WYG Planning

part of the WYG group

Central Lincolnshire Local Plan Team

Central Lincolnshire City and Town Centre Study Update

Final Report

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1.0 Introduction

Instruction

1.01 WYG Planning has been instructed by the Central Lincolnshire Local Plan Team to undertake an update of the principal findings of the Central Lincolnshire City and Town Centre Study of May 2012 in respect of the performance and future need for additional retail floorspace in the four key settlements of Lincoln, Gainsborough, Market Rasen and Sleaford. The Update will act as a part of the evidence base to support the emerging Central Lincolnshire Local Plan. The Update report provides an overview of our methodological approach, prior to setting out our findings in respect of the quantitative need for further shopping facilities, and should be read with our original report of May 2012.

1.02 The Update utilises the market research which informed the 2012 Study, namely the shopping survey of 1,500 households which was undertaken by NEMS Market Research Limited in July 2011. The Study Area for the survey comprises 15 zones and is drawn so as include the three authority areas of Lincoln, North Kesteven and West Lindsey (which comprise Central Lincolnshire), and adjacent areas where local residents look to facilities within the three authority areas to help meet their retail needs. Accordingly, references to the market share of convenience goods and comparison goods expenditure claimed by retail venues within the Central Lincolnshire area are derived from the July 2011 NEMS survey.

Structure of Report

1.03 Our report first sets out the context for our updated quantitative need assessment by providing an overview of current retail and leisure trends, and by considering current national retail and town centre planning policy of relevance to the commission. We then set out our findings in respect of the relative health of the centres of Lincoln, Gainsborough, Market Rasen and Sleaford, before providing our updated assessment of quantitative need.

1.04 Accordingly, our report is structured as follows:

- Section 2 provides a context for the Update by providing an analysis of key retail trends;
- Section 3 considers the up to date position in respect of relevant retail and town centre national planning policy;
- Section 4 provides an updated assessment of the vitality and viability of the key town centres;

- Section 5 sets out current and future population and expenditure levels within the Study Area; and
- Section 6 sets out our assessment of the quantitative need for further convenience and comparison goods floorspace over the assessment period to 2036.

2.0 Current and Emerging Retail Trends

Introduction

2.01 The retail property landscape across the UK has evolved significantly over the past 50 years, from post-war redevelopment in town centres, through to the emergence of retail warehouse parks and out-of-town regional shopping malls. For most of this period, the retail and leisure sectors have experienced considerable expenditure growth, which has been attributed to a number of factors, including greater disposable income, availability of credit, new technology and a general overall increase in our standard of living. However, recent economic conditions have had a clear impact on expenditure and per capita convenience goods spending has actually reduced in recent years. The way in which goods are purchased has also altered due to the increased popularity of 'e-tailing', which now claims more than one in every ten pounds spent in the UK.

2.02 The retail and leisure market and the need for new development continually evolves as a result of numerous factors including demographics, consumer demands, car ownership, planning policy and technological advancements. The share of retail spending has undergone a significant shift in the decade since 2002, with Verdict identifying that town centre spending as a proportion of overall spending declined from 47.7% to 39.9% at 2012. In contrast, spending in out of centre locations has increased over the same period by 2.1% and non-store locations (principally internet retailers) by 6.6%[1]. These changes have had a major impact on the format and location of retail and leisure floorspace, which has led to recent Governments reaffirming their commitment to the 'town centre first' policy approach that is now outlined in the National Planning Policy Framework (NPPF) (March 2012).

Current Retail Picture

2.03 A recent report by Colliers[2] provides information regarding recent trends, together with forecasts for the future of retailing in the UK. The findings confirm that the retail sector has been significantly affected by the wider economic climate and that there is considerable uncertainty about the strength and durability of future growth. However, Colliers reports that the recent improved economic outlook is beginning to result in increased consumer confidence and pockets of retailer expansion which are resulting in a reduction in vacant retail space. Furthermore, it is evident that the UK unemployment

[1] 'UK Out of Town Retailing', Verdict Datamonitor, April 2012
[2] 'National Retail Barometer: Summer 2014', Colliers, September 2014

rate is currently falling (recorded as being 5.7% between October and December 2014, compared to 6.0% between July and September 2014)[3] and that average pay for employees in Great Britain increased 2.1% between October and December 2014 compared to the same period 12 months earlier[4].

