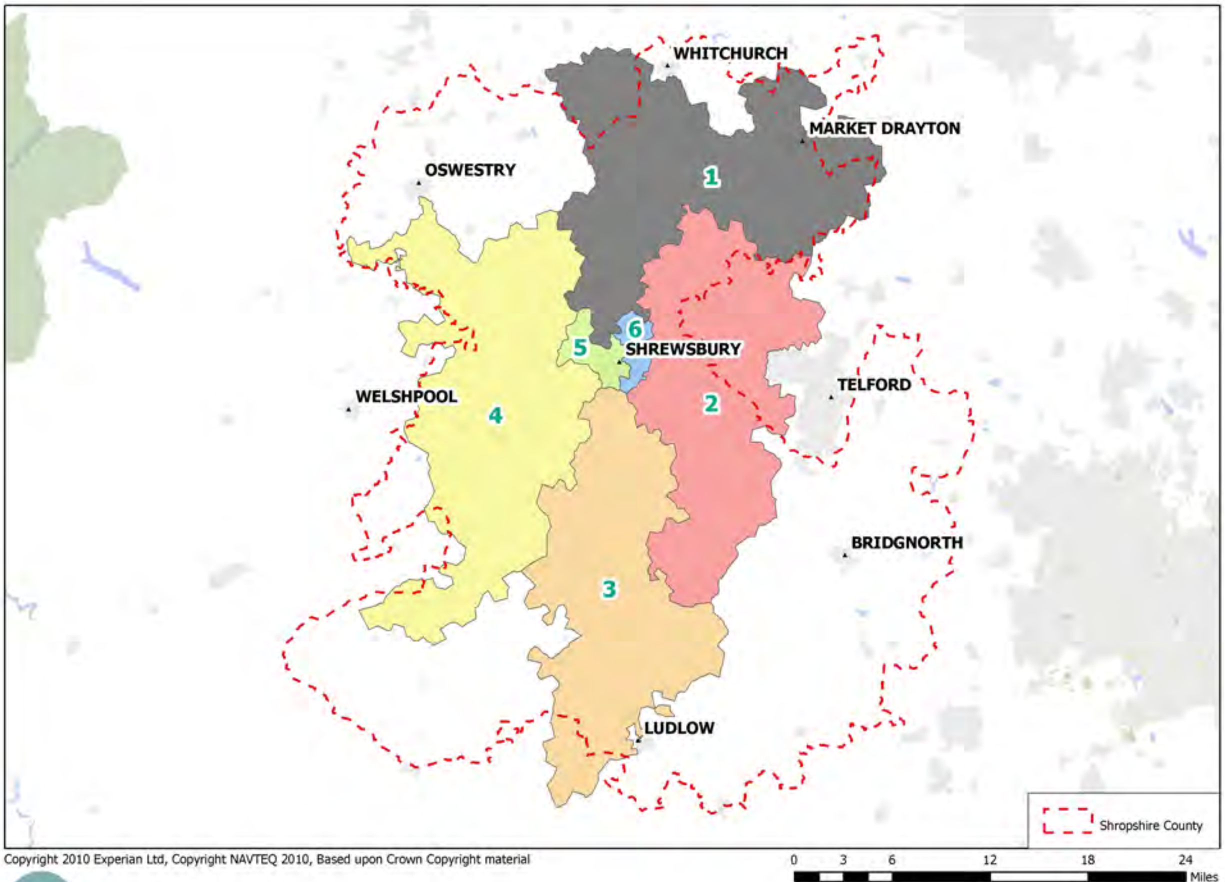
| Survey Zone | Post Code Sectors |
|---|---|
| Zone 1: Shrewsbury North | SY4 3, SY4 5, SY13 2, SY13 3, TF9 1, TF9 2, TF9 3 |
| Zone 2: Shrewsbury East | SY4 4, SY5 6, TF5 0, TF6 5, TF6 6, TF13 6 |
| Zone 3: Shrewsbury South | SY3 0, SY5 7, SY6 6, SY6 7, SY7 9, SY8 2 |
| Zone 4: Shrewsbury West | SY4 1, SY 4 2, SY5 0, SY5 8, SY5 9, SY9 5, SY10 8 |
| Zone 5: Shrewsbury Central West | SY1 1, SY1 2, SY3 5, SY3 6, SY3 7, SY3 8, SY3 9 |
| Zone 6: Shrewsbury Central East | SY1 3, SY1 4, SY2 5, SY2 6 |

4.05 The catchment boundary is drawn so as to take into consideration Telford Town Centre, as the vast majority of the resident population beyond our defined catchment to the east will undertake their shopping in nearby Telford. Conversely, due to the limited amount of retail facilities located to the north and south of Shrewsbury, we have purposely extended the catchment in these directions beyond the 20 minute drivetime base. A map of the catchment is provided overleaf at Figure 4.1 and at greater scale at Appendix 1.

4.06 For the purposes of this study, the primary catchment area (PCA) of Shrewsbury comprises the central area which immediately surrounds the town, i.e. Zone 5 and Zone 6.

4.07 The questions and full tabulation of results from the Shrewsbury Household Survey are provided at Appendix 2.

**Figure 4.1: Study Area and Zones for Shrewsbury Retail Study**



# 5.0 ASSESSMENT OF VITALITY AND VIABILITY OF SHREWSBURY TOWN CENTRE

## Introduction

5.01 PPS4 emphasises the importance of maintaining a 'healthy' town centre as it helps to foster local pride and local identity, and can contribute towards the aim of sustainable development. PPS4 also states that by monitoring town centres on a regular basis, signs of decline can be identified early.

5.02 Annex D of PPS4 sets out a number of indicators which can be used to ascertain the relative health of a particular centre. The indicators comprise the following:

- **Diversity of main town centre uses (by number, type and amount of floorspace):** an Experian Goad land use plan is used to assess the diversity of uses in Shrewsbury Town Centre;
- **The amount of retail, leisure and office floorspace in edge-of-centre and out-of-centre locations:** WYG includes all retail floorspace in Shrewsbury in the assessment;
- **The potential capacity for growth or change of centres in the network:** WYG has considered the opportunity for Shrewsbury Town Centre to expand, including the scope for more intensive development on previously developed land;
- **Commercial operator representation and intentions to change representation:** derived from the land-use surveys, town centre business surveys and FOCUS reports from outstanding retailer demand;
- **Shopping rents – the average Zone A rents paid in centres:** derived from available published data;
- **Proportion of vacant street level property:** derived from land-use surveys;
- **Commercial yields on non-domestic property (i.e. the capital value in relation to the expected market rental):** derived from Valuation Office Agency data;
- **Land values and the length of time key sites have remained undeveloped:** based on data on changes in land value and how long key centres and edge-of-centre sites have remained undeveloped;
- **Pedestrian flows:** from on-site observations;
- **Accessibility:** from WYG's assessment, and from shopper and business surveys;
- **Customers' and residents' views and behaviour:** derived from surveys;
- **Perception of safety and occurrence of crime:** from various surveys and 'on-the-ground' observations; and

- **State of town centre environmental quality:** from 'on-the-ground' observations and survey results.

5.03 The commentary below provides our analysis of the health of Shrewsbury Town Centre, with reference to published sources such as Management Horizons Europe (MHE), Experian Goad, FOCUS and the Valuation Office Agency (VOA). The full FOCUS Report on Shrewsbury is provided at Appendix 3.

## Planning Policy Definition

5.04 Prior to its revocation in July 2010, the Regional Spatial Strategy for the West Midlands (RSS) (published January 2008) identified Shrewsbury Town Centre as one of 25 strategic towns or city centres within the region. RSS Policy PA11 stated that these centres should be the focus for:

- Major retail developments (i.e. those of more than 10,000 sq m gross floorspace, excluding floorspace dedicated to the retailing of convenience goods);
- Uses which attract large numbers of people including major cultural, tourist, social and community venues; and
- Large scale leisure and office developments (i.e. those of 5,000 sq m or more gross floorspace).

5.05 In conformity with the former RSS, the Final Plan version of the Shropshire Core Strategy (published February 2010) identifies Shrewsbury as the strategic centre within the authority area, with Policy CS15 indicating that it will be the preferred location for major comparison retail, large scale office and other uses attracting a large number of people. The market towns of Oswestry, Market Drayton, Whitchurch, Ludlow and Bridgnorth will act as principal centres to serve local needs, and the wider service and employment needs of communities within their respective spatial areas.

## Role and Function

5.06 Shrewsbury is located on the A5, in the centre of Shropshire, with the town centre being encompassed by the meander loop of the River Severn. The river acts as a physical barrier to the outward extension of the town. As the County town, it serves as the main commercial, cultural and administrative centre for Shropshire. Its catchment and sphere of influence covers a large hinterland which extends into Wales. Around 180,000 people live within a 20 minute drivetime.

5.07 Shrewsbury is an attractive medieval town with Tudor architecture, narrow streets, historic castles, abbey, churches, a theatre and other cultural facilities. The centre supports four shopping malls: the Darwin Shopping Centre, Pride Hill Shopping Centre, Riverside Shopping Mall, and the Parade

Shopping Centre. There are two established out-of-centre retail destinations – Sundorne Retail Park to the north and Meole Brace Retail Park to the south. Shrewsbury benefits from both an indoor and an outdoor market, with the former being held in the Market Hall on Tuesdays, Wednesdays, Fridays and Saturdays, and the latter being held at Harlescott on Sundays.

5.08 Shrewsbury provides a range of convenience and comparison goods facilities relative to the size of its catchment population, although major convenience goods facilities are located outside the town centre boundary. It is also a popular tourist destination, with a good range of associated retail and leisure services.

## National Retail Rankings

5.09 Analysis of the MHE UK Shopping Index 2008 indicates that Shrewsbury has been the subject of a fall in ranking between 2004 and 2008, from 86th to 108th position. However, as set out by Table 5.1 below, Shrewsbury remains the highest ranking centre in the Shropshire authority area and performs better than nearby comparator centres, including Telford. Indeed, many other comparator centres, including Wrexham, Oswestry and Newtown, have witnessed a decline in ranking over the four years to 2008. Shrewsbury's fall in ranking is due, at least in part, to its failure to add significantly to its town centre retail offer over this period, when other centres have managed to do so.

**Table 5.1: The Sub-Regional Shopping Hierarchy**

| Centre | MHE Score | Rank 2008 | Location Grade^ | Market Position | Rank 2004 | Change in Rank (2004-2008) |
|---|---|---|---|---|---|---|
| **Shrewsbury** | **201** | **108** | **Regional** | **Middle** | **86** | **-22** |
| Telford | 180 | 132 | Sub-Regional | Middle | 140 | 8 |
| Wrexham | 156 | 171 | Sub-Regional | Lower | 153 | -18 |
| Oswestry | 100 | 314 | Major District | Middle | 313 | -1 |
| Newtown | 55 | 629 | Minor District | Middle | 538 | -91 |
| Whitchurch | 49 | 731 | Minor District | Middle | 546 | -185 |
| Welshpool | 33 | 1,095 | Minor District | Middle | 664 | -431 |
| Ludlow | 28 | 1,290 | Local | Middle | 743 | -547 |
| Newport | 27 | 1,325 | Local | Upper-Middle | 743 | -582 |
| Bridgnorth | 25 | 1,420 | Local | Middle | 863 | -557 |
| Market Drayton | 21 | 1,660 | Local | Lower | 1,063 | -597 |
| Church Stretton | 6 | 3,575 | Minor Local | Middle | - | - |

Source: Management Horizons Europe: UK Shopping Index (2008)
^ The Location Grade ascribed to each centre is MHE's own definition and should not confused with any definition or hierarchy set out in planning policy

## Diversity of Main Town Centre Uses

5.10 The composition of retail premises in Shrewsbury Town Centre has been determined with reference to an Experian Goad plan of the town centre, which has been updated through WYG's original survey work. The updated plan is provided at Appendix 4. Tables 5.2 and 5.3 below illustrate the composition of town centre uses by sector.

**Table 5.2: Retail Composition of Shrewsbury Town Centre in April 2010**

| Sector | No. of Outlets | Percentage of Outlets | | Floorspace (sq. m) | Percentage of Floorspace | |
|---|---|---|---|---|---|---|
| | | Shrewsbury | GB | | Shrewsbury | GB |
| Convenience | 31 | 4.9 | 8.8 | 5,040 | 4.4 | 14.4 |
| Comparison | 285 | 45.4 | 33.9 | 60,470 | 52.5 | 37.1 |
| Retail Service | 69 | 11.0 | 13.1 | 7,890 | 6.8 | 7.0 |
| Leisure Services | 103 | 16.4 | 21.6 | 21,100 | 18.3 | 22.7 |
| Financial & Business Services | 52 | 8.3 | 11.1 | 8,520 | 7.4 | 8.6 |
| Vacant | 88 | 14.0 | 11.2 | 12,240 | 10.6 | 9.5 |
| **TOTAL** | **628** | **100** | **100** | **115,260** | **100** | **100** |

Source: Experian Goad Report Updated by April 2010 WYG Site Visit

**Table 5.3: Retail Composition of Shrewsbury Town Centre in December 2008**

| Sector | No. of Outlets | Percentage of Outlets | | Floorspace (sq. m) | Percentage of Floorspace | |
|---|---|---|---|---|---|---|
| | | Shrewsbury | Change 2008-2010 | | Shrewsbury | Change 2008-2010 |
| Convenience | 31 | 4.9 | 0.0 | 5,080 | 4.4 | 0.0 |
| Comparison | 297 | 47.4 | -2.0 | 59,440 | 51.6 | +0.9 |
| Retail Service | 66 | 10.5 | +0.5 | 7,690 | 6.7 | +0.1 |
| Leisure Services | 100 | 15.9 | +0.5 | 21,110 | 18.3 | 0.0 |
| Financial & Business Services | 50 | 8.0 | +0.3 | 8,230 | 7.1 | +0.3 |
| Vacant | 83 | 13.2 | +0.8 | 13,710 | 11.9 | -1.3 |
| **TOTAL** | **627** | **100** | **-** | **115,260** | **100** | **-** |

Source: Experian Goad Report December 2008

5.11 In terms of the number of convenience goods outlets, the offer in Shrewsbury Town Centre is significantly below the UK average, with such retailers occupying 4.9% of total units compared to a national average of 8.8%. Similarly, the proportion of floorspace dedicated to convenience goods sales in Shrewsbury Town Centre (4.4%) is also significantly below the UK average (14.4%).

