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LANCASTER RETAIL STUDY

Final Report – Volume I

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On behalf of

LANCASTER CITY COUNCIL

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GLOSSARY OF TERMS

ASSUMPTION	KEY ISSUES
A1 (Shops)	Shops, retail warehouses, hairdressers, undertakers, travel and ticket agencies, post offices, dry cleaners, pet shops, cats-meat shop, tripe shops, sandwich bars, internet cafes, showrooms, domestic hire shops, funeral directors.
A2 (Financial and Professional Services)	Banks, building societies, estate and employment agencies, professional and financial services, betting offices.
A3 (Restaurants and Cafes)	Restaurants, snack bars, cafes
A4 (Drinking Establishments)	Pubs and bars
A5 (Hot Food Takeaways)	Takeaways
Capacity	Retail capacity in terms of this report refers to the surplus/deficit of expenditure (£m) which represents the difference between the expenditure and turnover of the identified facilities. Clearly, a surplus figure will represent an 'under provision' of retail facilities within the catchment (which, other things being equal, would suggest that additional floorspace is required), whereas a deficit would represent an over provision of retail facilities (and in these circumstances it would prove difficult to justify additional floorspace).
Catchment	This represents an area around retail facilities from which the majority of its trade is generated.
Comparison Goods	Comparison goods relate to items not obtained on a frequent basis, these include clothing, footwear, household and recreational goods. ¹
Convenience Goods	Convenience goods relate to everyday essential items, including confectionary, food, drinks, newspapers and magazines. ¹
District Centre	These usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library. ¹
Edge of Centre	For retail purposes, a location that is well connected to and within easy walking distance (i.e. up to 300 metres) of the primary shopping area. ¹

¹ PPS6 – definition taken from Table 1 to 3 in Annex A

² PPS6 – definition taken from paragraph 4.4 of PPS6 (Measuring vitality and viability: health checks).

	<p>For all other main town centre uses, this is likely to be within 300 metres of a town centre boundary. ¹</p> <p>In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances. For example, topography will affect pedestrians' perceptions of easy walking distance from the centre. Other considerations include barriers such as crossing major roads and car parks, the attractiveness and perceived safety of the route and the strength of the attraction and size of the town. A site will not be well connected to a centre where it is physically separated from it by a barrier such as a major road, railway line or river and there is no existing or proposed pedestrian route which provides safe and convenient access to the centre.</p>
Expenditure	<p>Expenditure is calculated by taking the population within a defined catchment and then multiplying this figure by average annual expenditure levels for various forms of retail spending per annum.</p>
Expenditure Growth Rates	<p>Over the last two years there has been a debate within the retail planning industry over which growth rates should be applied to capacity and impact exercises. Conventionally, consultants have followed the advice set out in the "Information Brief" series produced by <i>URPI</i> (subsequently <i>The Data Consultancy</i>, now part of <i>MapInfo</i>).</p> <p>This assessment has been undertaken using the 'goods based' approach as prescribed in PPS6, the information on consumer retail expenditure forecasts is derived from URPI Brief 05/02.</p> <p>Actual convenience growth rates have been used of the period 2001 to 2004 (actual growth was 1.9% in 2002 0.6% in 2003 and 1.6% in 2004). Thereafter, ultra long-term growth rates for convenience expenditure are estimated at 0.8% up to 2011 and 0.9%.</p> <p>Actual comparison growth rates have been used for the period 2001 to 2004 (actual growth is 9.6% in 2002, 8.7% in 2003 and 9.3% in 2004). Thereafter, ultra long-</p>

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	term growth rates for comparison expenditure are estimated at 3.8% per annum.
Gross Floorspace	This entails the level of external floorspace or footprint of a specific development, i.e. the level of area the development covers.
Inflow	This relates to the level of expenditure movement that is predominantly originated from outside of a defined catchment. This could be due to people's travel to work or leisure habits, or due to particularly centres (or facilities) attractiveness as a shopping destination.
Local Centre	These include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub post office and a pharmacy. Other facilities could include hot-food takeaway and laundrette. In rural areas, large villages may perform the role of a local centre. ¹
MapInfo	<p>Given the wider geographic nature of this study (including the administrative boundaries of Lancaster City, South Lakeland District and Barrow-in-Furness), it was appropriate for consistency purposes that WYG draw upon central population information. In light of this information was derived from MapInfo.</p> <p>MapInfo Target-Pro Base Reports (previously referred to as Illumine Reports), provide detailed information on local consumer expenditure which take into account the socio-economic characteristics of the local resident population. It is noted that information is based on a point in time and will obviously change over the time of the future LDF period. WYG recommend that this information is regularly updated.</p>
Market Share	The market shares arrived at in the study were determined from the household survey results. As highlighted above, these results provide broad indications of shopping patterns across a region, sub-regions or specific town postcode zone.

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² PPS6 – definition taken from paragraph 4.4 of PPS6 (Measuring vitality and viability: health checks).

	<p>For the purposes of this assessment market shares were held constant, and applied to the total available spending identified, to generate the turnover estimates for the study town centres. It is acknowledged that the market shares of centres within the established network will change over time as new development is completed. It is therefore important that Lancaster City Council and South Lakeland District Council monitor such development in order to assess the impact on the study areas' town centres.</p>
National Multiple	This is a retail or service operator which is or part of a network of nine or more outlets.
Net Floorspace	This entails the level of internal area devoted to the sale of goods.
Out-of-centre	A location which is not or on the edge of a centre but not necessarily outside of the urban area.
Population Projections	<p>Population projections are produced at Census Output Area (MapInfo) and extend the figures from the 2001 Census through to 2016 utilising 2002 ONS mid-year estimate from the Government Actuary.</p> <p>In using the MapInfo methodology, it is important to note that the projections are based on trend based demographics rather than planning information.</p>
Price Base	The price base for the study is 2001; all prices are or have been adjusted to 2001.
Primary Frontage	Primary frontages are likely to include a high proportion of retail uses. ¹
Prime 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 frontages). 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. ¹

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Rate of Productivity	There is no agreed national source for increases in productivity it is evident that figures of between 1% and 1.5% are commonly used by retail planning consultants. Research undertaken by Experian suggests that increases in productivity are very difficult to assess. Moreover they suggest that future rates for increases in productivity could be between 2% and 3.4%. For the purposes of this study, we have assumed an increase in productivity of 1.5% although future monitoring and research may confirm whether this is too conservative or too optimistic.
Retail Warehouse	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods, DIY items and other ranges of goods, catering for mainly car borne customers. ¹
Sales Density	Retail capacity figures are routinely expressed in terms of floorspace, relying on the application of assumed sales density figures to the surplus expenditure identified. Again, variations in the rate used can have a considerable effect on the results, reflecting assumptions as to whether future development will comprise (for example) retail warehouse, standard high street end uses or top-end fashion floorspace.
Secondary Frontage	Secondary frontages provide greater opportunity for a diversity of uses. ¹
Special Forms of Trading (SFT)	MapInfo estimates already deduct expenditure for 'special forms of trading', which relate to expenditure on goods from catalogue, mail order and internet shopping. MapInfo estimate that SFT account for 5.3% of all comparison goods expenditure and 1.6% for convenience expenditure. The retail capacity assessment contained in this report has excluded SFT.
Sub Regional Centre	Sub regional centres are the first level of centres and include mainly city centres or large town centres.
Sui Generis	Shops selling and/or displaying motor vehicles, retail warehouse clubs, laundrettes, taxi or vehicle hire

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	business, amusement centres, and petrol filling stations.
Supermarket	Self service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking. ¹
Superstore	Self service stores selling mainly food, or food and non-food goods, usually with more than 2,500 sq. m trading floorspace, with supporting car parking. ¹
The Base Year (2006)	This is the date at which a particular retail economy is assumed to be “in equilibrium” (which in itself is something of a nominal term), i.e. with zero capacity. There may be very good reasons for choosing an earlier date, perhaps some years in the past, for example at the beginning of a period of steady turnover and rental growth, or consistently low vacancies. However, the earlier the base year used, the longer the period for “latent capacity” to accrue, which may contribute considerably to headroom at a later date.
The Defined Catchment	The catchment split the sub regional area into 16 survey zones, defined by WYG, these also related to previous retail studies that had been undertaken in the area. These zones do not necessarily follow District and administrative boundaries. The purpose of the zoning was to examine shopping patterns within the area to estimate each of the study town centres sphere of influence.
Town Centre	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined on the proposals map. ¹
Town Centre	Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority’s area. In rural areas the are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning

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	authorities should consider the function of different parts of the centre and how these contribute to its vitality and viability. ¹
Trade Draw	This refers to the level of trade that is spent in other centres usually outside of a defined catchment area.
Turnover	the turnover figure relates to the annual turnover generated by existing retail facilities, turnovers are listed as £ per square metre for all retailer facilities
Use Class	Town and Country Planning (Use Classes) Order and Permitted Changes as amended by Circular 03/2005
Yield	Is the capital value in relation to the expected market rental. ²
Zone A Rents	Is the rental value of the first six metres depth of floorspace in retail units from the shop window. ²

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CONTENTS

	Page	
1	INTRODUCTION	1
2	BACKGROUND TO THE RETAIL AND LEISURE INDUSTRY	4
3	PLANNING POLICY FRAMEWORK	14
4	ASSESSMENT OF LANCASTER CENTRE'S VITALITY AND VIABILITY	24
5	ORIGINAL MARKET RESEARCH	30
6	POPULATION AND EXPENDITURE	53
7	LANCASTER RETAIL CAPACITY ASSESSMENT	64
8	FUTURE OPPORTUNITIES TO ACCOMMODATE IDENTIFIED CAPACITY	84
9	IMPLICATIONS OF STUDY FOR EMERGING TOWN CENTRE PLANNING POLICY FRAMEWORK	88
Appendix A	- Defined Catchment	
Appendix B	- MapInfo methodology	
Appendix C	- Household Survey Results	
Appendix D	- In Street Survey Results	
Appendix E	- WYG Convenience Model	
Appendix F	- WYG Comparison Model	
Appendix G	- Business Survey Results – Carnforth, Lancaster and Morecambe	
Appendix H	- H (1) Lancaster City Centre Vitality and Viability Report	
	- H (2) Morecambe Town Centre Vitality and Viability Report	
	- H (3) Carnforth District Centre Vitality and Viability Report	

Technical Appendices are bound under separate cover.

1 INTRODUCTION

Objectives of the Study

- 1.01 White Young Green were commissioned by both South Lakeland District Council and Lancaster City Council in September 2005 to undertake a joint retail study which covered the sub region of Lancaster (north Lancashire) and South Lakeland (South Cumbria). The emphasis of sub regional studies is recognised by the Government, whereby local authorities should adopt a pro-active, plan led approach when planning for town centres. Given this Lancaster and South Lakeland Council undertook a household survey which covered a large sub regional area which covered both local authority areas but also covered parts of adjacent local authorities (namely Copeland Borough Council and Barrow-in-Furness Borough Council). The joint survey will provide a detailed evaluation on how the Lancaster's town centres (and South Lakeland's) can evolve through to 2016 and meet future retail requirements.
- 1.02 The aim of this volume is to provide important information that will inform the preparation of the local development framework, future planning for retail and leisure development within Lancaster and how it can influence the emerging Local Development Framework. It will also show how to respond to increasing competition from other centres in the wider region.
- 1.03 With reference to Lancaster City Council the study seeks to:
- (1) Critically analyse the findings of the existing Lancaster and Morecambe Shopping Study, Lancashire Shopping Study and the Regional Shopping Study (NWRA) insofar as they relate to Lancaster;
 - (2) Undertake a household interview survey of the catchment population to review the relevance of the existing catchment areas; establish patterns of main convenience, top-up convenience, clothing and footwear, small comparison household goods, furniture and carpets, electrical goods and DIY goods within the study area including the extent of internet and other special forms of trading; and identify customer attitudes to Lancaster, Morecambe, Carnforth centres.
 - (3) Critically examine the retail policies of the Lancaster District Local Plans and identify area where change is needed (including a review of town centre and primary retail area boundaries in line with Planning Policy Statement 6 (PPS6));
 - (4) Make an independent SWOT analysis of Lancaster City Centre, Morecambe Town Centre, Carnforth Town Centre, including an assessment of their health, management, qualitative deficiencies, performance relative to competing retail destinations and future prospects; and
 - (5) Identify and quantify spending patterns with both catchments, including leakage

out of the district;

(6) Make an assessment of the quantitative need for new comparison, and convenience retail floorspace for the periods 2006-2011 and 2011-2016 in Lancaster, Morecambe and Carnforth.

- 1.04 In undertaking this research, regard has been made the relevant advice contained by Planning Policy Statement (PPS6).
- 1.05 A detailed appraisal of Lancaster's identified city and town centres has been undertaken in order to assess (in qualitative terms) the scope for improvement. Consideration has been given to specific opportunities within these centres and to wider market trends. This assessment has examined the strengths and weaknesses of each town centre in terms of the current mix of shops, services and other land uses, and the identification of any gaps in provision.
- 1.06 The analysis has included a brief assessment of the suitability of potential development sites, premises and vacant buildings to meet the potential requirements of occupiers, investors and developers.
- 1.07 We have used a variety of sources in undertaking this including the Council's own in house information, but have also drawn upon external sources including Goad data on shopping floorspace, the Valuation office for information of rents and yields and the Focus database for information on rents and retailer requirements. We have also utilised information on development from Promis. For comparison WYG have also reviewed previous work undertaken on behalf of the Council in respect of the town centre. We have taken advice from local agents and developers both on the commercial health of the city and town centres generally and on the opportunities to secure development on potential sites.

Original Market Research

- 1.08 As discussed briefly earlier, in order to obtain information on the extent of the identified study town centre's catchment and shopping patterns, we have commissioned a specialist market research agency, NEMS Market Research Ltd, to undertake new empirical research as part of this study. This includes two main elements:
- A telephone survey of 1,700 households in the sub region and the surrounding area in order to ascertain general patterns of shopping and leisure activity in the area (Appendix C); and
 - On-street surveys (450 Surveys) in Lancaster, Morecambe and Carnforth

(Appendix D).

- 1.09 In addition WYG undertook a postal survey of nearly 1,060 businesses within the three town centres, of which 278 businesses responded. These explored the current strengths and weaknesses from a business operator's perspective (Appendix G).

Report Structure

- 1.10 The report is set out as follows:

Section 2: considers recent and future trends in the retail and leisure markets and the implications on land use planning.

Section 3: provides an overview of the current and emerging planning legislation in respect of retail development.

Section 4: provides a broad assessment of the vitality and viability of each of the three study town centres, in line with the guidance set out in PPS6, which is summarised in SWOT analysis.

Section 5: reviews the findings of the original market research that underpins the study, including an examination of the household survey, in street survey and business survey. Where possible we have tried to examine these against the findings from the 1997 Lancaster and Morecambe Retail Study.

Section 6: undertakes an assessment of expenditure growth in convenience and comparison goods within the defined catchment area and identify the market share for a variety of goods to each of the three study town centre, this section also examines leakages of expenditure.

Section 7: Identifies the retail capacity for additional convenience and comparison floorspace development within Lancaster.

Section 8: Discusses the future strategic opportunities that could accommodate potential development during the plan period; and

Section 9: Explores some of the key retail planning issues that will need to be addressed as part of the local development framework review.

2 BACKGROUND TO THE RETAIL AND LEISURE INDUSTRY

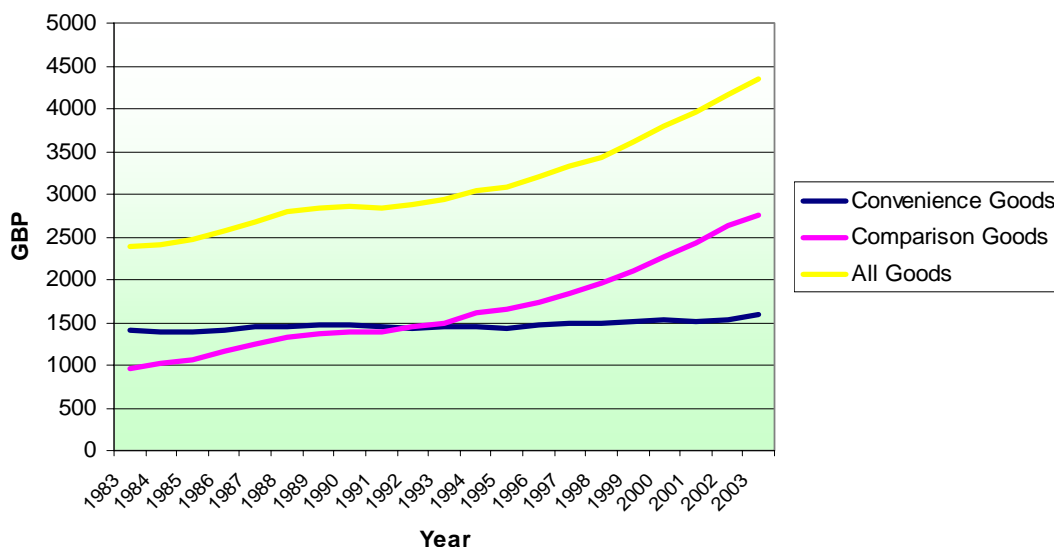
Forecast Changes in Consumer Expenditure

- 2.01 The latest figures recorded by MapInfo for retail consumer expenditure in 2003 reached an all time high of £4,346 per head per annum (2000 Prices). This represents over 80% growth in expenditure since 1983 when average retail expenditure per head stood at £2,382. This represents a compounded average annual growth rates for all retail goods of 2.8% per annum.
- 2.02 However, when the headline figures are examined in more detail, it is evident that much of the impressive growth recorded in the past twenty years has been achieved in the 'non-food' goods sector.

Convenience Goods

- 2.03 In 1983, the average spend on convenience (food grocery) goods was £1,483 per head per annum. By 2003 the average spend per head was £1,584 which represents a growth of just 12% or 0.5% per annum compound. As can be seen from Figure 2.1 below, the pattern of growth over the twenty year period has been inconsistent with expenditure declining during six of the twenty years. It is evident that expenditure per capita on convenience goods has fluctuated within a narrow band with no real trend growth over the past 40 years as a whole. Whilst expenditure steadily declined in the 1970's the trend since then has been slightly upwards.

Figure 2.1 UK Average Retail Expenditure by Goods Type (2000 Prices)



- 2.04 There is a widely held theory that consumers will only purchase the convenience goods that they need to ensure that they eat regularly. Therefore the likelihood of witnessing

any major growth after inflation is limited. In addition, as society in general becomes more affluent and our standard of living increases, we will have a greater tendency to eat out more frequently thereby reducing the need to spend as much on food goods in the supermarket.

- 2.05 However, more recent evidence on growth has shown that the opposite is actually occurring with convenience goods expenditure per capita increasing at 1.0% per annum between 1998 and 2003. This is double the rate of growth recorded over the past twenty years. Much of this growth could be attributed to the increase in popularity of more expensive organic produce and luxury items. The major supermarket operators have responded to consumer's increasing demands for high quality produce with the release of brands such as Sainsbury's 'Taste the Difference', Tesco's 'Finest' and Asda's 'Extra Special'. However, it must be noted that the increases that have been recorded in the short term are likely to reflect the strong economic growth over the past five years and general increases in household disposable income.
- 2.06 If the economy were to enter into a recessionary period in the future then this growth may not be as significant given that spending on luxury items would be the first to be hit. In fact during the recession between 1980 and 1984 expenditure on convenience products fell by 6%. During the next recession between 1991 and 1995 convenience expenditure also fell by just over 2%. This would appear to suggest that recessionary periods may have an influence on the overall level of growth recorded in convenience goods shopping.
- 2.07 MapInfo recognises that it is inaccurate to focus on short term growth which may not reflect the true periods of growth and decline. They state that at present the most statistically robust estimate for growth in this sector is for the period 1993 to 2003 when the annual growth rate averaged 0.9%. MapInfo suggest that the strong growth recorded recently appears to be unsustainable in the longer run similar to the boom in the 1980's which was then followed by a period of slower growth.

Comparison Goods

- 2.08 In 1983 the average spend on comparison (non-food) goods was just £913 per capita per annum. This represented just 38% of total retail expenditure and was well behind average expenditure on convenience goods. However, there has been significant growth in comparison goods expenditure since 1983 which now means that comparison goods expenditure represents 64% of retail expenditure.
- 2.09 In 1992, more was spent on comparison goods than convenience goods for the first time since records began in 1964. By 2003, the average expenditure on comparison

goods had reached £2,762 per capita. This represented a growth of over 200% in just 20 years. This equates to an annual average growth of 5.0% compared to the 0.5% recorded in comparison goods.

- 2.10 Similar to convenience goods, the growth recorded over the twenty year period reflects the general economic performance and growth in disposable income. At the height of the economic boom in the mid to late 1980's growth was recorded as high as 8.3% in 1986. By 1991 growth had fallen to just 0.1% reflecting the onset of the recession and increasing interest rates. By the mid to late 1990's growth had recovered significantly with the latest high recorded in 2000 with 8.2% growth.
- 2.11 However, despite the peaks and troughs recorded, the most important fact is that in the last 20 years growth on non-food expenditure has trebled. In fact, spending in 2003 on comparison goods per capita at constant prices was over four times larger than spending on the same basis in 1964.
- 2.12 With this in mind, it is not surprising to discover that major retail development has been driven by non-food retail development including regional shopping centres such as Cheshire Oaks and The Trafford Centre. In fact, all of the major supermarket operators now recognise that the future growth in retail expenditure will be primarily focused on non-food goods. Therefore, we have witnessed the shift in emphasis within larger supermarkets seeking to provide more space for the sale of comparison goods. A good example of this is the Asda George brand whose growth has resulted in the development of stand alone Asda George stores such as the recent Asda George store at Manchester Fort Retail Park.
- 2.13 MapInfo recognises that the strong growth recorded recently will be unsustainable particularly as the economy begins to slow. Despite this, it is anticipated that the average rate of growth recorded through to 2016 (URPI) will still be between 3.9% and 3.4% per annum.

Implications of Future Growth

- 2.14 In order to examine the potential implications of future expenditure growth, MapInfo have provided forecasts for UK consumer spending which are based partly upon past trends but also on expected changes on other economic variables. The forecasts recognise that the short-term growth trends for all goods, especially comparison goods are unsustainable and that some correction is necessary. However, MapInfo expect price falls to continue for products such as electronics and clothing which will continue to boost sales.

2.15 On this basis, MapInfo have provided forecasts which are set out below.

Figure 2.2: Average Annual Forecast Growth Rates

	Convenience	Comparison	Total
2004-2006	1.1%	3.9%	2.9%
2004-2011	1.2%	3.5%	2.7%
2004-2016	1.2%	3.4%	2.7%

URPI forecast figures only, the above time periods are different to those assumptions adopted for this study

2.16 If we apply these forecast growth rates through to 2021, it is evident that growth will still be significantly focused on comparison goods. From Figure 1.3 below, it is evident that by 2021, total expenditure will have increased by 61% to £7,005 per capita per annum. The anticipated growth recorded for convenience goods will be 24% compared to the 83% growth recorded in comparison goods expenditure. In fact, in the next twenty years, expenditure on comparison goods is set to double based on current forecasts. This has important implications for the modelling of future retail 'needs' which is set out in detail later on in this study.

Figure 2.3: Actual and Forecast Expenditure Per Capita per Annum

	2003	2011	2016	2021
Convenience	£1,584	£1,743	£1,850	£1,963
Comparison	£2,762	£3,609	£4,266	£5,042
Total	£4,346	£5,352	£6,115	£7,005

URPI forecast figures only, the above time periods are different to those assumptions adopted for this study

The Retail Market

2.17 The retail market has been the subject of some profound changes over the recent past. The mix of social and economic conditions which prevailed in the 1980's and 1990's triggered the arrival of a much more discerning consumer driven not just by value for money but also increased selectivity and a demand for higher quality shopping environments. These conditions continue to impinge on the nature of today's retail market where consumer loyalty has become a vital ingredient in the success to retailers. Increasingly, successful shopping facilities have to fulfil the role of a destination location. In large part this means providing a wide range of shopping and leisure facilities able to attract and retain the interest of the entire family. In return such schemes benefit not only from much wider catchment areas, but also from substantially longer shopping trips.

2.18 Over the last twenty-year period, the retail property landscape across the UK has changed dramatically. Town centres, which began the 1980's firmly in pole position with just over 28 million sq. m, represented three quarters of all retail space in the country at the time. However, since then this position has been severely challenged. Indeed by the end of 1988, the amount of traditional high street space (including managed malls) is estimated to have dropped by 1.2 million sq. m to just over 27

million sq. m or 45% of all retail space in the UK. This was mainly a consequence of the demise of retailing in tertiary locations within the centres.

