

**LANCASTER
CITY COUNCIL**

Promoting City, Coast & Countryside

Lancaster District Local Plan
Monitoring Report

Shopping and Town Centres

**Lancaster City Council
www.lancaster.gov.uk**

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1. Introduction

- 1.1 This Report sets out the key retail trends which have implications for land-use planning in the District in order to monitor the effectiveness of the retail policies in the Lancaster District Local Plan. It updates information set out in the Lancaster District Local Plan Retail Core Proof produced in August 1998. The report with the linked issues of retailing in the District and the health of its Town Centres.
- 1.2 The role of town centres as office centres and the contribution of retail development to the local economy are addressed in the Council's Local Economy Monitoring Report.
- 1.3 The monitoring report will set out the policy context of the District Local Plan and examine changes in the national, regional and structure planning policy context. It will briefly describe the District Retail Hierarchy and the structure of retailing around the District. It will set out the key findings of the Retail Capacity Study produced in 1998 by Donaldsons and set out how retail floorspace has changed since 1998 including changes in floorspace composition, new floorspace completed and floorspace commitments. It will make assessments of the Districts Centres. Finally it will identify opportunities for policy review.
- 1.4 This monitoring report is concerned only with the retail policies of the plan and the issue of the vitality and viability of existing centres. It does not address traffic, parking, heritage and design or amenity issues associated with retail and town centre development.

2. Policy Background

Local Plan Retail Policies and Supplementary Planning Guidance

- 2.1 The District's adopted local plans date from the late 1980s and early 1990s and are now of limited relevance in most cases. The Lancaster District Local Plan is at an advanced stage of preparation and is due to be adopted in April 2004. The Plan's retail policies are not the subject of outstanding issues and carries very substantial weight. A composite plan combining the text of the Deposit edition with all subsequent modifications has been published by the Council.
- 2.2 The Local Plan aims to work towards a District whose town and city centres are attractive, stimulating, vibrant, safe and convenient places to live, work and visit at all times of day. This document is concerned with the monitoring of the following Local Plan policies;
 - Policy S1 Defines the District Retail Hierarchy and sets out criteria for retail development within the District's Town Centres;
 - Policy S1A Sets out criteria for edge of centre and out of centre retail development;

- Policy S2 Identifies Town Centre Development Sites in Lancaster;
- Policies S2A-5 Define primary and other key frontages in Lancaster City Centre and set out criteria for non-A1 retail uses;
- Policy S6 Defines the Council's approach to proposals for new retail development in Morecambe Town Centre;
- Policies S7-8 Defines the Council's approach to non-A1 retail uses in Morecambe Town Centre;
- Policy S9 Defines the Council's approach to proposals for new retail development in Carnforth Town Centre;
- Policies S10 Defines the Council's approach to non-A1 retail uses in Carnforth Town Centre;
- Policies S11-12 Sets out the Council's approach to development in the West End and other Local Centres;
- Policies S13-15 Sets out the Council's approach to the provision of small local shops, village shops and farm shops;
- Policies S16 & S19 Control changes of use of rural shops and pubs to other uses;
- Policy S17 Sets out criteria for food and drink uses outside town centres;
- Policy S18 Addresses ancillary retailing in mixed-use schemes.

2.3 Town Centre Strategies have been prepared for Lancaster City Centre and Morecambe Town Centre. These contain proposals for the management and enhancement of the two centres and are in the process of being implemented. Both strategies were adopted as Supplementary Planning Guidance to the Lancaster District Local Plan in July 2002.

2.4 Development Brief for sites close to Lancaster City Centre include the Kingsway Development Brief and the Canal Corridor North Development Brief. Both of these set out tests for new retail development incorporated within mixed-use schemes. Both briefs were approved as Supplementary Planning Guidance to the Lancaster District Local Plan in May 2002.

National Policy Context

2.5 There are a number of Planning Policy Guidance Notes which have relevance to planning for retail development and Town Centres. The key documents are PPG1 (General Policy and Principles) published in February 1997, PPG 6 (Town Centres and Retail Development published in June 1996 and PPG13 (Transport published in 1998); The main provisions are an emphasis on locating new retail and leisure development in town centres and in areas with a choice of means of transport, a sequential approach to the location of new retail development, a requirement for major new retail and leisure development to demonstrate need and a requirement for major development to be accompanied by Retail Impact Assessment. A full list of relevant extracts from Government Guidance is attached as Appendix 1. A draft replacement Planning Policy Statement 6 was issued in October 2003.

Reforms to the Planning System

- 2.6 The Government is reforming the system in the belief that this will make it less complicated, more streamlined and more customer focused. Under the 2003 Planning and Compulsory Purchase Bill, Structure Plans and Local Plans will be replaced by the following system;
- **Regional Spatial Strategy** to be prepared by the Regional Planning Body and approved by the Secretary of State and covering most of the strategic issues currently addressed by the Lancashire Structure Plan;
 - **Minerals and Waste Disposal Local Development Scheme** to be prepared by Lancashire County Council and providing the framework for minerals and waste planning.
 - **Local Development Documents;** To replace Local Plans and Supplementary Planning Guidance. The Council has to prepare a Local Development Schedule setting out the planning policy documents it proposes to produce, when it intends to produce them and which will have Development Plan status.

Regional Planning Guidance

- 2.7 Although not part of the Development Plan, a further important consideration is Regional Planning Guidance issued by The Secretary of State in March 2003. The key elements of Regional Planning Guidance which have implications for the Policies of the Lancaster District Local Plan are the following;

- Policy SD3 Identifies Lancaster/Morecambe as Key Towns within which development will be concentrated and states that Lancaster is a historic town requiring continual conservation with sensitive integration of new development;
- Policy EC8 Development plans should recognise the continued need to protect, sustain and improve all town and city centres in the Region by
 - encouraging new retail, leisure and/or mixed-use developments within existing defined town and city centre boundaries (primary shopping areas); and
 - directing office developments (Use Classes: B1 and A2) that generate significant trips to suitable locations within or adjoining main city and town centres, or district centres which are easily accessible to all by public transport (thus respecting Policy DP1).

The Lancashire Structure Plan

- 2.8 The Lancashire Structure Plan 1991-2006 underpins the District Local Plan, A replacement Structure Plan is currently in preparation which will cover the period between 2001 and 2016. A replacement draft Structure Plan was placed on deposit in July 2002 and the Examination in Public is currently taking place. Objective 3.2 of the plan is to protect and enhance the vitality of town centres. The plan sets targets of achieving growth in Zone A rentals to equal or exceed annual average regional change between 2001 and 2016 and to achieve levels of vacant property in town centres of less than the national average by 2016.
- 2.9 Policy 16 on retail, entertainment and leisure development defines the following shopping hierarchy.
- Lancaster is defined as a Tier 1 Centre along with Blackburn, Burnley' Preston and Blackpool suitable for major retail, entertainment and leisure development, intended to serve a sub regional catchment.
 - Morecambe is defined as a Tier 2 Centre suitable for Medium-scale development, which may have a District wide catchment.
 - Carnforth is defined as a Tier 3 Centre suitable for smaller retail and leisure development, serving a more local catchment or dispersed rural population.
- 2.10 Smaller centres such as District and Local Centres and villages are to be identified through Local Plans. The hierarchy reflects the size, function and catchment area of the centres, the settlement hierarchy and the relative importance of the town centres relative importance as public transport hubs.
- 2.11 The Policy states that retail, entertainment and leisure development will reflect the position of the town centre in the following hierarchy and be consistent with the scale and function of the centre. It states that retail, entertainment and leisure development must be located in accordance with the sequential approach and satisfy the following criteria:
- (a) must not significantly affect, alone or in combination with other proposed developments, the vitality and viability of any town centres, district centres, local centres or the overall shopping and leisure provision in small towns and rural areas within or adjoining Lancashire; and
 - (b) must not prejudice any regeneration initiative or town centre strategy within or adjoining Lancashire.
- 2.12 The draft plan states that in identifying sites for retail, entertainment and leisure development, the sequential approach set out in PPG 6 (See Para 2.5 above) applying the sequential approach, consideration should also be given to sub-dividing schemes into smaller components, to enable them to be accommodated on sites in or on the edge of town centres before allowing them at out of centre locations.

3. Retailing in Lancaster District - The Retail Hierarchy

3.1 There is around 130,000 sq. m of gross retail floorspace in Lancaster District. The Distribution of floorspace is shown in Figure 1 below. It can be seen that around 63% is located in existing centres, around 18% on the edge of existing centres and the remaining 19% in out of centre locations. There are at least 750 A1 retail businesses in the District and they are estimated to employ at least 5000 people.