5.12 The town centre has a reasonably broad range of convenience representation, including 10 of the 13 convenience subcategories identified by Experian Goad[14]. The largest convenience store in the town centre is the Somerfield store at the Pride Hill Centre, which contains 1,250 sq m of retail floorspace, and there is also a Marks & Spencer store at the Darwin Shopping Centre which contains a food hall. The 'big four' convenience operators (i.e. Tesco, Asda, Sainsbury's and Morrisons) all have representation outside the town centre. The centre also contains some independent convenience operators. The indoor market on Claremont Street, which operates every Tuesday, Wednesday, Friday and Saturday, provides further convenience provision and an outdoor market is held every Sunday at Harlescott. Since 2008, the number of convenience retailers has remained the same, whilst the amount of convenience floorspace has reduced by 40 sq m.

5.13 There are 285 comparison goods units in Shrewsbury Town Centre, which equates to 45.4% of all units. This compares with a UK national average of 33.9% of all retail units being used for the sale of comparison goods, demonstrating Shrewsbury's strong offer in this regard. The total comparison goods floorspace in the town centre comprises 60,470 sq m. Again, this is well above the UK average for such provision (52.5% compared to 37.1% nationally). As would be expected in a centre the size of Shrewsbury, there is strong representation across the six clothing subcategories established by Experian Goad which comprise 'children's and infants' wear', 'clothing general', 'footwear', 'ladies' & men's wear & accessories', 'ladies' wear & accessories' and 'men's wear and accessories'.

5.14 The town centre is anchored by two major department stores, these being Marks & Spencer and Rackhams (House of Fraser). However, Shrewsbury also caters for the lower end of the market, with TJ Hughes and a number of independent comparison retailers operating within the town centre. In the two years from 2008, the proportion of comparison units has fallen by 2.0%, but the proportion of floorspace dedicated to the sale of comparison floorspace has increased slightly by 0.9%.

5.15 The proportion of retail units in Shrewsbury Town Centre dedicated to service uses stands at 35.7%, which is below the UK average of 45.8%. Similarly, the proportion of floorspace occupied by the service sector (32.5%) is also below UK average (38.3%). Within the town centre, there is strong representation from the following service sub-categories: 'health & beauty', 'cafes', 'fast food & take aways', 'public houses', 'restaurants', and 'property services'. In general, there is a broad range of

[14] The Experian Goad convenience goods subcategories represented in Shrewsbury town centre comprise 'Bakers & Confectioners', 'Confectionery, Tobacco & News', 'Frozen Foods', 'Greengrocers', 'Grocers & Delicatessens', 'Health Foods', 'Markets', 'Off Licences', She Repairs & Key Cutting' and 'Supermarkets'; those not represented comprise 'Butchers', 'Convenience Stores' and 'Fishmongers'

service operators within the town centre. Since 2008, the proportion of service units has increased by 1.3% and the proportion of service floorspace has increased by 0.4%.

5.16 Overall, the total number of retail units in the town centre, as defined by Experian Goad, has increased by one unit since 2008, with the total amount of retail floorspace having remained the same. Whilst Shrewsbury's overall retail offer has remained relatively static between 2008 and 2010, the comparison sector has decreased by 12 units (2% of all such units) over the same period, with both the convenience goods and service sector having slightly increased in number over the same period. This broadly reflects the trend nationally, with Experian Goad indicating that the number of comparison goods traders through the UK fell from 32.3% of all retailers at December 2008 to 33.8% of all retailers at April 2010.

## Proportion of Vacant Street Level Property

5.17 The number of vacant units within a centre can provide a good indication of how a shopping centre is performing. However, care should be taken when interpreting figures as vacancies may not also occur for negative reasons. For example, the opening of a new retail centre elsewhere in a town may draw retailers from older properties or more peripheral areas of the city. Some vacant units will be found even in the strongest of town centres. However, generally speaking, the vacancy rate is a useful way of gauging the underlying level of retailer demand in a centre. It is also of assistance in identifying those parts of a town centre where the retail stock may be poorly maintained or unsuited to modern retailing requirements, and where premises are not being actively marketed.

5.18 Table 5.2 indicates that there were 88 vacant units in Shrewsbury Town Centre at April 2010, which equates to a vacancy rate of 14.0% which is higher than the UK average vacancy rate of 11.2%. There was 12,240 sq m of vacant floorspace in the town centre at April 2010. The proportion of vacant floorspace (10.6%) is slightly higher than the UK average (9.5%).

5.19 The Pride Hill Centre (22 units), the Darwin Shopping Centre (16 units) and Mardol (eight units) contain the most vacancies in Shrewsbury Town Centre. The three largest vacant units are located at the Darwin Shopping Centre (760 sq m), the Pride Hill Centre (730 sq m) and St Austins Street (530 sq m). All other vacant units are less than 500 sq m, whilst 41% of the vacant units are less than 100 sq m. The three vacant units identified above were all vacant in 2008. The two largest vacant units in 2008 were both at the Darwin Shopping Centre and had a floorspace of 1,210 sq m and 1,060 sq m respectively. These units have since been occupied by Home Bargains and H&M. The vacant units are distributed to some degree across the town centre, but with a particular focus being apparent at the Pride Hill Centre and the Darwin Shopping Centre.

5.20 Tables 5.2 and 5.3 indicate that, since 2008, the proportion of vacant units in Shrewsbury Town Centre has increased by 0.8%, but the proportion of retail floorspace which is vacant has actually decreased by 1.3%. Given the current wider economic conditions, the recent performance in terms of the vacancy rate is considered to be generally encouraging and suggestive of ongoing retailer confidence in the town centre.

## Retailer Representation

5.21 The presence of national multiple retailers (defined as being part of a network of nine or more retailers) can greatly enhance the appeal of a centre to local consumers and investors. Other retailers in a centre will also benefit from the greater pedestrian movements generated by the presence of national multiples. However, multiples can also threaten the role of independent traders and undermine diversity and local identity. A balance between multiples and independents is desirable.

5.22 Multiples located in the town include Argos, Boots, Currys, Marks & Spencer, Rackhams, TJ Hughes, TK Maxx, Topman and WH Smith, amongst others. The character and appeal of the town is enhanced by the relatively high number of quality independent retailers, which enable Shrewsbury to provide a distinct and complementary offer.

## Retailer Requirements

5.23 Table 5.4 provides details of the retailer requirements identified for Shrewsbury by FOCUS at April 2010. The list should be treated with a degree of caution as businesses can put forward requirements whilst actually having little or no active desire to locate in a town. Furthermore, the Focus database will not necessarily be wholly representative, as it tends to list requirements for large national multiples. The Focus list also includes retailers who are already present in the town but who are seeking new premises. A single retailer may also express more than one requirement in a town centre for different sizes of outlets. Notwithstanding these limitations, the database does serve as a useful broad indicator of the level of demand for representation. Full details of the individual retailers which had an identified requirement at April 2010 are provided at Appendix 3.

**Table 5.4: Retailer Requirements in Shrewsbury at April 2010**

| | Number of Requirements | Minimum Floorspace (sq m) | Maximum Floorspace (sq m) |
|---|---|---|---|
| Convenience | 2 | 74 | 186 |
| Comparison | 23 | 9,553 | 22,394 |
| Service | 10 | 3,807 | 6,345 |
| **TOTAL** | **35** | **13,434** | **28,925** |

5.24 Table 5.4 shows that at April 2010 there were 35 retailers seeking representation within Shrewsbury Town Centre, collectively requiring up to 28,925 sq m retail floorspace. Comparison traders account for the highest number of requirements in outlet terms (23) and are seeking the highest amount of floorspace (22,394 sq m). Retailer requirements in Shrewsbury Town Centre have declined steadily since April 2006 when the number of requirements peaked at 81 (such a sharp decrease in the number of operators seeking representation is reflective of wider market conditions, rather than being unique Shrewsbury). Notable businesses currently seeking representation in Shrewsbury include Debenhams (department store), Marstons (public house) and TK Maxx (clothing). The identification by FOCUS of TK Maxx suggests that it may be seeking to relocate its existing town centre store.

## Shopping Rents

5.25 According to Colliers CRE data as presented in the FOCUS Report on Shrewsbury, Zone A rents in Shrewsbury Town Centre averaged around £1,400 per sq m in June 2008, which is second only to Telford in terms of the comparator centres listed at Table 5.5. From June 1997 to June 2007, there was a steady increase in Zone A rents, from around £970 per sq m to around 1,510 sq m. However, between June 2007 and June 2008, Zone A rents fell by about 8%, which is unsurprising given market conditions and reflective of trends nationally.

## Proportion of Vacant Street Level Property

5.26 The number of vacant units within a centre can provide a good indication of how a shopping centre is performing. However, care should be taken when interpreting figures as vacancies may not also occur for negative reasons. For example, the opening of a new retail centre elsewhere in a town may draw retailers from older properties or more peripheral areas of the city. Some vacant units will be found even in the strongest of town centres. However, generally speaking, the vacancy rate is a useful way of gauging the underlying level of retailer demand in a centre. It is also of assistance in identifying those parts of a town centre where the retail stock may be poorly maintained or unsuited to modern retailing requirements, and where premises are not being actively marketed.

5.27 There were 88 vacant units in Shrewsbury Town Centre at April 2010, which equates to a vacancy rate of 14.0% which is higher than the UK average vacancy rate of 11.2%. There was 12,240 sq m of vacant floorspace in the town centre at April 2010. The proportion of vacant floorspace (10.6%) is slightly higher than the UK average (9.5%).

5.28 The Pride Hill Centre (22 units), the Darwin Shopping Centre (16 units) and Mardol (eight units) contain the most vacancies in Shrewsbury Town Centre. The three largest vacant units are located at the Darwin Shopping Centre (760 sq m), the Pride Hill Centre (730 sq m) and St Austins Street (530 sq m). All other vacant units are less than 500 sq m, whilst 41% of the vacant units are less than 100 sq m. The three vacant units identified above were all vacant in 2008. The two largest vacant units in 2008 were both at the Darwin Shopping Centre and had a floorspace of 1,210 sq m and 1,060 sq m respectively. These units have since been occupied by Home Bargains and H&M.

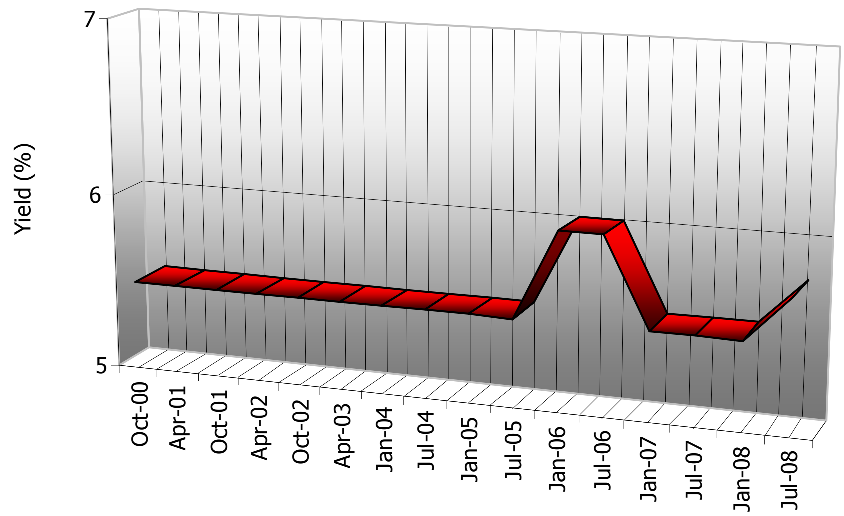
5.29 Since 2008, the proportion of vacant units has increased by 0.8%. However, the proportion of retail floorspace which is vacant has decreased by 1.3%.

## Commercial Yields

5.30 A 'yield' represents the relationship between the rental income which a property is likely to command and its capital value, expressed as a percentage. Town centre yields broadly represent the market's assessment of the risk attached to investing in a particular centre; as a rule of thumb, the higher the yield, the greater the risk involved in investment. Yields provide a simple bench mark which the property market uses to assess the comparative attractiveness of different shopping centres. Many considerations determine the yield an investor will consider attractive for a particular property, including: the physical condition of the building; the potential for rental growth; the certainty of income; the lease arrangement; and the range of uses to which the building can be put.

5.31 According to VOA data, over the past decade the typical yield of commercial properties in Shrewsbury has been largely consistent at around 5.5% to 6.0%. In October 2000, commercial yields were at 5.5% and remained at this level until July 2005. At January 2006, commercial yields increased slightly to 6.0%. However, they had fallen back down to 5.5% in January 2007. Between January 2008 and July 2008, commercial yields rose slightly to 5.75%, which may point to a slight decrease in investor confidence in Shrewsbury Town Centre. However, over time, the level of yield has remained relatively consistent and restrained, suggesting that Shrewsbury is considered a good long-term investment prospect.

**Figure 5.1: Rental Yields in Shrewsbury**




| Oct-00 | Apr-01 | Oct-01 | Apr-02 | Oct-02 | Apr-03 | Jan-04 | Jul-04 | Jan-05 | Jul-05 | Jan-06 | Jul-06 | Jan-07 | Jul-07 | Jan-08 | Jul-08 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 6 | 6 | 5.5 | 5.5 | 5.5 | 5.75 |

Source: Valuation Office Agency (VOA): Property Market Report (April 2010)

## Accessibility

5.32 Shrewsbury is situated on the A5. The town links to well to the strategic highway network, with both the M54 (junction 7) and the M6 (junction 11) being relatively close. Wrexham is situated around 25 miles to the north (approximately 50 minutes away by car), Telford around 13 miles to the east (approximately 25 minutes away), Ludlow around 23 miles to the south (approximately 45 minutes away), and Welshpool is around 16 miles to the west (approximately 30 minutes away).