- 2.19 The decline of the traditional high street, however, should not be assumed to mean the decline of overall town centre trading. New shopping schemes in centres or on the edge of town centres have brought not only more efficient space into the retail hierarchy, but introduced a quality of **managed shopping environments**, which could not be created within the context of the high street. Managed shopping malls in town centres totalled 6.5 million sq. m at the beginning of the 1980's. In 2000 they comprised over 10.5 million sq. m, a 60% rise. As a result 18% of all retail space in the country is now to be found in shopping malls located within town centres.
- 2.20 As a whole therefore, the amount of retail space in town centres including both traditional and new space has not declined. On the contrary it has risen from around 35 million sq. m in 1980 to nearly 39 million sq. m by 2000, a rise of 11% over that period. Moreover, as much of this town centre development has comprised new shopping schemes with more efficient space, the decline of the town centre needs some careful interpretation.
- 2.21 In 1980 the out of town revolution was yet to emerge as the potent force that it now is. At the time, a small number of *retail parks* had become established and the major food retailers were beginning to recognise the advantages of superstore trading. Consumers also began to welcome the convenience of these new forms of shopping. However, only around 10,000 sq. m of retail floorspace existed at the beginning of the 1980s in retail parks.
- 2.22 The rise of out of town retailing was unparalleled, and by 2000, the amount of retail park space had grown to 4.6 million sq. m, representing 7.5% of all the UK retail stock. Superstores, mainly comprising stand alone food superstores, accounted for another 8.9 million sq. m or 15% of the total retail stock.
- 2.23 Other shopping malls in off centre locations provided about 0.8 million sq. m in 2000 compared with only 0.1 million sq. m in 1980. Out of town regional malls such as Trafford Centre and Cheshire Oaks comprised less than 80,000 sq. m at the start of the period but increased to nearly 1 million sq. m by the end of 1998. Furthermore, with the high rate of residential construction during the 1980's, local district centres expanded to an estimated 6.6 million sq. m in 1998.
- 2.24 There is increasing evidence that polarisation of centres is occurring across the UK, whereby large, more dominant retail markets (both in terms of town centres and out of town malls) have continued to outperform more average locations in retail growth terms. The reduction in the amount of new floorspace coming through the out of town development pipeline is likely to further inflate rents in the best retail parks and prime locations, adding further to the divide between prime and secondary retail property.

Similarly, the more attractive and accessible town centres are likely to perform better than the less attractive centres. Town centre expansion however will allow new opportunities to develop within the heart of towns which could dilute sales and rental performance in some locations, whilst encouraging it in others. The effects of such development on existing business need to be carefully monitored.

2.25 In the next twenty years the retail landscape will continue to evolve. Taking the anticipated rise in the volume of retail sales, the expected trend in sales productivity, as well as the retail schemes already in the development pipeline, it is reasonable to expect further increases in total retail floorspace in major retail locations in the future.

2.26 Certainly, future policy needs to be based on creating a balance between accommodating the dynamism of the market place, its increasing competitiveness and the widening gulf between differing shopping locations.

Trends in Non-food Retailing

2.27 As highlighted above overall, expenditure on non-food goods is increasing year on year, providing a stable platform for the domestic industry to grow. International market conditions and price deflation in some key sectors mean that many high street names are becoming increasingly vulnerable to takeovers. The merger and consolidation of companies is likely to lead to fewer national multiple outlets competing in the market place over the next 10 to 15 years. This will have two principal effects for town centres:

- It will drive down demand in the longer term. As demand is the engine for reinvestment, this will reduce the attractiveness of investing in speculative redevelopment opportunities; and
- It will make those retailers still in the market increasingly location-sensitive. This will increase demand from multiples for prime and 'super-prime' pitches, but reduce the attractiveness of other areas. The net result may be an increased occupation of core town centre shopping units by non-retail uses.

2.28 Key retailers, such as Marks & Spencer and the Arcadia Group, are reducing the distribution of their operations and others, such as C&A, have left the domestic marketplace altogether. This is a result not only of price deflation, but also of changing shopping patterns. Many consumers are now prepared to shop in an increasing number of outlets for specialist or niche goods, rather than rely on household names, as was the case previously. The decision by Asda and Tesco to stock clothing has also had a major impact on this core area of high street trade. As demand from these major anchor retailers decreases for representation in smaller town centres, more lower-order retailers and food/drink uses will occupy prime frontages.

- 2.29 Increased sensitivity over future viability will mean a cautious approach to new investment for many key national retailers. Marginal locations within centres, and prime locations within smaller town centres, will be increasingly rejected. Many investment decisions will be influenced by the scale of commitment from other retailers; developers will increasingly need to promote large town centre redevelopment schemes if they are to attract high quality retailers.
- 2.30 One area where significant growth is anticipated is the discount retail sector, which at the moment accounts for only 1% of sales in the UK. Growth in sales has been strong in recent years and this is set to continue, possibly with the aid of foreign (and particularly US) investment.

Retail Warehousing

- 2.31 In terms of retail warehousing, the market is becoming increasingly sensitive to quality and location. Many retail warehouse operators will now only accept units on major mixed-use retail parks, leading to a decline in the popularity of free-standing units and older retail parks that are located away from the regional road network. The market is now dominated by the likes of Homebase, Ikea, Big W and B&Q, seeking units of 10,000-12,000 sq. m; and Matalan, Comet, Curry's, Decathlon and Focus seeking flagship stores of between 2,500 and 5,000 sq. m. Demand is weakest in the size range where supply is greatest (of about 1,000 sq. m). Moreover in late 2005, Ikea was one of the first retailers to recognise the need to review its format driven approach in light of PPS6 and is now looking at flexible smaller scale stores that can be accommodated in more central locations.
- 2.32 Many retail parks are unable to accommodate this new demand owing to the configuration of the existing units. In the context of low demand for the smaller 'bulky goods' units, many investors are seeking to create greater flexibility by incorporating mezzanine levels into existing outlets, and to remove restrictive conditions in order to increase the number of 'non-bulky' goods operators able to utilize the space. Because more fashion wear retailers are experimenting with lower cost warehouse formats, many developers are seeking to provide fashion-led out-of-centre retail parks ('shopping parks').
- 2.33 The demand for new Factory Outlet Centres has subsided considerably, suppressed by increasing planning restrictions. However, these and other successful regional shopping centres, such as Merry Hill, are under pressure to extend and to increase their overall attractiveness by introducing complementary non-retail uses.

The Growth in Electronic Commerce

- 2.34 Many consumers who previously shopped in town centres and 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 established accurately. In 2001, total on-line sales in the UK were estimated at £4bn (Key Note, 'E-Commerce' September, 2002) which could rise by up to £7.5bn by 2005, an increase of 75%.
- 2.35 The most popular on-line purchases are currently books, CD's, travel, food and groceries, and computer products (Key Note, 2002). Technology is currently being developed by companies such as Amazon that will allow on-line browsing of books which is likely to result in this sector making further in-roads into the on-line market. The clothing market has been slow to see the benefits of e-commerce with most people still preferring to try on clothes prior to purchasing. Security concerns are also still a major issue affecting all sectors of the market, with recent surveys suggesting that 24% of people do not feel comfortable giving credit card out details over the internet (Key Note, 2002).
- 2.36 The food and grocery market is also growing fast and some estimates suggest that around 25% of the grocery market will be sold on-line by 2008 (The Institute of Grocery Distribution, 2001).
- 2.37 As access to the Internet increases through digital televisions and mobile telephones, proportionally less money will be spent in retail units than before, as more is directed to e-commerce. The effect of this will be to reduce spending growth and expenditure capacity. In turn, this will:
- Affect the investment decisions of existing retailers, and over time, further reduce the demand for retail premises; and
 - Lead to the creation of new 'sui generis' retail collection centres on the edges of major conurbations. Experiments with 10,000 – 20,000 sq. m units are already underway.
- 2.38 More recent we note that a number of statistics have been released on the growth of internet sales. For example MapInfo (2005) estimate 'special forms of trading', which internet sales is the prominent driver, represent 5.3% of all sales in non-food retailing and 1.6% in convenience shopping. However, Experian estimate internet sales to be as 0.9% for convenience and 6.3% for comparison shopping.

National Trends in Retail Trading Formats and Investment

- 2.39 Planning policy has reduced out-of-centre development in recent years although recent trends indicate an upsurge in retail warehouse development. Indeed, the amount of retail warehouse park floorspace in the development pipeline at the end of 2003 reached 2.7 million sq m. This was an increase of some 930,000 sq m the end of 2000, although is almost 20% below the peak level in the 1990s. However, it is significant to note that emerging national planning policy (PPS6) is intended to challenge the format driven approach to retailing. As a consequence of national policy emphasising development on edge-of-town locations, CB Richard Ellis consider that a large number of poorer quality schemes will be brought forward, which may fall by the wayside. To meet the requirements of national planning policy, retailer will have to show increased flexibility and innovation if they are to be successful in obtaining planning permissions for new retail warehouse space. As previously mentioned Ikea have recently recognised the flexibility direction of PPS6, and has subsequently reviewed its flexibility on its future new stores strategy with the recent opening of a smaller format store.
- 2.40 Although demand for retail warehouses remains strong, Government Policy, considers that developers need to be more flexible in their approach, whereby all town centre options must be explored, before new retail warehousing will be considered. This approach means that further development in retail warehousing will become increasingly difficult to justify.

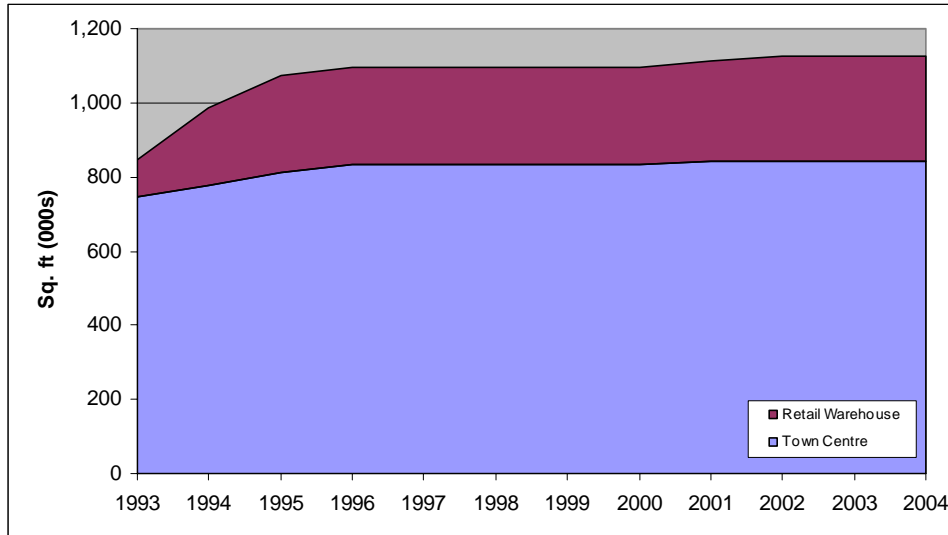
Lancaster Perspective

- 2.41 In order to understand the trends that have occurred in Lancaster we have examined information provided by Promis who examine retail development performance throughout the UK. Unfortunately given the role and size of town centres in Lancaster's administrative area, only information on the City Centre is identified by Promis. However, we can examine the trends that have occurred in Lancaster City over the last 11 years. Figure 2.4 below illustrates the type of retail development that has occurred in Lancaster since 1993. From this information it is not surprising to discover that Lancaster witnessed significant development in both traditional town centre and the retail warehouse floorspace in the earlier to mid 1990's which was due primarily due to the introduction of the 'Marketgate' development on Penny Street, which was developed in two distinct phases. The main mall and market hall opened in September 1995 with the arcade linking up to Market Square opened in May 1996. In addition to this in centre comparison shopping development, we note that other major comparison retail development included the Lancaster City Retail Park which opened in early 1994 and the Bulk Road Retail Park which opened in late 1995. Since the 1990's there has been little comparison shopping development, apart from a number of small extensions

to the Lancaster City Retail Park. We should note that the Promis definition of Lancaster is not comparable with the City Councils own information.

2.42 In 1993 Lancaster (includes both comparison and convenience floorspace) comprised approximately 69,305 sq m (0.74 m sq. ft) of town centre floorspace (according to Promis). However, by 2004 this had increased to 78,410 sq m (or 0.84m sq ft) to 9,104 sq m (or 98,000 m sq ft) representing an increase of just 13%.

Figure 2.4: Lancaster Total Retail Floorspace (1993-2004)



Source: Promis 2005

2.43 In comparison, retail warehouse (just comparison floorspace) development has experienced significant growth. In 1993 retail warehouse space comprised approximately 9,197 sq. m (99,000 m sq. ft) of floorspace (according to Promis); by 2004 this had increased by 16,908 sq. m (or 281,000 sq. ft) to 26,105 sq. m (or 281,000 sq. ft) representing an increase of 183%.

2.44 The results from Promis clearly illustrate the pressure on town centres to provide well positioned sites to accommodate retail warehouse development close to or within the town centre in order that they attract future retail investment back into traditional town centres.

3 PLANNING POLICY FRAMEWORK

Introduction

3.01 Given that this study seeks to provide important background evidence that will assist in the future development of the LDF process, it is important at this stage to reflect upon key national, regional and local advice and how the national approach may impact upon the development of policies locally.

3.02 Government guidance on retail issues is set out in the recently published PPS6: Planning for Town Centres (March 2005). This Planning Policy Statement replaces the Revised Planning Policy Guidance Note 6: Town Centres and Retail Developments (June 1996) and subsequent policy statements in the form of the Parliamentary Answers given by the previous Planning Ministers during the intervening years.

Planning Policy Statement 6: Planning for Town Centres (March 2005)

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

- **planning for the growth and development of existing centres; and**
- **promoting and enhancing existing centres, by focusing development in such centres and encouraging a wide range of services in a good environment, accessible to all.** (paragraph 1.3)

3.04 In assessing proposed retail developments, paragraph 3.4 requires applicants to demonstrate:

- a) **the need for the development;**
- b) **that the development is of an appropriate scale;**
- c) **that there are no more central sites for the development;**
- d) **that there are no unacceptable impacts on existing centres; and**
- e) **that locations are accessible.**

3.05 In demonstrating need, paragraph 3.8 notes that **'it is not necessary to demonstrate the need for retail proposals within the primary shopping area or for other main town centre uses located within the town centre'**. However, paragraph 3.9 goes on to note that: **'need must be assessed for any application for a main town centre use which would be in an edge-of-centre or out-of-centre location and which is not in accordance with an up-to-date development plan document strategy.'**

3.06 In demonstrating quantitative need, paragraph 3.9 of PPS6 states:

'A needs assessment prepared in support of a planning application should wherever possible be based on the assessment carried out for the development plan document,

updated as required, and in the case of retail development should relate directly to the class of goods to be sold from the development ('business-based' cases will not be appropriate). The need for additional floorspace should normally be assessed no more than five years ahead, as sites in the town centre may become available within that period. Assessing need beyond this time period may pre-empt future options for investment in centres, except where large town centre schemes are proposed and where a longer time period may be appropriate to allow for site assembly. The catchment area that is used to assess future need should be realistic and well related to the size and function of the proposed development and take into account of competing centres.'

- 3.07 In addition to considering the quantitative need for additional retail or leisure floorspace, local planning authorities should also consider whether there are qualitative issues that may provide additional justification for the development. These may include the need to ensure that an appropriate distribution of locations is achieved to improve accessibility for the whole community and the need to ensure that provision is made for a range of sites for shopping, leisure and local services, which allow genuine choice to meet the needs of the whole community, particularly the needs of those living in deprived areas.
- 3.08 In terms of the scale of the proposed development, PPS6 states that this must be directly related to the role and function of a particular centre and its catchment. In defining this further, paragraph 2.42 notes that '**local centres will generally be inappropriate locations for large-scale new development, even when a flexible approach is adopted**'. Local authorities are expected to set an '**indicative upper limits for the scale of developments likely to be permissible in different types of centres, and developments above these limits should be directed to centres higher up in the town centre hierarchy**'.
- 3.09 In terms of adopting a sequential approach to site selection, PPS6 notes that requires that developers and operators, when considering alternative sites, demonstrate that in seeking to find a site in or on the edge of existing centres they have been flexible about the following: the scale of their development; the format of their development; car parking provision; and the scope for disaggregation.
- 3.10 Furthermore, Paragraph 3.17 highlights that where retail and leisure proposals in edge or out-of-centre locations which combine a number of separate uses the applicant should '**consider the degree to which the constituent units within the proposal could be accommodated on more centrally-located sites in accordance with the objectives and policies in this policy statement. The existence of more central sites which could accommodate one or more of the individual elements should be taken in account when considering whether to grant planning permission.**' Paragraph 3.18 goes on to state, however, that '**a single retailer or leisure operator should not be expected to split their proposed development into separate sites where flexibility in terms of scale, format, car parking provision and the scope for disaggregation has been demonstrated**'. It goes on to state that '**it is not the intention of this policy to seek the arbitrary sub-division of**

proposals. Rather it is to ensure that consideration is given as to whether there are elements which could reasonably and successfully be located on a separate sequentially preferable site or sites’.

- 3.11 However, PPS6 highlights that local planning authorities should be realistic in considering whether sites are suitable, viable and available. Indeed, Paragraph 3.16 states that:

‘Local Planning authorities should take into account any genuine difficulties, which the applicant can demonstrate are likely to occur in operating the applicant’s business model from the sequentially preferable site, in terms of scale, format, car parking provision and the scope for disaggregation, such as where a retail would be required to provide a significantly reduced range of products.’

- 3.12 In terms of assessing impact, PPS6 advises that local planning authorities should consider the impact of the proposal on the vitality and viability of existing centres within the catchment area of the proposed development, including the cumulative effect of recent permissions, developments under construction and completed developments. Indeed, the guidance states that **‘...the identification of need does not necessarily indicate that there will be no negative impact.’**

Regional Planning Guidance for the North West (RPG13), July 2000

- 3.13 Regional Planning Guidance (RPG 13) for the North West provides the broad development strategy for the period to 2016. Published in March 2003, the guidance seeks to develop the region in a sustainable way to ensure that the quality of life for residents, the business community and visitors will be maintained and enhanced. At the time of the report RPG13 was the development plan covering the area; however, a replacement Regional Spatial Strategy (RSS) is being prepared. We note that preliminary drafts of the RSS suggest that the strategic direction of the strategy is unlikely to change significantly from the guidance in RPG13.

- 3.14 Policy EC8 relates to town Centres, retail, leisure and office development, which states that development plans, town centre management initiatives and other strategies should:

‘recognise the continued need to protect, sustain and improve the region’s Town and City centres, including the role of Manchester City and Liverpool City Centres as regional shopping centres’.

- 3.15 Policy EC8 also notes the need to *“encourage new retail...within and on the edge of existing defined town and city centre boundaries (primary shopping areas)”*.

3.16 It is also noted in paragraph 5.40:

‘incorporating mixed uses like business and commerce, residential, retail, leisure and culture into developments in central areas helps to keep them alive both day and night, contributes to urban regeneration and reduces the need to travel.’

3.17 However, it states further that it is important:

‘that edge-of-centre mixed use schemes with a strong commercial element do not undermine the vitality or viability of nearby centres or the shopping facilities in rural areas.’

The Structure Plans

The Joint Lancashire Structure Plan (March 2005)

3.18 Lancashire County Council and the Borough Councils of Blackburn with Darwen and Blackpool are jointly responsible for setting the strategic context for the use of land and transportation, and for guiding development over the years to 2016. Together they have recently produced the Replacement Joint Lancashire Structure Plan that covers a diverse range of topics that impact upon the use of the land in the County and especially deals with Lancashire's market towns and future retail and leisure development needs. In light of the government's changes to the planning system through the introduction of the Planning and Compulsory Purchase Act (2004), the structure plan will be phased out over time, but will remain a key document up to 2008, and will have limited weight in the future.

3.19 The plan sets a number objectives and key targets which relate directly to protecting and enhancing the vitality and viability of the County's town centres. First the plan seeks that zone A rentals should experience growth equal or exceed the average regional change between 2001 and 2016. Secondly the plan seeks that the level of vacant property in the County's town centres should be less than the national average by 2016.

3.20 The Plan aims to fundamentally change the way in which development is accommodated in Lancashire. Rather than accepting a future of decline in the coastal resorts and East Lancashire towns and excessive rates of greenfield development along the M6 Corridor, the Plan aims to help achieve a better balance between the County's sub-regions. In order to achieve a concept of Regeneration Priority Areas has been devised which will seek to provide a strategic balance. The cornerstone of this strategy will be to accommodate development that will achieve greater sustainability

through balanced economic growth and more efficiency in the use of land and other resources.

- 3.21 In each sub-region of the County, in which Lancaster sits within the Central Lancashire sub area, the Strategy sets out a hierarchy of Principal Urban Areas, Main Towns and Market Towns. These are the preferred development locations. The hierarchy consists of two tiers under Policy 2, of which Lancaster and Morecambe have been classified under the first tier or principal urban area, which should support development which has a wide or District wide catchment. Policy 2 states that appropriate development in principal urban areas needs to enhance their regeneration.
- 3.22 The plan under Policy 16 divides existing town centres into a three-tier hierarchy, which reflects the position of each centre in terms of its scale and function. The objective of defining this hierarchy is to ensure that appropriate types of development are directed to the appropriate town. Considering Lancaster and Morecambe are classified as tier 1 centres in the hierarchy, the guidance suggests that retail and leisure development, which is intended to serve a sub regional catchment, should be located in these two centres and should be consistent with the scale and function of the centre. We note that Carnforth has been classified as a Tier 3 town, which should seek to accommodate smaller retail and leisure development serving as more local catchment or dispersed rural population.
- 3.23 In relation to locations for retail development, Policy 16 clearly states that any development should be located in accordance with the sequential approach. However, where no town centre site is available edge-of-town locations, district or local centres should be considered. Only when all options have been considered to accommodate the proposal, should out-of-town sites be considered.
- 3.24 Secondly, the plan clearly states that new retail development wherever it is located must not significantly affect, either alone, or in combination with other proposed developments the vitality and viability of any town, district or local centres. Furthermore any development must not prejudice and regeneration or town centre strategy within or adjoining Lancashire.

Lancaster District Local Plan (April 2004)

- 3.25 The Lancaster District Local Plan was adopted in April 2004 and includes the city of Lancaster together with Morecambe and Carnforth. Policies relating to town centre development and retailing are contained within section 3.5 entitled 'Maintaining and Enhancing the District's Shopping Centres'. This section begins by laying out the retail hierarchy of the District and identifies Lancaster and Morecambe town centres as

preferred locations for new retail developments. Lancaster is placed at the top of this hierarchy, followed by Morecambe town centre and then Carnforth.

- 3.26 In line with this approach Policy S1 identifies Lancaster as a sub-regional centre and Morecambe and Carnforth as district centres. Furthermore West End, Morecambe is identified as a local centre. As such development will only be permitted within defined city, district and local centres. Moreover, within these centres retail development proposals will only be allowed which are of an appropriate size and function to the centre concerned.
- 3.27 The overall strategy approach of the council is to retail and enhance the vitality and viability of existing centres in the hierarchy. This will be done by utilising the sequential test to assess new retail development. However Policy S2 declares that in exceptional circumstances new retail development will be permitted in edge-of-centre locations provided a clear need as been demonstrated, and that the site is within easy reach of the town centre and accessible via public transport. In rarer circumstances, out-of-centre shopping development will be allowed.
- 3.28 Development within Lancaster city centre itself is considered in Policy S3 which identifies a number of sites for comprehensive mixed-use development, to which new retail development will be directed. These are:
- The Brewery Site
 - Dalton Square/ Penny Street
 - King Street.
- 3.29 With regard to primary shopping frontages in Lancaster City Centre, Policy S4 states that:
- ‘The following frontages are identified as primary retail frontages within which A1 retail will remain the dominant use;**
- Cheapside (all frontages)**
St Nicholas (all frontages)
Marketgate Centre (all frontages)
1-33 and 2-36 Market Street
1-43 and 2-32 Penny Street’
- The policy goes on to identify further frontages within which A1 and A3 uses will remain dominant uses.

3.30 Within the identified primary retail frontage areas change of use to A2 (financial and professional services) will only be permitted when all adjoining frontages are in A1 retail use and the continuous frontage would remain at least 80% A1 usage. These principle also applies A3 (Food and drink) uses, which also must not have a significant adverse effect on the character of the street or the amenity of neighbouring businesses or residents.

3.31 Policy S8 applies to Morecambe and states that:

'Within Morecambe town centre, proposals for new retail development which are consistent with Policy S1 and would improve the range and quality of shops in Morecambe will be permitted.

Elsewhere in Morecambe, where there are significant concentrations of vacant shops, proposals to convert shops to residential use will be permitted where the loss of retail property would not have a significant adverse impact on the viability of a centre identified in Policy S1'.