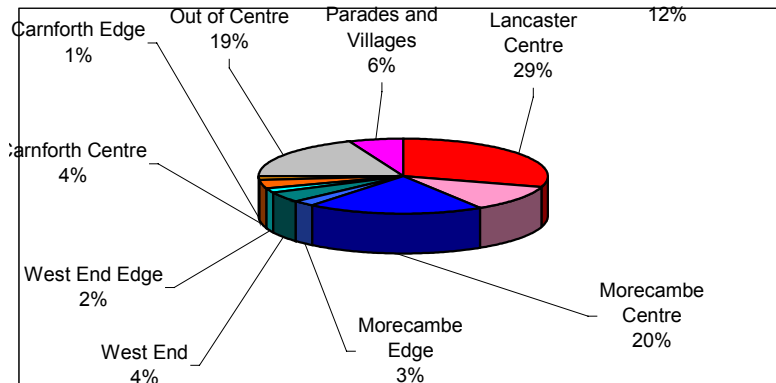


Figure 1; Ground Floor A1 Gross Retail Floorspace in Lancaster District

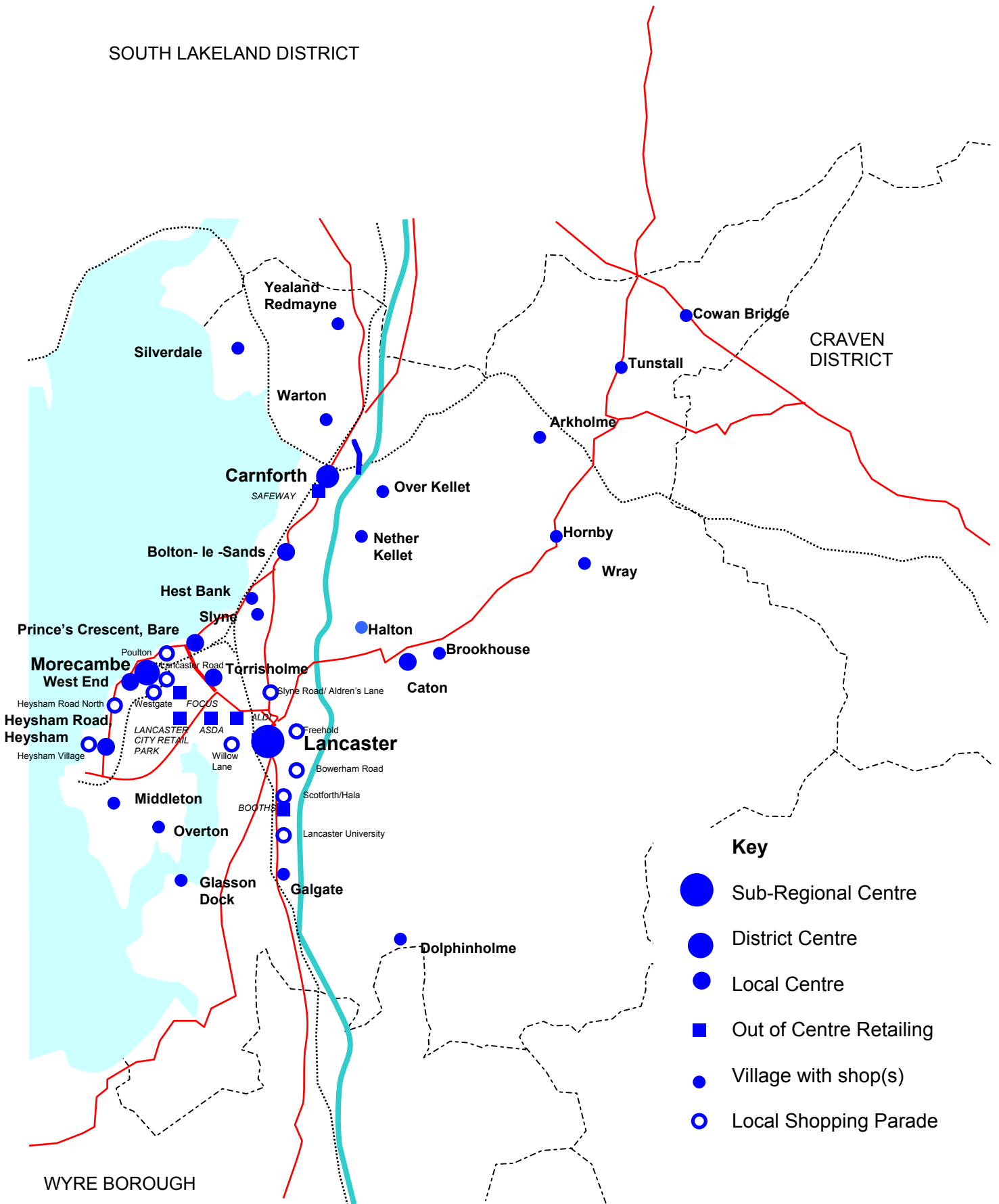
SOURCE; LANCASTER CITY COUNCIL RETAIL FLOORSPACE SURVEY

3.2 The largest shopping centre in the District is Lancaster. It has around 271 A1 retail businesses of which 104 are national multiples and its ground floor gross A1 retail floorspace is around 40,000 sq. m. Its catchment extends over the whole of Lancaster District and adjoining areas of Lancashire and South Cumbria. (Lancaster and Morecambe Shopping Study). It has a comparison turnover of at least £154 million and a convenience turnover of at least £96 million (2001 at 1994 Prices – Lancaster and Morecambe Shopping Study). Major stores include Littlewoods, Marks & Spencer, Boots, Woolworths, Next, Burtons/Dorothy Perkins British Home Stores, HMV, Waterstones, Hammicks and an edge-of-centre Sainsbury Foodstore.

3.3 There is a significant quantity of retailing activity around the edge of Lancaster City Centre. In addition to the aforementioned Sainsbury store, there is a B & Q on Aldcliffe Road and a small retail park comprising a Curry's, a Halfords and a Comet on Bulk Road north of the City Centre.

3.4 The District's second largest shopping centre in the District is Morecambe. It has around 112 A1 retail businesses of which 39 are national multiples and its ground floor gross A1 retail floorspace is around 26,000 sq. m. Its catchment includes Morecambe and Heysham, Lancaster, Bolton-le-Sands and Carnforth. (Lancaster and Morecambe Shopping Study). It has a comparison turnover of at least £24 million and a convenience turnover of at least £40 million (2001 at 1994 Prices – Lancaster and Morecambe Shopping Study). Major stores include Morrisons, Tesco, Woolworths, Hitchens, Peacocks, H Samuel and Ethel Austin. The retail offer of Morecambe will be enhanced significantly when a new Factory Outlet Centre is constructed on the former Frontierland Amusement Park.

SOUTH LAKELAND DISTRICT



Map 1 – The Retail Hierarchy

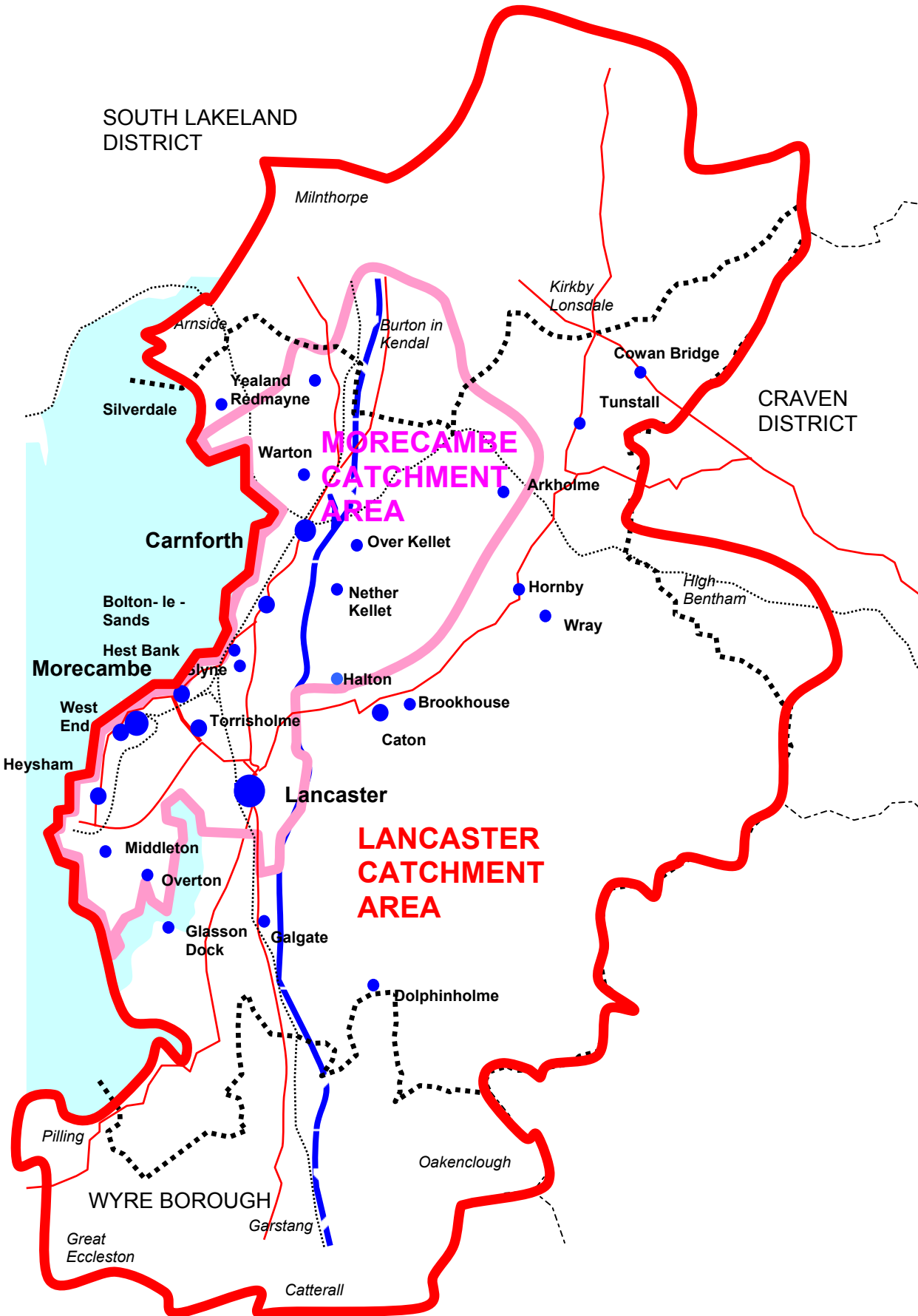
- 3.5 The District's third centre is Carnforth. It has around 26 A1 retail businesses of which 7 are national multiples and its ground floor gross A1 retail floorspace is around 5,000 sq. m. Its catchment includes Carnforth, Bolton-le-Sands, Hest Bank, the upper Lune Valley and parts of Cumbria including Arnside and Burton-in-Kendal. It is anchored by a Booths foodstore and contains a number of convenience and local comparison outlets.
- 3.6 The District has a significant quantity of out of centre retailing, most of which was approved before the publication of PPG6 and the introduction of a requirement for a Sequential Approach. The main area of out of centre comparison floorspace is the Lancaster City Retail Park, Mellishaw Lane Heaton-with-Oxcliffe. This contains around 10,500 sq. m of comparison floorspace. Current occupiers are MFI, JJB Sports, Carpet Right, Harvey's, Matalan and Wickes. There is also a 2800 sq. m Focus Do It All DIY store on Westgate.
- 3.7 The District's main out-of-centre convenience outlet is the 6,700 sq. m Asda Store on Ovangle Road, Heaton-with-Oxcliffe. In addition to the main store, the site accommodates a chemist, a dry cleaner, a travel agent and various other small shops. Other out-of-centre convenience outlets include Aldi on Morecambe Road, Lancaster, Netto on Lancaster Road, Morecambe, Safeway on Lancaster Road, Carnforth, Booths in Scotforth and Farmfoods north of Lancaster City Centre.
- 3.8 The Local Plan identifies 6 local centres which provide a core of basic facilities to local communities. These are Heysham Road, Heysham, Morecambe West End, Torrisholme, Prince's Crescent Bare, Caton and Bolton-le-Sands. There are also a number of small shopping parades and groups of shops which are not identified in the Local Plan. In addition the Local Plan contains policies which safeguard village shops.
- 3.9 The location of the main centres, out of centre retail outlets, local centres, shopping parades and village shops is shown on Map 1 (above).

4. The Lancaster and Morecambe Shopping Study

- 4.1 In 1997, as part of the preparation of the Lancaster District Local Plan, the Council commissioned retail consultants Donaldsons to carry out a study of retailing in the District with the aim of establishing the capacity of the District to accommodate new retail development over the Local Plan period. The study involved the following elements;
- The definition of existing catchment areas for Lancaster and Morecambe using a street interview survey of 400 shoppers in Lancaster and 357 shoppers in Morecambe carried out in May 1997.
 - The identification of trading patterns within the District by means of a structured telephone based household interview survey involving 1000 responses and carried out in October 1997;
 - The modelling and quantification of existing expenditure based on the survey information described above and household expenditure estimates provided by the Data Consultancy;
 - The modelling of existing expenditure in Lancaster and Morecambe town centres based on the household survey and expenditure estimates derived as above;
 - The modelling and quantification of expenditure growth based on population growth estimates derived from the Lancashire Structure Plan and expenditure growth forecasts from The Data Consultancy;
 - The identification and quantification of capacity for new retail floorspace in Lancaster and Morecambe.
- 4.2 The key elements of the Study will be described in turn.

Catchment Areas

- 4.3 Map 2 shows the catchment areas of Lancaster and Morecambe. These are derived empirically from the shoppers survey. Morecambe's catchment is wholly within Lancaster's. On the basis of the shoppers survey 83.5% of trips to Lancaster City Centre originate within the catchment defined on the Map 2. 89.8% of trips to Morecambe Town Centre originate from within the Morecambe catchment area identified on Map 2. Lancaster's catchment population was estimated at 166,700 in 1998 and estimated to rise to 176,700 by 2006. Over the same period, Morecambe's catchment population was estimated to rise from 107,300 to 118,700.
- 4.4 A factor which may have changed since the previous study was published is the catchment population. Early results from the 2001 census suggest that the population of the District is significantly lower than that envisaged in the Lancashire Structure Plan. The new draft Structure Plan also envisages lower rates of population growth.



Map 2 – Lancaster and Morecambe Catchment Areas

4.5 For the purposes of the study, the Catchment Areas were divided into the following Zones (% of total study area population);

Zone 1 (27.4%)	LA1 1-5	Lancaster
Zone 2 (26.9%)	LA3 1&2, LA4-6	Morecambe and Heysham
Zone 3 (3.2%)	LA3 3	Heysham Peninsula - Rural
Zone 4 (3.2%)	LA2 0	Galgate and Cockerham;
Zone 5 (2.7%)	LA2 9	Caton and Wyresdale
Zone 6 (11.3%)	PR3 0,1&6	Garstang and Pilling
Zone 7(9.7%)	LA2 6,LA5 8&*9, *LA6 1	Carnforth and Bolton-le-Sands;
Zone 8 (5.9%)	LA2 7-8,LA6 2	Upper Lune Valley and Bentham;
Zone 9 (9.6%)	LA5 0 *LA5 9, *LA6 1	Silverdale to Milnthorpe

*Note LA 5 9 and LA6 1 are divided equally between Zone 7 and Zone 9.

Convenience Shopping Patterns

- 4.6 A household survey was carried out which looked at the distribution of expenditure within the District. It looked at various destinations. Table 1 below shows the pattern of main convenience shopping trips. It can be seen that for the District as a whole.