5.33 A mixture of on-street and off-street car parking is located throughout the centre. There are ten Council operated car parks in Shrewsbury. These vary significantly in size and comprise: Abbey Foregate (342 spaces); Bridge Street (54 spaces); Frankwell Main (720 spaces); Frankwell Quay (12 spaces); Frankwell Riverside (75 spaces); Raven Meadows (856 spaces); St Austin's (48 spaces); St Julian's Friars (272 spaces); The Strand (143 spaces); and The Tannery (44 spaces). Car park pricing is typically as follows: up to 1 hour (£1.10); up to 3 hours (£2.50); up to 5 hours (£3.50); up to 6 hours (£6.00); and up to 12 hours (£8.00). Additional public car parking is available at Barker Street, Quarry Swimming Centre and Wyle Cop. On the day of survey (Tuesday 20 April 2010) the amount of car parking seemed adequate for a centre of this size.

5.34 The town also benefits from good accessibility by public transport. There is a covered bus station in Shrewsbury Town Centre at Raven Meadows. Bus services from Shrewsbury are provided to the nearby centres of Bridgnorth, Ironbridge, Market Drayton, Much Wenlock, Newport, Oswestry, Telford, Wem and Whitchurch amongst others. There is also a Park and Ride service in operation for Shrewsbury Town Centre which currently has three sites: Oxon Business Park (to the west); Meole Brace Retail Park (to the south); and Harlescott (to the north). There is a railway station at Castle Foregate which provides regular train services to Birmingham, Cardiff, Carmarthen, Crewe, Holyhead, Manchester, Wrexham and Chester amongst other locations. There is also a through service to London.

5.35 Access for pedestrians is good. Whilst Castle Street can experience lots of traffic, pedestrian crossings are provided to help pedestrians in crossing the road. Butcher Row, Pride Hill, Roushill Bank and The Square are all pedestrianised which provides a safe environment for those on foot. Pavements are generally wide allowing easy pedestrian movement.

## Customer Views and Behaviour

5.36 An on-street survey of 150 visitors to Shrewsbury Town Centre was undertaken by NEMS Market Research in April 2010 and is provided at Appendix 5 of this report. With regard to accessibility in Shrewsbury, it revealed the following:

- Almost two-thirds of visitors (64%) had access to a car for personal use both during the day-time and during the evening/night-time.
- Just less than half (48%) of shoppers arrived in the centre on the day of the survey by car or van, a further 25% arrived by bus, minibus or coach, and 17% walked.
- Of those that drove, 18% parked at Frankwell Riverside, 16% parked at Frankwell Main and 13% parked on-street.
- The vast majority of visitors (93%) had no difficulty in obtaining a car parking space on the day of the survey.
- 8% of shoppers travelled for five minutes or less to reach the centre; 19% travelled for between six and ten minutes, 32% travelled for between 11 and 20 minutes, 36% travelled for between 21 and 60 minutes and 6% travelled for over 60 minutes.
- 58% of visitors considered car parking provision in Shrewsbury Town Centre to be 'about the same' as other centres which they visited. 10% considered parking provision to be either 'better' or 'much better' in Shrewsbury compared to other shopping centres, with 14% stating that it was either 'worse' or' much worse'. 19% did not know either way.

- 57% considered car parking prices to be 'about the same' as in other centres, with a further 9% considering these to be either 'better' or 'much better' than in other centres. 13% felt that car parking prices where either 'worse' or 'much worse' than those elsewhere;
- 45% of visitors felt that the accessibility of Shrewsbury Town Centre by public transport was 'about the same' as other centres, with 17% stating that it was either 'better' or 'much better' than in other centres and 7% felt that it was either 'worse' or 'much worse'.

5.37 More generally, the on-street survey revealed the following patterns of behaviour with regard to the centre:

- 93% of visitors arrived in the centre directly from home.
- 47% of shoppers lived in the centre, with 46% visiting the centre and 4% working in the centre. A further 3% lived and worked in the centre.
- The most popular reason for being in the centre was to undertake clothes/shoes shopping (23%), followed by social/leisure activities (21%), food and grocery shopping (16%), and then to attend work, school or college (9%).
- 38% of visitors interviewed planned to stay in the centre for up to two hours, with a further 38% planning to stay for half a day.
- Just under a quarter of visitors (24%) planned to undertake their main food shop on the day of the survey.
- Over half of visitors (53%) did not plan to buy anything other than food goods on the day of the survey, although some 34% planned to purchase clothing, footwear or household goods.
- 62% of shoppers stated that they visited the centre today 'about as frequently' as they did five years ago, with 21% indicating that they visited the centre either 'more' or 'much more frequently' today compared to five years ago.

5.38 When visitors were asked to rate the town centre on a number of different aspects, the following were identified by visitors as generally being either 'better' or 'much better' in Shrewsbury than in other centres: town centre environment (43%), choice of independent/specialist shops (39%), quality of shops (36%), range and choice of pubs/restaurants (34%), choice of shops (31%) and cleanliness (31%)

5.39 When visitors were asked to consider what types of shops or services they would like to see introduced into the centre, popular responses were more department stores (15%) and more clothing stores (10%). When asked to consider measures that would improve the centre, improved cultural facilities was the measure which the largest proportion of visitors (52%) stated would be most beneficial.

## Perception of Safety and Occurrence of Crime

5.40 Shrewsbury was viewed as being a fairly safe centre by shoppers. With respect to safety during the daytime, 66% of visitors stated that it was 'about the same' as other centres, with 27% indicating that it was either 'better' or 'much better' in Shrewsbury compared to other centres. Safety during the evening/night-time was considered to the 'about the same' as other centres by 40% of visitors, with 18% stating that it was either 'better' or 'much better'.

## Business Survey Results

5.41 A questionnaire was distributed to all local businesses within Shrewsbury in order to gain an understanding of the opinions of retailers. A total of 539 questionnaires were distributed, with 165 being returned. This equates to a comparatively high response rate of 31%, which acts to underpin the robustness of the survey's findings. The complete results of the Shrewsbury Town Centre Business Survey are provided at Appendix 6. The principal findings are as follows:

### Business Performance

- 44% of respondents indicated that their business was a non-food retailer. A further 17% were retail services, 15% leisure services, 13% professional services, 5% charity shops, 4% food retailers and a further 4% were other services;
- 69% of respondents were independent traders, with 31% being part of a national/regional group or chain;
- 32% of respondents had been trading in the town centre in excess of twenty years, with 32% having been in operation for over ten years and 37% for less than five years;
- A clear majority of respondents (80%) leased their premises;
- 55% of traders stated that since they began trading, business had either 'grown significantly' or 'grown moderately', with 17% indicating that business had 'remained largely static'. 27% indicated that their business had declined to some degree since they began trading; and
- 30% of respondents indicated that their business was currently trading 'very well' or 'well', with 49% indicating that their business was currently trading 'moderately'. 21% stated that their business was currently performing either 'poorly or very poorly'.

Retail Improvement Measures

- The survey indicated that 27% of traders relied upon residents from in or around Shrewsbury Town Centre for the majority of their business, although a further 31% relied primarily on residents from across the County and 10% from residents outside the County;
- When asked about measures that would improve the town centre, 9% of respondents stated that lower parking charges would have this effect. Other measures suggested included greater promotion/marketing of the centre (8%), improved public toilets (8%) and a better mix of short/long stay parking (7%);
- 77% of respondents felt that there was a good balance between shops and other non-retail uses, with 20% stating that there were too many non-retail uses in the town centre and 3% that there were not enough non-retail uses;
- Respondents identified the main barriers to trading performance as being high rents/overheads (18%), inadequate customer car parking (14%) and a lack of passing trade outside premises (14%);
- 45% of respondents indicated that they had no plans to alter their business in any way over the next five years, with 12% planning to expand their range of products and 8% planning to refurbish their existing floorspace;
- Telford was considered the centre's biggest competitor by the largest proportion of respondents, followed by Chester and Birmingham;

Internet Shopping

- 77% of respondents stated that their business currently has its own website;
- Of those respondents whose business has a website, the main services provided were contact information (25%), the ability to browse goods (21%) and the ability to contact the business directly via e-mail (also 21%);
- Over half (52%) of respondents stated that their website was either 'very important' or 'essential' to their business. 19% felt that their website was 'important' to their business and 30% stated that 'fairly important' or of 'little importance';
- 91% of respondents stated that their website attracts customers from a wider catchment, i.e. beyond Shrewsbury;
- 85% stated that customers visit their store as a result of browsing their website;
- The majority of respondents (84%) stated that less than 25% of their sales are from the internet; and

- Of those respondents whose business did not have a website, the main reasons given were they are in the process of designing a website (24%), it is too time consuming (24%) and it is not relevant/necessary (22%).

5.42 The business survey asked respondents to rate a number of different aspects of Shrewsbury in terms of whether they were considered to be 'good', 'average' or 'poor'. The majority of aspects were rated as being 'average' by the largest proportion of respondents. However, a number of aspects were rated as being 'poor' by the greatest proportion of respondents. These aspects were: the pricing of car parking (62%), accessibility by vehicles (50%) and the range of marketing and promotion (45%). Respondents were also able to add any additional comments they wished to make at the end of the survey. Through his process, a number of retailers highlighted that rates were too high, that there needs to be more affordable, short-stay parking, and greater promotion/marketing of Shrewsbury.

## State of the Town Centre Environmental Quality

5.43 Shrewsbury is recognised as an attractive town centre. The town centre is partly pedestrianised – along Butcher Row, Pride Hill, Roushill Bank and The Square – which provides a safe environment for shoppers. Where the centre meets busy roads, at Castle Street for example, pedestrian crossings aid movement by foot.

5.44 At the time of the survey, there was a fairly high level of footfall in the centre. The built environment is well maintained, however there are few open spaces within the centre. The street scene comprises a mix of old and new buildings and street furniture in this area includes benches, bins, street lighting and trees. Many of the shops in the town centre are national multiples; however, there are also a number of independent shops present. The Parade contains a number of boutique shops and provides a different offer to the rest of the centre. Public toilets are located in a number of places in the town centre including Hills Lane, St Alkmund's Place, the Darwin Shopping Centre and the Pride Hill Centre. At the time of the survey the streets were generally clean, tidy and free from litter.

## Summary of the Performance of Shrewsbury Town Centre

5.45 Shrewsbury is an important strategic centre which meets the day to day needs of the local population and the wider rural area. The retail offer in the town centre is underpinned by its comparison goods provision, being anchored by Marks & Spencer and Rackhams, and complemented by a number of high street comparison stores. The proportion of convenience retail provision is below the national average. However, the indoor and outdoor markets significantly add to the convenience goods offer. The 'big four' foodstore operators are all represented in out-of-centre locations.

5.46 The Tudor architecture of many of the buildings creates a very attractive shopping environment and is in stark contrast to many 'typical' town centres. The town centre contains a good balance between national multiples and independent retailers. However, although there remain a significant number of outstanding retailer requirements for the town, evidence from FOCUS suggests that the number of retailers seeking representation has decreased over recent years.

5.47 Whilst Shrewsbury is generally performing well as a strategic town centre providing for most of the shopping, cultural and social needs of the authority area population and beyond, there are some areas in need of improvement. Shrewsbury's retail ranking has fallen in recent years, which may be a consequence of other towns delivering significant retail development. There is an under-provision of both convenience goods retailers and service sector operators in the town centre when compared to the national average. However, the number of units and the quantum of floorspace occupied by the service sector have actually risen since 2008. On a further positive note (and somewhat contrary to prevailing trends nationally), the amount of vacant floorspace has decreased in Shrewsbury Town Centre over the last two years and, in particular, it seems that larger vacant units are recycled quite expeditiously. These trends are encouraging and suggest that Shrewsbury Town Centre remains attractive and resilient in terms of the difficult trading conditions which have resulted from the downturn in the UK economy.

5.48 We set out on the following page a SWOT analysis which provides a summary of Shrewsbury Town Centre's strengths, weaknesses, opportunities and threats.

**Table 5.5: SWOT Analysis of Shrewsbury Town Centre**

| Strengths | Weaknesses |
|---|---|
| ▪ Anchored by the Marks & Spencer and Rackhams stores.<br>▪ Strong comparison goods offer.<br>▪ Adequate retail service sector.<br>▪ A rise in Zone A rents.<br>▪ Good accessibility.<br>▪ Excellent environmental quality.<br>▪ Local market.<br>▪ Large premises.<br>▪ Good mix of Independent/specialist traders & national multiples.<br>▪ Good evening economy. | ▪ Weak convenience goods offer within town centre.<br>▪ Fairly weak leisure service offer.<br>▪ Weak financial and business services sector.<br>▪ Decline in rank in the sub-regional shopping hierarchy.<br>▪ Steady decline in retailer requirements.<br>▪ Comparatively high proportion of vacancies.<br>▪ Increasing commercial yields. |
| **Opportunities** | **Threats** |
| ▪ Attract a commercial leisure operator to help improve the leisure offer.<br>▪ Greater promotion of the centre.<br>▪ Availability of town centre retail sites.<br>▪ Opportunities to utilise riverside locations.<br>▪ Recent improvements to the town centre cultural offer (i.e. Theatre Severn) could assist in supporting other businesses. | ▪ Improvement at competing centres including Telford.<br>▪ Continued growth of online shopping.<br>▪ The recession may lead to increased vacancies in the town centre.<br>▪ Potential over dominance of major department stores.<br>▪ Potential decline of independent traders as a result of the recession. |

## 6.0 HOUSEHOLD SURVEY

### Introduction

6.01 The results of the household survey are utilised in estimating the market share claimed by each of Shrewsbury's current retail facilities, a process which is considered in Section 7 of this report.

6.02 The household survey is also of assistance is identifying broad shopping patterns, including the frequency of visit, the incidence of linked trips, the most popular means of accessing town centre facilities, the use of other town centre facilities, and so on. The key findings of the survey are set out below. The questions and full tabulation for the Shrewsbury Household Survey are provided at Appendix 2.