3.32 Policy S9 seeks to safeguard Morecambe's central shopping area against encroachment by service uses. As such in places of prime frontages A1 retail uses must surround A2 or A3 units, the proportion of non-A1 use of any continuous retail frontage must not exceed 20%, and none averse affects are caused to neighbouring occupiers.

3.33 Carnforth town centre is viewed as an important local centre serving the north of the District. Within the town centre, new retail proposals will be allowed provided that they accord with policy S11 and improve the town's role as a district centre. As in Lancaster and Morecambe, frontages will again be protected to ensure that retail uses remain dominant. To ensure that this occurs, Policy S12 and Policy S13 subject A2 and A3 use proposals to the same tests as are applied to proposals in both Lancaster and Morecambe.

3.34 In relation to local centres, of which Morecambe West End is one, small-scale retail development serving the local community will be allowed provided that they are in harmony with other policies in the local plan.

3.35 Additionally Policy S15 states that:-

'In Lancaster, Morecambe and Carnforth, proposals for small shops and shopping parades will be permitted where they have a strictly local catchment and do not have an adverse effect on the overall vitality of existing shopping centres'.

Lancaster City Council – Core Strategy (Preferred Options Document)

- 3.36 As part of the Government's changes to the planning system, Councils are responsible for producing local Development Frameworks (LDF) which set out the Council's planning policies and strategies. The LDF is a suite of documents which will include a key document entitled the 'Core Strategy', this will guide other related documents such as land allocations, detailed policies and supplementary planning documents. The Core Strategy contains a vision for the community of Lancaster District examining how new development providing jobs and homes will be provided areas to be regenerated or safeguarded.
- 3.37 The Council has devised a Spatial Development Framework for the Core Strategy, which adopts a guiding principal of urban concentration. The Spatial vision seeks to maintain Lancaster District distinct identity as a sustainable self-contained group of communities comprising :
- Morecambe – a confident community with regenerated living, working and leisure environment;
 - Lancaster – a prosperous historic City with a thriving knowledge economy; and
 - Carnforth, a successful market town and service centre for North Lancashire and south Cumbria;
- 3.38 The Core Strategy will help the social, physical and economic regeneration of the District, deliver the spatial strategy and create sustainable communities by following the following key objectives:
- Urban concentration;
 - Helping the local economy to grow;
 - Regenerating areas of need;
 - Sustainable development;
 - Enhancing the urban and rural environment; and
 - Helping to meet rural needs.
- 3.39 In terms of the District's city and town centres, the core strategy through Policy SDF1 (Economic Growth) recognises Lancaster City Centre as a major centre for shopping, leisure, cultural, tourism, creative industries, financial and professional services, in addition it seeks to refine and develop Morecambe's visitor offer, regenerate its built heritage and develop its role as an office and administrative centre.
- 3.40 Policy SDF3 deals with regeneration priority areas, where the Core Strategy recognises the need for central Morecambe to experience tourism, housing and heritage led

regeneration. Furthermore the policy seeks design led regeneration for Lancaster City Centre and the canal corridor which will involve strengthening Lancaster as shopping destination, enhanced as a historic attraction an employment location and as a cultural centre. The policy also deals with Carnforth, whereby policy SDF3 seeks market town regeneration by being developed as a rural service centre with the development of large derelict and the removal of poorly located uses and new pedestrian links.

- 3.41 Policy ER4 deals with Lancaster’s town centres and shopping. The policy seeks to maintain the vitality and viability of its town centres, which provide services locally in order to minimise the need to shop by car. The Council proposes the following retail hierarchy:

City Centre			
Lancaster			
Town Centres			
Morecambe		Carnforth	
Local Service Centres;			
Caton	Lancaster University	Princes Crescent (Bare)	Morecambe West End
Heysham Heysham Road	Torrisholme	Silverdale	Westgate
Small Local Centres			
Bare Station	Scotforth Road	Hest Bank	Bolton-Le-Sands
Galgate	Bowerham Road	Cowan Bridge	
Village Shops			
Hornby	Wray	Overton	Over Kellet
Nether Kellet	Tunstall	Warton	Slyne
Middleton			

- 3.42 The City Centre will be the main comparison shopping destination for Lancaster District as well as developing a role as a tourist destination for Central Lancashire, North Yorkshire and adjoining parts of Cumbria. Whilst the town centres will continue to develop and adapt as main local comparison and convenience shopping destinations for the District. Local service centres will provide key service centres to the local community.
- 3.43 Policy ER5 of the Core Strategy deals with new retail development. The Council proposes that new comparison floorspace be developed over the period 2006 to 2011 in order to make provision for new development needs and to maintain and enhance the vitality of existing centre to channel development and re-enforce regeneration priorities. The policy seeks a planned expansion of Lancaster City Centre and to meet the regeneration needs of central Morecambe.
- 3.44 In addition, the policy seeks that between 2006 and 2011 new local food retailing is provided in town or local centres, or, at an appropriate scale in sustainable locations in areas of deficiency, in order to address existing and future needs to ensure that day to

day shopping needs are met locally.

4. ASSESSMENT OF LANCASTER'S TOWN CENTRE'S VITALITY AND VIABILITY

4.01 This section summaries the vitality and viability assessments of the following Town Centres which are detailed in more detailed in Appendices H1 to H2, with reference to the indicators in PPS6, Chapter 4.

4.02 The town centre examined were:

- Lancaster City Centre;
- Morecambe Town Centre; and
- Carnforth Local Centre;

The Importance of Town Centres

4.03 Town centres have an important role to play in any District. They form a focal point for the community and provide a wide range of services that are accessible to the whole population including retail, employment, leisure, education and transport.

4.04 Planning Policy Statement 6 'Planning for Town Centres' (2005) emphasises the importance of maintaining a "healthy" town centre as it helps to foster civic pride and local identity and can contribute towards the aims of sustainable development. It also states that by monitoring town centres on a regular basis, signs of decline can be identified early on and remedial action can be taken.

The Purpose of the Health Check

4.05 It is important that the 3 subject town centres remain competitive with their neighbours and continue to attract shoppers, visitors and businesses. To achieve this, the town centres must continually strive to build on their strengths, alleviate their weaknesses and continually improve the facilities they provide to the community. Simply maintaining the status quo is not an option. Successful town centres must respond effectively to the changing needs and demands of its users.

4.06 The town centre health checks for the subject town centre serves a number of very important functions:

- helping to assess the success of retail policies in the Lancaster District local plans and to assist in the formulation of appropriate policies in the Local Development Frameworks;

- providing a starting point for any retail strategies that may be produced and assisting with retail planning in the District;
- providing useful base data that will facilitate a process of monitoring that can be undertaken each year to assess how the city and town centres are performing over time;
- providing comparative information against previous studies undertaken in the area including the Lancaster and Morecambe Shopping Study (1998);
- allowing positive and negative aspects of the town centres to be identified and appropriate action taken;
- providing consistent data that can be used to compare the performance of each of the city or town centre to other neighbouring centres in the region and therefore to ensure that they remain competitive; and
- by looking at retailers' and shoppers' perception of the city and town centres allowing schemes and strategies to be drawn up to help improve the centres for their users.

4.07 The health check, while focusing specifically on economic factors, also examines other issues such as transport provision and the environment. They incorporate information gained on the key indicators that PPS6 'Planning for Town Centres' suggest should be used to assess the health of town centres. These include:

- Diversity of uses;
- The amount of retail, leisure and office floorspace in edge-of-centre and out-of-centre locations,
- Retailer representation and intention to change representation;
- Shopping rents;
- Proportion of vacant street level property;
- Commercial yields on non-domestic property;
- Pedestrian flows;
- Accessibility;
- Customer views and behaviour;
- Perception of safety and occurrence of crime; and
- State of town centre environmental quality

4.08 The assessment has been informed by a combination of desk top research, 'on the ground' observations of the town centres and original survey work. Each of the 3

detailed vitality and viability reports of the subject town centres are appended to this report (Volume III, Appendices H1-H3). For the purposes of this report we have provided a SWOT analysis of each of the 3 town centres, which summaries the detailed findings.

Lancaster City Centre SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good comparison retailing and retail service provision, although both have declined in last 5 years; • Leisure provision is good, particularly in public houses; however, the city centre contains limited hotel provision; • The diversity of the centre is increased by the library, theatres and council offices; • The City Centre contains 15 of the top 20 recognised (by Goad) multiple operators; • There is a high level of demand for space in the city centre • Overall strategic accessibility is very good; • Public transport access is very good; • Stable trading position recorded by the local business community; • Market is a strong attraction; • The quality of the built environment is very good; • Range of national multiples, well balanced with independent retailers; • Limited long term vacancies; and • Pedestrian movement is centred around Penny Street and Cheapside. 	<ul style="list-style-type: none"> • No formal town centre management structure; • No department store within city centre, although Debenhams is currently seeking space within the city centre; • The convenience retailing sector is not particularly strong and has actually declined since 2001; • Independent retailers in the city are predominantly found in secondary areas of the city centre; • Modest provision of financial and business services; • Although the amount of vacant floorspace is below the national average, the number of vacant outlets is above the national average, this is not surprising given the historic nature of the city centre, where smaller units are often not conducive to modern retailing practices are left vacant; • There is a greater occurrence of vacancies in the secondary shopping area; • The city centre suffers significantly as a result of the traffic congestion on the main one way gyratory system; • The centre is not well served by car parks, both customers and local businesses identified over priced car parking as a serious concern; • Traders wish to introduce pay-on-exit car parking systems, which encourages increased dwell times for visitors; • Despite having a good shopping environment, the area to the rear of the St Nicholas Centre is not well designed and uninviting to incoming visitors,
Opportunities	Threats
<ul style="list-style-type: none"> • Potential investment opportunity earmarked for expansion of retail and leisure offer through the Mitchell Brewery redevelopment; • Introduction of a formal town centre management structure within the City Council, alternatively formalisation of a town centre forum; • Constant review of the city centre's street design and maintenance; 	<ul style="list-style-type: none"> • Inability to secure significant environmental improvements within the town centre and reduce Lancaster's attractiveness as a centre as place to visitor; • Increased competition from Preston City Centre, Blackpool Town Centre and further out-of-centre facilities; • Inability or protracted land assembly of future city centre sites due to historic

<ul style="list-style-type: none"> • A clear qualitative need for enhanced convenience retailing; • Improvements to the car parking arrangements; • Increased business support. 	<p>nature of core may prejudice the centres future performance;</p> <ul style="list-style-type: none"> • Inadequate size of old premises restricts their attractiveness to new retailers/operators; • Increases in internet shopping for smaller household items; • Continued car parking problems will reduce the attractiveness of Lancaster as a place to visit; • Need to secure the cinema provision in order to improve the evening activity; • Increased traffic congestion will be detrimental to the future attractiveness as a shopping destination;
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Morecambe Town Centre SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • The convenience sector is adequately provided for and benefits from a large WM Morrisons, a Tesco Metro and a Aldi, this sector has been strengthened with the development of the Central Drive area; • Leisure services are well represented and reflect the tourist nature of the town centre; • The centre benefits from a good level of financial and business service; • The diversity of Morecambe benefits from cinema and bowling alley; • Morecambe is relatively accessible located just 6 miles from the M6 motorway, and benefits from a centrally located bus and rail station. • The town centre benefits from significant car parking, which at the time of the study appeared under used, however, WYG recognise that during the spring and summer months this would be utilised; • Significant improvements to promenade environment and public art has transformed the promenade and Central Drive; and • The busiest pedestrian movement is recorded to be the area around the Arndale Centre and Euston Road; 	<ul style="list-style-type: none"> • Morecambe has experienced significant fall in the retail hierarchy in recent years; • The retail offer has declined notably since 2001 both in terms of floorspace and outlets; • The comparison sector is under represented and has declined since 2001, in addition, from a qualitative prospective the centre is dominated by discount lower order non food retailers; • Indeed, just 5 of the top 20 high street multiples are represented in Morecambe; • There is a low level of recorded demand for new space within Morecambe; • The centre suffers from a high occurrence of vacancies, although this has declined since 2001, many as a result of residential conversions; • Furthermore the centre is blighted by long term vacancies clustered in secondary areas; • Morecambe has low rental levels which have declined, this has led to declining investor confidence in the centre; • The centre has been adversely affected by structure changes in both the retail and tourism industry; • Dispersed town centre with inadequate linkages between the Central Promenade Area, the seafront and the retail core; • Poor environment; • Notwithstanding recent investment along the promenade and Central Drive, the retail core has no presence

	<p>along the sea front due to poor linkages to the town centre;</p> <ul style="list-style-type: none"> • High concentration of derelict prominent and under used buildings blight the town centre environment; • No formal town centre management structure; • The local business community identified the need to promote major attractions and events to stimulate activity in the centre; and • The price of car parking was identified as a issue reducing the attractiveness of the centre as a place to visit;
Opportunities	Threats
<ul style="list-style-type: none"> • To take advantage of the Waterside environment/scenery of the outstanding views of Morecambe Bay and the Lake District; • Urban Splash redevelopment of Midland Hotel; • Potential to encourage additional hotel accommodation; • Redevelopment of the large car parking areas around Central Drive for retail/leisure or employment uses; • Increased business support. • The redevelopment of the Arndale Shopping Centre for new retail or alternative land uses; • Improvements to the car parking (pay on exit) system to encourage increased dwell periods; and • Increased business support 	<ul style="list-style-type: none"> • Proximity of competing centres • Increases in internet shopping for smaller household items; • Increased competition from Preston City Centre, Blackpool Town Centre and further out-of-centre facilities; • The uncertainty over the Arndale Centre; and • Decline of tourism / lack of attractions;

Carnforth Town Centre, SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • Self contained local centre providing day to day retail and service needs of area; • Very good convenience provision; • Strong provision of retail services and financial and business services; • Booths foodstore is well linked with local centre; • Good mix of car parking; • Tesco is strong attraction; • Low vacancy rate; • Good accessibility by a range of modes of transport. • Free on street car parking. 	<ul style="list-style-type: none"> • Located on busy A6 • Poor pedestrian environment along prime area; • Limited non-food provision, however, this reflects Carnforth's role in the wider area; • Tesco is poorly related to the rest of the local centre; • No formal town centre management structure; • The centre is poor in topographical terms; • Poor leisure facilities (i.e. no restaurant); • Poor signage and promotion
Opportunities	Threats
<ul style="list-style-type: none"> • The redevelopment of the former PFS on the A6; • Town centre management structure, 	<ul style="list-style-type: none"> • Dominance of Tesco or Booths store; • Increases in internet shopping for smaller household items;

<p>forums etc.</p> <ul style="list-style-type: none">• Physical and cosmetic improvements to paving surface and street furniture;• Increased business support.	<ul style="list-style-type: none">• Increased competition from food operators and higher order centres;• Loss of key banking/post office facilities;
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5 ORIGINAL MARKET RESEARCH

Introduction

5.01 The study area comprised the potential catchments for Lancaster, South Lakeland and Barrow-in-Furness (see figure 5.1). A key element of our study was to obtain a detailed understanding of this large geographic areas potential catchment and the surrounding shopping patterns that exist within it. One of the most accurate ways of understanding where people shop and why they visit particular centres/retail facilities is through original market research. As highlighted within our overall methodology in Section 1, the original market research undertaken as part of this study involved the completion of three separate yet inter-related surveys. They include:

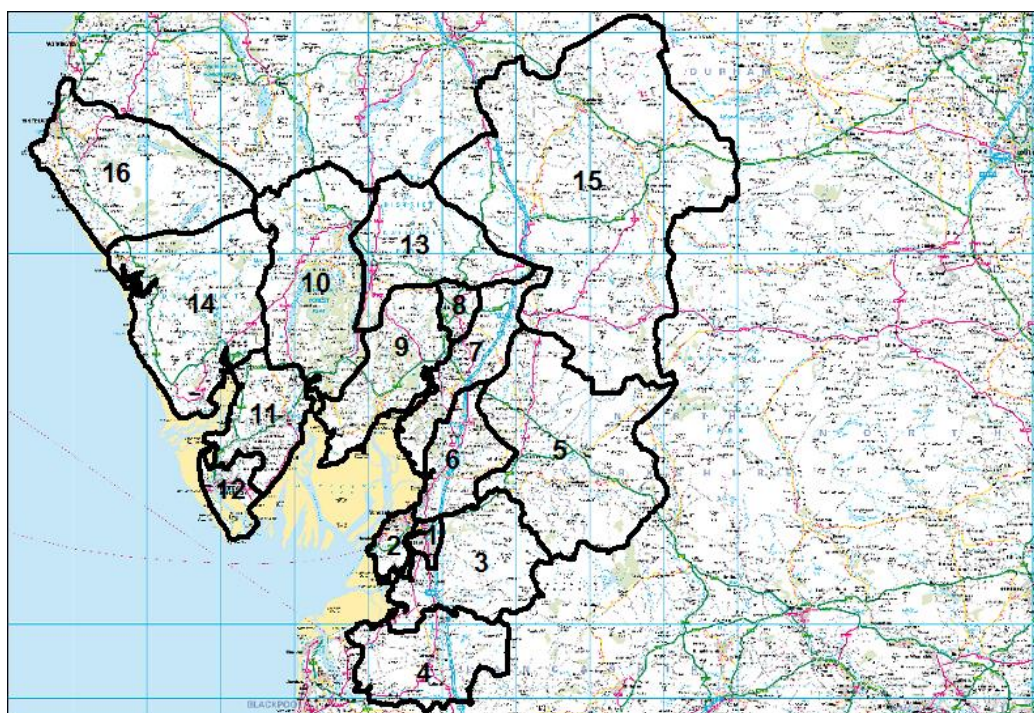
- A household telephone survey – which interviewed 1,700 households within the defined catchment;
- A town centre shopper survey – which interviewed 452 shoppers within the 3 town centres over three days including a Saturday; and
- A town centre traders' survey which was distributed to just under 1,060 Town Centre premises within the three town centres;

5.02 Key findings from each of the surveys have been highlighted below:

Household Telephone Survey

5.03 In October 2005 a survey of 1,700 households was undertaken within the defined sub regional catchment. The area covers the North Lancashire and South Cumbria sub region. The extent of the sub regional area examined can be seen in Figure 5.1, the sub regional area was broken up into 16 sub zones, which dealt with particular towns and areas; however, a more detailed breakdown of each of the zones is set out in Table 5.2 below.

Figure 5.1: Adopted Wider Sub Regional Catchment



Catchment Definition

- 5.04 In defining the catchment area for this study, it is important to consider the nature of convenience and comparison shopping trips. Trips made to food stores are generally undertaken within a limited distance whereas comparison goods may involve longer trips to access a broad range of products and to compare prices. Often the extent of a centre's catchment is determined by a combination of its current retail 'offer' and the proximity of other large centres.
- 5.05 However, given the extensive network of town centres that we are examining as part of this joint retail study, it is critical to understand current shopping patterns and the potential market share of each of the Town Centres before any estimate of likely future floorspace can be made. From our knowledge of the competing centres and the likely sphere of influence of the retail facilities currently found within this part of Lancashire and Cumbria, it is anticipated that the town centres would draw the majority of its trade from within a 15 to 20 minutes drive time around each town centre. Therefore WYG has widened the area to cover a significant area around the key centres of Lancaster, Kendal, Morecambe, Ulverston and Barrow-in-Furness and amalgamated these to produce a larger sub-regional study area.
- 5.06 The defined catchment has been broken down in to 16 survey zones, which has enabled us to identify shopping patterns from different areas of the catchment and

further a field. Table 5.1 illustrates the postal codes adopted in defining each of the 15 survey zones used for the joint study.

Table 5.1: Post Codes by Survey zone

Survey zone	Post Code Sectors
1	LA1 1, LA1 2, LA1 3, LA1 4, LA1 5
2	LA3 1, LA3 2, LA4 4, LA4 5, LA4 6, LA3 3
3	LA2 0, LA2 9
4	PR3 0, PR3, PR3 6
5	LA2 7, LA2 8, LA6 2, LA6 3
6	LA2 7, LA2 8, LA6 2, LA6 3
7	LA7 7, LA8 0, LA5 0
8	LA9 4, LA9 5, LA9 6, LA9 7
9	LA11 6, LA11 7, LA8 8
10	LA21 8, LA12 8, LA22 9, LA22 0
11	LA12 7, LA12 0, LA12 9, LA17 7, LA16 7, LA15 8, LA14 4
12	LA13 0, LA13 9, LA14 5, LA14 2, LA14 1, LA14 3
13	LA23 1, LA23 2, LA23 3, LA8 9
14	LA18 4, LA18 5, LA19 5, CA18 1, CA19 1, LA20 6
15	CA10 3, LA10 5, CA16 6, CA17 4
16	CA20 1, CA21 2, CA22 2, CA23 3, CA27 0, CA28 9, CA24 3, CA25 5, CA26 3, CA28 8, CA28 7, CA28 6

- 5.07 The defined catchment area has been based on postal codes at a three digit level (e.g. WA4). The extent of each of these survey zones is indicated on the catchment plan below. These zones form the basis of the household survey undertaken. Population and expenditure data is provided on a survey zone basis, in addition to the catchment area as a whole.
- 5.08 In addition the sixteen zones have been formulated to take into account previous sample zones used within previous retail studies undertaken in the sub regional area (i.e. Lancaster and Morecambe Shopping Study (Donaldson's, 1997), Kendal Retail Study (Planning Perspectives, 2000) and Grange-Over-Sands Retail Study (Roger Tym and Partners, 2003) . In addition the defined catchment takes into account specific settlements and physical barriers (i.e. Motorways).
- 5.09 In light of this the whole study area covers the local authorities of Lancaster City Council, South Lakeland District Council and Barrow-in-Furness Borough Council, parts of the catchment cover parts of Copeland Borough Council, Wyre Borough Council, Eden District Council and Craven District Council.
- 5.10 Table 5.2 below details the description of each of the 16 household survey zones and how these relate to other previous studies undertaken in the area.

Table 5.2: The Whole Study Area

Zone	Geographic Area	Settlements Covered	Previous Sample Zones
1	This survey zone covers the urban area of Lancaster City and its suburbs.	Lancaster, Scotforth	This survey zone represents Zone 1 from the previous Lancaster Retail Study 1997
2	This survey zone area covers the Heysham and Morecambe peninsula	Morecambe, Heyshaw, Middleton, Sunderland, Heaton, White Lund, West End, Sandylands	This survey zone represents Zone 2 and 3 from the previous Lancaster Retail Study 1997
3	This survey zone area covers the rural geographic area to the south and east of Lancaster City.	Galgate, Glasson, Ellel, Dolphinholme, Cockerham, Caton, Brookhouse and Claughton	This survey zone represents Zones 4 and 5 from the previous Lancaster Retail Study 1997.
4	This area covers northern part of the neighbouring Wyre District	Garstang, Pilling, Churchtown, Catterall and Great Ecclestone	This survey zone represents Zone 6 from previous Lancaster Retail Study.
5	This survey zones covers the predominantly rural hinterland	Kirkby Lonsdale, High Bentham, Ingleton	This survey zone represents Zone 8 from previous Lancaster Retail Study, plus the LA6 3.
6	This survey zone covers the eastern coastal stretch running along the M6 motorway corridor (Junction 36 to 34), from Holme in the north to Hest Bank in the south.	Carnforth, Bolton-le-Sands, Holme, Warton, Halton and Burton-in-Kendal	This survey zone represents Zone 7 from previous Lancaster Retail Study.
7	This survey zones covers the geographic area to the east and south of Kendal, following the M6 from junction 37 to 36 extending to the Warton Sands peninsula.	Silverdale, Arnside, Milnthorpe,	This survey zone represents Zones 3 and 5 from the Kendal Retail Study (2000).
8	This survey zone covers the urban area of Kendal and suburbs	Kendal, Oxenholme, Natland, Burneside	This survey zone represents Zones 1 and 2 from the Kendal Retail Study (2000)
9	This survey zones covers the rural area spanning to the southern easternly of Kendal through to Humphrey Head Point/Cartmel Sands	Grange-Over-Sands, Cartmel, Levens	This survey zone represents Zones 4 and 8 from the Kendal Retail Study (2000) and includes the two postcode areas in the Grange-Over-Sands Retail Study (2003).
10	This survey zone covers the area covered by the Grizedale Forest Park, and is the area to the west of Lake Windermere and includes Coniston Water.	Coniston, Hawkshead, Newby Bridge, Ambleside and Haverthwaite	This survey zone represents Zone 9 of the Kendal Retail Study (2000).
11	This survey zone covers the majority of the inner Barrow-in-Furness peninsula, bound by the A595 to the north.	Ulverston, Kirkby-in-Furness, Dalton-in-Furness, Askam-in-Furness	This survey zone has not been previous assessed.
12	This survey area covers the tip of the Barrow-in-Furness peninsula and is covers the majority of the Barrow urban area. The area also includes the Isle of Walney	Barrow-in-Furness, Rampside, Newton and Newbarns	This survey zone has not been previous assessed.
13	This survey zones covers the area to the north of Kendal and includes the majority of the Eastern Area of the Lake National Park. The zone is bound to the west by Lake Windermere and the Long Sleddale range.	Windermere, Bowness-on-Windermere, Staveley, Kentmere and Grayrigg	This survey zone represents Zone 6 and 7 of the Kendal Retail Study (2000).
14	This survey zone covers the western coastal area of the catchment from Haverigg Point up to Sellafield then covering the geographic area to Dow Crag.	Millom, Broughton-in-Furness, Ravengrass, Eskdale Green	This survey zone has not been previous assessed.
15	This survey zone covers the extensive rural area to the north west of Kendal.	Sedbergh, Kirkby Stephen, Shap, Tebay and Appleby Westmorland	This survey zone has not been previous assessed.
16	This survey zone covers the western coastal area from Seascale in the south to Whitehaven in the north also covering Copeland Forest.	Whitehaven, Egremont and Cleator Moor	

5.11 Of the whole study area WYG identified that Zones 1 to 3 and 6 represent the administrative area of Lancaster District Council, whilst parts of zone 5 and a small part

of Zone 7 fall within the authority boundary. In addition, these zones represent the zones taken from the Donaldson's Retail Study 1997. For the purposes of this analysis of the results, WYG will examine the shopping patterns within Zones 1 to 3 and 6.