Destination	% Main Convenience Trips	% Top-up Convenience Trips
Lancaster (including Sainsbury)	26	15
Morecambe	20	9
Carnforth	3	4
Local Centres	2	11
TOTAL IN CENTRE	51	40
Out of Centre	30	16
TOTAL IN DISTRICT	81	56
Out of District	19	13
No Response	0	31
TOTAL	100	100

Table 1; Convenience Shopping Trips

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY – HOUSEHOLD SURVEY

- 4.7 It can be seen that just over half of all main convenience trips were to centres in the retail hierarchy. A further 30% of trips were to out-of-centre shopping destinations within the District of which around 80% were to the Asda store on Ovangle Road.
- 4.8 Almost all of the overall leakage derives from areas on the edge of the catchment area outside the District boundary. Of the trips outside the District around 50% originated from the Garstang and Pilling Zone. The major food shopping destinations in this area were the Booths and Asda stores in Garstang itself and stores in Preston. A further 30% originated within the Silverdale/Milnthorpe area most of which goes to Kendal. 7% derives from the upper Lune Valley and goes mainly to Bentham and Kendal. Within the Lancaster and Morecambe and Heysham sub-areas, virtually no respondents did main convenience shopping outside the District.
- 4.9 In terms of top-up expenditure, around 1/3 of respondents claimed to do no top up shopping. Top-up shopping follows a broadly similar pattern apart from a greater role for local centres (used by 11% of respondents). As with main food shopping, the vast bulk of top-up leakage outside the District occurs in

the peripheral Zones 6,8 and 9 which together make up 82% of leaked top-up trips.

- 4.10 The survey was carried out in 1997. There have been a number of changes to convenience provision within the District since then. Changes have included the opening of an out-of-centre Safeway store in Carnforth, a small Alldays convenience store in Heysham and, outside the District, new Booths foodstores at Kirkby Lonsdale and Ulverston. The impact of these changes is as yet unknown.

Clothing and Footwear Shopping Patterns

Destination	% Main Clothing and Footwear Trips	% All Clothing and Footwear Trips
Lancaster	59	38
Morecambe	10	9
Local Centres	0	1
TOTAL IN DISTRICT	69	48
Blackpool	2	5
Kendal	8	10
Manchester	3	5
Preston	12	22
TOTAL OUT OF DISTRICT	29	51
Special Forms	2	2
TOTAL	100	100

Table 2; Clothing and Footwear Shopping Trips

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY – HOUSEHOLD SURVEY

- 4.11 The survey asked where people mainly shopped at for clothing and footwear and which other destinations they shopped at. The results are shown in Table 2 (above). It can be seen that for main clothing trips, around 70% were retained within the District. If main and other destinations are amalgamated, around 48% is retained in the District and 51% is elsewhere.
- 4.12 As with convenience trips, the vast bulk of leakage originates from peripheral areas. In terms of main trips, Garstang and Pilling account for 26% and Silverdale and Milnthorpe 19%. Leakage out of the District from Lancaster itself is 12% of main trips and 49% of all trips. Leakage from Morecambe and Heysham is 23% of main trips and 44% of all trips.
- 4.13 There have been a number of important developments since the study was carried out in 1997. Within the District, Matalan has opened at the Lancaster

City Retail Park and Morrisons have planning permission for a Factory Outlet Centre in Morecambe. It may also be the case that increased sales of electrical goods in large supermarkets such as Asda may also have changed the situation. Outside the District, there have been major developments such as the opening of the Trafford Centre and major developments in central Manchester, the refurbishment of the Fishergate Centre in Preston, the opening of the Elephant Yard centre in Kendal and developments in Leeds. The impact of all of these developments on trading patterns has yet to be quantified.

Furniture and Carpets Shopping Patterns

Destination	% Furniture and Carpets Trips
Lancaster	42
Morecambe	11
Local Centres	4
TOTAL IN CENTRE	57
Mellishaw/White Lund	10
Other Out of Centre	3
TOTAL LANCASTER DISTRICT	71
Preston	12
Kendal	5
Manchester	2
IKEA Warrington	2
TOTAL OUT OF DISTRICT	26
Special Forms	4
TOTAL	100

Table 3; Furniture and Carpets Expenditure Patterns

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY – HOUSEHOLD SURVEY

- 4.14 The survey asked where people mainly shopped at for furniture and carpets. The results are shown in Table 3 (above). It can be seen that around 71% of furniture and carpet shopping trips were retained within the District. Of these, around 57% were to existing town centres and the remainder to out-of-centre outlets, principally in the Mellishaw/White Lund area.
- 4.15 Most leakage originates from peripheral areas. 32% of leaked trips originate from the Garstang/Pilling area. Within this area around 62% of furniture and carpet trips are to Preston. There is also significant leakage to Kendal from

the northern part of the catchment area. Leakage out of the District from Lancaster is around 17% whilst leakage from Morecambe and Heysham is around 10%.

- 4.16 There have been a number of changes since the study was carried out in 1997. Within the District, Kingsbury and Fads have ceased trading on the Lancaster City Retail Park, whilst Allied Carpets have closed their store in Lancaster City Centre. The impact of all of these developments on trading patterns has yet to be quantified.

Destination	% Electricals Trips
Lancaster (including Bulk Road)	42
Bulk Road Retail Park	25
Morecambe	11
Local Centres	1
TOTAL IN CENTRE	80
Out of Centre	2
TOTAL LANCASTER DISTRICT	81
Preston	6
Kendal	5
TOTAL OUT OF DISTRICT	17
Special Forms	2
TOTAL	100

Table 4; Electrical Goods Spending Patterns

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY – HOUSEHOLD SURVEY

Electrical Goods Spending Patterns

- 4.17 The survey also looked at expenditure patterns relating to electrical goods. Here it found that Lancaster City Centre and the Bulk Road Retail Park were by far the most important destinations accounting for 67% of all trips. Leakage out of the District is minimal at 19% and is almost entirely accounted for by the Garstang and Pilling areas and the extreme north of the catchment. Within Lancaster and Morecambe and Heysham 96% and 95% of all trips are retained within the District. It is also worthy of note that most expenditure on electrical goods is concentrated in Town Centres and out of centre locations attract only 2% of trips.

- 4.18 Factors which have changed since the survey was undertaken include the closure of the Kenneth Gardner group which had shops in Lancaster, Morecambe and Carnforth. The survey also predates the widespread use of internet shopping and the boom in sales of mobile phones and computers in the late 1990s. It may also be the case that increased sales of electrical goods in large supermarkets such as Asda may also have changed the situation. The impact of these changes has yet to be quantified.

DIY Goods Trading Patterns

Destination	% DIY Trips
Lancaster (including Bulk Road)	26
B&Q Retail Park	20
Morecambe	9
Carnforth	1
Local Centres	4
TOTAL IN CENTRE	61
Do-It-All	17
White Lund/Mellishaw	6
TOTAL OUT-OF-CENTRE	23
TOTAL LANCASTER DISTRICT	84
Preston	6
Kendal	5
TOTAL OUT OF DISTRICT	16
Special Forms	0
TOTAL	100

Table 5; DIY Expenditure Patterns

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY – HOUSEHOLD SURVEY

- 4.19 There is very little leakage of DIY trips from the District. The study found that 84 % of DIY trips were retained within the District. Again of the 16% which did leak, the vast bulk was either leaking south from the Garstang/Pilling area to Preston or north from the Milnthorpe area to Kendal. In Lancaster 97% of DIY trips are retained whilst in Morecambe and Heysham the figure is 99%.
- 4.20 As might be expected, DIY is an area where a significant amount (around ¼) of trips are to out-of-centre outlets. However the study still shows a significant quantity of new expenditure being retained in-town.

Expenditure Growth Forecasts

- 4.21 Having identified the principle trading characteristics, the study then quantifies amount of money being spent by households within the study area on convenience and comparison goods. Expenditure per head estimates are derived from what is known as an 'Illumine Report' produced by the Data Consultancy in October 1997. The Data Consultancy look in detail at the defined catchment area at a range of local socio-economic indicators including social class, household tenure type, car ownership and age profile. Expenditure per head is set out in Table 4 below.
- 4.22 The study adjusts the expenditure per head figure to exclude 'special forms of trading'. These comprise expenditure not spent in shops such as catalogues, mail order and e-commerce. Donaldsons estimated that around 0.9% of convenience expenditure and 7.6% of comparison expenditure fell within these categories. It should be noted that the Donaldsons work was undertaken before the recent significant growth in e-retailing.
- 4.23 The study assumes that expenditure on both convenience and comparison goods will continue to grow in real terms in line with historic trends. The growth rates selected are between the long term and ultra long-term growth rates published by the Data Consultancy. The growth rates thus derived are a rate of 0.36% per annum for Convenience expenditure and 7.6% per annum for Comparison expenditure. Note these figures do not allow for inflation.

Year	Study Area Population	Convenience Expenditure per Head	Total Convenience Expenditure	Comparison Expenditure per Head	Total Comparison Expenditure
1996	164,279	£1185	£194.67m	£1527	£250.85m
1998	166,689	£1194	£199.03m	£1646	£274.37m
2001	170,369	£1207	£205.63m	£1842	£313.82m
2006	176,685	£1229	£217.15m	£2223	£392.77m

Notes

Special forms of Trading Excluded 0.9% of Convenience and 7.6% of Comparison Goods

Convenience Expenditure to grow in real terms at 0.36% per annum;

Comparison Expenditure to grow in real terms at 7.6% per annum

Table 6; Expenditure Growth 1996-2006

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY

- 4.24 Applying these figures to the catchment population as forecasted to grow in the adopted Structure Plan, the Study forecasts that within the Study area, total convenience expenditure originating within the Study area and excluding special forms of trading will grow to £217.15m by 2006 whilst over the same

period, comparison expenditure will grow to £392.77m. It should be noted that assumptions on expenditure growth are based on circumstances which may have changed. The amount of expenditure deriving from special forms of trading may also have changed with the impact of e-retailing.

Turnover Estimates

- 4.25 These expenditure figures are applied to the information on trading patterns set out above for convenience and comparison retailing using food and grocery as a proxy for convenience expenditure and clothing and footwear as a proxy for comparison expenditure. Expenditure estimates are divided between main and top up convenience shopping and main and other clothes shopping using responses questions in the household survey.
- 4.26 It should be noted that the use of clothing and footwear as a proxy for comparison retailing has some important consequences. Firstly it potentially overstates the degree to which comparison expenditure leaks out of the District (there is much higher leakage in clothing expenditure than in other categories). Secondly it understates the importance of retail destinations for which are not underpinned by clothing expenditure, such as local centres and retail parks.
- 4.27 To the turnover estimates derived from the study area must be added turnover arising from expenditure by people living outside the catchment area such as visitors and long-distance commuters. The LMSS makes an allowance for these using the shoppers survey described in Paragraph 4.1. Question 10 of that study asked shoppers in Lancaster and Morecambe what the main purpose of their visit was. Those respondents for whom the purpose of the visit was 'Main Food Shopping', 'Top Up Shopping' and 'Non Food Shopping' were isolated and analysed to establish what proportion had come from outside the study area.
- 4.28 The proportions thus found were as follows;
- Lancaster Comparison Goods 18.3% from outside Study area;
 - Lancaster Convenience Goods 4.4% from outside Study area;
 - Morecambe Comparison Goods 7.8% from outside Study area;
 - Morecambe Convenience Goods 0.6% from outside Study area;
- 4.29 If the estimates of turnover derived from within the catchment area are adjusted using the ratios set out above, estimates for total turnover can be derived. These are set out in Table 7 (below). The estimates thus produced are a turnover of £199.2 million (1998 £1994) for Lancaster City Centre of which £150.1m is comparison expenditure, £37.3m is convenience expenditure in the Sainsbury's store and £11.8m is convenience expenditure elsewhere in the City Centre. Morecambe is estimated to generate a total turnover of £55.4 million of which £23.6m is comparison expenditure, £20m is convenience expenditure in Morrisons, £9.8m is convenience expenditure in Tesco and £2.1m is convenience expenditure elsewhere in the Town Centre.

- 4.30 The application of inflow figures based on interviews in Lancaster City Centre to out of centre outlets such as Asda, Booths and Aldi is questionable since these locations are likely to attract far fewer visitors from outside the District. There may be a slight over-estimate of turnover in these stores.