### Key Shopper Trends

Main Food Shopping

- The household survey indicates that three stores in Shrewsbury attract approaching half of all main food shopping expenditure which originates from within the Study Area, these being the Sainsbury's store at Meole Brace (17.4%), the Morrisons store at Whitchurch Street (15.4%) and the Tesco Extra at Harlescott (12.8%).
- Almost half of those surveyed (47.2%) indicated that the principal reason for choosing their main food shopping destination was its proximity to their home, followed by the fact that the store offers low prices (12.5%) and then by the choice of food goods available (7.6%).
- A majority of shoppers (69.9%) do their main food shop at least once a week, with 9.0% undertaking it at least twice weekly and 12.6% undertaking it at least once a fortnight.
- Just 3.9% of respondents suggested that they undertake their main food shop through the internet. Of those who do, a majority use Tesco's online facility (54.1%), with the remainder using Asda (27.0%), Sainsbury's (13.5%) or a variety of different retailers (5.4%).
- A large majority of respondents use the car in travelling to do their main food shop (89.9%), with the next most popular means of transport being by foot (5.6%) and then by bus (2.9%).
- Approximately two-thirds of respondents (65.7%) do not link their main food shopping trip with any other activity, with the most popular activities of those that do being non-food shopping (12.8%) and leisure activities (10.3%).

Top Up Food Shopping

- The survey indicates that large supermarkets within the Study Area also claimed a high proportion of top up food shopping. The most popular destinations for top up expenditure are the Sainsbury's store at Meole Brace (6.9%), the Asda at Old Potts Way (5.9%), the Tesco Extra at Harlescott (4.3%) and the Morrisons store at Whitchurch Street (4.2%).
- As would be expected, the household survey indicates that top up shopping trips tend to be undertaken on a more frequent basis than main food shopping trips, with 5.5% of respondents undertaking such shopping trips on a daily basis, 42.4% at least twice weekly, 39.0% at least weekly and 6.9% at least fortnightly.

Non-Food Shopping

- Shrewsbury Town Centre is the most popular retail destination for clothing and footwear (with 62.5% of respondents indicating that this was the destination for their last shopping trip for such goods); for books, CDs and DVDs (51.7%); for small household items (60.4%); for toys, games, bicycles and recreation goods (51.6%); for chemist goods (52.7%); and for furniture, carpets and floor coverings (54.6%).
- The goods types for which Shrewsbury Town Centre is not respondents' most popular retail destination are electrical items (with Meole Brace Retail Park securing 29.5% of such shopping trips); DIY goods (with the B&Q at Featherbed Lane securing 23.6% of such trips); and gardening items (with Dobbies Garden World at Hereford Road securing 34.8% of such trips).

Accessing Shrewsbury

- As would be expected, a majority of respondents (83%)[15] visit Shrewsbury Town centre at some time to use its facilities.
- Of those who visit Shrewsbury, the most popular reasons[16] for visiting include non-food shopping (72.8%); food and grocery shopping (36.1%); social and leisure activities (36.1%); professional services, such as banks, estate agents, and so on (31.7%); cafes, restaurants and pubs (24.1%); and visiting the doctor, dentist or optician (16.7%).
- Almost two-thirds of respondents make their journey to Shrewsbury by car (63.3%), with other notable means of transport being by bus (16.6%) and by foot (13.3%).

[15] In WYG's judgement, the survey may slightly under-record the number of users of Shrewsbury Town Centre due to 'survey fatigue', i.e. a small number respondents may answer in the negative in order to expedite the survey being brought to a close.

[16] Respondents were encouraged to cite more than one reason where this applied.

- In terms of frequency of visit, 6.9% visit Shrewsbury Town Centre daily, 36.4% visit once a week or more, 8.2% visit less than once a week, 20.1% visit less than once a fortnight and 27.2% visit less than once a month.
- The most frequently cited reason provided by those who do not visit Shrewsbury for their failure to use the centre is that there are other facilities closer to home (44.7%). The next popular response was that there is 'no reason in particular' for their failure to visit, followed then by a perceived lack of car parking provision (10.0%) and then by the centre's poor accessibility (8.2%).

Internet Shopping

- Of those surveyed, more than half (54.9%) make use of internet shopping and a further 5.4% make use of TV shopping. Only 43.8% of respondents fail to make use of either one of these types of electronic home shopping.
- The most popular types of items to be purchased via electronic home shopping are CDs and DVDs (with 46.3% of respondents purchasing the item in this manner), books (42.7%), clothing (30.4%) and then small electrical items (23.8%).

Leisure

- Of respondents who undertake indoor sports or fitness activities, 31.9% normally use facilities located within Shrewsbury Town Centre, with a further 8.9% most often using Shrewsbury Sports Village and 8.6% frequenting Bannatynes Health Club most regularly.
- Unsurprisingly, the Cineworld cinema at Old Potts Way is by far the most popular facility for the Study Area population, with 84.0% of respondents stating that his was the location for most of their cinema visits.
- AMF Bowling at Brixton Way is by far the most popular venue for ten pin bowling, with 89.6% of respondents who partake in this activity usually using this facility.
- Gala Bingo at Castle Gates, Shrewsbury is the most popular bingo hall, with 62.7% of respondents who play using this facility most regularly. The second most popular venue is Mecca Bingo at Southwater Square, Telford which is favoured by 17.6% of players in the Study Area.
- Shrewsbury Town Centre is the most frequently visited centre by respondents seeking to engage in cultural activities, with 61.5% stating that it is the centre they visit most often for this purpose. Birmingham (10.9%) and London (8.9%) were the next most frequently cited destinations.
- Shrewsbury Town Centre was also identified as the most popular destination for visits to bars, pubs and nightclubs, and for visits to restaurants, with 61.9% and 67.2 of respondents respectively indicating that the centre was their usual destination for such activities. The next

most popular destination was Market Drayton, which was the preferred location for 6.7% of respondents visiting bars, pubs and nightclubs, and for 6.4% of respondents visiting restaurants.

## 7.0 POPULATION AND EXPENDITURE

### Introduction

7.01 This section of the report assesses the current population and expenditure generated (both convenience and comparison goods) within the defined Study Area.

### Study Area Population

7.02 The population within each postal code sector has been calculated using MapInfo AnySite Report data (2007 estimate). The baseline population has then been projected forward based on population projections identified by MapInfo, which have been derived from mid-year ONS based population estimates for each survey zone.

7.03 Population figures (derived from MapInfo) are provided for each of the six survey zones. For the purpose of this study, population and expenditure has been calculated at a five-year interval to 2015 in accordance with PPS4 and then on to 2021 and 2026 (i.e. at 2010, 2015, 2021 and 2026).

7.04 On this basis, the identified Study Area is estimated to contain a resident population of approximately 183,592 people in 2010, to 190,613 people by 2015, to 199,271 people by 2021, and to 206,828 people by 2026. This represents an increase in population within the Study Area of 23,236 people (or 12.7%) between 2010 and 2026.

7.05 Table 7.1 provides a detailed breakdown of the forecast population change within each survey zone in the period through to 2026.

**Table 7.1: Population by Survey Zone (2010 to 2026)**

| Zone | 2010 | 2015 | 2021 | 2026 |
|---|---|---|---|---|
| 1. Shrewsbury North | 40,333 | 42,333 | 44,754 | 46,877 |
| 2. Shrewsbury East | 24,986 | 26,486 | 28,463 | 30,222 |
| 3. Shrewsbury South | 23,598 | 24,541 | 25,633 | 26,581 |
| 4. Shrewsbury West | 26,127 | 27,226 | 28,515 | 29,637 |
| 5. Shrewsbury Central West | 34,192 | 35,090 | 36,294 | 37,328 |
| 6. Shrewsbury Central East | 34,356 | 34,937 | 35,611 | 36,183 |
| **TOTAL** | **183,592** | **190,613** | **199,271** | **206,828** |

Source: MapInfo AnySite Data (2007)

## Retail Expenditure

7.06 In order to calculate convenience and comparison expenditure per person, WYG has again utilised MapInfo AnySite Report data, which provides detailed information on local consumer expenditure that takes into account the socio-economic characteristics of the local population. MapInfo is a widely accepted source of expenditure and population data and is the same source which informed the 2003 Retail Capacity Study for Shrewsbury.

7.07 The base year for the MapInfo expenditure data is 2007. Growth forecasts have been derived from MapInfo Information Brief 09/02, which was published in September 2009. Importantly, the latest expenditure forecasts take into account the current downturn in the UK economy, which has had an impact on the retail sector. For the purposes of this study, the following annual growth forecasts have been applied.

**Table 7.2: Expenditure Growth Forecasts**

| Year | Convenience | Comparison |
|---|---|---|
| 2008 | -0.7% | +4.6 |
| 2009 | -0.8% | -2.7% |
| 2010 | -0.8% | -2.7% |
| 2011 to 2014 | +1.1% per annum | +3.8% |
| 2015 onwards | +0.7 per annum | +4.5% |

7.08 The latest growth forecasts suggest that the current downturn in the economy will continue to impact upon future expenditure, at least in the short term. However, over the medium to long term it is expected that the forecast levels of growth will increase as the economy recovers to levels commensurate with those identified by MapInfo prior to 2008. In terms of convenience goods, MapInfo forecasts a relatively strong average expenditure increase of 1.1% per annum between 2011 and 2014, before levelling off to an average increase of 0.7% per annum from 2015. However, WYG considers that the growth in expenditure forecast in the longer term (beyond the next ten years) should be treated with caution given the uncertainty in forecasting future growth through to 2026.

7.09 Using the above growth rates it is possible to produce expenditure estimates for each survey zone in 2010, 2015, 2021 and 2026. The assessment takes into account both retail expenditure growth and population change.

## Convenience Goods Expenditure

7.10 It is estimated that, in 2010, the resident population of the Study Area generates some £309.37m of convenience goods expenditure. This is forecast to increase to £396.32m by 2026, which represents an increase of £86.95m (or 28%) between 2010 and 2026.

### Main Food and 'Top-Up' Shopping

7.11 For the purposes of this study, the proportion of convenience goods expenditure directed to respondents' main food shopping destination has been derived directly from a specific question in the Household Survey and has been applied on a zone by zone basis. The survey indicates that across the Study Area approximately 85.6% of expenditure is directed to the main food shopping destination (bulk food shop) and approximately 14.4% is directed to 'top up' shopping destinations (i.e. regular purchases, such as milk, bread, and so on).

7.12 By applying these expenditure estimates to the identified resident population of the Study Area, convenience goods expenditure on main food shopping is approximately £264.71m and 'top up' expenditure is approximately £44.66m at 2010.

## Comparison Goods Expenditure

7.13 In 2010, the resident population within the Study Area is identified as generating £516.46m of comparison goods expenditure. Given the forecast growth in population and expenditure, this is expected to increase to £1,147.25m by 2026. This represents an increase of £630.79m (or 122%) between 2010 and 2026. This is clearly a very significant increase and is a result of the forecast increase in catchment population and, in particular, the forecast high level of comparison goods expenditure growth over forthcoming years.

7.14 For the purposes of this study, comparison goods expenditure has been divided into nine sub-categories: 'Furniture', 'DIY', 'Electrical' and 'Garden Centre' (collectively referred to as bulky goods), and 'Clothing & Footwear', 'Books, CDs, DVDs, etc', 'Household Goods', 'Toys, Bicycles and Other Recreational Goods' and 'Chemist Goods' (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by MapInfo on a zone by zone basis. However, across the Study Area, the expenditure directed to each sub-category by residents within the Study Area is as follows.

| Bulky Goods | Non-Bulky Goods |
|---|---|
| 'Furniture' – 9.8% | 'Clothing & Footwear' – 23.6% |
| 'DIY' – 6.1% | 'Books, CDs, DVDs, etc.' – 5.3% |
| 'Electrical' – 10.3% | 'Household Goods' – 12.4% |
| 'Garden' – 2.2% | 'Toys, Bicycles and Other Recreation Goods' – 16.6% |
| **Sub-Total – 26.1%** | 'Chemist Goods' – 13.7% |
| | **Sub-Total – 73.9%** |

## Shrewsbury's Market Share

7.15 Having calculated the likely levels of expenditure which are generated by the resident population within the defined Study Area, it is necessary to identify what proportion of this expenditure is currently attracted to retail facilities within Zone 5 and Zone 6 which constitute Shrewsbury's primary catchment area (PCA).

7.16 As previously highlighted, this study has involved the completion of 1,000 household telephone interviews within the defined Study Area. By analysing the results from the survey, it is possible to estimate the levels of expenditure which are directed towards Shrewsbury's shopping facilities. The market shares for the various expenditure categories are highlighted below in Tables 7.3 and 7.4.

**Table 7.3: Shrewsbury's Current Market Share – Convenience (2010)**

| Zone | Market Share (%) | | |
|---|---|---|---|
| | Main Convenience | 'Top-Up' Convenience | Total^ |
| 1. Shrewsbury North | 26.5 | 7.1 | 23.4 |
| 2. Shrewsbury East | 37.6 | 18.8 | 35.1 |
| 3. Shrewsbury South | 55.3 | 27.0 | 50.8 |
| 4. Shrewsbury West | 66.7 | 42.3 | 63.5 |
| 5. Shrewsbury Central West | 95.6 | 96.5 | 95.8 |
| 6. Shrewsbury Central East | 96.2 | 97.5 | 96.3 |
| **TOTAL** | **63.0** | **47.9** | **60.8** |

Source: Derived from Expenditure Tables Provided at Appendix 7
^ Based on cumulative market share of main and 'top-up' food shopping
Based on market share of expenditure

**Table 7.4: Shrewsbury's Current Market Share – Comparison (2010)**

| Zone | Market Share (%) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Clothing & Footwear | Books, CDs, etc. | Household Goods | Toys, etc. | Chemist | Electrical | Furniture | DIY | Garden Centre | Total |
| 1. Shrewsbury North | 51.4 | 32.3 | 52.5 | 39.2 | 25.7 | 32.1 | 45.3 | 39.2 | 14.9 | 40.9 |
| 2. Shrewsbury East | 40.6 | 33.0 | 48.4 | 51.9 | 40.5 | 37.3 | 46.2 | 46.4 | 28.6 | 43.3 |
| 3. Shrewsbury South | 61.3 | 55.3 | 68.8 | 75.0 | 48.8 | 53.1 | 61.5 | 69.1 | 31.1 | 61.5 |
| 4. Shrewsbury West | 75.2 | 55.6 | 72.2 | 74.7 | 65.2 | 70.0 | 71.2 | 74.8 | 39.2 | 70.6 |
| 5. Shrewsbury Central West | 85.9 | 71.7 | 85.4 | 87.3 | 95.1 | 78.9 | 85.7 | 97.9 | 52.0 | 85.9 |
| 6. Shrewsbury Central East | 85.8 | 71.5 | 87.4 | 89.0 | 96.6 | 87.6 | 93.4 | 98.6 | 46.9 | 88.1 |
| **TOTAL** | **67.0** | **52.9** | **69.1** | **68.3** | **61.7** | **59.4** | **67.1** | **70.5** | **35.0** | **64.8** |

Source: Derived from Expenditure Tables Provided at Appendix 7
Based on market share of expenditure

## Convenience Goods Market Share

7.17 Table 7.3 indicates that shopping destinations within the PCA account for around 63.0% of main food shopping expenditure generated by residents of the Study Area. The proportion of main food shopping expenditure which originates from within the PCA and is retained within the PCA is 95.9% (calculated by combining the market shares of Zone 5 and Zone 6). This suggests that, within the PCA, only a very limited number of main shopping trips indeed are directed to locations outside of Shrewsbury.