- 5.12 We note that the results from the NEMS household survey have been adjusted to exclude 'don't know', 'internet/home delivery', 'varies' and 'don't undertake' responses. The key findings of the survey are as follows:

Main Food Shopping Patterns

Whole Study Area

- 5.13 When asked if people undertake top-up shopping between their main food shop, within the whole study area 77.6% confirmed that they did visit convenience facilities during their main food shopping visits.
- 5.14 The majority of people (84.7%) undertake their main food shopping trips by private car either as a passenger or driver. In terms of other modes of transport 3.9% use the bus and 8.5% walk.
- 5.15 In terms of frequency of main food shopping patterns, the results found that 79.7% of respondents visited facilities once a week or more, with 16.8% stating that they visited once a fortnight or more.
- 5.16 The majority (88%) of respondents visited main food shopping destinations directly from their home, with just 7% visiting from work.
- 5.17 When asked whether they normally combined main food shopping trips with other non-food shopping, the majority (50.8%) said no. 35.3% of respondents stated that they did combine trips, with 13.5% stating that they sometimes combined trips. More specifically respondents were asked which town centres they usually undertook combined trips at; the results found that most popular combined trips were taken at Barrow-in-Furness Town Centre (35.9%), Kendal Town Centre (18.5%), Lancaster City Centre (16.8%) and Morecambe Town Centre (11.1%).
- 5.18 Of the whole study area 31.5% of people undertaking main food shopping trips did so at facilities within the Lancaster district area. For 'top up' food shopping this figure was slightly lower at 30.0%. However, on closer inspection of the results, WYG found that just 1.1% of the defined catchment were undertaking main food shopping trips at facilities in Lancaster City Centre, 0.5% in Morecambe Town Centre and 1.4% in Carnforth Local Centre (as defined by the local plan).

5.19 In contrast 22.7% of respondents visited out-of-centre freestanding food facilities in Lancaster district area. An additional 5.3% were undertaking trips to the districts edge of centre stores (namely the J Sainsbury at Cable Street). In terms of local centres just 0.5% of respondents visited them for main food shopping purposes. Given the extent of the catchment, this demonstrates that the food facilities within Lancaster are good.

Lancaster

5.20 As can be seen from the table below, the market share within Zones 1, 2, 3 and 6, appear to be the strongest retainers of people using main food facilities in Lancaster generally. The results though clearly show the dominance of out-of-centre food provision in Lancaster as a whole. Within the City's principal zone (Zone 1) the city centre only retains 7.9% of the main food shopping patterns, when out of centre and edge of centre facilities retain 88.5% of the available expenditure.

5.21 Table 5.3 clearly demonstrates that there is limited leakage of expenditure from Zones 1, 2, 3 and 6 to facilities outside of the Lancaster administrative area. Indeed these zones retain 96.9%, 99.5%, 81.3% and 88.6% respectively.

Table 5.3: Main Food Market Share Analysis (Lancaster) – 1997 - 2005

Facility	Year	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1-16)
Lancaster City Centre	2005	7.9%	1.0%	4.2%	0.0%	1.1%
	1997	8.3%	0.9%	10.7%	1.5%	-
Morecambe Town Centre	2005	0.0%	4.0%	0.0%	0.0%	0.5%
	1997	1.1%	17.7%	1.8%	4.5%	-
Carnforth Town Centre	2005	0.0%	0.5%	0.0%	14.8%	1.4%
	1997	0.0%	0.0%	0.0%	17.9%	-
Local Centres	2005	0.5%	3.0%	0.0%	0.0%	0.5%
	1997	0.0%	2.5%	0.0%	0.0%	-
Edge of Centre	2005	33.5%	3.0%	14.6%	9.1%	5.3%
	1997	46.2%	5.9%	37.5%	29.8%	-
Out of Centre	2005	55.0%	88.1%	62.5%	64.8%	22.7%
	1997	43.2%	71.1%	44.6%	40.3%	-
Total	2005	96.9%	99.5%	81.3%	88.6%	31.5%
	1997	90.8%	98.1%	94.6%	94.0%	-

NEMS Market Research 2005.

Table 12 Appendix E

Red market share equals that taken from adjusted Lancaster Household Survey Shopping Survey (October 1997- Q5)

- 5.22 The most popular main food shopping destination within Lancaster District was the out-of-centre WM Morrison store on Central Drive located to the west of Morecambe town centre. The store had a market share of 8.8% (all 16 Zones) compared to the next popular store which was the Asda at Ovangle Road near White Lund, located between Lancaster and Morecambe (8.6%). J Sainsbury on Cable Street on the edge of Lancaster City Centre was the third most popular store with 5.3%. In total these three main foodstores accounted for 72% of all main food trips undertaken at facilities in the defined area; this illustrates the dominance of these three stores on the local community. Other important destinations within the district included the Tesco at Carnforth (1.9%), E.H Booths at Scotforth (1.5%) and the E.H Booths located in Carnforth Town Centre. We should note that the facilities in the established city and town centres (as defined by the local plan) of Lancaster, Carnforth and Morecambe only retain 3.0% of the main food shopping trips, illustrating their limited role as main food shopping destinations.
- 5.23 The dominance of the WM Morrisons store is clear. We note that within Zone 2, 51.5% of the respondents visited the store, 14.8% in Zone 6, 12% in Zone 1, and 10.4% in Zone 3.
- 5.24 In Zone 1, the results found that the two most popular stores were the J Sainsbury's, at Cable Street and the Asda at Ovangle Road, together they accounted for 62.3% of the total number of main food shopping trips.
- 5.25 In Zone 3 the most dominant foodstore, was the Asda at Ovangle Road. The results found that 27% of respondents in Zone 3 visited the store, with 23% of visitors using the E.H Booths store in Scotforth.
- 5.26 In Zone 6 the most popular main food shopping destination was the Tesco at Lancaster Road, Carnforth. The results found that 28.4% of respondents in Zone 6 visited the store. The second most popular destination was the Asda at Ovangle Road in White Lund with 19.3%. The joint third most popular destination was the E.H Booths in Carnforth Town Centre and the WM Morrisons on Central Drive Morecambe, both attracting 14.8% of the population. In addition, we note that the fifth most popular destination was the Asda at Burton Road in Kendal (10.2%).
- 5.27 WYG have been able to compare the results from the 2005 household survey with the 1997 household survey. WYG have had to adjust the 1997 figures to correspond with the survey zones adopted for 2005 as described in Table 5.2. From the results in Table 5.3 it is clear that facilities in Lancaster City Centre have lost market share since 1997 in Zones 1, 3 and 6. The largest fall in market share was found in Zone 3, where in

1997 the market share was 10.7%; however, we found in 2005 this had fallen to 4.2%.

- 5.28 In terms of Morecambe Town Centre, expenditure was drawn from Zones 1, 2, 3 and 6 in 1997; however, by 2005 we note that Morecambe drew from just Zone 2. However, we note that in 1997, Morecambe Town Centre attracted 17.7% of Zone 2's population. By 2005 this had decreased to just 4.0%.
- 5.29 In terms of Carnforth Town Centre, we note that in 1997 Donaldson's found that 17.9% of Zone 6 population visited the centre; however, by 2005 this had decreased to just 14.8%. We believe this reduction is mainly as a result of the opening of the Tesco on Lancaster Road. Indeed, we note that the introduction of the Tesco store has clawed back 28.4% of the Zone's main shopping trips to facilities in Carnforth (although at an out-of-centre location). From examination of the data, it would appear that this at the expense of the J Sainsbury's at Cable Street and the Asda at Ovangle Road's market share.
- 5.30 In terms of out-of-centre developments (see Table 12, Appendix F for the full list of stores) we have found that in all 4 Zones, the market share has increased since 1997 significantly, illustrating the dominance of large and medium sized out-of-centre food stores on the populations shopping behaviour.
- 5.31 In order to quantify this swing in market shares, we have examined the market shares of the main out-of-centre superstores within the area for 1997 and 2005. Table 5.2 below shows the changes in market share for the four zones during this period.
- 5.32 The table below clearly shows that the Wm Morrisons in Morecambe has experienced significant market share growth in all 4 zones. The most significant growth was experienced in Zone 3, which experienced an increase in market share of 189% during the period. Other significant increases in market share were found in Zone 5 (155%); Zone 4 (140%), which fall out side of the Lancaster administrative area, and Zone 1 (126%). The results clearly demonstrate the impact that the introduction of the Wm Morrisons store to Morecambe has had on the main food shopping patterns in the area. On closer inspection of the results this has had implications for not only the established centres but J Sainsbury's in Cable Street, Lancaster, which experienced a significant decline in four survey zones. Indeed, the Asda at Ovangle Road also experienced decline in three of the four survey zones.

Table 5.4: Main Food Shopping by Foodstore (Lancaster) 1997 to 2005

Facility	Year	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1-16)
J Sainsbury, Cable St, Lancaster	2005	33.5%	3.0%	14.6%	9.1%	5.3%
	1997	46.2%	5.9%	37.5%	29.9%	-
Wm Morrisons, Central Drive, Morecambe	2005	12.0%	51.5%	10.4%	14.8%	8.8%
	1997	5.3%	29.8%	3.6%	12.7%	-
Asda, Ovangle Road, Whitelund	2005	28.8%	29.7%	27.1%	19.3%	8.6%
	1997	27.4%	34.8%	17.9%	24.6%	-
Tesco, Lancaster Rd, Carnforth	2005	1.6%	0.0%	2.1%	28.4%	1.9%
	1997	-	-	-	-	-
E.H Booths, Scotland Road, Carnforth	2005	0.0%	0.5%	0.0%	14.8%	1.4%
	1997	0.0%	0.0%	0.0%	16.4%	-
E.H Booths, Hala Rd, Scotforth	2005	8.4%	0.0%	22.9%	0.0%	1.5%
	1997	6.0%	0.0%	17.9%	0.7%	-

Top Up Food Shopping

- 5.33 In terms of top-up shopping trips, it would appear that the overall market share is similar (30.0%) to that achieved with main food shopping (31.5%) which would reflect the more localised nature of such shopping patterns.
- 5.34 As can be seen from the table below, the market share within Zones 1, 2, 3 and 6 appear to be the strongest retainers of people using top-up food facilities in Lancaster. The market share within Zone 1, which represents the urban area of Lancaster, is 95.8%. This is an increase from the results in 1997, which found that facilities retained 90.3%. In terms of Zone 2, we found that the facilities in Lancaster had a market share of 94.4%; however, this was slightly lower than the results found in 1997 (97.2%). These results would suggest that facilities in the City are retaining an appropriate level of top-up shopping trips and there is not excessive leakage to facilities outside the area. However, the results do confirm that top up food shopping patterns, similar to main food shopping are dominated by the out-of-centre facilities within the district.
- 5.35 Indeed, it is clear that since 1997 there has been a shift in top-up market share away from traditional centres to out-of-centre facilities. At 2005, 53.3% of all top-up shopping trips were undertaken at out-of-centre facilities.

Table 5.5: Top-Up Food - Market Share Analysis (Lancaster) - 2005

Facility	Year	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1-16)
Lancaster City Centre	2005	23.8%	1.1%	2.8%	9.7%	3.5%
	1997	45.7%	3.9%	13.5%	10.6%	-
Morecambe Town Centre	2005	0.6%	16.7%	0.0%	2.8%	2.1%
	1997	3.0%	20.6%	2.7%	2.1%	-
Carnforth Town Centre	2005	0.0%	0.6%	0.0%	19.4%	1.4%
	1997	0.5%	0.0%	0.0%	42.6%	-
Local Centres	2005	6.0%	32.3%	19.4%	2.8%	5.3%
	1997	3.0%	45.6%	32.4%	13.8%	-
Edge of Centre	2005	13.7%	0.6%	0.0%	1.4%	1.6%
	1997	13.2%	1.3%	13.5%	3.2%	-
Out of Centre	2005	51.8%	43.4%	69.4%	52.8%	16.0%
	1997	24.9%	25.8%	29.7%	9.5%	-
Total	2005	95.8%	94.4%	91.7%	88.9%	30.0%
	1997	90.3%	97.2%	91.8%	81.8%	-

NEMS Market Research 2005.

WYG Table 13 Appendix E

Red market share equals that taken from adjusted Lancaster Household Survey Shopping Survey (October 1997, Q6.)

- 5.36 Given the above findings, we have examined the market shares for top-up shopping of the out-of-centre superstores within the area for 1997 and 2005. Table 5.6 below shows the changes in market share for the four zones during this period.
- 5.37 The table below clearly shows that the WM Morrisons in Morecambe has experienced significant market share growth in 3 of the 4 zones. The most significant growth was experienced in Zone 6, which experienced an increase in market share of 282% during the period. Other increases in market share were found in Zone 1 (140%) and Zone 2 (30%). The results, similar to those found in main food shopping, found that the introduction of WM Morrisons store to Morecambe has impacted on top-up food shopping patterns but not to the same degree as its impact on main food shopping patterns.
- 5.38 It is clear from the table below that E.H Booths at Scotforth has experienced significant growth in market share since 1997 in Zones 1 and 3, with 11% and 123% respectively.
- 5.39 The results also show that the introduction of the new Tesco store in Carnforth has

impacted directly on the E.H Booths store top-up food shopping market share.

Table 5.6: Top-Up Food Shopping by Foodstore (Lancaster) 1997 to 2005

Facility	Year	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1 to 16)
J Sainsbury, Cable St, Lancaster	2005	13.7%	0.6%	0.0%	1.4%	1.6%
	1997	13.2%	1.3%	13.5%	3.2%	-
Wm Morrisons, Central Drive, Morecambe	2005	2.4%	16.1%	0.0%	4.2%	2.3%
	1997	1.0%	12.3%	0.0%	1.1	-
Asda, Ovangle Road, Whitelund	2005	8.3%	5.6%	0.0%	1.4%	8.6%
	1997	6.6%	7.4%	8.1%	5.5%	-
Tesco, Lancaster Rd, Canforth	2005	0.6%	1.1%	0.0%	31.9%	2.0%
	1997	-	-	-	-	-
E.H Booths, Scotland Road, Carnforth	2005	0.0%	0.6%	0.0%	9.7%	0.7%
	1997	0.5%	0.0%	0.0%	30.8%	-
E.H Booths, Hala Rd, Scotforth	2005	20.2%	0.0%	36.1%	0.0%	3.2%
	1997	9.6%	0.0%	16.2%	1.1%	-

Non-food (Clothes and Footwear) Shopping

- 5.40 When asked where people went to undertake their last shopping trips for clothes and footwear, it was evident that facilities within Lancaster provide an important role to the local population with 68.5% 70.6%, 67.3% and 60.7% respectively of people from Zone 1, 2 3 and 6 (the principal areas covering Lancaster) visiting the facilities in the District. On closer inspection of the results the vast majority of these were visiting facilities in Lancaster City Centre. Indeed, the most popular last destination for clothes and footwear in all three zones was Lancaster City Centre. Despite the high levels of retention in these three zones, we note that Preston City Centre attracted 8.3%, 10.7% and 20.4% from Zones 1, 2 and 3 and was the second most popular destination in Zones 1 and 3. We note that Morecambe Town Centre was the second most popular destination in Zone 2 attracting 20.3% of the Zone's population.
- 5.41 In terms of Zone 6, the results found that the vast majority of respondents (53.5%) visited Lancaster City Centre for clothing and footwear shopping. The second most popular destination was Kendal Town Centre with 21.4%; the third was Manchester City Centre with 8.3%.
- 5.42 Overall, in the whole study area, the results found that facilities in Lancaster cumulatively attracted 24.6%. On closer inspection of the results we found that 80% of

this was derived from the strength of Lancaster City Centre. Indeed, overall Lancaster City Centre was the most popular destination, attracting 19.8% of the wider population.

Table 5.7: Lancaster City- Clothes and Footwear Goods Market Share Analysis - 2005

Facility	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1 to 16)
Lancaster City Centre	59.7%	43.3%	65.3%	53.6%	19.8%
Morecambe Town Centre	4.4%	20.3%	2.0%	2.4%	3.1%
Carnforth	0.0%	0.5%	0.0%	0.0%	0.1%
Local Centres	-	-	-	-	-
Out-of-centre	4.5%	6.4%	0.0%	4.8%	1.6%
Total	68.5%	70.6%	67.3%	60.7%	24.6%

NEMS Market Research 2005, Table 51 Appendix F

Non-Food (Small Household) Shopping

- 5.43 When asked where people went to undertake their last shopping trips for small household items (i.e. CD's, DVD's, books, toys, jewellery etc), it was again evident that facilities within Lancaster provide an important role to the local population with 80.4% 87% and 92.7% respectively of people from Zones 1, 2 and 3 (the principal areas covering Lancaster) having visited the facilities in the City. On closer inspection of the results the vast majority of these were visiting facilities in Lancaster City Centre. Indeed, the most popular last destination for small household items in all three zones was Lancaster City Centre. There was limited leakage of visitors to other destinations outside of the City; we note that in Zone 2 we found that the second most popular destination was Morecambe Town Centre with 26.1%.
- 5.44 In terms of Zone 6, similarly shopping patterns reflected the strength of Lancaster City Centre, where the vast majority of respondents (63.2%) visited Lancaster City Centre for small household items. The second most popular destination was Kendal Town Centre with 16.2%; the third was Morecambe Town Centre with 5.9%.

Table 5.8: Lancaster City - Small Household Comparison Goods Market Share Analysis - 2005

Facility	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1 to 16)
Lancaster City Centre	73.6%	51.6%	87.8%	63.2%	22.8%
Morecambe Town Centre	4.3%	26.1%	2.4%	5.9%	3.9%
Carnforth	0.6%	2.5%	0.0%	2.9%	0.7%
Local Centres	-	-	-	-	-
Out-of-centre	1.8%	0.9%	2.4%	5.8%	1.3%
Total	80.4%	87.0%	92.7%	77.9%	28.9%

NEMS Market Research 2005, Table 52 Appendix F

- 5.45 Overall, in the whole study area, the results found that facilities in Lancaster cumulatively attracted 28.9%. On closer inspection of the results we found that 79% of this was derived from the strength of Lancaster City Centre. Indeed, overall Lancaster City Centre was the most popular destination, attracting 22.8% of the wider population.

Bulky Goods Shopping

- 5.46 Bulky goods shopping can be split into three distinct categories, namely electrical, DIY and furniture and carpets. We will examine each category in turn.

Electrical Shopping

- 5.47 In terms of modes of transport when undertaking electrical goods shopping trips, within the whole study area, approximately 74.7% of people travelled by private motor car. 3.4% used local bus services, whilst 8.6% walked.
- 5.48 When asked where people went to undertake their last shopping trips for electrical items, it was evident that electrical facilities within Lancaster provide an important role to the local population with 88.2% 88.7% 79.7% and 83.6% respectively of people from Zones 1, 2, 3 and 6 (the principal areas covering Lancaster) visiting the facilities in the District. On closer inspection of the results the vast majority of these were visiting electrical facilities in Lancaster City Centre. Indeed, the most popular last destination for electrical items in all four zones is Lancaster City Centre. Despite the high levels of retention in these four zones, we note that Preston City Centre attracted 8.3%, 10.7% and 20.4% from Zone 1 was the second most popular electrical destination Bulk Road Retail Park in Lancaster. We note that Morecambe Town Centre was the second most popular electrical destination in Zone 2 attracting 29.6% of the zones population. In Zone 3 the second most popular electrical destination was again Bulk Road Retail Park (12.8%).

5.49 In terms of Zone 6, the results found that the vast majority of respondents (68.7%) visited Lancaster City Centre for electrical items shopping. The second most popular electrical destination was Morecambe Town Centre with 9.0%; the third was Kendal Town Centre with 7.5%.

Table 5.9: Lancaster Electrical Goods Market Share Analysis – 2005

Facility	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1 to 16)
Lancaster City Centre	69.9%	40.9%	64.1%	68.7%	20.2%
Morecambe Town Centre	2.6%	29.6%	0.0%	9.0%	4.2%
Carnforth Local Centre	0.0%	1.3%	0.0%	0.0%	0.1%
Local Centres	1.4%	1.2%	0.0%	0.0%	0.2%
Out-of-centre	14.5%	15.7%	15.4%	6.0%	4.2%
Total	88.2%	88.7%	79.5%	83.6%	28.9%

NEMS Market Research 2005, Tables 48, Appendix F

5.50 Overall, in the whole study area, the results found that electrical facilities in Lancaster cumulatively attracted an electrical market share of 28.9%. On closer inspection of the results we found that 70% of this was derived from the strength of Lancaster City Centre, with 14% of the retention spent at out-of-centre electrical facilities and an additional 14% being spent in Morecambe Town Centre. Indeed, overall Lancaster City Centre was the most popular electrical destination, attracting 20.2% of the wider population.

DIY Shopping

5.51 In terms of modes of transport when undertaking electrical goods shopping trips, in the whole wider area, approximately 85.1% of people travelled by private motor car. 3.7% used local bus services, whilst 7.7% walked.

5.52 When asked where people went to undertake their last shopping trips for DIY items, it was evident that DIY facilities within Lancaster provide an important role to the local population with 92.6% 91.0% 77.8% and 84.0% respectively of people from Zones 1, 2, 3 and 6 (the principal areas covering Lancaster) visiting the facilities in the District. On closer inspection of the results the vast majority (58.6% and 64.4% respectively) of these in Zones 1 and 3 used DIY facilities in Lancaster City Centre.

5.53 We note that Morecambe Town Centre was the most popular DIY destination in Zone 2 attracting 50.3% of the zones population. With Lancaster Retail Park in Morecombe the second most DIY popular destination with 16.2%. We note that Lancaster City Centre

was the third most popular (11.4%) DIY destination within the zone.

- 5.54 In terms of Zone 6, the results found that most respondents (37.3%) visited Lancaster City Centre for DIY items shopping. The second most popular DIY destination was Morecambe Town Centre with 17.3%; the third was Lancaster Retail Park with 12%.

Table 5.10: Lancaster DIY Goods Market Share Analysis – 2005

Facility	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1 to 16)
Lancaster City Centre	58.6%	11.4%	64.4%	37.3%	13.0%
Morecambe Town Centre	9.3%	50.3%	2.2%	17.3%	7.9%
Carnforth Local Centre	0.0%	0.0%	0.0%	4.0%	0.4%
Local Centres	0.0%	1.2%	0.0%	2.7%	0.5%
Out-of-centre	24.8%	28.8%	11.0%	22.6%	7.8%
Total	92.6%	91.0%	77.8%	84.0%	29.3%

NEMS Market Research 2005, Tables 49, Appendix F

- 5.55 Overall, in the whole study area, the results found that DIY facilities in Lancaster cumulatively attracted a DIY market share of 29.3%. On closer inspection of the results we found that 44% of this was derived from the strength of Lancaster City Centre, with 27% of the overall retention spent at Morecambe Town Centre and an additional 26.6% was being spent at out-of-centre DIY facilities within the district. Indeed, overall Lancaster City Centre was the most popular DIY destination, attracting 13.0% of the wider population.

Furniture & Carpet (F&C) Shopping

- 5.56 In terms of bulky goods, the results found that 78.8% of respondents visited F&C shops by car, whereas 7.8% walked, and 3% arrived by bus. Similar to the results of the other two bulky goods categories, the household survey has demonstrated the reliance on private motor vehicles for undertaking all bulky goods retailing.
- 5.57 When asked where people went to undertake their last shopping trips for F&C items, it was evident that facilities within Lancaster provide an important role to the local population with 84.8% 77.8% 63.6% and 65.0% respectively of people from Zones 1, 2, 3 and 6 (the principal areas covering Lancaster) visiting the facilities in the district. On closer inspection of the results the most respondents in Zones 1, 3 and 6 used F&C facilities in Lancaster City Centre for such items. The second most popular F&C destination in Zones 1 and 3 were Lancaster City Retail Park, with 18.1% and 27.3% respectively. Whereas in Zone 6 the second most popular F&C destination was Morecambe Town Centre with 16.7%.