TURNOVER OF MAIN SHOPPING DESTINATIONS (1998 IN 1994 PRICES)										
	Convenience Turnover 1998 (£1994)					Comparison Turnover 1998 (£1994)				
	Main	Top Up	Total from Study Area	From outside Study Area	TOTAL TURNOVER	Main	Secondary	Total from Study Area	From outside Study Area	TOTAL TURNOVER
Sainsbury	£33.5m	£2.1m	£35.6m	£1.7m	£37.3m					
Other Lancaster	£4.9m	£6.4m	£11.3m	£0.5m	£11.8m					
Total Lancaster	£38.4m	£8.5m	£46.9m	£2.2m	£49.1m	£111.4m	£11.2m	£122.6m	£27.5m	£150.1m
Morrisons	£18.2m	£1.7m	£19.9m	£0.1m	£20.0m					
Tesco	£8.0m	£1.7m	£9.7m	£0.1m	£9.8m					
Other Morecambe	£1.0m	£1.0m	£2.0m	£0.1m	£2.1m					
Total Morecambe	£27.2m	£4.4m	£31.6m	£0.3m	£31.9m	£16.3m	£5.4m	£21.8m	£1.8m	£23.6m
Asda	£33.8m	£2.0m	£35.8m	£1.6m	£37.4m					
Aldi	£3.7m	£0.3m	£4.0m	£0.2m	£4.2m					
Booths, Scotforth	£4.1m	£1.6m	£5.7m	£0.2m	£5.9m					

Table 7; Turnover Estimates

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY

Turnover/Floorspace Ratios

- 4.34 The next stage in the process is to estimate the turnover per sq. ft ratio of the town centres and major stores. These ratios can then be compared with national averages and turnover estimates published by major retailers to establish whether centres are 'over trading' (trading at a much higher than average level which can result in congestion, overcrowding and other operational difficulties) or 'under trading' (very low levels of trading indicative of poor performance and inefficient use of space).
- 4.35 Overall turnover is calculated as shown in Table 7 above. The figures thus derived are applied to estimates for net floorspace derived from the Council's annual shopping floorspace survey. The resulting ratios are set out in Table 8 below.

		Turnover	Net Floorspace		Turnover Ratio		Company Average/ Equilibrium Trading		Expected Turnover	Difference
			Sq. ft	Sq. m	£/sq. ft	£/sq. m	£/sq. ft	£/sq. m		
Sainsbury	Convenience	£37.25m	30100	2796	1237	13320	963	10366	£28.98	+28.5%
Lancaster - Other	Convenience	£11.82m	28408	2639	416	4477	416	4477	£11.82m	0
Lancaster	Comparison	£150.1m	355869	33061	422	4540	422	4540	£150.1m	0
Morrison	Convenience	£20m	38000	3530	526	5665	747	8041	£28.38	-29.5%
Tesco	Convenience	£9.81	9700	901	1011	10882	858	9236	£8.32m	+17.8%
Morecambe (other)	Convenience	£2.05	31620	2938	65	697	250	2691	£7.91m	-74.1%
Morecambe	Comparison	£23.6	146634	13263	161	1732	200	2153	£29.33	-24.3%
Asda	Convenience	£37.39	50000	4645	748	8050	698	7513	£34.90m	+7.1%
Aldi	Convenience	£4.19	6996	650	600	6453	588	6329	£4.11m	+2.0%
Booths (Scotforth)	Convenience	£5.91	7300	678	809	8709	376	4047	£2.74m	+115.2%

Table 8 ; Estimated Turnover/Floorspace Ratios

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY

Retail Capacity Estimates

- 4.36 Building on the Turnover estimates set out above and comparing them against equilibrium or baseline levels, retail capacity is then calculated. It is assumed that existing market share remains constant and floorspace efficiency grows at 1% per annum. Table 9 sets out the capacity estimates thus arrived at.

Year	Lancaster Convenience			Morecambe - Convenience		
	1998	2000	2006	1998	2000	2006
Expenditure (£m)	£199.03	£205.63	£217.12	£199.03	£205.63	£217.12
Turnover from Catchment Area (£m)	£92.31	£95.37	£100.7	£39.72	£41.03	£43.33
Market Share	46.4%	£46.4%	£46.4%	20%	20%	20%
Expenditure Inflow (£m)	£4.25	£4.49	£4.63	£0.24	£0.25	£0.26
Turnover Potential (£m)	£95.56	£99.76	£105.33	£39.96	£41.28	£43.59
Actual Turnover (£m)	£95.56	£95.56	£95.56	£39.96	£39.96	£39.96
Under/Overtrading (£m)	+£14.00	+£14.00	+£14.00	-£12.76	-£12.76	-£12.76
RESIDUAL (SURPLUS) (£m)	+£14.00	+£17.2	+£22.7	-£12.76	-£11.43	-£9.13
Capacity assuming turnover at £600/sq.ft (sq. m net)	+2167	+2663	+3526	-1976	-1770	-1413
Capacity assuming turnover at £750/sq.ft (sq. m net)	+1734	+2130	+2821	-1580	-1416	-1131
Capacity assuming turnover at £900/sq.ft (sq. m net)	+1445	+1775	+2351	-1317	-1180	-942
Year	Lancaster Comparison			Morecambe Comparison		
	1998	2000	2006	1998	2000	2006
Expenditure (£m)	£274.32	£313.84	£392.77	£274.32	£313.84	£392.77
Turnover from Catchment Area (£m)	£122.63	£140.3	£175.58	£21.76	£24.89	£31.15
Market Share	44.7%	44.7%	44.7%	7.9%	7.9%	7.9%
Expenditure Inflow (£m)	£27.47	£31.43	£39.33	£1.84	£2.11	£2.64
Turnover Potential (£m)	£150.1	£171.3	£214.91	£23.6	£27.00	£33.79
Actual Turnover (£m)	£150.1	£154.65	£162.54	£23.6	£24.31	£25.66
Equilibrium Turnover (£200/sq. ft)	NA	NA	NA	£29.33	£30.22	£31.76
RESIDUAL (Actual Turnover) (£m)	+£0	+£17.08	+£52.37	£0	£2.68	£8.23
RESIDUAL (Equilibrium Turnover) (£m)	NA	NA	NA	-5.73	-3.22	2.03
Capacity assuming £161/sq. m (current average turnover (Morecambe))	NA	NA	NA	0	1504	4388
Capacity assuming £200/sq. m (equilibrium turnover (Morecambe))	NA	NA	NA	-2661	-1451	871
Capacity assuming £300/sq. m	0	5133	14978	NA	NA	NA
Capacity assuming £422/sq. m (current average turnover (Lancaster))	0	+3649	+10648	NA	NA	NA

Table 9; Retail Capacity Estimates

SOURCE; LANCASTER AND MORECAMBE SHOPPING STUDY

- 4.37 It can be seen that by 2006 the Lancaster and Morecambe Shopping Study estimates that, in and around Lancaster, there will be capacity for between 2351 and 3526 sq. m net of convenience retailing. In Morecambe no capacity for additional convenience retailing is identified due to existing under-trading. For comparison retailing, the study estimates that by 2006 there will be capacity for between 10,648 and 14,978 sq. m net of comparison retailing in Lancaster and around 871 sq. m in Morecambe. The study also makes a separate forecast for bulky goods. Recent decisions by the Secretary of State however make it clear that 'bulky goods' have no special status and that the sequential approach should be applied on a goods driven rather than format driven basis.

5. Commitments, Completions and Current Schemes

5.1 As described above, the Lancaster and Morecambe Shopping Study identified capacity for 2-3500 sq. m net of convenience retailing and 10.5-15000 sq. m of comparison retailing. This part of the monitoring report looks at the amount of retail floorspace completed in the District since the floorspace study which underlies the study was completed in 1997. Table 10 below sets out current applications, commitments and floorspace completions.

Current Applications – January 2004						
App No	Site	Applicant	Location	Gross sq. m	Type	Notes
03/ 1372	Kingsway, Lancaster	Liberty Properties plc	Out of Centre	2342 sq m gross (1824 sq m net)	Comparison	Part of mixed-use scheme.
02/01482	Tunstall Street Pedder Street, Morecambe	Arcad UK	In Centre	215	Unspecified	Part of mixed-use scheme. Refused – Appeal received July 2003
02/1392	Cable Street Damside Street Lancaster	Cable Street Developments Ltd	Edge of Centre	312	Unspecified	Part of mixed-use scheme. Awaiting S106
Schemes with Planning Permission - January 2004						
00/0967	Frontierland Marine Road West Morecambe	Wm Morrison Supermarkets	Edge of Centre	8800 sq. m (6339 sq. m net)	Comp (Factory Outlet Centre)	Approved 21/02/02 Site cleared
Schemes completed January 2004						
00/00331	Mellishaw Lane Retail Park, Heaton with Oxcliffe	Capital and Regional Properties	Out of Centre	929 sq. m (929 sq. m net)	Comp (Matalan)	Approved 24/09/01 Completed August 02
01/1060	Empire Buildings, Marine Road West, Morecambe	Aldi Stores	In Centre	1201 sq. m (1201 sq. m net)	Conv	Completed September 03
98/01043	Lodge Quarry Carnforth	Safeway/ Dransfield Properties	Out of Centre	2924 sq. m (1670 net)	Food Super- market	Completed 3/4/02
No applica- tion	Mellishaw Lane Retail Park, Heaton with Oxcliffe	Capital and Regional Properties	Out of Centre	1858 sq. m (1858 net)	Comp (Matalan)	Change of use from Furniture/ DIY to clothing/ footwear;
No applica- tion	Mellishaw Lane Retail Park, Heaton with Oxcliffe	Capital and Regional Properties	Out of Centre	1858 sq. m (1858 net)	Comp JJB Sports	Change of use from DIY to sports goods

Table 10; Retail Commitments and Completions

SOURCE; LANCASTER CITY COUNCIL PLANNING APPLICATION RECORDS

Note) Schemes of over 2500 sq. m gross are highlighted in **bold italic type** and should be considered in assessing whether schemes need to be referred to the Secretary of State under the Retail Directive.

- 5.2 The Table shows that since 1998, 4645 sq. m net of comparison floorspace has been completed, all of which is at the Mellishaw Retail Park and a further 6339 sq. m has planning permission at the Frontierland development in central Morecambe.
- 5.3 In terms of convenience retailing, 2,871 sq. m net has been completed at the Safeway store in Carnforth and Aldi at Morecambe. A number of smaller applications also contain retail elements.

Requirement for Referral of Major Retail Development Under the Shopping Directive

- 5.4 The Town and Country Planning (Shopping Development)(England and Wales)(No 2) Direction 1993 (CD 36) requires, that permissions for Shopping Developments of over 2500 sq. m gross be referred to the Secretary of State where they will exceed 20,000 sq. m when aggregated with gross shopping floorspace of not less than 2500 sq. m comprised or included in
- current planning applications,
 - planning permissions granted
 - or developments substantially completed within the five years prior to the date of receipt of the application;
- within a radius of 10 miles from the site.
- 5.5 At the present time, the permission for the Morrisons scheme at Frontierland, Morecambe and the Safeways Supermarket in Carnforth which opened in April 2002 and the Liberty application on Kingsway add up to a total of 11,724 sq. m. In current circumstances, any new proposal for retailing of more than 8276 sq. m gross must therefore be referred to the Secretary of State.

6. Town Centre Health Checks – Introduction

- 6.1 Planning Policy Guidance Note 6 on New Shopping Development and Town Centres requires that Councils monitor the vitality and viability of their Town Centres. This is necessary both to inform the development of Town Centre Strategies and Town Centre Management and to be able to assess the potential impact of proposals for new development on City Centres. The City Council conducts an annual survey of Lancaster and Morecambe and maintains a retail database which contains information on the two centres dating back to 1993 in Lancaster and 1997 in Morecambe. This section of the report summarises the results of the most recent survey.