7.18 In terms of 'top-up' convenience shopping, existing facilities within the PCA attract around 47.9% of such expenditure generated within the Study Area. The rate of 'top up' expenditure retention is significantly higher within the PCA at 96.9%, suggesting that residents of the more peripheral zones often choose to use local convenience goods facilities when undertaking 'top up' food shopping. This is to be expected and stops unnecessarily long journeys to purchase a handful of items.

7.19 Overall, existing facilities within the PCA attract £166.79m of main food shopping expenditure and £21.39m of 'top-up' convenience expenditure generated in the Study Area in 2010. Accordingly, facilities within the PCA attract a total of £188.19m of convenience goods expenditure generated from within the Study Area (a 60.8% market share).

## Comparison Goods Market Share

7.20 Within the bulky goods sector, facilities within the PCA are identified as attracting 35.0% of 'Garden Centre Goods' expenditure originating from within the Study Area, increasing to 59.4% of 'Electrical Goods' expenditure, 67.1% of 'Furniture Goods' expenditure and 70.5% of 'DIY Goods' expenditure.

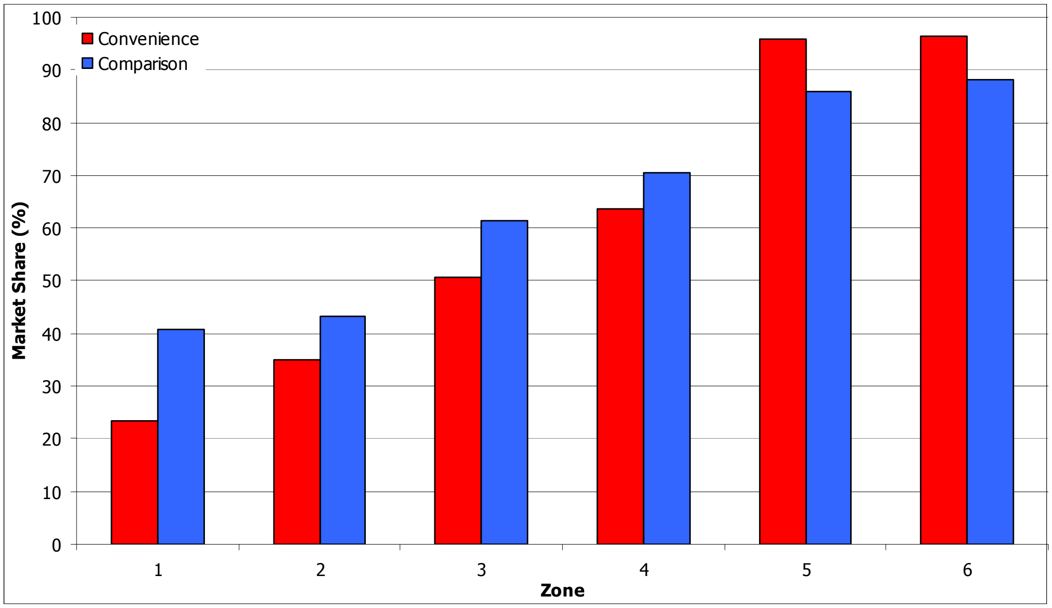
In combining the market shares of the above goods types, the bulky goods sector as a whole within the PCA attracts 62.6% (or £91.53m) of such expenditure originating from within the Study Area. The PCA attracts a significantly higher share of bulky goods expenditure which originates from with PCA, with zones 5 and 6 attracting 83.3% and 88.8% of such expenditure respectively. The high market share of expenditure originating from within the PCA reflects the relative strength of bulky goods provision within Shrewsbury and the fact that there are few alternative facilities outside, but in close proximity, to the town.

7.21 Within the non-bulky sector, facilities within the PCA are identified as attracting 52.9% of 'Books, CDs, etc' originating from within the Study Area, increasing to 61.7% of 'Chemist' goods, 67.0% of 'Clothing & Footwear', 68.3% of 'Toys' and 87.4% of 'Household Goods'. In combining the market shares of the above goods types, the non-bulky sector as a whole within the PCA attracts 65.6% (or £242.91m) of such expenditure originating from within the Study Area. This is slightly higher than the market share for bulky goods (62.6%) and represents a relatively strong performance. In terms of expenditure originating from within PCA zones 5 and 6, the market share for non-bulky goods increases to 86.9% and 87.8%.

7.22 Collectively (bulky and non-bulky comparison goods), existing facilities within the PCA attract 64.8% of all comparison goods expenditure which originates within the Study Area. This increases to 85.9% and to 88.1% of expenditure generated respectively within zones 5 and 6.

7.23 Figure 7.1 below provides a breakdown of Shrewsbury's market share within each zone for all expenditure of convenience and comparison goods.

**Figure 7.1: Comparative Convenience and Comparison Goods Market Share for Shrewsbury by Zone**




7.24 When including both convenience and comparison goods expenditure, the overall market share of retail facilities in the Study Area is 63.3% of all retail expenditure generated in the Study Area. This equates to £522.63m of expenditure, comprising £188.19m of convenience goods expenditure and £334.44m of comparison goods expenditure.

## Changes in Market Share

7.25 An indication of the performance of Shrewsbury's retail facilities over time can be ascertained by comparing current market shares with those achieved at the time of the 2003 study. Accordingly, the tables provided below set out the existing market share achieved by each of the zones alongside those achieved at 2003. It should be noted that the household survey methodology has been revised slightly since the 2003 study and that both the categorisation of comparison goods and the wording of the survey have been amended. Accordingly, in order to compare market share at 2003 and 2010 on as close as a like-for-like basis as possible, only the 'main destination' for respondents' comparison goods shopping at 2003 has been analysed. Even with this amendment, the changes outlined below should be interpreted with some caution due to the aforementioned amendments to the categorisation of comparison goods.

7.26 Table 7.5 indicates that the market share of convenience goods expenditure originating from inside the Study Area captured by facilities in Shrewsbury has remained extremely high in the PCA zones of

Shrewsbury Central West (Zone 5) and Shrewsbury Central East (Zone 6). Taking both main and top-up convenience goods spend together, facilities in Shrewsbury attract around 95.8% of expenditure which originates in Zone 5 and 96.3% of expenditure originating in Zone 6, which is slightly less than the respective 96.6% and 98.8% achieved in 2003.

7.27 However, a greater loss in market share between 2003 and 2010 is apparent in the more outlying areas covered by zones 1 to 4. In particular, there would appear to be significant reductions in the proportion of expenditure claimed by Shrewsbury's convenience goods facilities in Zone 1 (a reduction of 15.7 percentage points from 39.1% to 23.4%) and Zone 4 (a reduction of 6.3 percentage points from 69.8% to 63.5%). However, it is noticeable that the majority of reduction in market share is attributable to a reduction in the proportion of 'top-up' expenditure claimed and it is WYG's view that 2003 survey may have acted to over-estimate the importance of Shrewsbury's facilities in this regard.

7.28 Notwithstanding this, the loss in market share of expenditure originating from Zone 1 to Shrewsbury can be attributed in part to the rebranding of the former Safeway store at Mear Lane, Market Drayton as a Morrisons (which claimed nearly one third of main convenience goods expenditure originating from within Zone 1). Significant new convenience goods provision within Shrewsbury since the 2003 study is apparent in the form of the Asda at Old Potts Way (which was also formerly a Safeway store and which performs reasonably well as a main convenience goods shopping destination for residents of Zones 4, 5 and 6) and the Tesco Extra at Battlefield Road (which performs strongly providing for the main shopping needs of residents of Zones 1, 2 and 6 particularly).

**Table 7.5: Shrewsbury's Market Share at 2003 and at 2010 – Convenience**

| Zone | Market Share (%) | | | | | |
|---|---|---|---|---|---|---|
| | Main Convenience | | 'Top-Up' Convenience | | Total^ | |
| | 2003 | 2010 | 2003 | 2010 | 2003 | 2010 |
| 1. Shrewsbury North | 41.2 | 26.5 | 33.0 | 7.1 | 39.1 | 23.4 |
| 2. Shrewsbury East | 42.3 | 37.6 | 33.3 | 18.8 | 40.1 | 35.1 |
| 3. Shrewsbury South | 55.6 | 55.3 | 48.4 | 27.0 | 53.8 | 50.8 |
| 4. Shrewsbury West | 76.0 | 66.7 | 51.4 | 42.3 | 69.8 | 63.5 |
| 5. Shrewsbury Central West | 95.9 | 95.6 | 98.7 | 96.5 | 96.6 | 95.8 |
| 6. Shrewsbury Central East | 99.1 | 96.2 | 98.1 | 97.5 | 98.8 | 96.3 |
| **TOTAL** | **70.3** | **63.0** | **63.0** | **47.9** | **68.5** | **60.8** |

Source: Derived from Expenditure Tables and 2003 Study
^ Based on cumulative market share of main and 'top-up' food shopping
Based on market share of expenditure

7.29 Table 7.6 below indicates that there has been a loss in market share of comparison goods expenditure originating from inside the Study Area attributable to facilities in Shrewsbury. However, in the seven years since the 2003 study, the internet has become a significant source of certain types of comparison goods expenditure. Accordingly, any loss in market share should be considered in this context.

7.30 In particular, it is evident from the below figures that there has been an overall loss in the market share of clothing and footwear, electrical goods and furniture goods claimed by Shrewsbury's retail facilities. However, each of these markets has been affected by purchases made over the internet. Table 7.6 indicates a 4.3 percentage point reduction between 2003 and 2010 in clothing and footwear expenditure claimed by Shrewsbury's facilities; a 10.4 percentage point reduction in electrical goods expenditure over the same time period; and a 7.2 percentage point reduction in furniture expenditure. However, the household survey indicates the market share of the internet for each of these goods categories at 2010 to be 4.3%, 14.6% and 3.5% respectively, whereas such spending was negligible at 2003. Therefore, it is considered that much of the loss in market share identified is to the internet, rather than to other centres. Indeed, disregarding purchases made over the internet, the share of clothing and footwear expenditure claimed by Shrewsbury has remained exactly the same in the period between 2003 and 2010.

**Table 7.6: Shrewsbury's Market Share at 2003 and at 2010 – Selected Comparison**

| Zone | Market Share (%) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Clothing & Footwear | | Electrical | | Furniture | | DIY | | Total | |
| | 2003 | 2010 | 2003 | 2010 | 2003 | 2010 | 2003 | 2010 | 2003 | 2010 |
| 1. Shrewsbury North | 55.9 | 51.4 | 35.2 | 32.1 | 55.7 | 45.3 | 46.0 | 39.2 | 52.3 | 40.9 |
| 2. Shrewsbury East | 43.3 | 40.6 | 48.3 | 37.3 | 46.7 | 46.2 | 33.3 | 46.4 | 43.3 | 43.3 |
| 3. Shrewsbury South | 64.9 | 61.3 | 58.6 | 53.1 | 67.0 | 61.5 | 62.7 | 69.1 | 64.2 | 61.5 |
| 4. Shrewsbury West | 78.2 | 75.2 | 80.5 | 70.0 | 88.9 | 71.2 | 78.3 | 74.8 | 79.8 | 70.6 |
| 5. Shrewsbury Central West | 91.3 | 85.9 | 93.3 | 78.9 | 90.1 | 85.7 | 94.8 | 97.9 | 91.8 | 85.9 |
| 6. Shrewsbury Central East | 84.6 | 85.8 | 94.0 | 87.6 | 85.9 | 93.4 | 90.8 | 98.6 | 86.7 | 88.1 |
| **TOTAL** | **71.3** | **67.0** | **69.8** | **59.4** | **74.3** | **67.1** | **69.9** | **70.5** | **71.2** | **64.8** |

## Forecast Growth in Expenditure Attracted to Study Area

7.31 With forecast growth in convenience goods expenditure predicted to increase at an average of 0.8% per annum in the period 2010 to 2026, and with the Study Area population expected to grow from around 183,592 to 206,828 people over the same period, it is estimated that the Study Area will experience an increase in convenience goods expenditure of approximately £86.95m by 2026.

Assuming a constant market share of 60.8%, this equates to an increase in PCA expenditure originating from within the Study Area of approximately £52.89m by 2026.

7.32 The significant predicted increase in expenditure on comparison goods (an average 4.3% per annum increase in the period 2010 to 2026) results in a further £630.79m of comparison goods expenditure being generated within the Study Area by 2026. Assuming a constant PCA market share of 64.8%, existing facilities within the PCA will capture around a further £408.47m of comparison goods expenditure by 2026.

7.33 This analysis is based on 'rolling forward' the current market share within the Study Area for each category of goods. This approach of rolling forward existing market shares is in line with standard practice and does not take into account the desirability or need to 'claw back' leakage between expenditure directed to centres elsewhere which might be achieved through improvements in retail provision. However, in this regard it should be noted that the current market share of the PCA is considered healthy.

7.34 In any event, in order for the Study Area to capture the significant growth in retail expenditure which is forecast (particularly for comparison goods), it is likely that there will be a need to enhance future retail provision, thereby ensuring that this growth is not lost to competing centres and that Shrewsbury's future market share does not decline.

7.35 If an excess of comparison or convenience goods expenditure manifests itself within the Study Area, this does not translate directly into a requirement for additional floorspace. It is also necessary to take account of:

- Existing development proposals;
- Expected changes in shopping patterns;
- The current capacity and efficiency of retail floorspace within the established centres;
- Future changes in business productivity and current development commitments; and
- Potential changes in forecast expenditure growth in the future.