2.04 Notwithstanding these very recent encouraging signs, the economic conditions of the past few years have had a significant impact on the public's ability and willingness to spend their earnings on retail goods. Since 2010 there have also been increases in taxation (for example in VAT, national insurance contributions and capital gains tax) which also impact upon households' spending. Furthermore, in recent years inflation has consistently been at a level beyond average earnings growth and a delay in reviewing business rates has been identified by both the Portas[5] and Grimsey[6] Reviews as a key factor affecting the success of many operators.

2.05 Recent economic conditions have resulted in significant structural changes to the high street, whereby the pressure on retailers to remain solvent has meant that many are showing increased signs of caution in their investment decisions. In particular, retailers are rationalising their physical store portfolios by reducing their number of stores, abandoning their representation in weaker centres and concentrating on acquiring sites in city centres and major regional shopping centres. The Grimsey Review identified that the national vacancy rate at 2013 equated to over 22,000 empty shops across the top 650 town centres. The Centre for Retail Research[7] estimates that overall store numbers will fall by 61,930 between 2012 and 2018, with the main impact being upon non-food stores. The report also estimates that 316,000 people will become unemployed, permanently or temporarily, as a result of these store closures.

2.06 To address this, many retailers have sought to re-negotiate their lease terms with landlords in order to enable them to switch from quarterly rents to monthly agreements, with several high street firms (including Monsoon and New Look) trying to ease the cash flow burden of paying rent three months in advance. Furthermore, some retailers are finding it increasingly difficult to justify being represented in every town in the UK and in less profitable markets. As a consequence, demand has reduced considerably for 'poorer quality premises' in secondary locations and in many smaller towns with a

[3] 'Labour Market Statistics, February 2015 Release', ONS, February 2015
[4] Ibid
[5] 'The Portas Review', December 2011
[6] 'The Grimsey Review – An Alternative Future for the High Street', September 2013
[7] 'Retail Futures 2018', Centre for Retail Research, May 2013

commensurate drop in value (and often rent). Large cities and towns are likely to suffer less compared to smaller centres, given that they provide an enhanced choice for customers and offer the greater retail and leisure 'experience' that consumers increasingly desire.

2.07 In summary, there has been a marked polarisation and divergence in retailer spending, characterised by diminishing demand for secondary premises in smaller peripheral centres and increasing interest for well located and appropriately configured floorspace in key centres. It is evident that whilst Central London, regional city centres and regional shopping malls are relatively stable, a significant number of small and medium sized towns which serve a localised catchment may need to implement innovative ideas in order to compete for expenditure and reduce trade leakage.

2.08 In terms of retail rental values, Colliers[8] notes that national rates increased by 0.1% in Quarter 1 of 2014, to end 11 consecutive months of decline and to provide evidence that conditions in the retail mark are stabilising. However, Colliers also reports that this position is skewed by growth in London and a small number of other destinations, with towns that have benefitted from growth typically being able to offer: an under-supply of retail floorspace; a tight prime pitch; strong tenant demand; affordable rents; a wealthy demographic; and, limited out of town provision.

2.09 Given current spending patterns and the wider uncertain economic climate, it is unsurprising that Experian, which monitors and forecasts retail consumer expenditure in the UK, has in recent years identified significant changes when reviewing its forecast growth rates for both convenience and comparison goods expenditure over the short term. Experian's[9] forecast annual per capita convenience goods growth rate is -0.5% at 2014, +0.5% at 2015 and +0.4% at 2016. By way of contrast, Experian[10] forecast in 2009 that per capita convenience goods growth would equate to +1.1% per annum across these same three reporting years.

2.10 However, Experian's forecast annual per capita comparison goods growth rates are significantly more positive than in the recent years and are similar to those recorded prior to the recession. Experian identifies per capita growth of +5.6% at 2014, +4.4% at 2014 and +3.1% at 2015.