Indicators of Vitality and Viability

- 6.2 The key indicators which indicate vitality and viability are set out in PPG6. These are as follows;
- **diversity of uses:** how much space is in use for different functions - such as offices, shopping; other commercial, leisure, cultural and entertainment activities; pubs, cafes and restaurants; hotels; educational uses; housing - and how has that balance been changing?;
 - **retailer representation and intentions to change representation:** - it may be helpful to look at the existence and changes in representation, including street markets, over the past few years, and at the demand from retailers wanting to come into the town, or to change their representation in the town, or to contract or close their representation.
 - **shopping rents:** pattern of movement in Zone A rents within primary shopping areas, (ie the rental value for the first 6 metres depth of floorspace in retail units from the shop window);
 - **proportion of vacant street level property:** vacancies can arise even in the strongest town centres, and this indicator must be used with care. Vacancies in secondary frontages and changes to other uses will also be useful indicators;
 - **commercial yields on non-domestic property** (ie the capital value in relation to the expected market rental): this demonstrates the confidence of investors in the long-term profitability of the centre for retail, office and other commercial developments. This indicator should be used with care;
 - **pedestrian flows:** the numbers and movement of people on the streets, in different parts of the centre at different times of the day and evening, who are available for businesses to attract into shops, restaurants or other facilities.
 - **accessibility:** the ease and convenience of access by a choice of means of travel, including the quality, quantity and type of car parking, the frequency and quality of public transport

services, the range of customer origins served and the quality of provision for pedestrians and cyclists;

- **customer views and behaviour:** regular surveys of customer views will help authorities in monitoring and evaluating the effectiveness of town centre improvements and in setting further priorities. Interviews in the town centre and at home should be used to establish views of both users and non-users of the centre. This could establish the degree of linked trips.
- **perception of safety and occurrence of crime:** this should include views and information on safety and security.
- **state of the town centre environmental quality:** this should include information on problems (such as air pollution, noise, clutter, litter and graffiti) and positive factors (such as trees, landscaping, open spaces)

6.3 The Health of the District's main centres will be considered in relation to these indicators.

7. Health Check - Lancaster

General

- 7.1 The Lancaster and Morecambe Shopping Study in 1998 stated that Lancaster was currently achieving reasonably robust performance, as evidenced by a steadily-improving property market, retailer demand, declining yields and improving investor confidence, and increasing rental values. The principal weaknesses relate to concerns over accessibility and car parking (although in aggregate the city centre contains a high number of spaces) together with falling pedestrian flow levels (although we stress that this data must be treated with caution due to the short count period). The balance of the evidence suggests that Lancaster is a vital and viable city centre, with a strong retail core.

Diversity

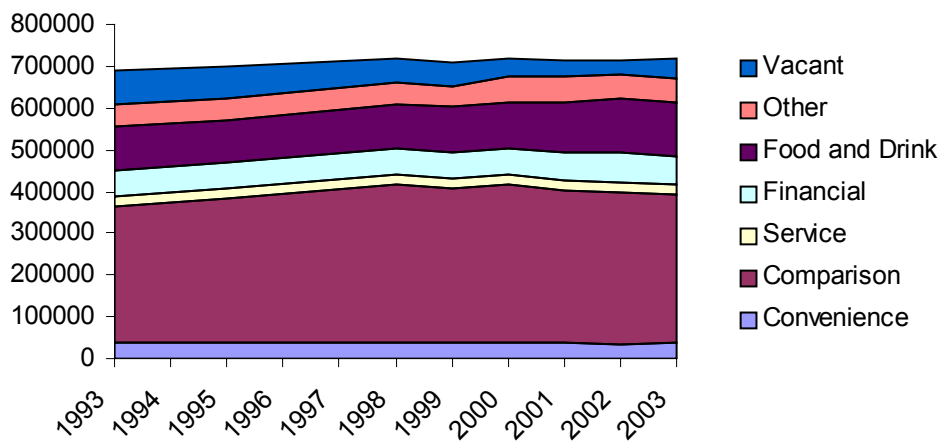


Figure 2; Lancaster City Centre Floorspace Changes (sq. ft) 1993-2003

SOURCE; LANCASTER CITY COUNCIL RETAIL FLOORSPACE SURVEY

- 7.2 At present Lancaster City Centre (as defined in the Lancaster Local Plan) contains around 67,000 sq. m gross of ground floor non-residential floorspace. Of this around 50% is devoted to the sale of comparison goods, 5% to convenience goods (the Sainsbury store lies outside the Centre as defined in the Local Plan) and 3% is devoted to retail services such as hairdressers and travel agents, making a total of 58% in A1 retail use. A further 9% is devoted to financial and professional services such as banks, estate agents and building societies. 18% is devoted to food and drink uses such as pubs, restaurants, cafes and hot food takeaways. Just under 7% of floorspace is vacant. The remaining 8% is in non-retail uses such as public buildings, offices, amusement centres, night clubs and doctors surgeries.
- 7.3 Figure 2 above shows how floorspace trends have changed in Lancaster over the past nine years. It can be seen that the overall quantity of floorspace in the City Centre is growing. The other major trend is an increase in the number of food and drink uses which have increased from 14.9% to 18.0% of Town Centre floorspace between 1993 and 2003. It is also worth noting that, whilst

the quantity and proportion of comparison retailing has risen significantly, convenience retailing has remained relatively static.

- 7.4 These figures indicate a City Centre that is relatively diverse and whose diversity is being maintained.

Retailer Representation

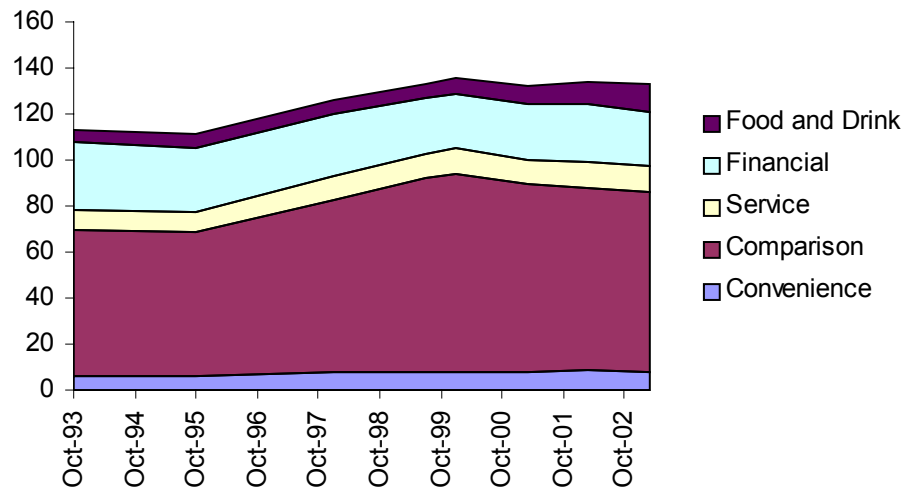


Figure 3; Lancaster City Centre National Multiple Retailer Representation 1993-2003

SOURCE; LANCASTER CITY COUNCIL RETAIL FLOORSFAC SURVEY

- 7.5 When surveyed in 2003, there were 78 national comparison multiples in Lancaster City Centre, a slight fall from 2002. There were 9 convenience multiples, 11 retail service multiples and 12 food and drink multiples. Figure 3 (above) shows long term trends and shows a slow rise in multiple retailer representation despite a recent slight fall in comparison representation.
- 7.6 Changes since the previous survey are shown in Appendix 3. It can be seen that there has been little change with new multiples Accessorise and Litten Tree coming in and Lloyds TSB closing their branch on Sun Street. 10 new multiples have established outlets in the City Centre. These figures indicate a steady performance exhibiting neither rapid growth nor decline.

Zone A Rents

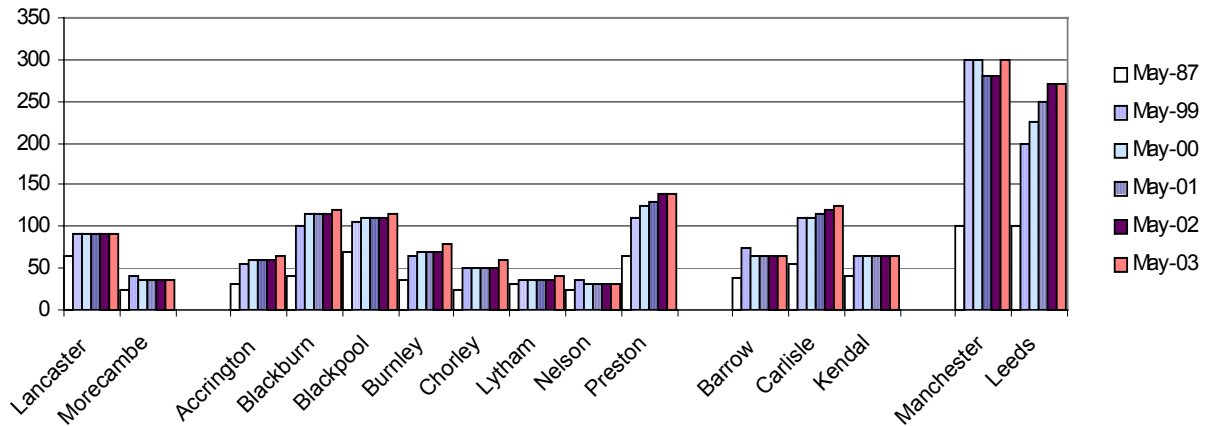


Figure 4; Zone A Rents

SOURCE; COLLIERS, CONRAD, RITBLATT ERDMAN.- IN TOWN RETAIL RENTS MAP

- 7.7 Information on Zone A rents is published for all major shopping centres by Property Consultants, Colliers, Conrad, Ritblatt Erdman. CCRE estimate that between 1999 and 2002, notional Zone A rental levels in Lancaster have remained steady at around £90/sq. ft. Figure 3 compares these changes with Zone A rentals in other major centres over time. It can be seen that the pattern in Lancaster is very similar to that experienced in Kendal, Carlisle, Blackburn, Burnley and Blackburn. Over the same period, larger centres such as Preston, Manchester and Leeds have experienced substantial growth. Rental levels confirm the picture of a centre which is performing steadily but not experiencing major growth.

Vacancy

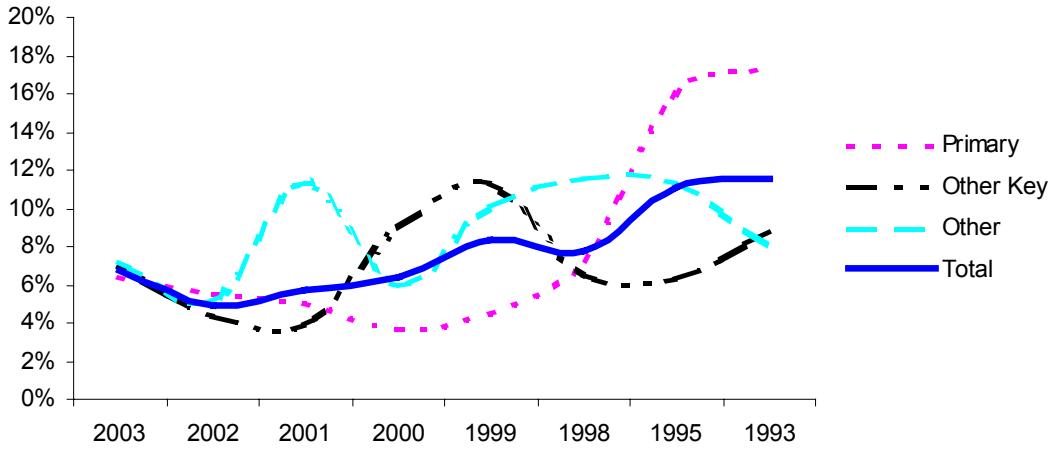


Figure 6; 1993-2003 - Vacancy by Ground Floor Floorspace

SOURCE; LANCASTER CITY COUNCIL RETAIL FLOORSPACE SURVEY

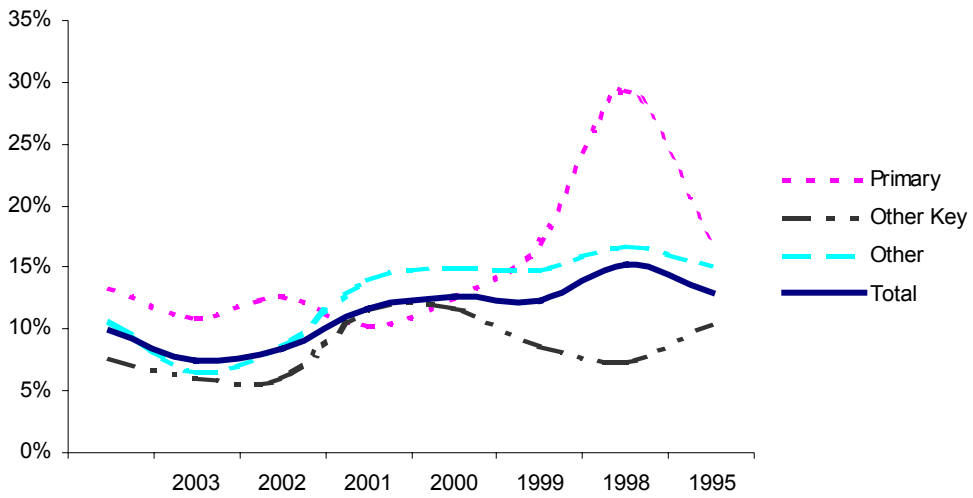


Figure 7; Vacancy 1993-2002 by Unit Numbers

SOURCE; LANCASTER CITY COUNCIL RETAIL FLOORSPACE SURVEY

- 7.8 As can be seen from Figures 4a and 4b below, despite a recent small rise, there is a long term overall trend of falling vacancy in Lancaster City Centre, both in terms of floorspace and in terms of the number of units. Between 1995 and 2002 overall floorspace vacancy has fallen from 16% to 6% whilst primary unit vacancy has fallen from 29% to 13%. Vacancy rates in Lancaster remain below national averages. There do however remain some problem areas such as the former Wallis unit in Penny Street and smaller units within the Marketgate Centre.
- 7.9 As can be seen from Appendix 3, between March 2001 and March 2002, 18 units became vacant of which 2 were being refurbished. Over the same period 15 units have come out of vacancy including Ernest Jones. The overall picture is of a balance between units being filled and units becoming vacant.