- 5.58 We note that Morecambe Town Centre was the most popular F&C destination in Zone 2 attracting 32.7% of the zones population. With Lancaster Retail Park in Morecombe the second most popular F&C destination with 20.9%. We note that Lancaster City Centre was the third most popular (19.6%) F&C destination within Zone 2.
- 5.59 In terms of Zone 6, the results found that most respondents (30%) visited Lancaster City Centre for furniture and carpet items shopping. The second most popular F&C destination was Morecambe Town Centre with 16.7%; the third was Lancaster Retail Park with 10%.

Table 5.11: Lancaster Furniture & Carpet Goods Market Share Analysis – 2005

Facility	Zone 1	Zone 2	Zone 3	Zone 6	Total (Zone 1 to 16)
Lancaster City Centre	48.6%	19.6%	27.3%	30.0%	12.4%
Morecambe Town Centre	16.7%	32.7%	6.1%	16.7%	7.2%
Carnforth	0.0%	0.7%	0.0%	0.0%	0.1%
Local Centres	0.0%	1.3%	3.0%	6.7%	0.7%
Out-of-centre	19.5%	23.5%	27.3%	11.7%	7.1%
Total	84.8%	77.8%	63.6%	65.0%	27.5%

NEMS Market Research 2005, Tables 50, Appendix F

- 5.60 Overall, in the whole study area, the results found that facilities in Lancaster cumulatively attracted an F&C market share of 27.5%. On closer inspection of the results we found that 45% of this was derived from the strength of Lancaster City Centre, with 26.2% of the overall retention spent at Morecambe Town Centre and an additional 25.8% was being spent at out-of-centre F&C facilities within the district. Indeed, overall Lancaster City Centre was the most popular F&C destination, attracting 12.4% of the wider population.

Internet Shopping

- 5.61 When asked if people used the internet or TV Shopping, 37.7% within the whole study area said yes with the remaining 62.3% saying no.
- 5.62 Respondents were specifically asked about their electronic shopping habits for specific goods. In terms of food, 78.2% of respondents stated that they don't buy such goods over the internet, with 9.8% stating they currently buy food over the internet, and 12.0% stating that they might consider it in the future.
- 5.63 In terms of other goods and services the table below shows the participation rates of

those who currently undertake electronic shopping. The results clearly show that the most popular items for internet shopping are small items such as books, CD's, music and videos. It is also noteworthy that nearly one third of respondents bought holidays over the internet.

Table 5.12: Internet Purchase by Good Type

Types of Goods	%
Food	9.8%
Clothes and Footwear	37.6%
Furniture / Carpets	7.8%
Major Electronic Items	29.0%
Small Household Goods	23.9%
DIY	10.8%
Garden Items	7.2%
Books	41.2%
CD's, music, videos	49.3%
Toys	18.7%
Sports Goods	12.2%
Banking	25.3%
Holidays / Travel Agents	32.8%
Jewellery	12.2%
Small Electronic Items	26.7%

On Street Survey

- 5.64 In addition to the household shopper survey, 676 people within the three examined Town Centres were also interviewed to understand why they had visited the centre or what they liked and disliked about it. A summary of the key messages for each centre is outlined in each of the vitality and viability assessment found in Volume III, Appendix H1-H3. We note the table below breaks down the number of surveys per centre.

Table 5.13: Distribution of On Street Surveys by Town Centre

Centre	# of Surveys
Kendal Town Centre	224
Lancaster City Centre	222
Morecambe Town Centre	125
Carnforth Local Centre	105
Total	676

Inflow of Visitors

- 5.65 Given the level of tourism and student influence on the study area, WYG through the use of the results of the On-Street survey have sought to identify the likely level of

inflow of expenditure that is spent within the area. In order to achieve this WYG have examined the post code responses of each on street survey against the defined catchment. From this we have been able to estimate the level of visitor inflow to each of the examined town centres for food, non food and services trips.

5.66 From Table 5.14 below it clear that each of the identified town centres has some level of inflow. It is clear that Morecambe has the highest levels of inflow from outside the defined catchment; this is not surprising given it's tourism focus. We note that Carnforth has limited levels of inflow from outside the catchment, this is considered appropriate given it's local function. The results show that Lancaster has an average inflow of approximately 17.5% for all facilities. Lancaster's highest inflow was found to be derived from it's non-food retail offer, this is not surprising given the centre's non-food retail offer.

Table 5.14: Inflow Analysis by Town Centre / Main Reason

Town	Inflow From outside catchment			Total
	Food	Non Food	Services	
Carnforth Town Centre	9.4%	12.5%	9.8%	9.6%
Lancaster City Centre	11.6%	23.1%	16.4%	17.5%
Morecambe Town Centre	15.1%	22.7%	34.3%	27.2%
Total	19.5%	23.4%	28.8%	22.8%

Business Survey

5.67 Whilst both the Household Survey and the On Street Survey provided important information on peoples shopping habits likes and dislikes, it is important to consider the views of businesses which contribute significantly to the town centre's economy and future performance. In order to canvas the views of town centre traders, White Young Green distributed a postal questionnaire to all of the identified businesses within each of the study areas. The number of questionnaires distributed to each centre, and the number received back is shown below in Table 5.15.

Table 5.15 Number of questionnaires distributed and returned for each of the 3 centres

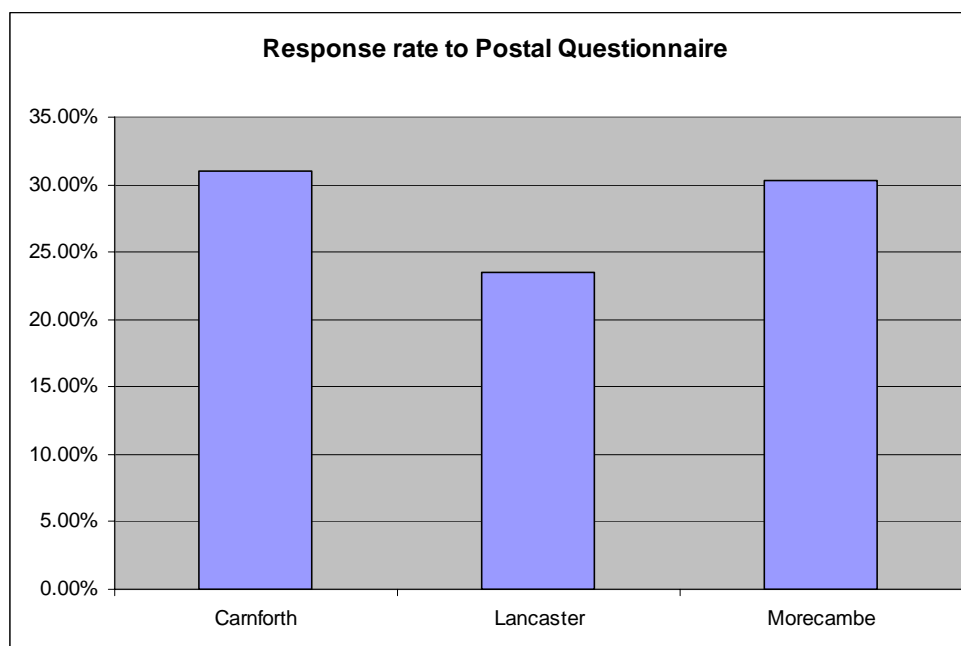
Centre	Questionnaires distributed	Questionnaires returned	Response rate
Carnforth	100	31	31.0%
Lancaster	650	153	23.5%
Morecambe	310	94	30.3%
Total	1060	278	26.2%

5.68 A strong response rate is considered to be 25% or above. As such, all the centres studied provided a 'good' response rate apart from Lancaster, which fell marginally

below the 25% benchmark. However, this is understandable given the size of the centre and the large number of postal questionnaires distributed, and does not make the responses collected any less robust. Moreover, the overall response rate achieved is particularly impressive given that the survey was conducted during the busy Christmas period.

5.69 Figure 5.1 below compares the response rates attained in each of the centres.

Figure 5.1 Response Rates Achieved in Lancaster



5.70 The main findings of the business surveys for each of the 3 centres studied will now be presented. For a more detailed discussion of the results, please see the individual Vitality and Viability reports for each of the centres (Appendices H1 to H3).

Carnforth Business Survey

5.71 The main results from the Carnforth Business Survey are as follows:

- Over half of traders surveyed had been trading in the centre for over 20 years;
- Over half of respondents leased their premises;
- The majority of businesses who responded to our questionnaire indicated that most of the staff which they employed were contracted on a full-time basis;
- Local residents were relied upon by just under half of local businesses (46%) as their primary customer base, followed by other residents in the wider Lancashire area and tourist and leisure visitors;
- The majority of respondents rated foodstore provision in the centre as good, although conversely all the traders surveyed rated the cultural facilities on offer as

poor. Moreover a sizeable majority considered the location and quality of car parks, entertainment and leisure facilities, traffic management and security (CCTV) to be poor;

- When asked to consider measures which would improve the centre, the most popular response was more parking, followed by increased choice or range of shops, more entertainment or leisure facilities, greater promotion or marketing of the centre, and more independent or specialist traders;
- Half of those surveyed stated that more national multiples in the centre would harm Carnforth;
- Respondents were split between 47% who considered the mix of shops and other non-retail uses to be good, and the same number who considered the mix to be poor;
- Inadequate customer parking was attributed by the highest number of traders as the main constraint on current business performance. This was followed by lack of day or tourist visitors to Carnforth, high rents and overheads and a lack of footfall outside their premises;
- A significant number respondents (44%) recorded that they had no plans to alter their business in any way within the next 5 years, however a similar number (40%) planned to either refurbish exiting floorspace, reduce floorspace, relocate out of the town centre or close over the same time period;
- Half of the businesses surveyed felt that they were trading moderately, although two-thirds indicated that business performance had either remained the same or improved over the last 5 years;
- Retailers felt that their main competitor was Lancaster City Centre. This was followed by other retailers within Carnforth, Kendal Town Centre and Tesco, Carnforth;
- The vast majority of respondents stated that a town centre management team would benefit the town, with just over half indicating that the Carnforth Market was beneficial to the town centres trade; and
- The majority also felt that the town centre would benefit from street markets and organised events such as special and farmers markets.

Lancaster Business Survey

5.72 The main results from the Lancaster Business Survey are as follows:

- Three-quarters of businesses within Lancaster City Centre have been trading for over 5 years, whilst two-thirds of traders leased their premises;
- A total of 1,854 people were employed by the traders which responded to our survey, with over half being employed on a full-time basis;

- Local residents in Lancaster were relied upon by the most number of businesses for their main source of business. This was followed by other residents in the wider Lancashire area, tourists and leisure visitors, and office employees;
- When asked to consider a number of different aspects of the city centre, the characteristic which the highest number of businesses rated as 'good' was the pedestrian environment, followed by security (CCTV), personal safety. Access on foot to surrounding areas, cultural facilities, and events.
- On the other hand three-quarters of traders noted the pricing of car parks as 'poor', with a marginally less number of respondents seeing traffic management as poor;
- An increased range or choice of shops was seen by a significant majority of respondents (88%) as being the best means of improving the city centre. Behind this came more independent or specialist traders, more parking, greater promotion or marketing of the centre, a department store, public toilets and improved public transport;
- A little over half of traders indicated that they felt that there was a good balance between shops and other non-retail uses in the city centre, although just over a third held the opposite view, considering there to be too many non-retail uses;
- In relation to the main constraints on current trading performance, the most popular responses were inadequate customer car parking, high rents and overheads, lack of footfall outside premises, lack of day visitors or tourists to Lancaster and competition from other traders in Lancaster;
- A little under half (45%) of respondents stated that they had no plans to alter their business in any way over the next 5 years. In addition, over a third of respondents planned either to refurbish existing floorspace or extend floorspace;
- Half of the retailers surveyed considered their businesses to be trading either well or very well. Moreover, half of respondents considered business performance to have improved over the last five years;
- Other traders in Lancaster were viewed by a quarter of those surveyed as their main competitor. Trailing this came retailers in Preston City Centre, Manchester City Centre, Kendal Town Centre and the Trafford Centre;
- Over three-quarters of respondents felt that the city centre would benefit from a dedicated management team;
- Only half of traders were of the opinion that Lancaster Market is beneficial to the city centres' trade, with a third holding the opposite view. However, over three-quarters considered that the city centre would benefit from street markets;
- Furthermore, 59% of respondents felt that organised events such as special and farmers produce markets would improve trading performance;
- Additional comments made on the questionnaire included a variety of issues including parking concerns, which a quarter of respondents noted, specifically the cost of parking, the need for better parking and the benefits of a pay on return system. Other responses included unease over the city centres' traffic and

congestion, the city centres perceived poor state of repair, the need for a new department store, and high rents and rates.

Morecambe Business Survey

5.73 The main results from the Morecambe Business Survey are as follows:

- Three-quarters of respondents had been trading in the centre for 5 years or more, with over half leasing their premises;
- Over half of the workers employed by the traders who responded to our survey were contracted on a part-time basis;
- When asked which customers traders relied on primarily for their business, the most popular responses were local residents in Morecambe, tourists or leisure visitors, other residents in the wider Lancashire area and office employees;
- In respect of a question in which retailers about their perceptions of the town centre, the aspects which the highest number of people deemed as being 'good' were the Promenade Parks and Gardens. This was followed by foodstore provision, access on foot, location and quality of car parks, and access by public transport. In general when compared to other centres surveyed during the course of this study, Morecambe was viewed quite negatively by local traders, and no respondents at all considered either the range of shops and services or public toilets to be 'good';
- Issues which were rated by retailers as being poor included public toilets, which a significant 88% rated as being 'poor', entertainment/ leisure provision, range of shops and services, pricing of car parks, shopping environment, and council events programme;
- Measures which respondents felt would improve the town centre included increased choice or range of shops, more organised events, more entertainment or leisure facilities, public toilets, more independent or specialist traders, and more cultural facilities, amongst many others. All of the aforementioned responses were recorded by well over three quarters of those traders surveyed;
- With regard to the mix of shops and non-retail uses, and whether the balance was appropriate, the response recorded by the greatest number of people (44%) was that there were too many non-retail uses, with a slightly lesser number considering there to be a good balance;
- Lack of day visitors and tourists to Morecambe was viewed as being the greatest restraint on current business performance. Following this came poor quality of the town centre, lack of footfall outside premises, inadequate customer car parking, high rents and overheads, and competition from other town centres nearby;
- Over half of businesses had no plans to alter their business over the next five years;

- A majority of businesses considered their business to be performing either moderately or poorly. Over a third considered their business to have declined over the last five years, although a similar number felt that business had improved over the same period;
- Lancaster City Centre was seen as being the major competition to Morecambe business by the highest number of respondents (32%). Behind this came other retailers within Morecambe and Kendal Town Centre;
- Nearly three-quarters of respondents felt that the town centre would benefit from a dedicated management team;
- Notably under half of traders considered Morecambe Market to be beneficial to the town centres trade. However, three-quarters felt that the town centre would benefit from street markets, and over half considered that organised events such as special and farmers produce markets would improve trading performance;
- Numerous additional comments were made on the questionnaires return. 20% of people noted the need for a major attraction in the town, and other responses included the parking concerns and in particular the new residents only parking scheme, the need for a better mix of retailers and high street shops, a proliferation of charity shops, and the poor quality of the town centre.

Summary

- 5.74 Despite the four different forms of survey research that have been utilised for this study, it is evident that there are a series of clear and consistent messages which must be taken on board as part of the development of a future retail strategy for the town centres in the Lancaster area.
- 5.75 Interestingly the survey research would appear to confirm the conclusions reached in the health checks appended to this report and the SWOT analysis of this report.

6 POPULATION AND EXPENDITURE

Introduction

- 6.01 In assessing the future 'needs' of a particular centre, it is possible to use a 'desk top approach' based on experience of similar market conditions and professional assumptions. However, for such an approach, the definition of a centre's true catchment or sphere of influence is very difficult to accurately assess even when relying on local knowledge. Therefore, any future modelling of 'need' undertaken on this basis will rely on quite a 'leap of faith' and the robustness of the results is always uncertain. We should note that the capacity forecasts become less robust over time and that forecasts for 2011 are considered more reliable than those for 2016. However, WYG would advise that these figures should be regularly monitored and reviewed over the period of the LDF.
- 6.02 We acknowledge that there are limitations to survey research, particularly in relation to the samples that can be achieved in a larger catchment. However, the results provide important broad indicators as to consumer preferences in relation to where people live and shop. This enables analysis of a particular area, which helps to evaluate the actual draw of major centres and how they impact upon the market share of smaller centres. Therefore, the threat of competing centres (and out-of-centre development) can be highlighted more easily.
- 6.03 Therefore, the use of specifically commissioned survey research is fundamental in informing a study that will effectively identify the likely capacity for future floorspace within each of the three Town Centres.

Achieved Sample

- 6.04 In undertaking the household survey as part of this updated study, an equal proportion of surveys to population were achieved in each of the survey zones. This enabled the total sample of 1,702 households, to be spread across a broad area within each survey zone, thereby avoiding any inadvertent weighting in favour of one particular zone. It is significant to note that it is widely accepted that for a robust survey to be undertaken, a target of 0.38% of surveys to population should be attained, in addition, the rate of reliability is further enhanced by having minimum sample sizes (usually a minimum of 100). Therefore we consider that the survey undertaken as part of the study is statistically robust. The sample achieved within each zone is illustrated in Table 6.1 below.

Table 6.1: Sample achieved by Zone

Zone	Achieved Sample	Population *	Sample
1	197	46,909	0.42
2	207	50,276	0.41
3	50	11,984	0.42
4	74	18,558	0.40
5	55	13,313	0.41
6	89	22,446	0.40
7	49	11,278	0.43
8	132	29,777	0.44
9	42	11,946	0.35
10	44	9,380	0.47
11	167	38,149	0.44
12	214	51,736	0.41
13	42	11,820	0.36
14	53	12,813	0.41
15	82	18,844	0.44
16	205	54,431	0.38
TOTAL	1,702	413,660	0.41

Source: NEMS, 2005, * 2001 estimates taken from MapInfo (2005)

- 6.05 A copy of the questionnaire and the full tabulations of the South Lakeland & Lancaster Shopping Survey are provided at **Appendix C**.

Catchment Population

- 6.06 The population within each postal code zone has been calculated using MapInfo Target-Pro Base data. MapInfo estimate each year up to 2016, these population projections are produced at Census Output area and extend the figures from the 2001 Census through to 2016 utilising 2002 ONS mid-year estimates. In using the MapInfo methodology, it is important to note that the projections are based on demographics trends rather than planning information.
- 6.07 The adopted catchment area contains a resident population of 421,267 (2006 estimate), which is set to increase by +3.5% (or 14,541) to 235,808 by 2016. Population change is anticipated separately for each of the 16 survey zones. We note from table 6.6 below that survey Zone 4 will experience the highest (7.4%) increase by 2016. Contrastingly, by 2016, survey Zone 3 will see a 0.2% increase in population by 2016.

Table 6.2: Resident Population of the adopted Catchment Area, 2006-2016

	2006	2011	2016	Change (%) (2006-2016)
Catchment Area	421,267	427,723	435,808	14,541 (3.5%)

Source: MapInfo TargetPro Database 2005 (2001 based)

6.08 Population figures, derived from MapInfo Target-Pro database, are provided for each of the 16 survey zones. Planning policy guidance in PPS6 states that Local Planning Authorities should assess need for new retail development for 5 year periods within the future plan period. Therefore for the purposes of this study we have adopted the years 2006, 2011 and 2016. Table 6.3 provides a detailed breakdown estimated/forecast population growth within each zone through to 2016. We should note that these population estimates are based on national datasets (See Appendix B) and will therefore need to be monitored over time in order to take in to account local strategies.

Table 6.3: Population by Survey Zones (2006-2016)

Survey Zone	2006	2011	2016	Change % (2006-2016)
1	47,050	47,032	47,195	145 (0.3%)
2	50,390	50,643	51,411	1,021 (2.0%)
3	12,080	12,098	12,107	27 (0.2%)
4	19,366	20,046	20,790	1,424 (7.4%)
5	13,674	14,002	14,354	680 (5.0%)
6	22,542	22,711	23,071	529 (2.4%)
7	11,444	11,702	12,019	575 (5.0%)
8	30,311	30,810	31,388	1,077 (3.6%)
9	12,211	12,580	13,001	790 (6.5%)
10	9,589	9,785	9,998	409 (4.3%)
11	38,775	39,368	40,090	1,315 (3.4%)
12	52,713	53,241	53,926	1,213 (2.3%)
13	12,062	12,319	12,609	547 (4.5%)
14	13,303	13,668	14,056	753 (5.7%)
15	19,472	19,987	20,546	1,074 (5.5%)
16	56,285	57,731	59,247	2,962 (5.3%)
Total	421,267	427,723	435,808	14,541 (3.5%)

Source: MapInfo TargetPro Database 2005 (2001 based)

Retail Expenditure

- 6.09 In order to calculate convenience and comparison expenditure per head, we have used MapInfo Target-Pro Base Reports (previously referred to as Illumine Reports), which provide detailed information on local consumer expenditure and which take into account the socio-economic characteristics of the local resident population. For the forecasting of this expenditure through to 2016, we have used URPI's 'goods based' forecasts at 2001 prices.
- 6.10 In respect of the 'goods based' approach adopted for this study, the consumer retail expenditure forecasts are derived from URPI Brief 05/02 for both convenience and comparison expenditure. Taking into account the time horizon of this study we have adopted URPI's most conservative ultra long-term figures as our basis. These growth rates have been applied to the population projection model outlined above for each survey zone. Actual convenience expenditure growth rates have been used for the period 2001 to 2004 which are 1.9%, 0.6% and 1.6% respectively. Thereafter, ultra long-term growth rates for convenience expenditure are 0.8% per annum up until 2011 and then 0.9% onwards. In terms of forecast growth rates for comparison expenditure, we have applied actual growth for the period 2001 to 2004 (9.6%, 8.7% and 9.3% respectively) and then applied the forecast growth rate of 3.8% per annum thereafter.
- 6.11 Using this model we have produced expenditure estimates for each survey zone in 2006, 2011, 2016 in line with the guidance prescribed in PPS6. The evidence takes into account both retail expenditure growth and population growth. Tables 6.4 and 6.5 provide a summary of the estimated growth in retail expenditure per capita within the catchment survey areas.

Table 6.4: Convenience Expenditure Estimates per Capita per Annum (£), 2006-2016

	2006	2011	2016
1	1,869	1,945	2,034
2	1,857	1,933	2,021
3	1,827	1,901	1,988
4	2,024	2,107	2,203
5	1,731	1,802	1,884
6	2,010	2,091	2,187
7	2,042	2,125	2,223
8	2,045	2,128	2,225
9	2,038	2,121	2,218
10	2,101	2,186	2,286
11	1,970	2,051	2,144
12	1,874	1,950	2,040
13	2,071	2,155	2,254
14	1,963	2,043	2,136
15	2,060	2,144	2,242
16	1,946	2,025	2,118
Average	1,942	2,021	2,114

Source: MapInfo TargetPro Base Report (2005) & URPI Brief 05/2

Table 6.5: Comparison Expenditure Estimates per Capita per Annum (£), 2006-2016

	2006	2011	2016
1	3,300	3,976	4,791
2	3,223	3,883	4,679
3	3,158	3,806	4,586
4	3,718	4,480	5,399
5	3,376	4,068	4,901
6	3,670	4,423	5,329
7	3,735	4,500	5,423
8	3,691	4,448	5,360
9	3,681	4,436	5,346
10	3,848	4,637	5,588
11	3,559	4,289	5,168
12	3,269	3,939	4,747
13	3,795	4,573	5,511
14	3,457	4,166	5,020
15	3,694	4,451	5,364
16	3,412	4,112	4,954
Average	3,464	4,176	5,033

Source: MapInfo TargetPro Base Report (2005) & URPI Brief 05/2

- 6.12 As can be seen from the figures outlined in Table 6.4, it is anticipated that expenditure per capita on convenience goods will increase only marginally between 2006 and 2016 compared to a considerable growth in comparison goods expenditure highlighted in Table 6.5.

Convenience Goods Expenditure

- 6.13 It is estimated that the resident population within the wide catchment generates £818.1m (2006 estimate) of convenience expenditure (2001 prices). By 2016, this expenditure is estimated to be £921.5m, an increase of some £103.4m (or 13%) from 2006. Table 5 in Appendix E shows the level of expenditure within each of the 16 survey zones between 2002 and 2016.