[8] 'Midsummer Retail Report 2014: Coming Up for Air', Colliers, July 2014
[9] Experian Retail Planner Briefing Note 12.1 (Figure 1a), October 2014
[10] Experian Retail Planner Briefing Note 7.1 (Figure 1), August 2009

2.11 Despite difficulties in recent years across the comparison goods sector, certain types of retail have continued to perform well. The market for recreational goods has, on the whole, performed strongly in recent years, with healthy growth attributed to supermarket sales together with the growing popularity of online shopping, which continues to see an increase in sales year-on-year. However, the manner in which such purchases are made has changed considerably, with the increasing popularity of the internet to purchase books and music having a notable impact on the composition of town centres, with such stores all but disappearing from the high street. Other businesses have experienced growth in the last two years, with the Grimsey Review[11] reporting a 12% increase (equating to an additional 1,100 stores) in 'value-related retailing' outlets, including second-hand, discount and charity shops. The Grimsey Review also makes reference to the expansion of pawnbrokers, pay-day lenders and betting shops which have collectively experienced a 17% growth in the number of such outlets since 2011.

Trends in Comparison Goods Retailing

2.12 Whilst it is not anticipated that growth in retail spending over the next ten years will mirror that achieved after the turn of the millennium, there is expected to be some growth in comparison goods expenditure in coming years. Consequently, there is an increasing focus from retailers on achieving more efficient use of their floorspace, particularly given the recent poor performance of certain national multiples, many of which have been affected by the significant increase in e-tailing and increases in rental levels secured before 2008. As a result of the current economic climate, retailers are more reluctant to commit to new development than they have been in previous decades. Instead, they are more selective and are holding out for accommodation that is appropriate both in terms of location and the type of premises provided. Indeed, retailers are seeking to occupy larger units in order to achieve more efficient use of floorspace and attract shoppers from a wider area. These larger floor plates enable operators to provide a greater range of goods; for example, in 2011, when the retail market was generally stagnant, Primark opened one million sq.ft of new retail space.

2.13 International market conditions and price deflation in some key sectors have also meant that many high street names are becoming increasingly vulnerable to takeover. This is being pursued through disposals, company voluntary administrations (CVAs), informal arrangements with landlords, lease expiries and break options. More generally, whilst there is likely to be continued demand for larger, modern retail units in the future, increased sensitivity over future viability will mean a cautious

[11] 'The Grimsey Review – An Alternative Future for the High Street', September 2013

approach to new investment for many key national retailers. Marginal locations within centres will increasingly be rejected. Many national retailers, who would have previously considered smaller/lower order centres in order to increase their market share, are now assessing their future strategies given the ongoing downturn in the economy. Consequently, 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 with anchor tenants if they are to attract other high quality retailers.

Trends in Food Retailing

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

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

2.15 Mintel[12] identifies that the recession – allied with a period of higher inflation – has had an impact on consumer behaviour and the wider dynamics of grocery retailing. Price, or specifically value, is now identified as the key issue for consumers, and more shoppers are assessing whether purchases represent value for money. Shoppers now realise that they are able to 'trade down' and switch to own-label ranges or to discount retailer to save money without sacrificing on quality. Indeed, customers are mixing value and premium in the same basket. It is noted that as weekly food budgets fall and consumers alter their shopping habits, growth will be limited and the battle for market share

[12] 'Food & Drink Retailing', Mintel, March 2013

will intensify further. Winning a share of consumer spend will require more than low prices, with shoppers increasingly seeking to source high-quality, good value food.

2.16 The changing UK demographics are also having a major impact on the food and grocery sector. For example, there has been a rise in single occupancy young professional households who are 'time poor' and relatively 'cash rich'. Though their baskets might be small, they tend to buy higher value items, therefore providing an opportunity to boost volume and value growth. Elsewhere, an ageing population profile is leading to a rise in time rich consumers who are likely to make more frequent small trips rather than do large weekly shops. The contrasting requirements of these markets means that retailers are seeking to open a variety of stores with a particular current focus on discount and small convenience stores.

2.17 Verdict[13] estimates that the food and grocery sector was worth £139.5 billion in 2014, equating to an annual growth of 2.8%. Verdict also estimates that the four key supermarket chains in the UK had respective market shares of 27.2% (Tesco), 16.3% (Asda), 15.3% (Sainsbury's) and 9.4% (Morrisons). Other national multiple retailers with significant market shares include Co-operative Food (5.1%), Aldi (4.2%) and Waitrose (4.0%).