Commercial Yields

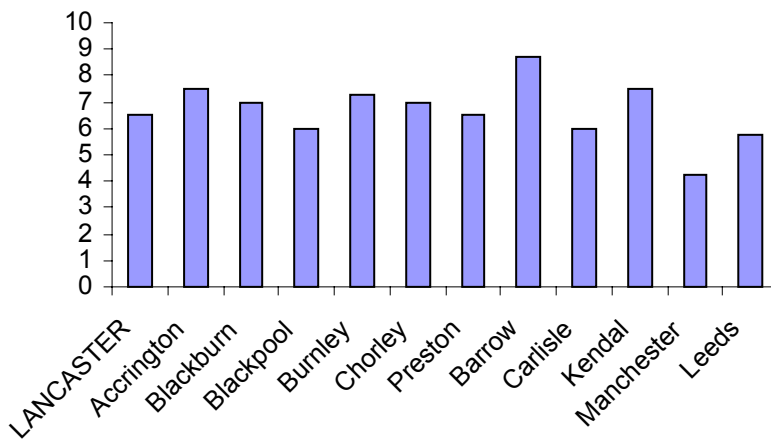


Figure 6; Commercial Yields – Comparative

SOURCE VALUATION OFFICE – PROPERTY MARKET REPORT

- 7.10 Tables 6 and 7 compare Lancaster with other centres in terms of yields. Yield is defined as the ratio of rental income to capital value. Generally speaking low and falling yields are an indicator of strong performance as landlords are confident enough to let on a long term basis and rents are a low proportion of capital value. Conversely where a centre is performing poorly, yields are high as landlords are less confident to let on a long term value and rents are a higher proportion of capital value.

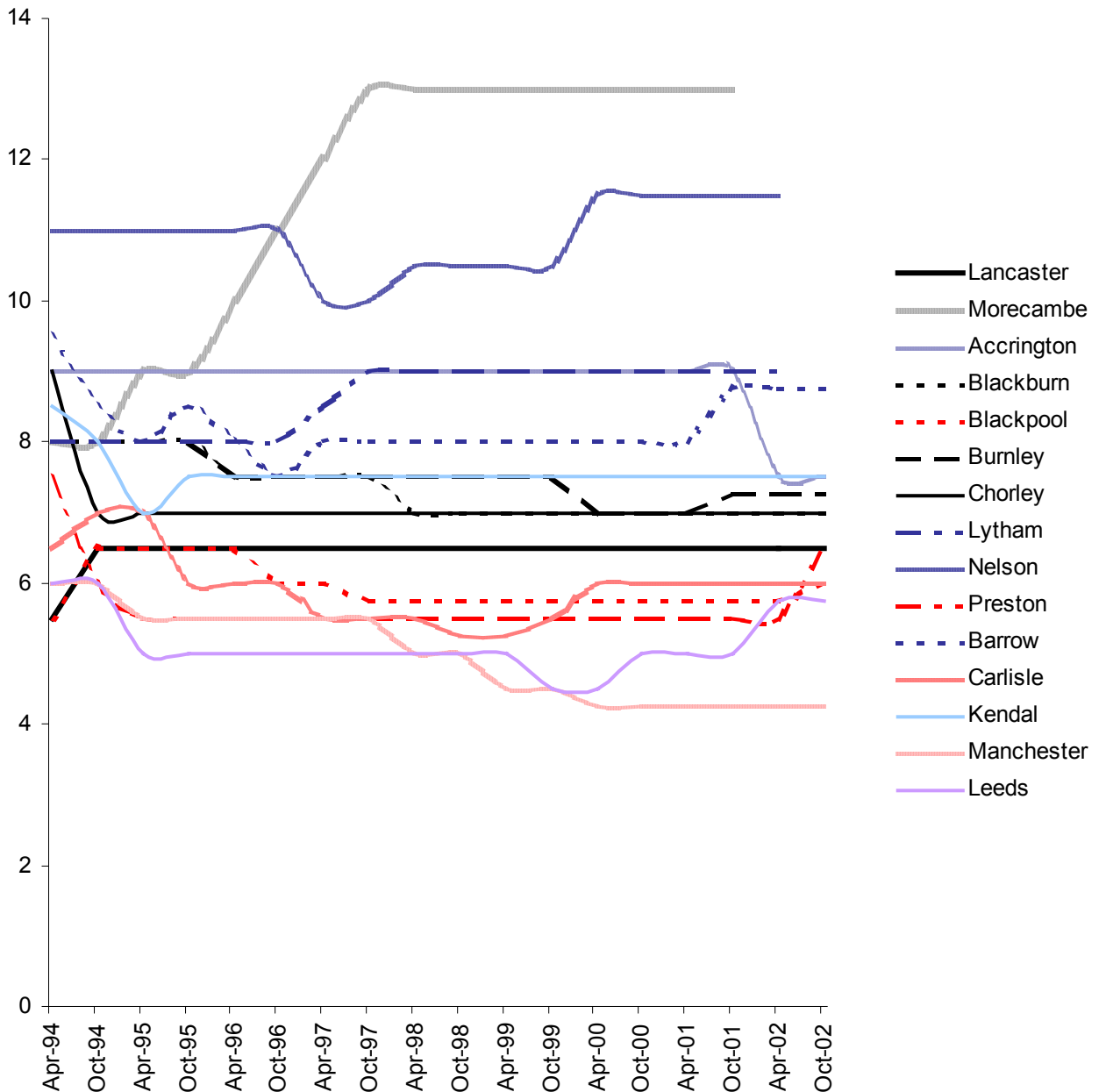
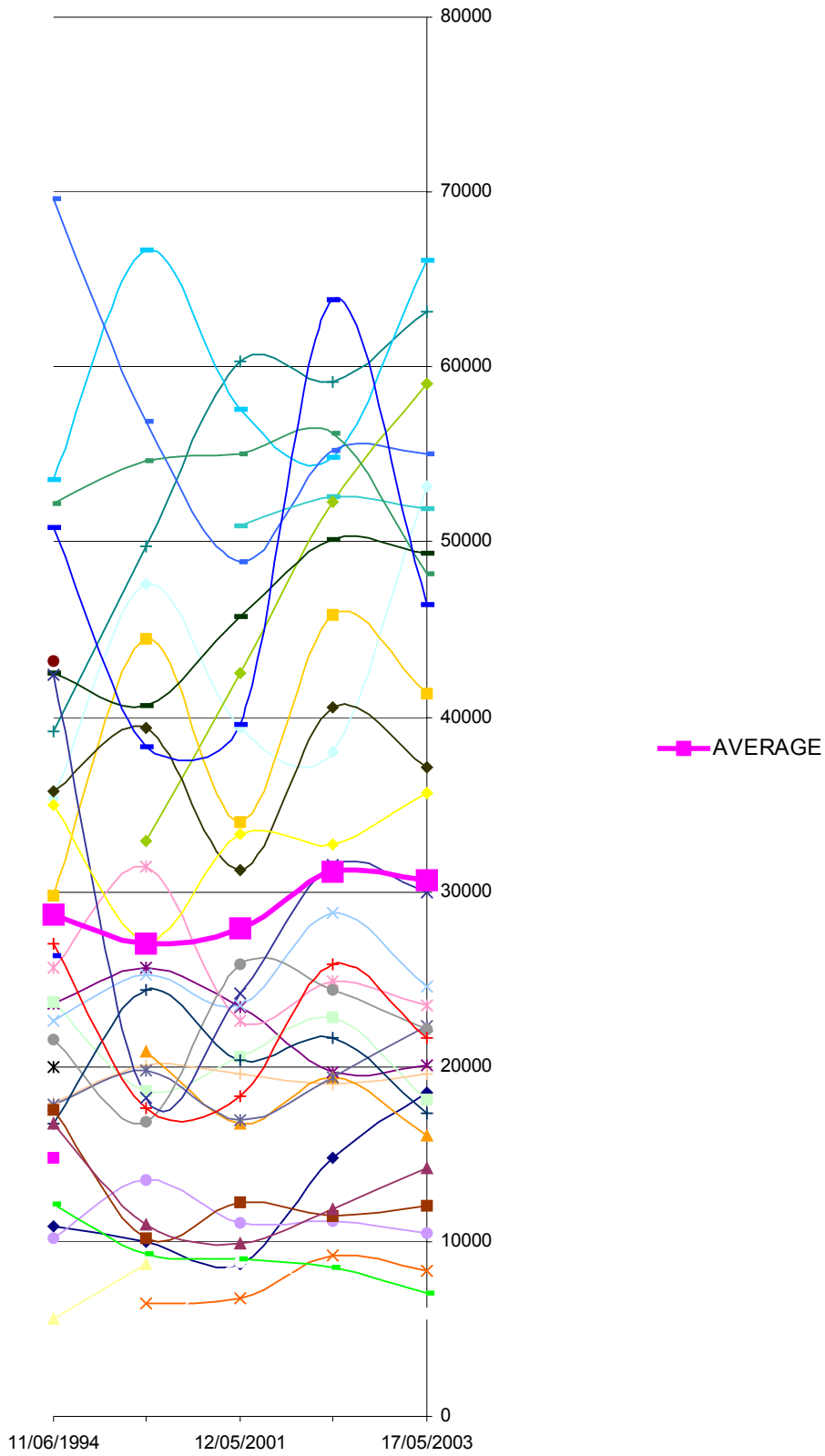


Figure 7; Yields over Time

SOURCE VALUATION OFFICE – PROPERTY MARKET REPORT

7.11 In terms of the local situation, it can be seen that yields in Lancaster are competitive with other major centres in Lancashire and Cumbria whilst they are higher than larger centres such as Manchester, Leeds and Preston. In examining changes over time, it can be seen that retail yields in Lancaster have remained steady since October 1994. This, read in combination with other indicators is another indicator of steady performance.

Pedestrian Flows



□ Figure 8; Pedestrian Flows in Lancaster City Centre 1994-2003 SOURCE; PEDESTRIAN MARKET RESEARCH SERVICES LTD

- 7.12 Pedestrian Flows have been carried out in Lancaster by PRMS in 1994, 1997 2001,2002 and 2003. Figure 8 above summarises the results. It can be seen that following a decline in the mid 1990s, average pedestrian flows are now growing steadily. Whilst detailed flows are subject to fluctuation the highest flows are recorded around Horseshoe Corner on Market Street, Cheapside, Penny Street and Lancaster Gate.