Main Food Shopping and 'Top-up' Shopping

- 6.14 As part of the overall survey, respondents were specifically asked questions in relation to the proportion of money they spend on their main food shopping and 'top-up' shopping. Analysis of these results indicates that some 73.8% of the total convenience expenditure is being spent on a main food shop, with the remaining 26.2% spent on 'top-up' shopping. These findings are below the commonly held assumption that 75% of total convenience expenditure is spent on main food shopping, with the remaining 25% being spent on 'top up' food shopping. Therefore, in order to analyse the survey results for both main food and 'top-up' shopping trips, we have subdivided the total convenience expenditure for each of the 16 survey zones using this 75/25 split.
- 6.15 Tables 6.9 and 6.10 below provide a summary of the 'main' and 'top up' expenditure on convenience goods per capita per annum within the 16 survey zones.

Table 6.9: Main Convenience Expenditure (£) in the whole study area – Growth per Capita per Annum, 2006-2016

Zone	2006	2011	2016
1	1,402	1,459	1,526
2	1,393	1,450	1,516
3	1,370	1,426	1,491
4	1,518	1,580	1,652
5	1,298	1,352	1,413
6	1,508	1,568	1,640
7	1,532	1,594	1,667
8	1,534	1,596	1,669
9	1,529	1,591	1,664
10	1,576	1,640	1,715
11	1,478	1,538	1,608
12	1,406	1,463	1,530
13	1,553	1,616	1,691
14	1,472	1,532	1,602
15	1,545	1,608	1,682
16	1,460	1,519	1,589
Total	1,457	1,516	1,586

Source: URPI Brief 05/02 & MapInfo TargetPro Base (2005)

Table 6.10: Top Up Convenience Expenditure (£) in the whole study area - Growth per Capita per Annum, 2006-2016

Zone	2006	2011	2016
1	467	486	509
2	464	483	505
3	457	475	497
4	506	527	551
5	433	451	471
6	503	523	547
7	511	531	556
8	511	532	556
9	510	530	555
10	525	547	572
11	493	513	536
12	469	488	510
13	518	539	564
14	491	511	534
15	515	536	561
16	487	506	530
Total	486	505	529

Source: URPI Brief 05/2 & MapInfo TargetPro Base (2005)

- 6.16 By applying these expenditure estimates per capita to the identified population of the whole study area, total convenience expenditure on main food shopping is estimated to be some £613.6m in 2006. This expenditure is set to increase by 13% (or £77.5m)

between 2006 and 2016 to £691.1m. With regard to 'top-up' shopping, in 2006 the whole catchment population is estimated to generate £204.5m, increasing to £230.4m by 2016 an increase of £25.9m. This anticipated growth is estimated to occur relatively equally throughout each of the survey zones.

- 6.17 Table 6.11 below provides a breakdown of expenditure on main and top up convenience goods within the defined catchment area.

Table 6.11: Convenience Expenditure (£) within the Catchment Area, 2006-2016

Year	Main Food Shop (£m)	'Top-up' Shop (£m)	Total (£m)
2006	613.6	204.5	818.1
2011	641.1	216.1	857.2
2016	691.1	230.4	921.5
Growth (2006-2016)	77.5	25.9	103.4

WYG, 2006

Comparison Goods Expenditure

- 6.18 By 2016 the population within the whole study area is estimated to generate around (or £2,193.5m (or £2.2 bn) of comparison goods expenditure, increasing from £1,459.3m (or £1.4 bn) in 2006. This is an increase (or £734.2m) of more than 50% from 2006. We estimate that the catchment area has a capita per person of £3,464 at 2006 rising to £5,033 per capita by 2016.
- 6.19 For the purposes of this study, comparison goods expenditure have been divided into five categories: Electrical; Furniture; DIY; which are considered as bulky goods and then what is referred to as non-bulky goods (clothing and footwear and small household items). In this respect, although the ultra long-term growth for comparison goods as a whole is identified in URPI Brief 05/2 as 3.8% per annum (actual growth in 2001 is 9.6% in 2002, 8.7% in 2003 and 9.3% in 2004). It was previously evident (URPI 98/3) when examining individual products within this total spend, that spending on different goods was forecast to increase at different rates. However, the new URPI Brief 05/2 (2005) does not distinguish between comparison good types, unlike the previous URPI Brief 98/3, which identified specific trends in Furniture, Clothing, Electrical and DIY Goods expenditure. The approach adopted by URPI in 05/02 is the same approach advocated in PPS6, which stipulates that when assessing quantitative need for additional development expenditure levels should relate to the class of goods to be sold, within the broad categories of 'convenience' and 'comparison' goods. Notwithstanding the approach advocated in PPS6, WYG have also examined more specific types of comparison good types (i.e. DIY, Electrical, furniture, clothing etc) to establish whether there are any qualitative issues relating to specific retailing not being well supported within the District.

Electrical Goods

- 6.20 By utilising expenditure information derived from MapInfo Target-Pro base and the growth rates for comparison goods from URPI Brief 05/2, it is estimated that within the whole study area currently £637 per capita per annum will be spent on electrical products (2006 estimate). This represents 18.4% of all comparison goods expenditure within the identified catchment area.
- 6.21 Furthermore, it is estimated that by 2011 this expenditure on electrical items per capita will increase to £768 per capita per annum and to £926 by 2016, representing growth of 45% between 2006 and 2016.
- 6.22 By applying these per capita expenditure figures to the whole catchment population, it is estimated that the total expenditure on electrical goods will be some £268.4m in 2006, increasing to £403.5m by 2016 an increase of £135.1m or 50%.

DIY Goods

- 6.23 By utilising the 2001 price estimates for DIY Goods identified in MapInfo Target-Pro database and the comparison goods growth rates stated in URPI Brief 05/2, it is estimated that within the defined whole study area, approximately £342 per capita per annum will be spent on DIY Goods in 2006 - representing 9.9% of all comparison goods expenditure within the area. By 2016 it is estimated that the average spend on DIY Goods within the catchment area will be £497 per capita per annum, representing a growth of 45%. By applying this per capita expenditure figure to the catchments population, it is estimated that the total expenditure on DIY goods in the whole catchment will be some £144.0m in 2006, rising steadily to £216.4m by 2016 an increase of £72.4m (or 50%).

Furniture Goods

- 6.24 It is estimated that within the defined catchment, approximately £346 per capita per annum will be spent on Furniture Goods (2006), which represents 10% of all comparison goods expenditure within the defined catchment area. This expenditure is anticipated to increase to £503 per capita per annum by 2016, again representing a growth of 45%.
- 6.25 By applying these per capita expenditure figures to the defined population, it is estimated that the catchment will generate expenditure on Furniture & Carpet Goods totalling £182.7m in 2006. Using the forecasts in URPI 05/02, the level of expenditure

for furniture is anticipated to increase to £99.6m by 2011 and £274.7m by 2016 (an increase of £92.0m or 50% between 2006 and 2016).

Clothes & Footwear Goods

- 6.26 It is estimated that within the defined catchment, approximately £922 per capita will be spent on clothes and footwear goods (2006), which represents 26.6% of all comparison goods expenditure within the defined catchment. This expenditure is anticipated to increase to £1,340 per capita per annum by 2016, again representing growth of 45% in 10 years.
- 6.27 When applying the per capita expenditure figures to the defined population, it is estimated that the catchment will generate expenditure on clothing and footwear totalling £388.5m in 2006. Using the forecasts in URPI 05/02, the level of expenditure for clothes and footwear is anticipated to increase £475.5m by 2011 and £584m by 2016 (an increase of £195.5m or 50% between 2006 and 2016).

Small Household Comparison Goods

- 6.28 In order to estimate the level of expenditure on small household goods, such as books, CD's, jewellery, watches etc we have subtracted the above four goods categories (Clothes and Footwear, DIY, Furniture and Electrical) highlighted above from the MapInfo TargetPro base estimates of from the total available comparison goods expenditure.
- 6.29 Therefore, in respect of these goods, it is estimated that in 2006 approximately £1,230 per capita per annum will be spent on small household goods within the defined catchment which represents 35.5% of all comparison goods expenditure available (£3,464 per capita). Furthermore, the per capita (small household) expenditure per annum is anticipated to increase to £1,787 by 2016.
- 6.30 In 2006 the defined population is estimated to generate about £475.5m in spending on small household goods. This is anticipated to increase to £582m by 2011 and to £714.9m by 2016 an increase of £106.5m and £239.4m respectively.

Summary

- 6.31 With uniform rates of growth forecast now prescribed in URPI 05/02, in each of the above 'bulky' and non-bulky goods categories it is estimated that by 2016, the total proportion of spend on 'bulky' type goods will remain relatively unchanged up to 2016.

Table 6.12 provides a breakdown of different comparison goods expenditure per capita per annum within the defined catchment by type of goods.

Table 6.12: Breakdown of Comparison Goods Expenditure Per Capita within the Defined Whole Catchment

Year	Furniture & Carpets		DIY & Garden Goods		Electrical Goods		Clothes & Footwear Goods		Small Household Goods		Total Comparison Goods	
	£	%	£	%	£	%	£	%	£	%	£	%
2006	346	10	342	10	637	18	922	27	1,230	35	3,464	100
2011	418	10	412	10	768	18	1,112	27	1,483	35	4,176	100
2016	503	10	497	10	926	18	1,787	27	1,787	35	5,033	100

May not add up due to rounding

Table 6.13: Comparison of Retail Expenditure in 'Bulky' and Non-Bulky Goods (2006-2016) in the Whole Catchment

Year	Bulky Goods (£m)			Non Bulky Goods (£m)		Total Comparison Goods (£m)
	<i>Furniture</i>	<i>DIY</i>	<i>Electrical</i>	C&F	Sml	
2006	182.7	144.0	268.4	388.4	475.5	
	595.1 (41%)			863.9 (59%)		1,459.3
2011	223.6	176.2	328.6	475.5	582.0	
	728.4 (41%)			1,057.5 (59%)		1,786.0
2016	274.7	216.4	403.5	584.0	714.9	
	894.6 (41%)			1,298.9 (59%)		2,193.5

Source: White Young Green Planning (2005) Tables 18, 20, 26, 32, 37, 42 Appendix F

May not add up due to rounding

- 6.32 Table 6.13 above indicates that collectively 'Bulky' Goods expenditure within the defined catchment is estimated to increase by 50% (or £299.5m) from 2006 to 2016. In addition, expenditure on non-bulky (clothing and footwear and small household) goods within the catchment will increase by over 50% by 2016 (from £863.9m to £1,298.9m), the actual proportion of total non bulky goods expenditure within the catchment is estimated remain constant at 59% of the total spend on total comparison goods through to 2016.
- 6.33 Given the guidance in PPS6 which focuses on broad categories of goods, we found that the total amount of comparison goods expenditure within the defined catchment is estimated to increase by 50% (or £734.2m) from 2006 to 2016. From £1,459.3m in 2006 to £2,193.5.3m by 2016.

7 LANCASTER RETAIL CAPACITY ASSESSMENT

Market Share

- 7.1 Having calculated the likely levels of expenditure that are generated by the population living within the defined catchment area it is also important to understand what proportion of this expenditure is currently attracted to retail facilities within Lancaster's centres.
- 7.2 The amount of trade that is captured by a particular area or centre within a defined catchment is often referred to as its 'market share'. Market shares can be estimated by calculating the likely turnover of existing retail properties and then applying this to the expenditure within the catchment. However, this method relies on a number of assumptions including the likely trading performance of local stores.
- 7.3 Therefore, the most accurate way to estimate the potential market share of a particular centre within a defined catchment is to undertake market research to understand where people within that catchment actually shop. A critical element of this overall study has involved the completion of 1,702 household interviews within the defined catchment mentioned in section 5. By analysing the results from the survey it has been possible to understand the likely levels of expenditure that flow into the key centres from the defined catchment. The estimated market shares (as discussed in section 6) for particular goods are highlighted below:

Convenience

- 7.4 Overall within the results show that Lancaster's primary convenience catchment is concentrated within Zone 1, where 96.89% of the population use facilities within the City to satisfy their main food shopping. In addition strong patronage was found in the Zones 2 and 6 with 99.5% and 88.6% respectively. However, the results show that there is very limited retention from Zones 8 to 16; this is not unexpected given the distance of these zones from Lancaster. Within the whole study area we found that facilities within Lancaster retained 31.5% of the main food shopping expenditure and 30.0% of the top up food shopping expenditure. However, these results hide the limited draw of city centre facilities. Lancaster has a main food shopping market share of just 7.9% in Zone 1, this only increased to 23.8% for top-up food shopping. This is primarily due to there being no key anchor convenience provision within Lancaster City Centre as defined by the Council. The J Sainsbury's on Cable Street is classified as edge of centre, in accordance with the guidelines in PPS6; it is physically divorced from the city centre due to the severance of the major road, despite the superstore being located within 300 metres from prime frontage. The store retains 33.5% of main food expenditure in Zone 1.

Table 7.1: Convenience Goods –Existing Provision’s Market Share (all 16 zones)

Destination	Main Food Shopping Trip Market Share %	Top-Up Food Shopping Trip Market Share %
LANCASTER CITY		
Lancaster City Centre	1.1	3.5
Morecambe Town Centre	0.5	2.1
Carnforth Town Centre	1.4	1.4
Local Centres	0.5	5.3
Edge of Centre	5.3	1.6
Out of Centre	22.7	16.0
Total	31.5%	30.0%

Source: Household Survey 2005

- 7.5 It is important to note that the out-of centre foodstore facilities are popular destinations in the Lancaster area, for example the Asda at Ovangle Road near to White Lund Industrial Estate attracts 28.8% of main food shopping trips in the in Zone 1 (which covers the urban area of Lancaster) and 8.6% of the whole catchment. Indeed the store draws significant expenditure from Zones 2, 3 and 6 (29.6%, 27.1% and 19.3% respectively). We note that the Asda is the most popular main food destination in Zone 3.
- 7.6 Another popular out-of-centre main food destination is the Morrisons at Central Drive in Morecambe; the store lies within Zone 2 where it attracts 51.5% of the main food expenditure. The store, however, draws from a wide area, and attracts 14.8% of Zone 6’s main food expenditure, 12% from Zone 1 and 10.3% from Zone 3. We should note that the second most popular destination in Zone 3 is the E.H Booths at Scotforth which retains 22.9% of the zone’s main food expenditure.
- 7.7 Within the whole study area (including South Lakeland and Barrow-in-Furness) we found that 68.5% of main food trips and 70.0% of top up shopping trips were undertaken at facilities outside Lancaster District. The table below illustrates where the expenditure leakage is being spent providing an illustration of Lancaster’s sphere of influence.

Table 7.2: Convenience Goods –Market Share of Competing Centres

Destination	Main Food Shopping Trip Market Share %	Top-Up Food Shopping Trip Market Share %
South Lakeland Facilities	22.5	21.8
Asda, Barrow in Furness	8.1	2.7
Morrisons, Whitehaven	4.9	1.9
Morrisons, Barrow in Furness	3.4	1.0
Tesco, Barrow in Furness	8.8	2.6
Tesco, Whitehaven	5.5	2.4
Other Penrith	1.2	0.7
Facilities in Carlisle	0.2	0.1
Facilities in Preston	0.4	0.3
Facilities in Blackpool	0.8	0.1
Other Facilities Barrow-in-Furness	2.0	5.7
Facilities in Garstang	1.6	1.0
Other Facilities in Whitehaven	1.1	2.7
Other	8.0	27.0
Total	68.5%	70.0%

Comparison

- 7.8 Questions relating to where people shop for specific non-food goods were included within the household telephone questionnaire. From these questions, it was possible to ascertain the percentage of people that shop within the key study centres and other out-of-centre facilities as their last destination.

Table 7.3: Comparison Goods - Market Share in the Whole Study Area

Goods	% of people within the Defined Catchment using facilities in Lancaster City as:			
	Last Destination			
	Lancaster City Centre	Morecambe TC	Local Centres	Out-of-Centre
Electrical	20.2%	4.2%	0.4%	4.2%
Furniture	12.4%	7.9%	0.8%	7.1%
DIY	13.0%	7.2%	0.7%	7.8%
Clothing and Shoes	19.8%	3.1%	0.1%	20.0%
Small Household Items	22.8%	3.9%	0.7%	15.4%
Total Comparison	19.3%	4.5%	0.5%	3.3%

Source: NEMS Market Research - Household Survey 2005, Table 53, Appendix F

* Local Centre includes Carnforth, Bolton over Sands, Torrisholme, Morecambe West End and Heysham

** Out-of-centre includes the Asda at Ovangle Road, Bulk Road Retail Park, B&Q, Aldcliffe Road, Morrisons, Central Drive, Lancaster Retail Park and Focus at Westgate.

- 7.9 Despite the influence of competing centres including Preston, Blackpool and Kendal it is interesting to note that Lancaster as a City is still a popular destination for non-food shopping. However, it is important to note that the city centre is a lot more popular for non-food than it is for convenience goods shopping. As highlighted previously, this would underline the role of Lancaster City Centre, especially as a key non-food destination within the area's retail hierarchy and indicates that it serves a whole study area than just its primary urban area.
- 7.10 However, the survey evidence indicates that the out-of-centre retail facilities in and around Lancaster and Morecambe including Bulk Road Retail Park and Lancaster Retail Park also manage to attract shoppers for a wide range of non-food goods. Furthermore we note that traditional food destinations are also becoming also important non-food destinations, with Asda at Ovangle Road attracting £6.8m of comparison expenditure.
- 7.11 From the retail model (set out in Appendix F of Volume III) we are able to estimate the likely market shares for specific goods and the proportion of expenditure spent in relation to the respondents 'last' destination for Lancaster District. This is summarised in the table below.

Table 7.4: Comparison Goods Expenditure – Estimated Market Shares for all Retail Outlets in Lancaster District

Goods	Estimated Market Shares	Expenditure
	%	£m
Electrical	28.9%	77.7
Furniture	27.5%	50.2
DIY	29.3%	42.2
Small Household items	28.9%	137.3
Clothing and Shoes *	24.6%	95.7
Total	27.6%	£403.2m

* Includes out-of-centre retailing (except other out-of-centre)

- 7.12 From the results of the household survey WYG found that all facilities (including out-of-centre developments) are attracting a total of £403.2m of comparison goods expenditure from the whole study area. On closer inspection of the findings, £347.6m is being spent in the established centres of Lancaster and Morecambe, this represents 86% of the comparison goods expenditure spent at facilities in the District.
- 7.13 In total WYG have found within the whole study area (including South Lakeland and Barrow-in-Furness) facilities in Lancaster retain approximately £403.2m of all comparison goods expenditure. If we compare this to the £1,459.3m of comparison good expenditure that is available within the whole study area at 2006, WYG found that all comparison facilities in Lancaster have a total market share of 27.6%.
- 7.14 From our inflow analysis of all key town centres derived from the results of the 'In Street' surveys, WYG have assumed that both centres on average attract 20% of their visits from outside the defined catchment for the sub region. We believe that this is reasonable given both the large student population, tourism/day visit nature of the wider area. However, it would be wrong to assume that the visitors would spend all their available expenditure on convenience goods; therefore we believe that expenditure is likely to represent an inflow of just 5%. Whereas in terms of non-food we believe that an inflow of 10% is appropriate.

Forecast Growth in Expenditure Attracted to facilities in Lancaster.

- 7.15 With forecast growth in convenience shopping predicted at 0.8% per annum up to 2011 and then 0.9% thereafter, convenience facilities in the Lancaster City will experience an increase of £15.3m in convenience goods expenditure between 2006 and 2011 based on a constant market share and our inflow assumption. Between 2011 and 2016 this will increase by a further £18.5m.
- 7.16 By comparison, the significant increase in expenditure on comparison goods would suggest that Lancaster (including Retail Parks) based on current market share would

experience an increase of approximately £99.2m between 2006 and 2011, which would be available for all new comparison retail facilities in the future (includes 10% inflow). However, between 2011 and 2016 we forecast (based on current estimates) that this will increase by £123.9m.

Table 7.5: Convenience Expenditure Available to Retail Facilities in Lancaster District

	Market Share	Expenditure Available to Lancaster - £M		
		2006	2011	2016
Convenience				
Main	31.5%	£193.4m	£204.4m	£217.8m
Top up	30.0%	£61.3m	£64.8m	£69.1m
Inflow	5.0%	£12.7m	£13.5m	£14.3m
Total Convenience		£267.4m	£282.7m	£301.2m

May not add up due to rounding

Table 7.6: Comparison Expenditure Available to Retail Facilities in Lancaster District

	Market Share	Expenditure Available to Lancaster - £M		
		2006	2011	2016
Comparison				
Electrical	28.9%	77.7	95.0	116.7
Furniture	27.2%	50.2	61.5	75.5
DIY	29.3%	42.2	51.7	63.5
Small Household items	28.9%	137.3	168.1	206.4
Clothing and Shoes *	24.6%	95.7	117.1	143.8
Total	27.6%	403.1	493.4	605.9
Total Town Centre				
Total Bulky Goods	11.7%	£170.1m	£208.2m	£255.7m
Total Non Bulky Goods	16.0%	£233.0m	£285.1m	£350.2m
Inflow	10%	£40.3m	£49.3m	£60.6m
Total Comparison		£443.4m	£542.6m	£666.5m

* Includes all non-food retail facilities within Lancaster City administrative area

** Inflow has only been applied to small household goods

7.17 In order for Lancaster to capture this significant growth in comparison goods expenditure 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 the City's future market share does not decline further.

7.18 However, if an excess of comparison expenditure manifests itself within the defined catchment area, this does not translate directly into a requirement for additional floorspace. It will also be necessary to take account of:

- existing development proposals;
- expected changes in shopping patterns (including E-commerce);
- the current capacity and efficiency of retail floorspace within established Centres; and
- future changes in business productivity and current development commitments.

Capacity Methodology

7.19 Retail capacity assessments are an important pre-requisite to any proposed retail development strategy as they provide invaluable information on the levels of demand for additional retail facilities and the likely impact this development will have on established stores within the catchment of the centre under consideration. Capacity assessments are also now an accepted method for guiding future allocations for retail development within Local Development Frameworks and Development Briefs.

7.20 However, it must be stressed that, although capacity assessments are based on factual data, the conclusions must only be treated as a guide/indicator rather than providing unchallengeable evidence. This caveat reflects the complexity of the modelling exercise and the dependence upon a high number of assumptions, which consequently can be interpreted in a number of different ways. We should note that this study informs the process of retail capacity in the study area and do not preclude the need for individual development proposals to demonstrate need as advised under PPS6 (2005).

7.21 To provide added insights, the modelling of capacity assessments is undertaken for different categories of expenditure. Typically, these categories reflect the differences in patterns for food shopping (often referred to as 'convenience' shopping) and non-food shopping (often referred to as 'comparison' shopping). This approach is advocated in PPS6 which clearly states in para 2.28:

'In assessing quantitative need for additional development in its development plan, a local planning authority should assess the likely future demand for additional retail and leisure floorspace, based on existing and forecast population levels and expenditure in relation to the classes of goods to be sold, with the broad categories of 'convenience' and 'comparison' goods.'

7.22 Therefore for the purpose of this capacity exercise we have solely examined the need for new convenience and comparison goods floorspace.

Capacity Formula

- 7.23 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) less Turnover (£m) 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 average annual expenditure levels for various forms of retail spending per annum. The formula is subject to a number of factors, which need to be considered to help provide the most accurate figure for that particular local catchment. These include:

- growth in population;
- growth in expenditure per head per annum, and;
- special forms of trading (e.g. catalogue shopping).

Turnover (£m) - the turnover figure relates to the annual turnover generated by existing retail facilities within the catchment that has been adopted to calculate the population figure. The turnover of existing facilities is calculated using Retail Rankings, an independent analysis which lists turnovers per square metre for all major retail multiples.

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

- 7.24 Although a surplus figure is generated in £m, it is possible to convert this figure into an indication of aggregate floorspace, using the turnover per square metre figures used to calculate the turnover part of the equation.

Capacity for Future Convenience Goods

- 7.25 In order to ascertain the likely need for additional convenience goods floorspace within both Lancaster and South Lakeland, it is important to understand the true nature of the existing supply.
- 7.26 As highlighted in the retail health check presented within this report, it is evident that the supply of convenience facilities within Lancaster City Centre is mainly restricted to

three just foodstores, namely the ground floor food hall in Marks and Spencer, the edge of centre J Sainsbury's and the Kwik Save on Chapel Street. The wider city area, however, is served by three major out-of-centre superstores; Asda Ovangle Road in the White Lund area of the city, Morrisons at Central Drive, Morecambe and the Tesco at Lancaster Road, Carnforth. These provide the three main food shopping facilities primarily located at out-of-centre locations. It should be noted that there are a number of smaller foodstores through out the city area, including medium sized foodstores including two Aldi stores in Morecambe and Lancaster; the E.H Booths in Scotforth; Netto in Morecambe and the Co-op Foodstore at Hare Runs. In addition there are a number of out of centre smaller local convenience shops which include Spar, Londis, Co-op Village and Late Shops.