2.18 There has been a recent slowdown in the growth plans of the majority of the principal supermarket operators. Tesco, for example, indicated in April 2013 that it had scrapped plans for major store developments on more than 100 sites and would instead focus on developing medium size units. It then subsequently announced in January 2015 its intention to pull out of a further 49 store developments and to close 43 existing stores.

2.19 Asda is the second largest supermarket retailer in the UK, with more than 550 stores nationwide. In contrast to Tesco's plans, it announced in February 2015 its intention to invest £600m opening 17 new supermarkets and revamping 62 more. It also intends to open a further number of petrol filling stations and develop locations where shoppers can pick up groceries ordered online. Asda's focus for additional openings is believed to be London and the south of England.

2.20 Morrisons also intends to fewer larger stores once its current pipeline of development is completed. Its recent focus has been on developing the small-scale M Local convenience format store, which has

[13] 'UK Food & Grocery – Verdict Sector Report', Verdict, October 2014

significantly fewer stores than either Tesco Express or Sainsbury's Local. However, the retailer posted disappointing results for the year to 1 February 2015 and announced the closure of 23 M Local store with the loss of 300 jobs. Its current priority is believed to be investment into its existing portfolio of stores.

2.21 Sainsbury's announced in October 2014 its intention to further develop the Sainsbury's Local format and to improve its online offering. However, its most significant move is to enter the discount market under the Netto fascia, with Sainsbury's owning a half share in Netto's UK operation. Netto announced the trialling of 15 stores in November 2014, with these principally being clustered around the M62 corridor between Liverpool and Hull in order to 'test the water'. However, in this regard, we note that a new Netto supermarket is due to open in autumn 2015 at Lindis Retail Park off Tritton Road in Lincoln.

2.22 Emboldened by changing convenience goods shopping patterns and significant increases in their market share, Aldi and Lidl have both announced ambitious store opening targets that, if met, will further increase pressure on the 'main four' operators (these being Asda, Morrisons, Sainsbury's and Tesco). Recent announcements suggest that Aldi is seeking to add more than 1 million sq.ft of additional floorspace in 2015 through the opening of around 60 stores and that Lidl will also add around 340,000 sq.ft this year.

2.23 More generally, the role of supermarkets has continued to develop in recent years, with the large operators now offering a greater diversity of goods and services, via a larger number of formats and locations. Food and non-food sales are also increasingly being driven by large supermarket growth, with half of town centres competing with five or more supermarkets within a two mile radius[14]. Whilst the exact impacts which will arise from the opening of a new supermarket are dependent on local circumstances, BCSC notes that there has been a significant decline in the number of independent food retailers in recent times, including a reduction of 45% between 1996 and 2007 in the number of greengrocers. Over the same time period the market share of total retail sales secured by supermarkets increased from 38% to 42%.

[14] 'What Does the Future Hold for Town Centres?', BCSC, September 2011

Leisure Sector

2.24 The daytime and evening leisure sector has undergone a major shift in the last five years, with the reduction in the income levels of consumers having an impact on their ability to spend on these types of discretionary activities and items. Mintel calculated that the total UK leisure market was worth almost £70 billion in 2012, only 0.2% higher than in 2007[15]. A review of the leisure activity participation and frequency levels indicates that eating and drinking out of the home still remain the most popular activities which people do on a monthly basis, with the cinema the next most popular of the non-food and drink-led activities. Other activities, including going to a theatre, tenpin bowling and visiting a zoo are, on average, undertaken less frequently and this is at least in part reflective of their greater average cost. It is expected that the difficult trading conditions for the leisure sector are set to continue in the immediate future as a result of the shortfall in the amount of money that consumers have available to spend.

2.25 The number of leisure centres and swimming pools has increased in the past few years, though many local authorities are currently under budget constraints and there is some evidence that the ongoing operation of such leisure facilities is, on occasion, being threatened. Mintel[16] notes that 38% of adults use a health centre or swimming pool and research by the Leisure Database Company[17] indicates that the health and fitness private sector had a market value of approximately £3.9 billion in March 2012, an increase of 1.5% over the previous twelve month period. Mintel also notes that, whilst only 15% of adults currently use a private health and fitness club, the potential for a further expansion of the market remains strong.