Accessibility

- 7.13 Accessibility of the City Centre by public transport has been improved substantially with the opening of Lancaster Bus Station and the implementation of the Quality Bus Partnership whose routes link the City Centre with the University, Morecambe and Heysham and much of the urban area of the District by means of new low floor buses. Improvements have also been made to bus stops, bus infrastructure and bus information. The Millennium Bridge and associated improvements have significantly improved access into the City Centre from the north for pedestrians and cyclists. Further improvements to cycle infrastructure are proposed through the emerging Cycle Strategy. Access within and around the City Centre is the subject of a separate Access Audit which, whilst looking primarily at physical barriers to people with disabilities, will have wider applications.
- 7.14 With regard to access by car, the central one-way system continues to experience congestion. There is significant conflict between the needs of motorists and the needs of pedestrians wishing to reach the City Centre from surrounding areas. Congestion on the one-way system also leads to problems of rat-running on surrounding residential streets. Car parking in the City Centre has received a major boost with the opening of the Parksafes Car Park at Mitre House.

Customer Perceptions

- 7.15 The most recent indication of customer perceptions is the results of the Public Consultation Exercise carried out into the Lancaster City Centre Strategy and related documents in Summer 2001. There was however a low level of response and the results should be treated with some caution. The principal concerns expressed were traffic, the availability and cost of car parking, rowdy and antisocial behaviour particularly in the evening, the condition of the street surface and vehicles in the pedestrianised area.

Perception of Safety and Fear of Crime

- 7.16 The Council's Crime and Disorder Strategy noted in 1999 above average levels of violent crime in Lancaster and Morecambe Centres. It notes that alcohol is often a factor and that fear of crime was a significant factor after dark. Some of these fears were also raised through the consultation responses described above. The Council is taking steps to tackle this problem through the review of the City Centre environment, the location of taxi ranks and through working with licencees to resolve problems associated with licenced premises.

Town Centre Environment

- 7.17 The state of the Town centre Environment is considered in depth in the Lancaster City Centre Strategy. The quality of the City Centre Environment is generally good with a high standard of architecture and an extensive and attractive pedestrian area. Major eyesore sites such as the former Streamline Garage, the former Pye's Feedmill and the former depots in the Canal Corridor have been, or are in the process of being, redeveloped. The Pedestrian area is being renewed with the resurfacing of New Street and the Market Street. The surface of Dalton Square has been renewed. Key problem areas are the approaches to the City Centre and the quality of the pedestrian environment on the streets which make up the central one-way system.

Conclusions

- 7.18 Most of the key indicators of vitality and viability indicate that Lancaster City Centre is making steady progress and is neither experiencing decline nor major growth. There are concerns about the management of the evening economy which the Council is taking steps to address.

8. Morecambe Town Centre Health Check

General

- 8.1 Full health checks on Lancaster and Morecambe were carried out in 1997-8 as part of the Lancaster and Morecambe Shopping Study and most key indicators are updated regularly by the Council. The study concludes that Morecambe Town Centre is elongated with an east-west axis and that the structure of retailing has been significantly changed by the development of the Morrisons store, the Market and other attractions at the western end. It notes an increase in activity in the west and that there is evidence of decline at the north and east of the centre.
- 8.2 The study states that Morecambe is over-extended and that its elongated structure is a key disadvantage. It states that Morecambe is entering a phase of consolidation and retrenchment which, if managed effectively will result in a more coherent shopping centre. It states that 'the decline of former commercial areas is not necessarily problematic but represents the natural process of evolution and change in response to new economic circumstances'. The study notes that although there is a relatively narrow primary shopping area, 'in other parts of the town centre there is considerable variety of land use with retailing interspersed with other town centre activities' and that 'similar patterns are prevalent in new development at the western end'.

Diversity

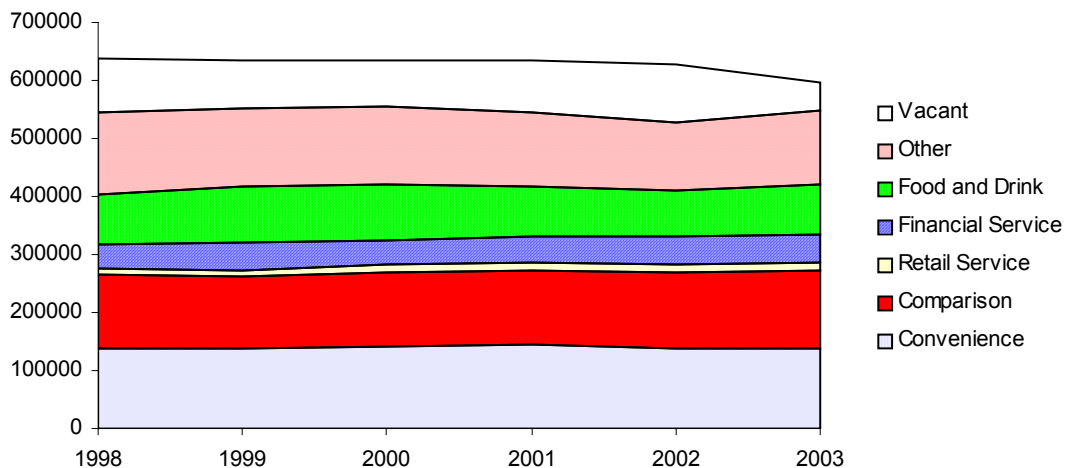


Figure 9; Range of Uses in Morecambe Town Centre by Floorspace

SOURCE; LANCASTER CITY COUNCIL RETAIL FLOORSPACE SURVEY

- 8.3 The LMSS notes that Morecambe's role as a resort town has made diversity of uses an area of strength with a wide range of food and drink, commercial leisure and other uses in and around the town centre. Figure 2; shows that although there is an even spread of different types of retail use in the Town Centre and the centre is relatively diverse. Since 1998 the overall quantity of retail floorspace has diminished largely as a result of peripheral and uneconomic units falling out of retail or commercial use. Food and drink uses

in particular have exhibited a decline whilst financial and professional services have increased slightly. There has been a sharp fall in vacant floorspace brought about primarily by the clearance of large vacant properties in association with the construction of an Aldi foodstore on Marine Road.

Retailer Representation

- 8.4 In terms of retailer representation and intentions to change, the Lancaster and Morecambe Shopping Study notes that Morecambe has limited multiple retailer representation and that multiple retailer representation has declined steeply since the mid 1980s. It notes that Morecambe's fashion offer is 'mainly geared to the 'lower end' but with some middle order representation. Since March 2002 national multiples T2 and Supasnaps have ceased trading whilst Bodycare and Reebok have opened new units. The number of national comparison multiple outlets in Morecambe Town Centre is now 24. The proposed Factory Outlet Shopping Centre will enhance the comparison offer.

Zone A Rents

- 8.5 Zone A rents in Morecambe are low compared to most other centres of comparable size. Between 2001 and 2003, they remained steady at £35 per square metre having declined from £40 p sq. m between 2000 and 2001. This is a very low figure comparing with £90 psqm in Lancaster and £130 psqm in Preston. These low rental levels are indicative of low levels of business confidence in the Town Centre.

Vacant Street Level Property

- 8.6 Donaldsons identify a vacancy rate of around 27% by numbers of units. This figure includes vacant units outside the centre as defined in the Lancaster District Local Plan. LCC's surveys indicate that in 1997 there were 60 vacant units, around 20% of units and around 14.5% of floorspace. In 2003 there were 45 vacant units (around 16%) but had risen and around 8% of floorspace. Between 2002 and 2003, 35 units ceased to be vacant of which 7 were demolished. Over the same period 14 units became vacant. The principal reason for this change is the clearance of a number of units in the Marine Road area in association with the development of the new Aldi store on Marine Road. Morecambe continues to suffer from high vacancy rates and vacancy is rising in areas such as the covered portion of the Arndale Centre.

Yields

- 8.7 The Valuation Office no longer publishes a figure for yields in Morecambe.

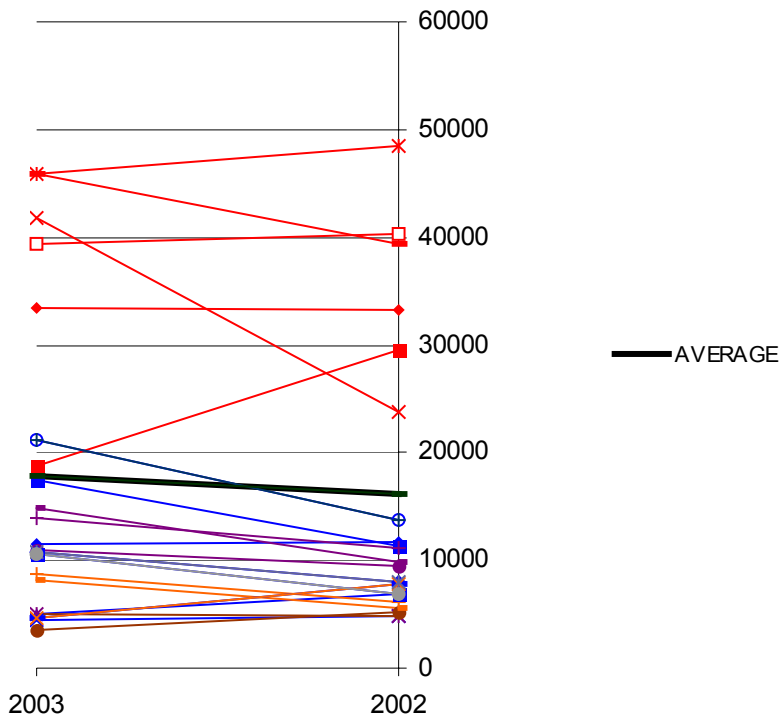


Figure 10; Pedestrian Flows in Morecambe Town Centre 2002-2003

SOURCE; PEDESTRIAN MARKET RESEARCH SERVICES LTD

Pedestrian Flows

8.8 Pedestrian flow surveys were carried out by the consultancy PRMS in April 2001 and April 2002. This indicated that the highest flows (around 45,000 people per week) were experienced at the western end of the Arndale Centre. Flows along Euston Road were around 30,000 whilst flows along the Promenade varied from 12 to 20,000. Very low flows were recorded in Queen Street, Pedder Street and in the West End. On the basis of only two surveys, few conclusions can be drawn relating to change over time.

Accessibility

8.9 In terms of accessibility the Lancaster and Morecambe Shopping Study noted that Morecambe is well served by bus, that the Town Centre road network does not suffer significant peak hour congestion and that, on the basis of survey evidence, Morecambe is a more accessible town centre than Lancaster. Developments since the completion of the LMSS have included the introduction of the Quality Bus Partnership and the provision of further parking on the Promenade.

Customer Perceptions and Safety

- 8.10 The household survey carried out for the LMSS concluded that the main positive aspects of Morecambe were ease of access by car, 'ease of getting around the centre on foot' and the choice of food shops and supermarkets. The main negative aspects were seen as the choice of clothes and shoe shops, the choice of other shops and the toilet facilities. 47% of respondents never shopped in Morecambe citing 'not enough major retailers' and 'poor quality and choice of goods in shops' as reasons. In terms of the street interview survey 'the poor choice of clothes and shoe shops is overwhelmingly the least liked aspect of the centre'.
- 8.11 Subsequent to the LMSS, the public consultations undertaken as part of the preparation of the Morecambe Town Centre Strategy referred to in Paragraph 5.26-30 above, confirm that people still view the range of shops in Morecambe town centre as a weakness and as a disincentive to visit the town. There is also concern about safety in central Morecambe particularly during the evening.

The State of the Town Centre Environment.

- 8.12 The seafront adjacent to the Promenade and the area around the Morrisons store have seen major investment in environmental improvements. The Morrisons store made a significant contribution to this in terms of the reclamation of a major derelict site and in terms of being a major partner in the Tern public art project. The LMSS welcomes the programme of environmental improvements and suggests that these be extended to 'the linking area between the western developments and the Arndale Centre' It also notes that that Morecambe exhibits clear signs of physical stress and that the 'town's traditional economic base is facing continued competitive threats'.

Conclusions

- 8.13 Morecambe has strengths in terms of accessibility, diversity and investment in the seafront environment, the centre overall is not currently performing well, suffers from low investment and is not fulfilling the expectations of existing and potential comparison shoppers. The choice of retailers (and clothing and footwear retailers in particular), high levels of vacancy, low levels of multiple representation and low levels of investment are key weaknesses. The elongated nature of the centre is an issue and there is a need for environmental improvements in the area between the Arndale Centre and the Morrisons area. Finally they agree that a key issue for Morecambe is a historic lack of private sector investment. The proposals for major change in the Town Centre Strategy, most notably the proposed Factory Outlet Centre and the restoration of the Midland Hotel will help in building confidence in Morecambe and increasing the range of the shopping offer as well as developing better linkages between the two parts of the centre.