## 8.0 RETAIL CAPACITY AND THE ROLE OF SHREWSBURY TOWN CENTRE

8.01 The quantitative modelling for the capacity assessment has been undertaken for both convenience and comparison goods shopping. This approach is advocated by PPS4, which states at Policy EC1.4 that:

**'…when assessing quantitative need, have regard to relevant market information and economic data, including a realistic assessment of:**

**i. existing and forecast population levels**
**ii. forecast expenditure for specific classes of goods to be sold, within the broad categories of comparison and convenience goods and for main leisure sectors and**
**iii. forecast improvements in retail sales density.'**

8.02 For the purposes of this capacity exercise, WYG has primarily examined the need for new convenience and comparison goods floorspace. Indicative capacity assessments are provided for 2015, together with 202 and 2026, but any assessment in the long-term should be viewed with caution. Any identified need or capacity identified beyond 2015 is not justification for new retail floorspace outside of centres, as this could prejudice the implementation of emerging town centre redevelopment strategies and the development of more central sites which, although not available for retail development at present, may become available between now and 2015 or after 2015. Tables providing full details of inputs and the step-by-step application of the methodology set out below are provided at Appendix 8.

### Capacity Formula

8.03 For all types of capacity assessment, the conceptual approach is identical, although the data sources and assumptions may differ. The key relationship is Expenditure (£m) – allowing for population change and retail growth – *less* Turnover (£m) – allowing for improved 'productivity' – *equals* Surplus / Deficit (£m).

**Expenditure (£m)** – The expenditure element of the above equation is calculated by taking the population within the defined catchment and then multiplying this figure by the average annual expenditure levels for various forms of retail spending per annum. The expenditure is estimated with reference to a number of factors, namely:

- Growth in population;
- Growth in expenditure per person per annum; and
- Special Forms of Trading (e.g. catalogue shopping / internet).

**Turnover (£m)** – The turnover figure relates to the annual turnover generated by existing retail facilities with the Study Area. The turnover of existing facilities is calculated using Mintel Retail Rankings and Verdict UK Grocery Retailers reports – independent analysis which lists the sales density for all major multiple retailers.

**Surplus / Deficit (£m)** – This represents the difference between the expenditure and turnover figures outlines above. Clearly, a surplus figure will represent an under provision of retail facilities within the Study Area (which, all things being equal, would suggest that additional floorspace is required), whereas a deficit would suggest an over provision of retail facilities (and in these circumstances it would prove difficult to justify additional floorspace).

8.04 Although a surplus figure is presented in monetary terms, it is possible to convert this figure to provide an indication of the quantum of floorspace which may be required. The level of floorspace will vary dependent on the type of retailer proposed and the type of goods traded. For example, electrical retailers such as Currys (which is considered a bulky goods retailer) have a much higher sales density than other bulky goods retailers such as Carpetright, and clothing and footwear (non-bulky goods) operators generally have a higher sales density than bulky goods retailers.

## Capacity for Future Convenience Goods

8.05 In order to ascertain the likely need for additional convenience goods floorspace within Shrewsbury, it is first necessary to consider the current provision.

8.06 As was the case at the time of both the 2003 and 2006 studies, the supply of convenience goods facilities within Shrewsbury Town Centre is extremely limited, comprising a small number of stores which cater primarily for 'top up' rather than main shopping trips. The household survey identifies that the Marks & Spencer and Somerfield stores, together with the indoor market, are the only facilities used for main food shopping trips within the town centre.

8.07 Given Shrewsbury's historic environment and the related lack of large redevelopment opportunities within the town centre, it is not surprising that there is a relative undersupply of centrally located supermarkets catering for the population's main food shopping needs. As a result, the major main food shopping attractions, including Asda, Morrisons, Sainsbury's and Tesco, are located in out-of-centre locations. Therefore, whilst Shrewsbury Town Centre itself may be lacking in convenience goods facilities, it is evident that there is a comprehensive provision of major foodstores within the immediate area which meet the weekly 'main shopping' needs of local residents.

8.08 As well as assessing the performance of individual stores within Shewsbury, this study has also assessed the impact of stores outside the Study Area which are used by residents of Shrewsbury.

8.09 In terms of the performance of stores within the PCA, it would appear from the household survey that three stores in particular attract a significant proportion of available convenience goods expenditure. These comprise the Sainsbury's store at Meole Brace Retail Park (attracting £48.54m of convenience goods expenditure originating from within the Study Area), followed by the Morrisons at Whitchurch Street (£41.46m) and the Tesco Extra at Battlefield Road (£35.82m). Significant expenditure originating from within the catchment is also directed within the PCA to the Asda at Old Potts Way (£23.51m) and outside of the PCA (but within Zone 1 of the Study Area) to the Morrisons store at Maer Lane, Market Drayton (£20.52m).

8.10 In terms of stores outside of the Study Area, the most significant provision is provided by the Morrisons at Spring Hill, Wellington (attracting £10.63m of convenience goods expenditure originating from within the Study Area), the Tesco at White Lion Meadow, Whitchurch (£9.05m).

8.11 Although robust up-to-date information is available in terms of the convenience goods floorspace provided by large foodstores, it can be more difficult to quantify the extent of local convenience provision as there is no single comprehensive database to rely upon. Therefore, where the net convenience goods sales area of a store is not known it has been estimated by WYG having regard to the operator's business model, the characteristics of the individual store and our professional experience.

8.12 Futhermore, as this assessment is based upon a 'goods based' approach which disaggregates expenditure by category type, it is important to recognise that major foodstore operators generally sell an element of non-food goods such as books, compact discs, clothing and household goods. To account for this, the typical ratio between convenience/comparison goods provision for each operator[17] has been applied to the estimated net floorspace of each foodstore. This provides an indication of the likely sales area dedicated to the sale of convenience goods at each store.

8.13 When 'benchmark' company turnover to floorspace ratios are applied to the net floorspace figures for existing retail facilities within the PCA, an estimate of each store's current convenience goods turnover is provided. The trading performance of existing facilities is based on a comparison of the survey derived turnover (based on the findings of the Household Survey) with the expected 'benchmark' turnover (based on nationally published trading information from Mintel and Verdict) of existing provision. The 'benchmark' turnover differs for each operator based on its average turnover per square metre through the country.

8.14 For each store, an estimate of the percentage of total turnover which is derived from expenditure generated within the Study Area has been provided, having regard to the characteristics of the individual store, the store's location and our professional experience. The estimate for each store is provided at Table 27 of Appendix 7. On each occasion the turnover from expenditure generated within the Study Area has been estimated to be not less than 90% of the store's total benchmark turnover. Through making this reduction to benchmark turnover, no further additional adjustment for expenditure inflow from outside the Study Area is required. This process is illustrated by Table 8.1 on the following page.

[17] Derived from 'UK Grocery Retailers' report, Verdict, April 2009

**Table 8.1: Trading Performance of Current Foodstores in Primary Catchment Area**

| Store | Net F'space (sq m) | Net Convenience F'space (sq m) | T'over per sq m (£) | Benchmark Turnover (£m) | Estimated Benchmark Turnover from Study Area (£m) | Survey Estimate (£m) |
|---|---|---|---|---|---|---|
| Zone 5. Shrewsbury Central West | | | | | | |
| Asda, Old Potts Way | 2,582 | 1,498 | 15,458 | 23.15 | 20.83 | 23.51 |
| Co-op Food, Bank Farm Road, Radbrook Green | 743 | 617 | 6,087 | 3.75 | 3.57 | 2.14 |
| Co-op Food, Bicton Heath Shopping Centre | 929 | 771 | 6,087 | 4.69 | 4.46 | 1.97 |
| Co-op Food, Mytton Oak Road, Copthorne | 497 | 413 | 6,087 | 2.51 | 2.39 | 1.38 |
| Local Shops, Shrewsbury | 2,436 | 2,314 | 3,500 | 8.10 | 7.69 | 3.97 |
| Market, Shrewsbury | 279 | 140 | 3,000 | 0.42 | 0.40 | 1.67 |
| Marks & Spencer, Castle Street | 1,082 | 1,028 | 11,107 | 11.42 | 10.28 | 3.99 |
| Sainsbury's Local, Whitecroft Road | 407 | 346 | 9,661 | 3.34 | 3.18 | 5.39 |
| Sainsbury's, Meole Brace Retail Park | 5,214 | 3,911 | 9,661 | 37.78 | 34.00 | 48.54 |
| Somerfield, Riverside Shopping Centre | 776 | 636 | 8,135 | 5.18 | 4.92 | 1.13 |
| Spar, New Park Street | 132 | 125 | 6,914 | 0.87 | 0.82 | 0.06 |
| Zone 6. Shrewsbury Central East | | | | | | |
| Aldi. Arlington Way | 808 | 469 | 3,987 | 1.87 | 1.78 | 3.77 |
| Co-op Food, Mount Pleasant Road, Heath Farm | 107 | 89 | 6,087 | 0.54 | 0.51 | 0.24 |
| Co-op Food, Sutton Farm Shopping Centre | 397 | 330 | 6,087 | 2.01 | 1.91 | 1.97 |
| Iceland, Lancaster Retail Park | 475 | 442 | 5,787 | 2.56 | 2.43 | 1.46 |
| Lidl, Harlescott Lane, Shrewsbury | 1,033 | 826 | 3,111 | 2.57 | 2.44 | 1.16 |
| Netto, Abbey Foregate, Shrewsbury | 990 | 822 | 7,228 | 5.94 | 5.64 | 1.78 |
| Spar, Conway Drive Telford Estate | 267 | 254 | 6,914 | 1.75 | 1.67 | 0.12 |
| Tesco Express, Ditherington Road | 169 | 144 | 12,656 | 1.82 | 1.73 | 6.64 |
| Tesco Extra, Battlefield Road | 4,520 | 3,073 | 12,656 | 38.89 | 35.00 | 35.82 |
| Morrisons, Whitchurch Street | 3,099 | 2,479 | 11,117 | 27.56 | 24.81 | 41.46 |
| **Total** | **27,193** | **20,800** | **-** | **186.71** | **170.44** | **188.19** |

[1] Gross Floorspace derived from Experian Goad (2009) or IGD Database (2008)
[2] Net floorspace based on WYG judgement
[3] Net convenience floorspace derived from Verdict UK Grocery Retailers (2009) where available
[4] Sales densities derived from Verdict (2009) or Mintel Retail Rankings (2009) for national multiples and WYG assessment for local shops
[5] Survey derived turnover derived from Shrewsbury Household Survey (2010)
[6] For the purposes of this Study, the benchmark turnover of the Tesco Extra store at Battlefield Road is derived from its approved sales area and does not take into consideration any additional floorspace which may be trading at the time of the Study
At 2007 prices

8.15 Whilst survey results are commonly accepted means to identify existing shopping patterns, their findings should be treated with a 'note of caution' as they tend to have a bias towards larger stores and understate the role of smaller stores and independent retailers.

8.16 Given that the application of benchmark turnover suggests that the expected total turnover originating from within the catchment is £170.44m, there would appear to be an effective undersupply of convenience goods floorspace within the Study Area. Indeed, accepting the above caveat, our analysis of the performance of existing provision within the Study Area suggests that the out-of-centre Morrisons store at Whitchurch Street and the Sainsbury's store at Meole Brace are overtrading by 67.1% and 42.8% respectively. It should be noted that although the level of overtrading is high, such trading performances are not uncommon and will occur at numerous stores operated by the 'big four' supermarket retailers.

8.17 Although the survey results suggest that elsewhere some smaller stores are trading below expected levels, overall existing facilities are identified to be trading some £17.75m above expected levels. Given this overtrading, Table 8.2 and Table 8.3 provide a breakdown of the capacity for additional convenience goods floorspace.

**Table 8.2: Estimated Capacity for Convenience Goods Facilities in Shrewsbury**

| Year | Turnover - £m[1] | Available Expenditure - £m[2] | Surplus Expenditure - £m[2] |
|---|---|---|---|
| 2010 | 170.44 | 188.19 | 17.75 |
| 2015 | 172.15 | 205.62 | 33.47 |
| 2021 | 174.23 | 224.23 | 50.01 |
| 2026 | 175.97 | 241.08 | 65.11 |

[1] Allows for increased turnover efficiency of +0.2% per annum
[2] Assumes constant market share within the Study Area
At 2007 prices

**Table 8.3: Quantitative Need for Additional Convenience Goods Floorspace in Shrewsbury**

| Year | Convenience Goods | | |
|---|---|---|---|
| | £m | Floorspace Requirement (Net) | |
| | | Min[1*] | Max[2*] |
| 2010 | 17.75 | 1,460 | 3,550 |
| 2015 | 33.47 | 2,726 | 6,627 |
| 2021 | 50.01 | 4,025 | 9,784 |
| 2026 | 65.11 | 5,188 | 12,611 |

[1] Average sales density assumed to be £12,155 per sq m (based on the average sales density of the leading four supermarkets as identified by Verdict 2009)
[2] Average sales density assumed to be £5,000 per sq m
At 2007 prices

8.18 Having regard to the identified undersupply of convenience goods floorspace (based on current market shares), there is a clear capacity for additional convenience goods floorspace within the Study Area. Given the evident overtrading of existing facilities there is immediate capacity for between 1,460 sq m (net) and 3,550 sq m (net) of additional convenience goods floorspace, depending on end operator and format.

8.19 Table 8.3 indicates that over the period to 2015, based on current market shares, there is a requirement for between 2,726 sq m (net) and 6,627 sq m (net) of additional convenience goods floorspace (again dependent upon the end-operator and type of development). The capacity for additional convenience goods floorspace is identified to increase to between 5,188 sq m (net) and 12,611 sq m (net) by 2026. However, capacity in the long-term should be treated with a note of caution. Furthermore, any improvement in the convenience goods floorspace in the vicinity of Shrewsbury is likely to have an effect on shopping patterns within the Study Area and on future capacity.

8.20 WYG is aware of a single convenience goods commitment, this being the extant planning permission for 271 sq m of net sales floorspace at the junction of Barker Street and Claremont Street. We are not aware of any operator being named in relation to this proposed development and therefore assume that a modern convenience store in this area may trade at a sales density in the order of £5,000 per square metre. We estimate that this permission, if implemented, would account for just £1.36m of the identified convenience goods need.