- 7.27 Given the lack of large redevelopment opportunities within the Lancaster City Centre, it is not surprising to discover that there are limited large scale supermarkets within the centre catering for the population's main food shopping needs. Although most (33.5%) people in Zone 1 visit the Sainsbury at Cable Street for their main food shopping, we note that a significant level (28.8%) of people visit the Asda at Ovangle Road.
- 7.28 Therefore, whilst both Lancaster City Centre and Morecambe Town Centre have limited convenience goods facilities within their centres (as defined by PPS6), it is evident that there is a strong provision of supermarkets either located on the edge (J Sainsbury) or at out-of-centre locations (Morrisons, Tesco) within the Lancaster and Morecambe area (Zones 1 to 3 and 6). These facilities seek to meet the weekly and day to day shopping needs of local residents.
- 7.29 In terms of the individual foodstores within Lancaster, it would appear from the survey results that the out-of-centre WM Morrisons at Central Drive, Morecambe, is the most popular store attracting £58.6m of convenience expenditure generated within the catchment. The next most popular store is the Asda at Ovangle Road (£56.0m); which is out-of-centre in between Lancaster and Morecambe in the White Lund Industrial area. This is followed by the J Sainsbury's store at Cable Street (£36.0m) located on the edge of Lancaster City Centre.
- 7.30 The provision of medium sized foodstores within the Lancaster are also appears to be strong with key stores such as the E.H Booths at Scotforth (£15.9m), Tesco on Lancaster Road (£15.4m) and E.H Booth in Carnforth Town Centre (£9.9m) all performing well.
- 7.31 Based on the number and range of convenience outlets available within the defined city, town and local centres, we would argue that the qualitative provision appears to be limited especially in terms of choice and the availability of stores of sufficient size to

anchor town centres. Such an anchor role will only be achieved if such stores are appropriately located in key locations around the town centre.

Current Provision

- 7.32 Having carefully reviewed the current levels of retail floorspace within Lancaster's established centre network as part of the overall capacity assessment, WYG have a good understanding of the total level of convenience and comparison goods floorspace that currently exists within the centres. However, it has been more difficult to qualify the extent of the local convenience provision for which there is no consistent database to rely upon. Therefore, assumptions with regard to the provision of local shops have been based on the Council's own monitoring databases, which has been amended to take account of those stores whose information is available.
- 7.33 As we are using a 'goods based' approach in our modelling, it is important to recognise that certain major foodstore operators sell an element of non-food goods such as books, compact discs, clothing and household goods. To account for this, we have taken the approximate net convenience floorspace figures for the identified foodstores (Tesco, Asda, Kwik Save, WM Morrisons, Netto, Aldi and Iceland) based on a number of sources including Council data and IGD. These have then applied the ratio for convenience/comparison goods sales area from Verdict (2005) (where known) to estimate the sales area devoted solely to the sale of convenience items.
- 7.34 When benchmark company 'turnover to floorspace' ratios are applied to the net floorspace figures for the existing retail facilities within Lancaster, this provides a benchmark estimate of the current convenience goods turnover generated for each store. We have calculated the expected turnover of these facilities by applying figures relating to company benchmark floorspace to turnover ratios as shown in table 7.1 again taken from Verdict (where known).

Table 7.7: Trading Performance of Current Foodstores in Lancaster

Store	Net Convenience Floorspace – SQM (1)	Turnover per SQM (2)	Benchmark Turnover - £M (2001) (1 x 2)	Survey Estimate - £M (4)	Performance - / +%
Lancaster City Centre					
Kwik Save, Chapel Street, Lancaster	424	4,195	1.8	4.1	128%
Local Shops	1,150	3,500	4.0	2.7	-33%
Market, Lancaster	107	3,500	0.4	1.8	378%
Marks and Spencer, Lancaster	917	8,655	7.9	5.6	-29%
Sub Total	2,598		14.1	14.1	0.0%
Morecambe Town Centre					
Iceland Foods, Arndale Centre, Morecambe	359	4,802	1.7	0.1	-92%
Market, Morecambe	1,672	3,500	5.9	0.5	-92%
Local Shops	1,527	3,500	5.3	2.0	-63%
Tesco Metro, Royalty Mall, Morecambe	589	13,277	7.9	4.5	-42%
Sub Total	4,147		20.8	7.1	-66%
Carnforth Local Centre					
E.H. Booth, Scotland Rd, Carnforth	803	9,127	7.3	9.9	35%
Local Shops, Carnforth	1,627	3,500	5.7	1.4	-75%
Sub Total	2,429	-	13.0	11.4	-13%
Local Centres					
Bare	477	-	2.0	0.4	-81%
Bolton-le-Sands	263	3,500	0.9	0.2	-83%
Caton	168	-	0.9	1.1	26%
Heysham Road	569	-	3.7	5.3	42%
Torrisholme	625	-	4.1	5.6	38%
Westend	1,011	-	4.2	1.3	-69%
Sub total	3,113	-	15.2	13.7	5%
Edge-of-Centre					
J Sainsbury, Cable Street, Lancaster	2,214	9,939	22.0	36.0	64%
Sub total	2,214	9,870	22.0	36.0	64%
Out-of-Centre					
Aldi, Marine Road West, Morecambe	675	4,167	2.8	1.7	-40%
Aldi, Morecambe Road, Lancaster	585	4,167	2.4	3.6	47%
Asda, Ovangle Road, Lancaster	2,638	13,646	36.3	56.0	56%
Co-Op Foodstores, Glentworth Rd West, Morecambe	367	6,310	1.9	1.7	-26%
E.H. Booth, Hala Rd, Lancaster	610	9,127	5.6	15.9	186%
Morrisons, Central Drive, Morecambe	2,676	11,877	31.8	58.6	84%
Netto, Lancaster Road, Morecambe	610	3,021	1.8	4.7	155%
Tesco Local, Heysham Rd, Morecambe	44	13,277	0.6	4.4	445%
Tesco, Lancaster Rd, Carnforth	1,082	13,277	14.4	15.4	8%
Local Stores/Shops	2,160		10.5	10.3	-6%
Sub Total	11,454		108.1	172.3	59%
Total	25,956		193.3	254.7	

Red denotes under-trading

*May not add up due to rounding
Table 15, Appendix E*

- 7.35 Accurate figures as to the 'benchmark' turnover (2) of the national multiple convenience retailers have been taken from Verdict Grocers Retailers (2005). However Aldi, Lidl, Londis, Spar and Netto, turnover figures were taken from Mintel Retail Rankings (2005). The turnover figures have then been adjusted to reflect VAT, petrol sales and the 2001 Price Base used throughout our modelling.
- 7.36 As benchmark figures are not available for independent retailers, we have applied a broad estimate (£3,500 per sq. m for town and local centres) of likely turnover. Necessarily this is a judgement, based on previous experience and the quality of the facilities available, as there is no acknowledged source of information for smaller independent retailers. Therefore we note that the turnover estimates for small stores and Local Centres must be treated with some level of caution.

Future Convenience Floorspace Requirements

- 7.37 Our analysis of Lancaster City's market share of convenience goods expenditure within the defined catchment (identified in the previous section) indicates that in 2006 approximately £254.7m will be available to convenience goods stores within the defined catchment.
- 7.38 When we compare this estimate (£254.7m) with the total turnover generated by existing retail facilities based on company averages (£193.3m), there would appear to be a potential under-supply of convenience retail facilities of approximately £61.4m when compared to 'benchmark' anticipated turnovers. This additional expenditure will either be passing through existing shops which cumulatively could be trading above published company averages or the other smaller convenience stores, which do not publish turnover figures, may be performing better than we have estimated.
- 7.39 The surplus capacity generated by our detailed analysis appears to support the above assertion that most existing out-of-centre stores are over-trading. From the evidence it is clear that the Morrisons at Central Drive is over trading significantly (84%) above its benchmark. E.H. Booths at Hala Road (186%); Netto store on Lancaster Road (155%); J Sainsbury's at Cable Street, Lancaster (64%) and Asda at Ovangle Road (54%). However, the model also found that a number of stores within established and defined town centres are under-trading. For example WYG have found that both the Iceland and Tesco in the Arndale Centre in Morecambe are both performing below their average benchmark turnovers.
- 7.40 As indicated earlier, there are a number of assumptions involved in estimating the likely turnover of existing retail premises. Clearly, it is more difficult to understand the true trading performance of independent retailers for which there are no benchmark figures

available. However, from our own observations of the current supply within Lancaster, we recognise that there is likely to be an element of over-trading within some of the major foodstores (particularly the Tesco, WM Morrisons and Asda).

7.41 For example, if we were to use the survey evidence for the WM Morrisons store at Central Drive, then its current market share would suggest that the store is generating approximately £58.6m per annum. This compares to the company benchmark figure of only £31.8m. This would appear to demonstrate that the store is over-trading by 84% (or £26.8m).

7.42 It must be noted, however; that the results of household surveys should be used with caution when estimating the aggregate turnovers of individual stores (rather than their comparative market shares). Nevertheless, the results appear to confirm our impressions of over-trading gained on our visits to WM Morrisons, J Sainsbury and Netto which appears to be well-used stores throughout the week.

7.43 Having regard for this surplus expenditure, it is now important to estimate the likely need for additional convenience facilities within the towns through to 2016. We note that this estimate includes an estimated inflow of 5% from outside the catchment.

Table 7.8: Estimated Need for Convenience Facilities in Lancaster

	Turnover - £M Increased Productivity £m	Expenditure Available - £M	Surplus Expenditure - £M
2006	£193.3m	£267.4m	£74.1m
2011	£203.1m	£282.6m	£79.5m
2016	£213.5m	£301.2m	£87.7m

Source: WYG 2005 at 2001 Prices

7.44 It must be noted that the above surplus expenditure is a cumulative total applicable to the whole of Lancaster and does not necessarily presume that the 'excess' expenditure identified can be drawn to a single new retail location within the city area. It is WYG's view that this of surplus expenditure could accommodate floorspace equivalent to two superstores between 2006 and 2011, however, this is very dependent upon the end operator and the scale of the development. In addition, we believe that the timing of this new convenience floorspace could be phased over the 10 year period. In light of this it is WYG view that there is capacity equivalent to provide one store by 2011 and possibly a second store equivalent by 2016. However, we believe that this position will need to be monitored at an appropriate time in the future.

7.45 In addition, it is also important to account for existing commitments within the area which will clearly absorb a certain proportion of the surplus capacity available. At

present, from examination of the City Council monitoring report WYG believe that there are currently no specific convenience goods development commitments currently in the area. However, we note that there are currently two planning permissions which could be used for convenience goods retailing, as the end occupier is not specified. These relate to planning permissions 02/01482 Tunstall Street / Peddlar Street Morecambe and 02/1392 at Cable Street / Damside Street Lancaster. Together they both propose a gross floorspace of 527 sq. m. If we assume a gross to net ratio of 70:30 then WYG estimate that the net floorspace would be approximately 369 sq. m.

- 7.46 We assume that the turnover of the proposed floorspace amounts to £3.7m based on average benchmark turnover figures (£10,000 pre sq. m) a net new area of 369 sq. m devoted to the sale of convenience goods.

Capacity for Future Comparison Goods

- 7.47 As our general standard of living increases, our ability to spend more money on non-food goods (such as clothing and footwear) will also increase. The current ultra-long term growth rate provided by URPI suggests that this growth is likely to be 3.8% per annum (after 2005). Clearly, over any plan period this represents a significant cumulative increase in total non-food expenditure.
- 7.48 However, although non-food shopping is often seen as a leisure/social activity, there are increasing pressures being placed upon the traditional high street function, not only from major out-of-centre retail facilities but also from new forms of shopping which have no need for a traditional physical shop unit.
- 7.49 Although we have accounted for special forms of trading within our expenditure analysis, we feel that because we are forecasting up to 2016 it is important that we do not ignore the rapidly expanding opportunities of retailing on the World Wide Web, currently known as 'e-commerce' or 'e-tailing'.
- 7.50 As this is still very much a new and emerging form of retailing the likely impact of such technology is still somewhat unknown. According to retail analysts, Verdict, on-line sales was set to rise to 3% of all sales by 2004. Although this is a significant amount of money in real terms, we feel these forecast levels are unlikely to dramatically reduce the demand for traditional retail space, especially in the short to medium term (i.e. up to the year 2016). We should note that for the purposes of WYG assessment, SFT has been excluded from the offset from MapInfo estimates; however, MapInfo latest figures suggest that SFT is 5.3% for comparison goods at 2003.
- 7.51 The high number of smaller units due to the historic nature of Lancaster is one of the reasons why there is a strong independent comparison goods sector within the centre.

It is more difficult to estimate the likely 'benchmark' turnover of each facility. Therefore, the most accurate way to estimate the turnover of the existing retail facilities is to divide the city centre's current share of non-food retail expenditure by the current level of facilities within the town.

- 7.52 From our analysis of the market share of facilities in Lancaster, we estimate that the current level of trade passing through non-food (comparison) facilities from the defined catchment (which includes both non-bulky and bulky goods) is £281.2m. This represents 19.3% of the total comparison goods expenditure generated within the defined catchment. In comparison Morecambe Town Centre generates £66.4m of turnover, which represents 4.5% of the total comparison expenditure available within the whole study area. In total, WYG estimate that all facilities in Lancaster (including retail parks, local centres) retain 27.6% of all the comparison expenditure within the whole study area.
- 7.53 Based on existing Council data for Lancaster City Centre and Morecambe Town Centre it is estimated that there is currently 39,725 sq. m and 15,023 sq. m of comparison goods gross floorspace respectively. In total WYG estimate that there is approximately 54,748 sq. m of comparison gross floorspace in both centres. The Council's floorspace analysis is based on building footprint, but includes upper floors (where known), it is evident that these figures represent neither gross nor net floorspace. Given Lancaster's mix of historic smaller properties and modern 'shopping mall' premises, found in St Nicholas and Marketgate shopping malls, we have applied the current Council figure as an estimate of net floorspace. This suggests that the estimated turnover per sq. m for units in Lancaster City Centre is approximately £7,078. This appears to be a strong average sales density for a large comparison destination such as Lancaster. From experience WYG are of the view that Lancaster City Centre should be achieving an average sales density of between approximately £6,000 and £8,000 sq. m. These results would suggest that facilities in the city centre are performing well, which is further supported by the limited vacancy rate in the town centre. In comparison, we note that Morecambe achieves an average sales density of approximately £4,419 per sq. m. This appears to be modest for a centre of Morecambe's size and appears to re-affirm the limited performance of the town centre and position in the retail hierarchy.
- 7.54 In order to avoid an unrealistic over estimation of the likely level of future floorspace that can be secured by Lancaster, we have assumed that Lancaster will not dramatically increase its market share for non-food goods within the defined catchment.
- 7.55 On this basis, we have 'rolled forward' Lancaster's current market share to examine the likely comparison goods floorspace required maintaining its current position within the

hierarchy, namely at a level of approximately 27.6% of all comparison goods expenditure in the defined catchment area.

7.56 Drawing upon the results of the modelling outlined in the previous section, we have forecast that between 2006 and 2016, an additional £243.5m will be available for comparison shopping within Lancaster. Given current Government planning guidance (PPS6) this should be focused within established centres as a first preference, subject to suitable sites being available to accommodate the level of potential floorspace. 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 would be lost to competing centres identified previously. Furthermore, with new development planned for Preston (Tithebarn redevelopment); the improvements and extension of Blackpool town centre, the extension of Trafford Centre for new non-food floorspace it will become imperative that Lancaster maintains its current market share during the plan period, through positive appropriate measures.

7.57 From our assessment of the current vitality and viability of the existing town centre it is evident that Lancaster is well presented with national multiple high street retailers. Conversely Morecambe Town Centre is poorly represented by multiple retailers. Morecambe town centre is in need of additional investment to provide more attractive larger premises to accommodate modern retailer's requirements. This especially relates to the rapidly expanding high quality fashion sector that appears to be under represented in Morecambe but not Lancaster.

7.58 By allowing for increased productivity (1.5% per annum) we have estimated below the likely expenditure that will be available for new comparison goods floorspace by 2016.

Table 7.9: Estimated Available Comparison Expenditure

	Turnover + Increased Productivity £m	Expenditure Available £m	Surplus for Additional Floorspace £m
2006	443.4	443.4	-
2011	477.7	542.6	65.0
2016	514.6	666.5	151.9

7.59 The results show that by 2011 there will be £65.0m of comparison good expenditure available for new retail development, based on current market shares. This level of expenditure will increase to £151.9m by 2016. This amount of expenditure will be available to all comparison floorspace.

7.60 In terms of town centre space, if we were to apply a mid-point between Lancaster and Morecambe derived sales density, of £6,000 per sq. m to the surplus expenditure, we estimate that by the year 2011 there will be a requirement for approximately 10,059 sq m net (approximately 14,370 sq m gross) to retain its current market share (27.6%). In addition we estimate that this capacity would increase to 21,818 sq. m net by 2016 (31,169 sq. m gross).

Table 7.10: Estimated Comparison (Town Centre) Floorspace Requirement

	Surplus Expenditure £m	Average Sales Density + increases in productivity £ per m²	Net floorspace Requirement m²	Gross floorspace Requirement m²
2006	0.0	£6,000	-	-
2011	65.0	£6,464	10,059	14,370
2016	151.9	£6,963	21,818	31,169

Gross to net = 70%

7.61 From analysis of the market share proportion, the majority (75%) of this development should be focused in Lancaster City Centre, with 23% going to Morecambe. However, given the historic nature of Lancaster and the regeneration needs of Morecambe, it may be considered appropriate to assess whether this identified capacity can be redistributed to Morecambe Town Centre. In light of these findings, it would appear that the City Council have some significant strategic planning decisions to make on the distribution of the identified need through the local development framework.

Future Proposals for Comparison Floorspace

7.62 In terms of future commitments, there are 4 planning permissions which relate to comparison goods development in Lancaster. These are detailed below.

Table 7.11 : Current Non-food Planning Commitments in Lancaster

App No	Site	Applicant	Location	Gross sq. m	Type	Notes
05/00928/OUT A9	Frontierland, Marine Road, West Morecambe	WM Morrisons	Out-of-centre	5,110 sq. m	Comparison	Part of mixed use scheme
03/1372	Kingsway, Lancaster	Liberty Properties Plc	Out-of-centre	2,342 sq. m (1,824 sq. m net)	Comparison	Part of mixed use scheme
02/01482	Tunstall St / Peddlar St, Morecambe	Arcad UK	In Centre	215	Unspecified	Part of mixed use scheme
02/1392	Cable Street / Dameside, Lancaster	Cable Street Developments Ltd	Edge of Centre	312	Unspecified	Part of mixed use scheme Awaiting section 106
Total				7,979		

Source: Lancaster City Council 'Shopping and town Centre Monitoring Report – January 2004

The Kingsway development opened in mid December 2005; however, this was not trading at the time of the household survey, consequently this included as a commitment.

7.63 From the above table it is clear that current planning commitments for non-food retailing (comparison) in Lancaster represents approximately 7,979 sq. m (gross) of new floorspace. It is noteworthy that this level of planning commitments does not exceed the quantitative need (14,371 sq. m (gross)) estimated up to 2011.

Increasing Future Market Shares

7.64 As highlighted above, the need requirement set out in Table 7.10 assumes that Lancaster overall market share (27.6%) will remain constant over the 10 year period. From the research presented in terms of Lancaster's current offer and the need to enhance the overall quality of existing shopping facilities, it is evident that there may be scope to increase the centre's market share. However, any forecast increase in market share has to be treated with a note of caution given that the overall ability of a centre to achieve this will be based upon the quality of the development that could be attracted. To provide 'more of the same' is unlikely to have any impact on existing market shares at all. However, the introduction of new higher quality facilities such as a department store and a wider choice of high street fashion would have an impact. In addition the future location of new floorspace need to be sensitively considered as it may influence centres future performance, therefore if new floorspace is remote from, or poorly linked to the existing centre it could have a negative impact on the centre's future market.

7.65 In testing potential scenarios that seek to increase market share, the study has purposely sought to test realistic increases. Although Lancaster is unlikely to increase its market share dramatically, WYG believe that an increase of Lancaster's market share from 27.6% to 30% is achievable. Were such an increase is to be achieved, it would increase the amount of comparison floorspace that could be supported

Table 7.11: Scenario 1 – increase market share to 30%

	Surplus Expenditure £m	Average Sales Density + increases in productivity £ per m ²	Net floorspace Requirement m ²	Gross floorspace Requirement m ²
2005	0.0	£6,000	-	-
2010	70.6	£6,464	10,924	15,605
2016	165.0	£6,963	23,694	33,849

7.66 As can be seen from the above scenario set out above, seeking to achieve an increase in market share can bring about requirements for additional floorspace. Increasing market share from 27.6% to 30% would increase the net floorspace which could be supported in 2011 from 10,059 sq. m to 10,924 sq. m an additional 865 sq. m. By 2016 the difference would grow to 1,876 sq. m.

Requirement for Future Comparison Goods Floorspace

7.67 It must be noted that although the need for potentially up to 14,370 sq m gross (or 10,059 sq. m net) of comparison goods floorspace up to 2011 may appear to be a significant amount. The need for this level of gross floorspace would increase the total amount of the town centre floorspace in the District by 18%. It must also be noted that this capacity accounts for a period up to 2016. If we were to break down the additional comparison capacity on an annual basis then this would represent an average of approximately 2,874 sq m gross per annum. However, retail development cannot be provided on a 'drip-feed' basis and there will be times throughout the period to 2011 and beyond when imbalances will occur. This however, will need to be monitored by Lancaster City Council.

7.68 In addition, it must be noted that this requirement for 14,370 sq. m (gross) is based on the assumption that Lancaster will only maintain its current total (27.6%) market share by 2011. Given the opportunity to provide better quality retail facilities, including new units, there may be scope to expand Lancaster's Town Centre's market share in the future. Furthermore, given the extensive redevelopment plans for Preston and Blackpool it is essential that Lancaster can does not lose market share to these

centres. If this is to be achieved then it is evident that additional floorspace may be required over and above the 14,370 sq. m highlighted above.

- 7.69 However, any strengthening of Lancaster's future role and retail 'offer' must be done on a sensitive basis, especially given the historic core of Lancaster. This will enable both Lancaster and Morecambe centres to at worst to maintain and enhance their current status without damaging existing multiple, or more importantly specialist retailers. Lancaster, like many older city centres, is physically constrained by its historic built environment, which limits the ability to facilitate large scale redevelopment opportunities in the shorter term. In comparison, Morecambe, benefits from a number of opportunities that could meet the identified need through the delivery of a significant redevelopment scheme which would seek to either modernise out-of-date units or provide an all important new large space users. However, these opportunities will need to be identified through the forthcoming Local Development Framework and will be explored in more detail in section 8 and 9 of this report.

Qualitative Issues

- 7.70 The retail modelling outlined above has identified a quantitative need for additional retail floorspace within both Lancaster and Morecambe for both convenience and comparison goods. The need identified for comparison goods is significant given the forecast increases in expenditure and local population growth. The quantitative need identified is based upon maintaining the existing market share (which is recognised as the 'do minimum' approach). WYG do not believe that it is appropriate to test potential increases in market share. This approach is recognised in regional guidance (Policy SD3), whereby historic towns should be regarded as historic towns requiring continual conservation with sensitive integration of new development, where needed, plus a regard for maintaining and enhancing their setting. In addition the guidance recognises the need for development and re-development to ensure the physical enhancement of Regeneration Priority Areas; this includes Morecambe which requires significant regeneration and gradual restructuring.
- 7.71 Whilst the approach taken within this study does not seek to elevate either centre's position but seeks to maintain its position below larger competing centres such as Preston, Blackpool and to some extent facilities in the wider Greater Manchester area, there is a real opportunity for Lancaster to improve its 'quality and range of offer' by subtle delivery of a more diverse range of shopping, tourism and leisure destinations.

Summary

- 7.72 Overall, it is evident that the quality of the offer for retail within Lancaster will need to be significantly enhanced in the future if the centre is to effectively meet the increasing demands of people living within its immediate catchment. Therefore, the qualitative benefits of any future retail development must be carefully scrutinised by the local planning authority to ensure that future development will adequately address this critical issue and will avoid providing 'more of the same'. If major qualitative gains can be secured then it is likely that the 'step change' required could be achieved.

8 FUTURE OPPORTUNITIES TO ACCOMMODATE IDENTIFIED CAPACITY

The Future Development of the Subject Town Centres

8.1 Any future development and significant development proposals within the study area will need to be carefully considered against Lancaster City Council's long term aspirations for the respective centre. These aspirations will need to be clearly set out in any emerging Town Centre Strategy. Any future strategy will also need to be viewed against national and local trends and the risks associated with projecting these trends.