9. Health Check – Carnforth

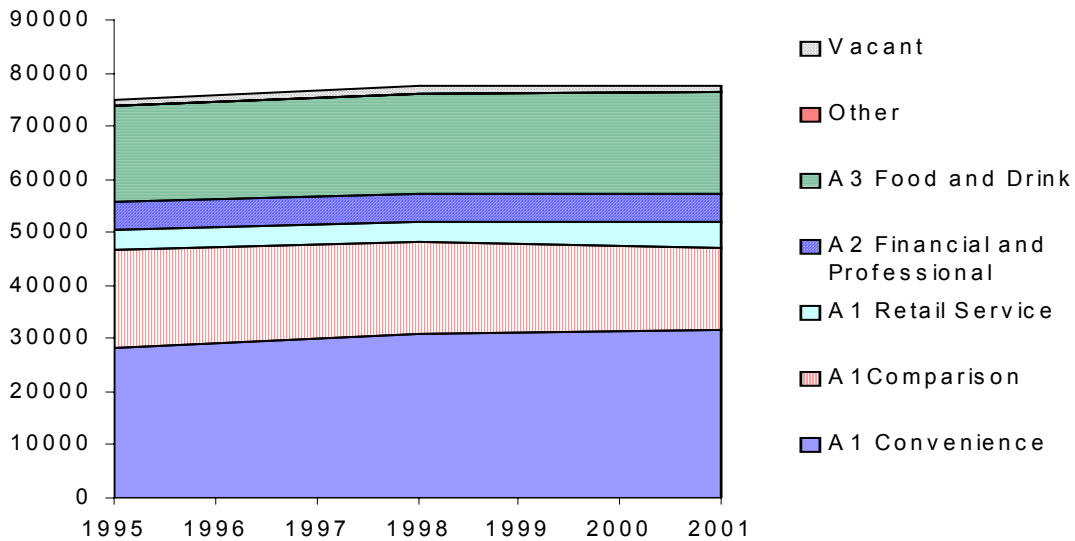


Figure 11; Range of Uses in Carnforth Town Centre by Floorspace

SOURCE; LANCASTER CITY COUNCIL RETAIL FLOORSPACE SURVEY

- 9.1 Carnforth is a much smaller centre than Lancaster or Morecambe with a total floorspace of around 7,200 sq. m. It has around 1360 sq. m net of convenience retailing, of which around 70% is the Booths Supermarket. There is also around 850 sq. m net of comparison floorspace. Carnforth has recently seen the opening of a Safeway Supermarket in an out-of-centre location and the impact of this scheme will require close monitoring. The in-centre Booths store also has outline consent for an extension although to date an application for reserved matters has not been received.
- 9.2 In terms of diversity, Carnforth provides most local services. A long term trend is a fall in the quantity of comparison floorspace and a small rise in food and drink floorspace. Outside the shopping area, Carnforth Town Centre also has an important role as a centre of financial and professional services and other offices as well as a large book shop.
- 9.3 Carnforth has 8 national multiples including the Booths Supermarket, a Co-op Late Shop and Pharmacy as well as two banks. Carnforth has a long term trend of very low vacancy and up until now has been characterised by a very high level of stability. No published information is available on Zone A Rents, yields or pedestrian flows in Carnforth Town Centre.
- 9.4 Carnforth is strategically important in transport terms. The Carnforth Connects Initiative seeks to develop Carnforth as a public transport hub with buses serving its rural hinterland connecting with train services at Carnforth Station. The historic station itself is undergoing major restoration both as a transport interchange and as a tourist attraction. In terms of road access, the centre suffers from the impact of traffic. Within the Centre there is scope to develop better linkages between Market Street and the Booths store and the new Safeway store.

- 9.5 The refurbished station has significantly enhanced the Town Centre environment. Other measures include the rebuilding of the chemists shop. Carnforth has also been selected as part of the Countryside Agency's Market Towns Initiative. A partnership has been formed and proposals for environmental improvements and other regeneration initiatives will follow from this following the development of an Action Plan.
- 9.6 At present Carnforth appears to be a relatively stable centre. The full impacts of the Safeway store have yet to be felt however and these will require careful monitoring.

10. Health Check – West End

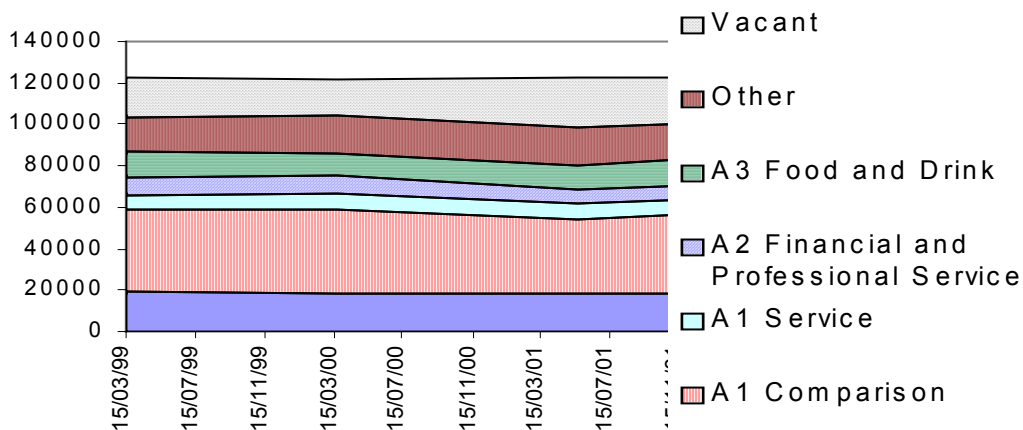


Figure 12; Range of Uses in West End Local Centre by Floorspace

SOURCE; LANCASTER CITY COUNCIL RETAIL FLOORSPACE SURVEY

- 10.1 The West End of Morecambe Town Centre has developed a role as a local centre in its own right. It includes some of Morecambe's best seaside architecture and has some specialist shops. It does however lie within an area of multiple deprivation, suffers from very high vacancy and under-used property and low business confidence. The shopping area of the West End is spread over a wide area.
- 10.2 The Local Plan defines the West End Local Shopping Centre as Yorkshire Street, Albert Road, Regent Road and some intervening streets. These add up to around 11,000 sq. m. There are a number of sporadic groups of shops and commercial premises outside this area adding up to a further 11,000 sq. m. Within the defined Local Centre, there are around 1700 sq. m gross of convenience retailing, the largest being a Co-op Late Shop and a Booze Buster. There are around 3700 sq. m of comparison retailing, much of which consists of second hand and charity shops. The West End has 2 comparison multiples – a Boots store and a Vantage Pharmacy on Regent Road.
- 10.3 There is no published information on Zone A Rents or Yields in the West End although it is safe to assume that rents are generally lower and yields higher than in central Morecambe.
- 10.4 The West End is characterised by very high levels of vacancy. As last surveyed in 2002, 39 units, more than 31% of the total were vacant. These add up to around 15% of total floorspace. These figures do not include under-used buildings of which only part is in use. If units outside the local plan

shopping area are included, the vacancy rate rises to 33% of units and 22% of floorspace. There is some evidence of a slight fall in vacancy over the past two years.

- 10.5 The PRMS pedestrian flow survey of Morecambe carried out in April 2002 included some locations in the West End. It can be seen that the highest weekly pedestrian flows in the West End are outside Boots on Regent Road (around 7,500 per week). Flows on Regent Road vary from 5-7 thousand. Flows on Yorkshire Street are between 4 and 5 thousand whilst flows on Albert Road are slightly lower at 3 – 4 thousand. It should be noted that even the highest of these flows is low compared to the rest of Morecambe.
- 10.6 In terms of accessibility, the West End is well served by the Quality Bus route. Regent Road is relatively busy but elsewhere there are few barriers to pedestrian movement. New car parking has been provided on Balmoral Road and Albert Street. In terms of the Town Centre environment, whilst there are high levels of vacancy, the West End has many assets including broad streets and many attractive buildings as well as the seafront.
- 10.7 The West End continues to suffer severe economic, social and environmental problems which require urgent action. The Council is addressing these through the Morecambe Resort Action Plan which seeks to bring about the comprehensive regeneration of the West End.

11. Local Centres

- 11.1 The District's other local centres at Heysham, Bare, Torrisholme, Caton and Bolton-le-Sands have an important local shopping role. At the present time these fall outside the scope of the annual shopping survey. Key issues for local centres have included the impact of the loss of banks at Caton and Torrisholme, the assimilation of a new convenience store at Heysham, measures to reduce the impact of traffic at Torrisholme and Caton and managing car parking at Prince's Crescent.
- 11.2 A further issue is whether there are other centres which have a local centre function which should be identified in future reviews of retail policy. Other centres which might be considered include Scotforth Road, Bowerham Road, Lancaster University and Westgate in the urban area and larger village centres such as Silverdale and Galgate. A further issue is the extent to which the Asda store on Ovangle Road, which has a large number of ancillary functions, performs the functions of a local centre.

12. Out of Centre provision

- 12.1 The District's out of centre provision is described in Paragraph 3.7 (above). The Council considers applications for new retail development having regard to the local, county, regional and national planning guidance which seeks to locate new retail development in the first instance in or on the edge of town centres and only in exceptional circumstances in out of centre locations which are well served by public transport. New out-of-centre development will only be permitted

- Where there is a clear demonstration of need

- Where that need cannot be accommodated either in or on the edge of a town or city centre;
- Where it can be demonstrated that the proposal will not adversely effect the overall vitality and viability of an existing centre.

13. Non-retail uses in Town Centres

13.1 In Lancaster, Morecambe, Carnforth and the West End, the District Local Plan identifies frontages within which changes of use to non A1 uses are restricted. These policies are intended to safeguard the overall vitality and viability of town centres by ensuring that key retail frontages remain in retail use and that over-concentrations of 'dead frontage' which are of little interest to passing shoppers, are avoided. The Government is in the process of reviewing the Use Classes Order. Some of the draft proposals suggest the amalgamation of some Financial and Professional Service and Food and Drink uses with A1 retail use. These would reduce restrictions on changes of use and reflect changing perceptions of the acceptability of such uses. Any reform of the A1, A2 and A3 uses will necessitate a serious review of Council policies on protected retail frontages.

14. Village shops, Farm shops and Village Pubs

- 14.1 Village shops, pubs and other key facilities in rural areas such as garages are under increasing pressure from two directions. In the first instance, competition from other retail destinations such as supermarkets and the increasing mobility of the rural population is affecting the viability of rural shops. On the other hand the limited availability of sites for new housing means that there is strong pressure for residential conversion and the prospect of a residential change of use is a strong incentive to cease trading. The District Local Plan contains policies which seek to protect essential rural facilities. The current policy approach is that permission will not be granted for the change of use of a village shop unless the applicant can demonstrate that the business is no longer viable. Viability is generally demonstrated by means of serious marketing exercise.
- 14.2 To date the effectiveness of these policies has been mixed. Most large villages retain a village shop at the present time. The residential conversion of the New Inn at Wray was successfully resisted and a new landlord found. The marketing test has not been sufficient to prevent the permanent loss of village shops in Warton and Whittington.

15. Conclusions

- 15.1 On the basis of available information, Lancaster is performing steadily, neither growing rapidly nor declining. Morecambe Town Centre is experiencing difficulties at the present time although the Morrison's Factory Outlet Centre and measures proposed under the Morecambe Action Plan should help to address this. Carnforth is performing steadily although the full impact of the new Safeway store has yet to be seen. On the basis of the Lancaster and Morecambe Shopping Study, existing commitments and completions absorb most identified demands.
- 15.2 Some issues for the Policy framework which will replace the District Local Plan include;
- In the light of numerous changes in circumstance which have taken place since the Lancaster and Morecambe Shopping Study in 1998, is there a need for a new shopping study?;
 - If need is identified in the long term, how should this be accommodated?;
 - Is the hierarchy of retail centres in need of updating. Are there other centres which are in need of protection?;
 - Is there a need to review the Council's approach to non-retail uses in Town Centres?;
 - What should the Council's approach be to the loss of rural shops and is there a role for village plans in developing solutions?