8.21 The remaining capacity identified in the period to 2015 – which is significant – could be accommodated either through the extension of the trading areas of one or more existing stores, or through the provision of an additional superstore, or through a combination of the two.

## Capacity for Future Comparison Goods

8.22 As highlighted in Section 5 of this report, Shrewsbury contains a varied range of comparison goods floorspace, including retail warehousing, high street multiples, independent retailers, and so on. Given the diverse range of retailers trading in the Study Area, it is considerably more difficult to accurately assess a likely 'benchmark' turnover for each facility. Therefore, the most accurate way to estimate the turnover of existing retail facilities is to analyse the market share of each retail destination identified by the Household Survey.

8.23 Our analysis of the market share of facilities in Shrewsbury indicates that the current level of trade passing through non-food facilities originating from inside the Study Area is £334.44m. This represents 64.8% of the total comparison goods expenditure generated from within the defined Study Area. Due to difficulties in ascertaining accurate floorspace figures and reasonable benchmark turnovers for town centre stores which include a high proportion of independent traders, comparison goods facilities are considered to be trading 'in equilibrium' at the base year of 2010. From our knowledge of the centre, we consider the turnover identified by the Household Survey to be broadly in line with expectations and the assumption of the current trading performance being 'in equilibrium' is considered to be robust.

**Table 8.4: Estimated Capacity for Comparison Goods Facilities in Shrewsbury**

| Year | Turnover - £m[1] | Available Expenditure - £m[2] | Surplus Expenditure |
|---|---|---|---|
| 2010 | 334.44 | 334.44 | 0.00 |
| 2015 | 351.50 | 373.11 | 21.62 |
| 2021 | 384.34 | 574.08 | 189.73 |
| 2026 | 414.05 | 742.91 | 328.86 |

[1] Allows for increased turnover efficiency of +1.0% per annum between 2010 and 2015, and +1.5% per annum post 2015
[2] Assumes constant market share within the Study Area
At 2007 prices

8.24 On this basis, WYG has 'rolled forward' Shrewsbury's current market share to examine the likely comparison goods floorspace required to maintain its current position within the hierarchy, namely at a level of approximately 64.8% of all comparison goods expenditure derived from within the Study Area.

8.25 Accordingly, given the increases in forecast comparison goods expenditure and projected increases in the Study Area population, WYG estimates that between 2010 and 2015, an additional £21.62m originating from the Study Area will be spent on all comparison goods (bulky and non-bulky). This identified surplus is relatively modest due to the limited increases in comparison goods spending forecast by MapInfo Information Brief 09/02 over the short term. However, the identified expenditure surplus if forecast to sharply increase to £189.73m by 2021 and £328.86m by 2026.

8.26 Clearly, if no additional comparison goods floorspace was developed within the period up to 2016, then regardless of improved 'productivity' by existing facilities, the majority of this surplus capacity may be lost to centres elsewhere. In addition, the failure to provide additional floorspace would likely, over time, reduce Shrewsbury's market share and impact upon the vitality and viability of Shrewsbury and its position in the retail hierarchy.

**Table 8.5: Quantitative Need for Additional Comparison Goods Floorspace in Shrewsbury**

| Year | Comparison Goods | | |
|---|---|---|---|
| | £m | Floorspace Requirement (Net) | |
| | | Min[1*] | Max[2*] |
| 2010 | 0.00 | 0 | 0 |
| 2015 | 21.62 | 4,013 | 6,688 |
| 2021 | 189.73 | 32,214 | 54,496 |
| 2026 | 328.86 | 51,065 | 86,385 |

[1] Average sales density assumed to be £5,000 per sq m
[2] Average sales density assumed to be £3,000 per sq m
At 2007 prices

8.27 In order to account for the differing trading performance of potential end operators, we have applied sales densities of £3,000 per sq m and £5,000 per sq m to the identified surplus expenditure. Allowing for increases in the productivity of existing floorspace, it is estimated that by the year 2015 there will be a requirement for an additional 4,013 sq m (net) to 6,688 sq m (net), depending on the format of the floorspace and assuming Shrewsbury's current market share is maintained. Again, as demonstrated by the above Table 8.5, the requirement rises sharply to between an additional 32,214 sq m and 54,496 sq m of net floorspace by 2021, and to between an additional 51,065 sq m and 86,385 sq m of net floorspace by 2026, by which time increases in comparison goods expenditure are forecast to be significant.

## Future Proposals for Comparison Goods Floorspace

8.28 In terms of future commitments, there are a number of outstanding planning permissions in the Shrewsbury area. These are identified to be:

- The 'Gap Site' in Shrewsbury Town Centre which comprises 5,948 sq m (net)[18] and occupies the gap between the Pride Hill Centre and the Darwin Centre.
- The installation of mezzanine floorspace providing an additional 578 sq m (net) at Unit 4 (Currys), Meole Brace Retail Park.
- The sub-division of a unit and installation of mezzanine floorspace providing an additional 2,360 sq m (net) at Unit 8, Meole Brace Retail Park.
- The installation of mezzanine floorspace providing an additional 2,004 sq m (net) at Units 1 and 2, Sundorne Retail Park.
- The installation of mezzanine floorspace providing an additional 454 sq m (net) at Building 4, Unit 1 Sundorne Retail Park.
- Dobbies Garden Centre, Hereford Road, Bayston Hill providing an additional 755 sq m gross floorspace (for which WYG estimate that the net floorspace will be around 70% of gross).

**Table 8.6: Outstanding Commitments in Shrewsbury at September 2010**

| Development/Location | Net Floorspace (sq m) | Estimated Sales Density (£ per sq m) | Turnover (£m) |
|---|---|---|---|
| Gap Site | 5,948 | 5,000 | 29.74 |
| Unit 4 (Currys), Meole Brace | 578 | 6,345 | 3.67 |
| Unit 8, Meole Brace | 2,360 | 3,000 | 7.08 |
| Units 1 and 2, Sundorne Retail Park | 2,004 | 3,000 | 6.01 |
| Building 4, Unit 1, Sundorne Retail Park | 454 | 3,000 | 1.36 |
| Dobbies Garden Centre, Bayston Hill | 529 | 3,000 | 1.59 |
| **Total** | **11,873** | | **49.45** |

8.29 Table 8.8 suggests that outstanding commitments could have a potential turnover in the order of £49.45m. However, this is dependent upon all of the above proposals being brought forward for development and the floorspace being occupied, and upon the type of format of the end operators. In particular, WYG is aware that the Gap site is a longstanding commitment for which no start date has yet been established.

[18] Assumes that 80% of the gross floorspace permitted (7,435 sq m) operates as the sales area

## 9.0 FUTURE OPPORTUNITIES FOR ACCOMMODATING THE GROWTH

### Introduction

9.01 Detailed research has been undertaken as part of the study to understand current shopping patterns within the Study Area, and how these relate to the demand for retail facilities within Shrewsbury Town Centre and the wider area. The study utilises this information to ascertain the market share for certain types of goods categories within Shrewsbury and then explores how the forecast growth in expenditure linked to these goods will shape future demand/requirements for additional floorspace and facilities.

9.02 Whilst the previous section of this report has focussed on the likely growth in expenditure and the need/capacity arising from this, it is important to reflect upon the future strategy for Shrewsbury Town Centre when deciding where any future growth or demand should be directed.

9.03 This section of the report considers the options available to accommodate any future growth and how these options could shape future policy, strategy and decision making.

9.04 In dealing with the potential town centre opportunities that are available, we are aware of a further study commissioned by the Council as part of the Shrewsbury Growth Point Programme. The Shrewsbury Vision Regeneration Framework, being prepared by consultants Broadway Malyan, is current considering key areas of change in and around the edge of the town centre through a masterplanning type approach. These include the Riverside and West End areas within the town centre together with Castle Foregate, Abbey Foregate and Frankwell towards its periphery. This work is considering potential opportunities for future convenience and comparison goods retailing. It is important that the findings of this study are clearly fed into the development of the Regeneration Framework whereby opportunities can be explored to accommodate the identified convenience goods need within Shrewsbury over the plan period.

### Future Need for Convenience Goods Floorspace

9.05 Section 8 of this report identifies that there will be a need for additional convenience goods floorspace through to 2026 within Shrewsbury. Whilst a significant part of this need will be driven by forecast increases in population and expenditure, it is evident that a need could arise in the short-term to address current overtrading, which has been identified in some of the key stores within Shrewsbury.

9.06 From a qualitative perspective, it is evident that Shrewsbury is well represented and contains all of the four major food operators (Sainsbury's, Tesco, Asda and Morrisons) which is reflected by the high convenience goods market share that is achieved within the primary catchment area. However, it is evident from the health check undertaken as part of this study that there is a distinct lack of convenience goods provision within the town centre of Shrewsbury. Currently, all of the four major foodstores are located out-of-centre and whilst serving the needs of the local residents, they do little to underpin the health of the town centre or to act as an anchor to attract custom.

9.07 Whilst it is evident that Shrewsbury's sub-regional role will primarily be focussed on comparison goods and leisure facilities, there would appear to be a qualitative need to improve the convenience goods facilities within Shrewsbury Town Centre to complement the strong comparison goods offer that exists at present. Furthermore, over the past 10 years, there has been an increase in the number of apartments built within and around the town centre whose residents would clearly benefit from an improved, local convenience goods offer.

9.08 The aim and objective of the previous strategy for Shrewsbury Town Centre, following on from the findings of the 2003 Retail Study, was to try and attract additional convenience goods floorspace within the town centre. However, given the limited opportunities available to deliver a modern foodstore within the town centre, it is evident that if this objective is to be achieved, then it will most likely form part of a comprehensive mixed-use redevelopment, rather than be a stand alone scheme. The car parking and servicing requirements of modern food retailers would mean that there is unlikely to be sufficient space for a stand alone store to be provided within the relatively tight grain of the town centre.

9.09 Clearly, if a site cannot be identified within the town centre, then the Council would have to look towards edge-of-centre and out-of-centre options to fulfil the need projected through to 2026. Without a defensible and robust sequential alternative either within or on the edge of the town centre, it is likely that the Council would be unable to resist further out-of-centre foodstore provision given that any impact arising from such development would primarily fall on the major four foodstores which are all located out-of-centre.

9.10 Whilst the need identified within this study could not be considered as urgent or pressing, it is evident that application proposals for new retail floorspace do not now have to satisfy a direct test of need. Whilst need should be considered when applying the sequential approach and assessing impact, as highlighted previously, it is unlikely that additional provision out-of-centre would impact adversely on

Shrewsbury Town Centre given the current lack of convenience goods facilities trading from the primary shopping area.

9.11 Therefore, whilst this study shows a gradual increase in the need/demand for additional convenience goods floorspace through to 2026, we would anticipate that the Council will face further applications for additional foodstore provision within the short-term (i.e. the next five years). This is particularly pertinent given the current strength of the convenience goods retail sector and the strong focus by all the major players on increasing market share and store numbers.

9.12 Therefore, in seeking to identify opportunities for future convenience goods provision, it is evident that the Council will have to carefully consider such options in the short-term as part of the plan making process, rather than reviewing the situation in the medium to long-term as the need increases.

9.13 At this stage, there would appear to be one clear potential opportunity, which involves the redevelopment of the Riverside Shopping Centre linked to the improvement and reconfiguration of both the Pride Hill Shopping Centre and the Darwin Shopping Centre. We are aware that developers/investors are currently examining the future feasibility of redeveloping the Riverside Mall which has been identified now for sometime as the most likely major retail development opportunity within Shrewsbury Town Centre. This should provide a clearer indication of the overall size of the development opportunity that could be delivered, the type of retailers that could be accommodated, whether there is sufficient space for car parking and servicing and the bus station and how the development would link to the retail core of the town centre as well as exploiting the riverside location.

9.14 Given the likely scale of development that could be accommodated on this site, there is potential for a new foodstore to be provided as one of the key anchors/attractors which would clearly enhance the viability and deliverability of any comprehensive retail led regeneration of this site. Beyond this potential opportunity, it is difficult to see where else within the existing primary shopping area further convenience goods floorspace could be delivered. If the potential redevelopment opportunity at Riverside cannot be delivered in the short to medium-term, then it is likely that the Council will face pressure for further edge-of-centre/out-of-centre development. In considering any future applications for such development, the Council will clearly need to carefully consider the application of the sequential approach to ensure that future development within Shrewsbury will be accessible by a choice of means of transport and as closely linked as possible to the established town centre.

## Future Need for Comparison Goods Floorspace

9.15 Unlike the need identified for future convenience goods floorspace, the need for comparison goods floorspace is clearly driven by the forecast growth in expenditure and population. However, it is important to note that as a result of the current recessionary period, the forecast growth in expenditure over the next five years is significantly reduced compared to the figures utilised in the previous 2003 study. In fact, over the next few years, it is anticipated that the average spend per person on comparison goods will actually decline. Thereafter, it is forecast that growth in expenditure will return and as a result, there will be a considerable need for comparison goods floorspace in the medium to long-term.

9.16 As a result, the need for future comparison goods (after allowing for current commitments) is clearly less pressing or urgent than the current overtrading identified within the convenience goods sector. This will give the Council sufficient time to plan for, and identify, through their Local Development Framework, suitable opportunities to accommodate the anticipated future need for comparison goods.

9.17 In seeking to plan for this future need, it is again important to reflect upon the strategy for Shrewsbury Town Centre and the wider qualitative needs identified as part of this study. It is evident that Shrewsbury is an important centre within the West Midlands Region and performs a strong sub-regional role alongside other key centres such as Telford. However, unlike Telford, Shrewsbury offers a distinct and attractive environment which is one of the centres unique selling points. Furthermore, the primary retail area is complemented by a diverse and high quality range of independent retailers which again add to Shrewsbury's unique retail offer. However, where Telford may have a limited range of independent retailers, it out-performs Shrewsbury Town Centre in relation to major high street multiple retailers, particularly department stores including Debenhams, House of Fraser and Primark. Whilst we accept that the two centres perform different roles within the wider sub-region, it is evident that there is a qualitative deficiency within Shrewsbury Town Centre in relation to the major national multiple retailers. A key contributing factor to this qualitative deficiency is the lack of large flexible premises which appeal to modern national multiple retailers. Clearly the existing shopping centres including Pride Hill, Darwin and Riverside all are heavily constrained by their existing configuration and abundance of small narrow retail units which cannot fulfil modern retailer requirements.