8.2 In terms of the future development of the study area's key centres, it would appear that there are three choices that face the Council with regard to future retail development. These can be summarised as follow:

- **Do Nothing** – as previously mentioned, the Council could leave the future development and promotion of the town centres to the market. Therefore, it would be left to the property market and retailers to respond to future changes and deliver new or refurbished floorspace when and where necessary. The delivery of this approach has the lowest level of financial/resource commitment but ultimately in time, could lead to a decline in the study's key centre's role and status within the wider regional hierarchy.
- **Maintenance of Current Market Share** – It may be appropriate that some of the key centres in the study area would be maintained and improved modestly to ensure that they retain their current role within both the sub regional and regional hierarchy. The aim would be to build on each centre's current strengths rather than seek radical change to significantly impact upon its fortunes in the future.
- **Expand and enhance its status** – It may be considered appropriate that some of the study centres (i.e. Lancaster) should be expanded and improved in order to try and enhance their position within the regional and local hierarchy and reinforce its competitive stance against major threats such as the future expansion of Blackpool, Preston and further out-of-centre development (including the Trafford Centre). In turn the expansion and enhancement of its status would ultimately seek a higher profile for the respective centre. However, we should note that given the historic nature of Lancaster City Centre, this radical expansion may be difficult to achieve without significant strategic intervention.

- 8.3 The Council will at some stage need to decide which broad approach should be adopted for their three main centres before it embarks on any improvements or consideration of future development options. Clearly the do nothing approach will require no major action from the Council whilst the other two options will not only require officer resource but also the development of a coherent strategy that ensures that all future improvements seek a common goal.

Maintenance of Carnforth, Status

- 8.4 As indicated earlier within this report, Carnforth provides important local services role to the local community but also provides a local convenience destination. It's distinctive character adds to its own identity and role. It is WYG's view Carnforth provides a local centre role in meeting the needs of the local community, and should be treated as such. The centre has limited levels of demand and interest from retailers/leisure operators. In addition, it is doubtful that it would be able to deliver suitable redevelopment opportunities. Given the nature and scale of Carnforth, WYG believe that it would be inappropriate to expand its role and range of services. Indeed, we believe that the future strategy for Carnforth should be focused on more qualitative improvements which will seek to maintain its existing role and function. This can include a range of measures including town centre management (or forum), environmental improvements, shop front improvements and active business promotion.
- 8.5 In addition, smaller centres performing a role are often underpinned by a medium/small foodstore / convenience store which can generate significant 'spin-off' benefits for the rest of the centre. It is clear that Carnforth has benefited from the introduction of new foodstores. Indeed, it is still essential that the introduction of further major multiple retailers do not have detrimental impact on the performance of independent business, which add to the distinctiveness and identity of Carnforth. We therefore believe that Carnforth should be subject to small/incremental retail development over the plan period. As this study has identified, there is potentially a need for at least one superstore in Lancaster up to 2011, the Council will need to carefully consider where this need can be accommodated in the future and whether or not there is an opportunity to secure further 'spin-off' benefits to Carnforth. However, given the results of the household survey, which showed that the increase in market share of the out-of-centre Tesco as been at the expense of in centre E.H Booths store, we believe that future expansion of the Tesco store should be discouraged, as this may have further implications of the vitality and viability of Carnforth.

Future Enhancement of Lancaster and Morecambe Status

- 8.6 If the Council wish to enhance (rather than simply maintain) any of the town centres status in light of increasing competition, then it will be necessary to identify redevelopment opportunities within the above two centres. As can be seen from Section 7 of this report, just to maintain these centres market share through to 2011, there could be a need of up to 14,000 sq m gross of new non-food floorspace, this will increase to approximately 31,000 sq. m (gross) by 2016. The timing and scale of radical redevelopment will be dependent upon a number of factors relating to future customer and occupier demand, property values and the ability to find a site large enough to accommodate major redevelopment.
- 8.7 Given the historic nature of Lancaster with its high conservation and historic value, there may be very limited scope for further expansion of the retail and leisure 'offer' within the established centre. In reality, the short term prospects are particularly limited. However, longer term growth through to 2016 will generate significant additional spend which in turn will place significant pressure on the need for new floorspace within the study area's centres. An inability to deliver new floorspace will result in the decline of market share especially in light of the increased competition from Preston City, Blackpool and to some degree the Trafford Centre. This is further challenged by the transient nature of the population. However, it must also be remembered that facilities in Lancaster will never compete head to head with regional centres. Therefore it is clear that the right balance of 'retail offer' has to be struck in the identified centres, whereby the Council will need to examine the potential of balancing the promotion of niche versus multiple retailing to achieve thriving network of town centres. It is not only the retail offer that is key to creating a thriving town centre, but another key requirement is to create an attractive environment which can range from improvements to public realm to the management of the car parking.
- 8.8 It is important to note that if additional development opportunities cannot be identified within the emerging Local Development Frameworks (LDF), then the ability for the key centres to maintain, let alone enhance, their current status would be under threat with the likelihood is that their overall market share particularly for non food goods would fall. However, there are potential risks involved in delivering an approach which seeks to enhance a town's status. These include:
- Predicting long term trends is difficult and there will always be uncertainty about the future retail market through to 2016;
 - The assembly of a large redevelopment site will take considerable time and the co-operation of a number of land owners and the Council; and
 - Redevelopment may involve the loss of existing occupiers and is likely to cause considerable disruption in the short term.

8.9 From our knowledge of existing opportunities within the both Lancaster and Morecambe, it is evident that there are a number of sites that could accommodate major new commercial development in the centres in the short to medium term. However, if the Council wishes to respond to the significant pressures of long term demand and achieve its aim and objectives of enhancing and improving the centre as a shopping and leisure destination in the wider area, it is evident that significant work may be required to promote and assemble suitable sites. However, the benefits and importance of other initiatives such as improving access/movement, refurbishing older premises, the quality of the environment and greater promotion of the centre must not be overlooked when seeking to enhance greater market share.

Recommended Approach

8.10 In reviewing the opportunities available, the Council should consider the potential to accommodate a medium to large sized foodstore in Lancaster up to 2011 with the potential of a further store between 2011 and 2016. However, the strategic positioning of this store will need to be carefully considered, as at the moment the main food destinations are located to the north of the river, which has accessibility issues with a large proportion of the District's population. In addition, both Lancaster and Morecambe are not anchored by a major superstore (in accordance with the guidance in PPS6), the Council may seek it appropriate to encourage new food provision well related to the defined town centres to help generate increased footfall and wider 'spin-off benefits'. Such developments would not only serve as a key anchor to the town centres but will in turn be a catalyst to further investment mainly in non-food retailing. It will also help to redefine the role of the town centres as a central focus for main food shopping whilst at the same time will increasing customer choice to local residents. This will also help the established town centres compete against existing out-of-centre stores which currently dominate main food shopping patterns. This will also encourage people to re-consider each centre as a place to visit but also one to live and work. This short term gain will help generate the momentum to meet medium to long term aspirations of enhancing Lancaster and Morecambe food and non-food retail offer.

8.11 As well as exploring redevelopment opportunities, there are also a number of important initiatives that will need to be put in place to maintain the centre's vitality and viability whilst these medium to longer term aspirations are developed. These issues can primarily focus on environmental enhancement to the centres street scene, as well as exploring initiatives to increase pedestrian movement from the prime pitch to other important secondary parts of the town centres. The Council will need to explore greater promotion of Lancaster, Morecambe and Carnforth through an established town centre management structure.

9 IMPLICATION OF THE STUDY FOR EMERGING TOWN CENTRE PLANNING POLICY FRAMEWORK

- 9.1 Given the timing of the adoption of Local Plan, the aims and objectives of the revised PPG6 were reflected in the strategies adopted. Therefore the local plan place weight on new development within town centres. It is evident that the Lancaster District Local Plan, through Policy S2 (5) deals with the adverse effect on vitality and viability.
- 9.2 The local plan makes provision for the application of the sequential approach which was introduced in PPG6 and maintained in its replacement PPS6, whereby if no suitable sites are available in or on edge of the town centre the proposals may be permitted in out-of-centre locations provided that the applicants can demonstrate a need for the proposal. However, we would recommend that the Council review their policies in line with PPS6. In addition any applicant must demonstrate that impact would not undermine the vitality and viability of established centres. Major retail development will be permitted on sites adjacent to the defined centre when it has been shown that it cannot reasonably be accommodated in the town centre. Whilst this would appear to a degree to demonstrate that the policies contained in the local plan consistently reflect the revised PPG6. However, it is White Young Green's view that the current policy approach in the District local plan does not go far enough to promote town centre development and there is no clear strategy for the town centre in place (apart from Lancaster City Centre), which can help defend future out-of-centre retail (and leisure) planning applications.
- 9.3 Furthermore, since 1996, the Government has placed the town centre at the centre of future planning policy direction. This was reinforced with the publication of Planning Policy Statement 6 (PPS6) in March 2005. Therefore as part of the preparation of the Council's local development framework it is imperative that the aims and objectives of PPS6 are adopted (see Section 3) and they underline the direction of any future framework strategy.

Future Development of Strategic Policy

- 9.4 After reviewing the policy direction of the adopted local plan, it is clear that Lancaster City Council will need to review the context and direction of the current local plan policy approach, especially in light of the recent regional and national guidance in respect of town centres. The future planning policy direction needs to reflect the need not only to maintain and enhance the role of the established town centre network but actively seek

to accommodate the identified required floorspace within the town centre as well as reviewing the town centre boundaries and prime pitch boundaries.

9.5 Paragraph 1.3 of PPS6 notes that the Government's key objective for town centres is to promote their vitality and viability by:

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

9.6 It is clear that both Councils need to incorporate these aims into any future planning policy strategy. In addition other objectives should be taken into account in the context of paragraph 1.3 these include:

- Enhancing customer choice by making provision for a range of shopping, leisure and local services, which allow genuine choice to meet the needs of the entire community, particularly social excluded groups;
- supporting efficient, competitive and innovative retail, tourism and other sectors, with improving productivity; and
- improving accessibility ensuring that existing or new development is or will be accessible and well served by a choice of means of transport.

The Need for the Development

9.7 Since the publication of PPG6 and certainly the adoption of the local plans, a number of significant points of clarification were issued by Central Government in response to various decisions that were reached on applications. A number of statements were released which dealt with the clarification on the Government's position on the demonstration of need which was not clearly set out in revised PPG6. The new PPS6 deals with this specifically and now supersedes the previous ministerial statements.

9.8 A positive and proactive approach to planning is encouraged by the new guidance, with paragraph 2.16 noting that local planning authorities should work in conjunction with stakeholders and the community to, *inter alia*: assess the need for new floorspace for retail, leisure and other main town centre uses, taking into account both quantitative and qualitative considerations.

9.9 As previous highlighted in Section 3 of this report, paragraph 2.33 (of PPS6) places greater emphasis on showing quantitative need for additional floorspace for specific

types of retail and leisure developments. In addition, local planning authorities should also take into account qualitative considerations.

- 9.10 It is clear from the new guidance that the any future planning policy should provide criteria based policy which should reflect the overall thrust of the Government's aims and objectives. Therefore, the local development framework should develop policy that deals with significant retail development on the edge of or outside the defined town centre. Whereby it will be required to demonstrate that their needs cannot be accommodated within or adjoining the town centre but more importantly that there is a need for the proposed development in the first place.
- 9.11 Whilst the findings of this study have confirmed that there is significant capacity for additional retail (both convenience and comparison) floorspace within Lancaster District, it must not be assumed by future applicants that this is purely a demonstration of significant retail need. Both Councils should therefore consider the development of a policy that ensures that the applicant demonstrates both quantitative and qualitative need for proposals.
- 9.12 The current text in Policy S2 in the Lancaster District Local Plan (2004) refers to the impact upon the vitality and viability of the established town, local and district centres. It is WYG views that these still remain important in these established centres and should be protected in the LDF. Therefore, the Council must bear in mind the long term aspirations of the future strategy to enhance and maintain the role of the established town centres when considering applications for additional food and non food goods at edge or out-of-centre locations.
- 9.13 Whilst applicants for out-of-centre schemes may seek to challenge the opportunity to locate within established town, local and district centres, it must be noted as long as there is a clear strategy outlined within the development framework, then the application can be refused on the basis that it would potentially undermine the strategy adopted by the relevant local authority.
- 9.14 The justification for taking a pro-active and protective stance towards the future of existing town, local and district centres should be based on the fact that the first priority should be town centres where there are an number of key opportunities within and on the edge of the town centre that could accommodate the scale of development required including a new superstore in a prime location that would have significant spin off benefits for the town centre as a whole.

- 9.15 However, this does not mean that there should be a restrictive policy towards out-of-centre development. The study has demonstrated that there is still a significant requirement for additional convenience and comparison floorspace, an element of which will be for 'bulky goods', which will require retail warehousing. However, the Council must acknowledge that the Government has consistently re-iterated the point that whilst some products are bulky in nature and are generally purchased in out-of-centre location, these products can still be sold from town centre premises. Whilst to some extent this is correct, it is evident that there is still a role for retail warehousing in the study area and that sufficient controls can be put in place by way of conditions to ensure that there is a limit to the range of goods that can be sold from any new development.
- 9.16 Therefore, whilst the emphasis of any future LDF strategy should be placed on securing future development and investment within the main shopping areas, any future policy/strategy should not be worded in such a way that effectively places a moratorium on potential opportunities for retail warehousing in an edge or out-of-centre locations.

Development outside Established Town, Local and District Centres

- 9.17 When dealing with schemes that are proposed outside the town centre, it will be important that suitable criteria based policy has been adopted that will effectively deal with such applications when and where they arise. We would recommend that this policy be similar to the sequential approach to site selection as that detailed in paragraph 2.44 of the PPS6. The criteria which addresses the sequential approach reflects government policy that, only if need can be demonstrated, should the sequential approach then be applied to the proposed development.

Primary/Secondary Shopping Streets (Protection)

- 9.18 The current local plan adopts a rather restrictive approach to the control of non A1 uses in the defined primary shopping zone. Policies S4 to S5, S7, S9, S12 and S13 of the adopted Lancaster District local plan only permit uses (at ground floor level) defined as Class A2 or A3 in the primary shopping zone (for Lancaster, Morecambe and Carnforth) identified on the proposals map. Lancaster's approach restricts development that would result in the proportion of either A2 or A3 uses exceeding 20% of the retail frontage. The Council may look at reviewing this approach, one approach adopted by South Lakeland District Council, is to set out a criterion based policy approach which has a number of planning considerations to protect the integrity of the

prime retail uses, rather than draconian thresholds, which can provide inflexibility, especially if specific area is in need of regeneration.

- 9.19 The current restrictive policy may be appropriate for Lancaster City Centre; however, more flexibility may need to be given to Morecambe Town Centre, which is blighted by significant vacancies. Consequently the current policy does not actively encourage new investment into the centre, unless it is A1 use. One way in the short term to reduce vacancies may be to allow a more pragmatic approach to non-retail uses in Morecambe Town Centre in order to encourage vacant units to be re-occupied by A2 to A5 uses even in the primary areas. It is WYG's view that this whilst this may undermine the shopping character of that particular street, it may actually serve to re-occupy and bring back new activity to particular streets if retail demand is low, which will have a significant improvement to the local environment.
- 9.20 WYG believe that this approach should be retained in Lancaster City to a degree as part of any future strategy. However, if Morecambe is to address it's vacancy problem, we believe a more flexible approach may allow the expansion of the evening economy and leisure uses which can add to the vitality and viability of the established town centre. However, lessons can be learnt from the South Lakeland approach, which allows some level of flexibility and enables each case to be considered on its own merits.
- 9.21 Notwithstanding the above views, WYG recognise the Council need to review the use of such a policy approach to take into account the recent changes to the Use Class Circular 03/2005, and secondly to provide more flexibility in town centres which require further regeneration or investment.
- 9.22 The re-definition of the Use Classes (2005), effectively splits the traditional A3 classification into three distinct categorises, i.e. A3 (restaurants, snack bars, cafes), A4 (pubs and bars) and A5 (takeaways). Therefore the Council need to consider, which uses they may want to restrict in their defined centres and which uses they considered as important contributors to their centre's future vitality and viability. White Young Green recognise the importance of protecting the primary retail function of certain town centres for retail uses. Therefore we would recommend that the Council consider placing restrictions on specific non A1 units (namely A5) within the primary retail zone in Lancaster, as the presence of both A3 and A4 uses can seen as a positive use within primary frontages. Notwithstanding, the above, we can understand that the Council may consider that the potential proliferation of A3 and A4 uses in a town centre could undermine it primary role as a shopping destination, then it may considered to introduce an appropriate measure to control the balance of uses.

Review of Town Centre Boundaries

- 9.23 PPS6 clearly advises that a town centre should include the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. In light of this we believe that the Council should seek to review the town centre boundaries of Lancaster, Morecambe and Carnforth.
- 9.24 In terms of Lancaster, it is WYG's view that the extent of the current town centre boundary should be reviewed in order to cover more leisure and business areas. The Council may feel it appropriate to review whether the area centred around Dalton Square should be included. In addition, it may be considered acceptable to examine the potential to include the Lancaster Canal corridor in the wider town centre boundary.
- 9.25 In terms of Morecambe, it is WYG's view that the town centre boundary should be reviewed and amended, in order to cover the leisure and business areas of the town. The Council will need to include the large area centred around Morecambe Leisure Park and the Midland Hotel, even including the main promenade area. In addition it is WYG's view that the current boundary in the local plan should be extended south to cover the Telephone Exchange area and Morecambe Station. The railway line appears to provide a logical barrier and should therefore form the southernmost boundary.
- 9.26 Carnforth town centre boundary in the adopted local plan is considered to be appropriate and also represent the primary shopping area. PPS6 recognises that some smaller town centre boundaries area may not extend beyond the primary shopping area.

Review of Primary Shopping Areas

- 9.27 The primary shopping area is defined in PPS6 as being a 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). We should note that PPS6 clearly notes in paragraph 3.8 that it is not necessary to demonstrate need for retail proposals within the primary shopping area or for other main town centre uses located within the town centre. Therefore, when reviewing the primary shopping area, the Council will need to be careful on what facilities are located inside the defined primary shopping area, as it may have implications on what stores can extend it floorspace or which redevelopment sites can come forward, without demonstrating need.

- 9.28 It is WYG that the current Lancaster town centre boundary defined in the local plan (denoted in blue on the proposal map) does in fact represent the primary shopping area and should be re-classified as such in the future LDF. However, the Council may consider it appropriate to review this boundary if the Council seek to promote specific new redevelopment opportunities in and around the City for retail, leisure and business uses.
- 9.29 In terms of Morecambe Town Centre, it is WYG view that given the regeneration potential in the town, then the extent of the future primary shopping area in the LDF should reflect the Council's regeneration strategy. The Council should look to cover specific areas of the town centre which need to be redeveloped or promoted, this may include most of the area bound between Central Drive and Marine Road Central but also including the area around Morecambe Leisure Park. However, it may also consider it appropriate to exclude certain areas (of facilities) from the primary shopping area in order to maintain control over future development pressures that may occur.
- 9.30 As mentioned previously it is WYG's view that the current town centre boundary for Carnforth defined in the local plan, does in fact represent the primary shopping area and should therefore be re-classified as such.

Review of Primary Frontage

- 9.31 As defined in PPS6 (Annex A), primary frontages are likely to include a high proportion of retail uses. On examination of Lancaster existing primary frontage, WYG agree that the existing primary frontage centred around Penny Street, Cheapside, Market Square, Common Garden Street and Marketgate and the St Nicholas Centre represents the primary frontage and should be maintained in the future LDF. However, notwithstanding this the Council may consider it appropriate to review the frontage in specific area in its preparation of the LDF.
- 9.32 In terms of Morecambe, the current prime frontage in the local plan is centred around the Arndale Centre and Euston Road. Whilst this should be maintained in the future LDF, we believe that the Council should review this explore opportunities to extend the prime frontage to encourage new retail uses to key areas of the town centre. WE note that there is no prime frontage on Marine Road West, the encouragement of retail on this main road may help to encourage new investment.
- 9.33 Given Carnforth's role as a local service centre, it is WYG's view that it would be inappropriate to have a primary frontage policy in the centre as it is important to provide a flexible framework for future uses in the centre which will encourage diversity.

Review of Secondary Frontage

- 9.34 As defined in PPS6 (Annex A) secondary shopping frontages are areas where greater opportunities for a diversity of retail uses exist.
- 9.35 The District Local Plan does not include a secondary frontage policy, however, the local plan does include a other key frontages policy. However, Lancaster City Centre is the only centre where key frontages are defined on the proposals map. On examination of this area, WYG agree that these defined areas do in fact represent secondary areas and provide a diverse range of uses which should be further encouraged through planning policy. Therefore the Council may deem it appropriate to maintain the current approach for Lancaster.
- 9.36 The proposal map for Morecambe town centre does not identify any other key frontages area, however, WYG would advise that the Council may need to consider including such a policy on areas in need of regeneration in order to encourage diversity of use. WYG believe that frontages facing the promenade should be considered secondary, as these act as a key frontage for the town centre, the Council may also consider reviewing Victoria Street as a secondary frontage, as this connects the core of the town centre (i.e. Arndale Centre) to the recent developments on Central Drive.

Out of Centre Retail Developments

- 9.37 As previously discussed, we would recommend the introduction of a criteria based approach which deals with issues, of need, the sequential approach, the scale of development, and the impact on the town centre strategy and vitality and viability and its accessibility, as advocated in PPS6.
- 9.38 It is evident from the findings of this report that there is likely to be need for a mix of traditional town centre, retail warehousing and food grocery floorspace throughout the plan period within Lancaster. Given the number of opportunities that may arise during that period for future development within and on the edge of established town centre network, it is more than likely that most of this provision can be met in and around the town centre. It is White Young Green's view that the Council need to provide a clear strategy for Lancaster and Morecambe that can resist further out-of-centre development.
- 9.39 However, when considering out-of-centre locations, PPS6 clearly states that areas of existing retail development or those well served by public transport should be

considered more favourably than the creation of new retail destinations which only be accessed by private motor vehicle.

- 9.40 As part of the local development framework preparation, Lancaster City Council will have to carefully consider whether or not it is appropriate to allocate a suitable site to accommodate the predicted need for retail warehouse development which takes on board the advice set out in PPS6.

Retail Hierarchy

- 9.41 Paragraph 1.6 of PPS6 clearly states that local planning authorities need develop an appropriate hierarchy of centres in order to help achieve the Governments objectives towards town centres. The statement requires that a hierarchy of centre should be defined which sets out the appropriate role to meet the needs of their catchment.
- 9.42 Paragraph 2.9 details this requirement in more explicitly when considering hierarchies, local planning authorities should consider whether there is a need to avoid an over-concentration of growth in the higher level centres, the need to stimulate investment and growth to strengthen other centre, especially those in need of regeneration and the need to address any clear deficiencies in the network. PPS6 provides a general hierarchy framework based on number of key characteristics in Table 1 of Annex A.
- 9.43 This policy statement sets out four tiers of hierarchy; these are namely City, Town, District and Local.
- 9.44 In light of the policy statement, WYG have structured the retail hierarchy for Lancaster, based on our review of the role and function of the existing centres and in light of any regeneration needs. We note for the purposes of this study, these references are regarded as centres for the purposes of planning policy and not 'place names'.

City Centre (Sub Regional)

Lancaster

Town Centre

Morecambe

District Centre

Carnforth

Local 'Service' Centres;

Caton	Lancaster	Princes Crescent	Morecambe West
	University	(Bare)	End
Heysham	Torrisholme	Silverdale	Westgate
Heysham Road			

Summary

- 9.45 In summary, it is evident that whilst the adopted local plan reflects the aims and objectives set out in PPG6 (1996), there will be a need to review the criteria based approach set out in the local plan, in order to be consistent with the approach advocated in PPS6 (2005). In addition, we would recommend that the Council review the policies controlling non retail uses in the primary frontages specifically in regeneration priority areas in order to help reduce the voids in the primary area. The review will be fundamental if the town centres are to embrace the growth in the evening economy and provide the necessary support services that will enable shoppers to dwell for longer periods of time. As part of any future strategy, the Council may consider identifying a particular part of the town centre where the evening economy should be actively encouraged.
- 9.46 However, the biggest challenge as part of the review of the local development strategy will be to set out a clear and consistent strategy that outlines how the 'needs' within this study will be accommodated and where future retail development will be focused. If long term comprehensive redevelopment is to be supported within the any of the town centres then the Council will have to carefully consider future application for edge/out-of-centre developments that may prejudice the strategic approach. However, it must be noted that this study also demonstrates a significant quantitative and qualitative need for a large sized foodstore up to 2011 and new non food floorspace over the plan period. Such development will need to be considered as part of the overall strategic approach adopted and focused within the town centre, to support Lancaster's town centre network future role in the short to medium term.