9.18 As a result, there is a significant opportunity within Shrewsbury Town Centre to reconfigure and redevelop the three shopping centres (which are now all in one ownership) to provide a retail offer more appropriate to a sub-regional shopping destination. It is evident that there are major national high street multiples that are missing from the overall offer within Shrewsbury Town Centre who would clearly be interested in achieving a presence within the town, if the right type and size of premises were available. Therefore, we are confident that there would be a significant demand from key retailers within the comparison goods sector that would be interested in coming to Shrewsbury if a redevelopment opportunity of the scale required could be identified and delivered. Without wishing to pre-judge the outcome of the current Regeneration Framework exercise, it is evident, from our knowledge of Shrewsbury Town Centre, that the most obvious opportunity for such comprehensive redevelopment would be focussed on the Riverside Mall, the adjoining multi-storey car park, and the existing bus station. Whilst any potential redevelopment within Shrewsbury Town Centre will be highly complex given the constraints of the topography and river, and any potential impact on traffic movement through the town centre, we believe that a comprehensive redevelopment scheme could be delivered at the Riverside/Raven Meadows area in the medium to long-term (2015 to 2026).

9.19 Clearly, in the current economic climate, we would not expect a scheme to be delivered in the short-term (i.e. the next five years). However, the Council should use the next five years carefully to plan for and encourage (in partnership with the current owner) the redevelopment of this area for a comprehensive retail and leisure development. Whilst we would anticipate that the majority of the floorspace provided would appeal to comparison goods retailers, there may be the opportunity to accommodate additional convenience goods floorspace and leisure floorspace (particularly at the upper levels) which would also help meet the needs identified in these sectors. WYG are well aware that schemes of this scale often are once in a generation opportunities which take significant time to plan for and deliver. However, the benefits of securing major retail redevelopment at the heart of the primary shopping area will have dramatic positive benefits for the overall vitality and viability of Shrewsbury Town Centre as a whole.

9.20 Whilst any future strategy should not lose sight of the contribution made by the high quality independent retailers within Shrewsbury Town Centre, it is evident that key national multiple retailers drive market share and footfall within any centre. Clearly, increased footfall in Shrewsbury can only benefit the independent retail sector that already exists within the secondary retail areas. Therefore, WYG believe that any major redevelopment opportunity focussed on the Riverside area would complement rather than compete with the retailers that currently make Shrewsbury a unique shopping experience, distinct from centres such as Telford.

9.21 Whilst at the same time, Telford and Wrekin Borough Council are pursuing a strategy to further diversify the retail and leisure offer within Telford Town Centre to create a more vibrant town centre and to break the image of Telford as a shopping mall. Shrewsbury should be looking to build on its unique and diverse environment by providing more modern and flexible retail accommodation which would appeal to major national multiples, thereby addressing the qualitative deficiency that is self-evident within Shrewsbury at present.

9.22 Without such a comprehensive redevelopment opportunity, it is evident that Shrewsbury will be faced with increased pressure for retail development in out-of-centre locations which, whilst maintaining Shrewsbury's market share within the sub-region, will do little to enhance the vitality and viability of the established town centre. The only way the Council can protect the town centre against such development in the medium to long-term is to act proactively and to target resources efficiently whereby the potential regeneration of the Riverside/Raven Meadows area is given the best possible opportunity to succeed.

9.23 It is evident from the research undertaken as part of this study that the established retail parks within Shrewsbury perform an important role and function within the local comparison goods retail hierarchy. Overtime the role of the retail parks (particularly Meole Brace) have changed whereby the traditional 'bulky goods' function has been replaced with retailers that were commonly found in the high street. Operators such as Next, Boots and Argos now operate a 'retail park' format store which often complements their existing town centre offer, particularly where the opportunities for that offer to be improved within the town centre are limited.

9.24 Whilst the retail parks form an important complementary function to Shrewsbury Town Centre, their future role will need to be managed carefully so as this continues to be the case. Any significant change in the range/offer and size of the retail parks could alter this complementary role and strengthen the retail parks competitive position whereby the vitality and viability of the town centre begins to suffer.

9.25 Clearly, there is a difficult balancing exercise which will need to be undertaken as the strategy develops. Whilst it is imperative that all opportunities for additional comparison goods floorspace within the town centre are pursued, if these opportunities are unlikely to be delivered then there may be a role in the future for the existing retail parks to capture some of this anticipated growth rather than loose it to competing centres further beyond the catchment. However, it would be premature to commit to such a strategy at this stage and therefore, any further growth or expansion at the existing retail parks should be controlled whilst the town centre opportunities are fully explored.

## Strategy Recommendations

9.26 As highlighted above, there are a number of challenges facing Shropshire Council which will need to be tackled as part of developing a strategy for Shrewsbury Town Centre that will maintain, if not enhance, its vitality and viability through to the year 2026 and beyond.

9.27 This study has looked in detail at anticipated future needs within the convenience and comparison goods retails sectors as well as the commercial leisure sector. In assessing these needs, the study has arrived at a series of conclusions which demonstrate that there are both short and medium-term needs which will influence any strategy development for the town centre as part of the emerging Local Development Framework.

9.28 Similar to the conclusions of the previous 2003 town centre study, it is evident that there is still a pressing need to identify a significant redevelopment opportunity within Shrewsbury Town Centre to accommodate the anticipated growth in comparison goods floorspace (in the medium to long-term), whilst at the same time potentially providing opportunities for a new foodstore and commercial leisure development as part of a comprehensive mixed-use scheme. Several site-based opportunities were identified following the publication of the 2003 study. However, for a number of reasons, the sites were never pursued and a comprehensive redevelopment focussed primarily on retail floorspace was never delivered. However, given the current downturn in the UK economy, it is evident that in the short term the need for further comparison goods floorspace is now less pressing, although it is anticipated that the market will recover within the next five years. The position in relation to convenience goods floorspace is quite the opposite whereby this sector of the retail market has never been as buoyant. Therefore, whilst there will be time to plan for and develop a strategy to accommodate the future comparison goods needs within Shrewsbury Town Centre, the situation in relation to future convenience goods is likely to be more urgent.

9.29 With this in mind, it is critical that any future strategy for the growth and development of Shrewsbury Town Centre is prepared now rather than sometime in the future. Clearly, significant work is currently underway in relation to the emerging Regeneration Framework. However, the outputs of this study and the Regeneration Framework must be brought together as soon as possible in a comprehensive and transparent strategy which will shape the spatial development which will meet the future retail and leisure needs of the local community. Without this strategy in place, it will prove very difficult for Shropshire Council to defend against future planning applications outside of the town centre which may undermine the emerging strategy and the vitality and viability of the centre as a whole.

9.30 In order to provide a robust strategy that can be defended in the medium to long-term, it will be essential that this document should form part of the Council's LDF process, whereby the recommended approach is rooted in development plan policy. As a result, the Council may consider the preparation of further guidance to support Shrewsbury's town centre strategy, which could take the form of a SPD (Supplementary Planning Document), an AAP (Area Action Plan), or a range of development briefs. This can build upon the work already undertaken as part of the Regeneration Strategy and set out clear spatial priorities for future retail and leisure development. It will be fundamental that the LDF process demonstrates how opportunities within Shrewsbury Town Centre can meet the anticipated needs identified within this study, and why such an approach will help underpin the future vitality and viability of the centre. With this policy document in place, not only will future retailers and developers be able to understand the Council's objectives and priorities for development, but it will also help the Council to better control the future expansion and development of retail and leisure floorspace in locations that may prove harmful to this strategy, or undermine the future vitality and viability of Shrewsbury Town Centre as a whole.

# 10.0 FUTURE RETAIL POLICY

10.01 Policy EC3 of PPS4 requires local planning authorities, as part of their economic vision for their area, to set out a strategy for the management and growth of centres over the plan period. As part of their strategy, local planning authorities should, *inter alia*:

- Define a network (the pattern of provision of centres) and hierarchy (the role and relationship of centres in the network) of centres that is resilient to anticipated future economic changes, to meet the needs of the catchment.
- Define the extent of town centres and their primary shopping area, distinguishing between realistically defined primary and secondary frontages in designated centres and set policies that make clear which uses will be permitted in such locations.
- At the local level, consider setting floorspace thresholds for the scale of edge-of-centre and out-of-centre development which should be subject to an impact assessment (as required by Policy EC16.1 of PPS4) and specify the geographic areas these thresholds will apply to.

10.02 Each of the above three requirements is considered below in relation to Shrewsbury Town Centre in the context provided by this study.

## Hierarchy

10.03 The current retail strategy for Shrewsbury Town Centre is set out by the 'saved' policies of the Shrewsbury and Atcham Local Plan, which was adopted in June 2001, with relevant policies being 'saved' to remain part of the statutory development plan in September 2007 under the provisions of the Planning and Compulsory Purchase Act 2004. The policies of the adopted Local Plan relate to the former Shrewsbury and Atcham administrative area, within which Shrewsbury was an especially dominant retail destination.

10.04 The Shrewsbury and Atcham Local Plan identifies a hierarchy which comprises of:

- Shrewsbury Town Centre (within the loop of the River Severn);
- Edge-of-centre shopping;
- Out-of-centre retail parks (Sundorne and Meole Brace);
- Local/neighbourhood shops; and then
- Village shops and post offices.

10.05 The Shropshire Core Strategy Final Plan Publication document was published for representations between 15 February and 29 March 2010, and was formally submitted to the Secretary of State on 30 July 2010. The Publication document sets out at Policy CS15 the proposed hierarchy of town and rural centres, which can be summarised as follows:

- **Strategic Centre:** Shrewsbury;
- **Market Towns:** Oswestry, Market Drayton, Whitchurch, Ludlow and Bridgnorth; and
- **Key Centres:** Albrighton, Bishops Castle, Broseley, Church Stretton, Cleobury Mortimer, Craven Arms, Ellesmere, Highley, Much Wenlock, Shifnal, Wem, and the combined key centre of Minsterley and Pontesbury.

10.06 Policy CS15 specifically identifies Shrewsbury as the preferred location for major comparison goods retail provision, large scale office floorspace and other uses which attract large numbers of people.

10.07 The research undertaken during the course of this study indicates that Shrewsbury retains an extremely important retail centre which caters for the majority of the catchment population's comparison goods needs. Accordingly, it is considered that future retail policy must emphasise Shrewsbury's role as a strategic centre, serving an important role across a wide catchment, and which should be a focus for significant additional retail and town centre development.

10.08 WYG considers the hierarchy proposed by the Core Strategy Final Plan Publication document to be appropriate and considers that the wording of Policy CS15 makes appropriate provision to direct significant town centre provision to Shrewsbury Town Centre.

## Primary Shopping Area

10.09 As indicated at paragraph 10.01 above, it is necessary for local planning authorities to identify the primary shopping area of existing centres as this forms the basis in terms of the application of the sequential approach to development. In this respect, Annex B of PPS4 provides the following definitions for the primary shopping area, the primary frontage and the secondary frontage.

- Primary Shopping Area
  **'Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are contiguous and closely related to the primary shopping frontage). The extent of the primary shopping area should be defined on the proposals map. Smaller centres may not have areas of predominantly leisure, business and other main town**

**centre uses adjacent to the primary shopping area, therefore the town centre may not extend beyond the primary shopping area.'**

- Primary Frontage
  **'Primary frontages are likely to include a high proportion of retail uses.'**

- Secondary Frontage
  **'Secondary frontages provide greater opportunities for a diversity of uses.'**

10.10 Shropshire Council will define the extent of the Primary Shopping Area through the Site Allocations and Management of Development DPD (SAMDev). The SAMDev was the subject of an initial 'Issues and Options' consultation between April and June 2010, and further stages of the document's development will allow further community involvement on policy development and the site allocation process.

10.11 WYG has reviewed the extent of Primary and Secondary Frontages and the Primary Shopping Area as part of this study and our recommendation is provided in illustrative form by the annotated plan at Appendix 8.

10.12 In summary, we recommend that the existing Primary Frontages defined by the adopted Shrewsbury and Atcham Local Plan Proposals Map are amended so that:

- numbers 17 to 25 High Street – which comprise a mix of uses, but few retailers – become Secondary rather than Primary Frontage; and
- the Darwin Shopping Centre, Pride Hill Shopping Centre and Riverside Shopping Mall are all defined as Primary Frontages.

10.13 We recommend that amendments are made to Secondary Frontages by:

- creating new Secondary Frontages along St Mary's Street, Dogpole, Milk Street, Princess Street, Market Street, St John's Hill, Barker Street, Hill's Lane and Rousehill; and
- reducing the extent of the Secondary Frontage along Wyle Cop.

10.14 In accordance with the provisions of PPS4, it is recommended that the Primary Shopping Area identified by the SAMDev should comprise the Primary and Secondary Frontages set out at Appendix 8 in their entirety.

## Thresholds

10.15 In accordance with guidance in PPS4, it is appropriate to identify thresholds for the scale of edge-of-centre and out-of-centre development which should be subject to an impact assessment. WYG does not consider that a blanket threshold is suitable for all types of centre across an administrative area. For example, a 500 sq m convenience store (which could be operated by Tesco Express or Sainsbury's Local) will likely have a greater impact on a small centre than a similar facility would on Shrewsbury Town Centre. Therefore, in developing the policy in the future, it may be more appropriate to have a range of thresholds, depending upon which centre the development applies to.

10.16 Accordingly, policy could advocate a tiered approach whereby the threshold applied to planning applications at edge-of-centre and out-of-centre locations varies in relation to the role and function of the particular centre.

10.17 For a centre of the size of Shrewsbury, performing the role that it does, it is recommended that development proposals providing greater than 500 sq m gross floorspace for town centre uses in an edge or out-of-centre location should be the subject of an impact assessment. It is considered appropriate to reduce the threshold for district centres to 300 sq m gross and for local centres to 200 sq m gross. In our experience, it will only generally be development of a scale greater than these thresholds which could lead to a 'significant adverse' impact, sufficient to merit the refusal of an application for town centre uses in accordance with the provisions of Policy EC17.1 of PPS4.