2.26 The health and fitness sector is dominated by the David Lloyd Leisure and Virgin Active operators, with these two health clubs having approximately 455,000 and 435,000 members[18]. There has also been a rapid growth in the number of the no-contract budget club operators, with Pure Gym (260,000 members) and The Gym (255,000 members) ranked fourth and fifth in the list of leading chains behind DW Sports Fitness which has 275,000 members. Mintel identifies that there has been a growth in the popularity of innovative exercise classes and technological features to attract additional people to these clubs, with many of the higher end clubs also adding spa facilities to their offer.

[15] 'Leisure Review', Mintel, December 2012
[16] 'Leisure Centres and Swimming Pools', Mintel, January 2013
[17] 'State of the UK Fitness Industry', The Leisure Database Company, June 2013
[18] 'Health and Fitness Clubs', Mintel, June 2013

2.27 In terms of other leisure activities, the cinema sector is performing steadily, with data indicating that there were 173 million UK cinema admissions in 2012, an increase of 0.5% since 2011. Mintel[19] identifies that the eating out market has grown by around 8% between 2008 and 2013, and by an estimated 2.3% between 2012 and 2013, to an estimated £32.1 billion. It recognises however that this has largely been driven by inflation, with consumer demand muted by recent low consumer confidence levels.

Out of Centre Development

2.28 Despite the 'town centre first' planning policies which have been adopted by recent Governments, research undertaken by Verdict[20] indicates that between 2007 and 2012, the amount of out of centre floorspace increased by 23%. However, in very recent years, Colliers notes that the demand for out of centre representation has been limited, with those retailers seeking to acquire stores having a pick of vacant stock which has been made available through the administration of MFI (in November 2008), Land of Leather (in January 2009) and Focus DIY (in May 2011), amongst others. However, only five retailers with any significant out-of-town presence have failed since June 2011, these being Allied Carpets, Clintons, Comet, GAME and Peacocks.

2.29 The national average vacancy rate[21] in out of centre retail warehouses in 2014 was 8.0%, an increase of around 4.1% since 2012. Some of the voids created by administrations remain un-let and the flooding of the market with so much unwanted space has acted to reduce rents. Retailers who have had their pick of the best stores include Dunelm, Pets at Home, Dreams, Matalan, Dixons Group, Go Outdoors, B&M, Mothercare, Next Home and TK Maxx.

2.30 Looking forward, Colliers[22] indicates that future out of centre development will fall into two main categories. The first relates to the adaptation and refurbishment of existing stock. Colliers states that between 80% and 90% of the retail warehousing stock that the UK requires to service demand has already been built. Accordingly, most development activity will see landlords seeking to improve the suitability of their property for the latest retailers and also make improvements to improve dwell time on retail parks (for example, by seeking to introduce coffee shops and restaurants). Older schemes may be remodelled or redeveloped to meet current needs. According to Colliers, the other main

[19] 'Eating Out Review', Mintel, June 2013
[20] 'UK Out of Town Retailing', Verdict Datamonitor, April 2012
[21] 'Vacancy Report Summary H2 2014', Local Data Company, February 2015
[22] 'Midsummer Retail Report 2014: Coming Up for Air', Colliers, July 2014

strand of out of centre retail development relates to opportunities in areas where there has not been a great deal of retail warehousing in the past.

Shopping Centre Development

2.31 Shopping centre retail development has been at a virtual standstill in recent years, but there are a few signs that a corner may about to be turned. Cushman & Wakefield[23] reports that development activity was restrained in 2014, with an estimated 124,300 sq.m of shopping centre space added over the course of the year, which is less than half the total added in 2013. Cusham & Wakefield indicates that the shopping centre development pipeline for 2015 totals 154,618 sq.m and includes the 51,100 sq.m Westfield Bradford and the 27,870 sq.m Friars Walk in Newport, both of which are scheduled to open in Autumn 2015. It is anticipated that next year will see the delivery of several shopping extensions, including Birmingham's Grand Central centre, which when complete, will nearly double its size to 53,000 sq.m. Cushman & Wakefield forecasts that the shopping centre pipeline will pick up significantly from 2017 as the economic recovery and the greater availability of finance help to bring forward new schemes and extensions that already have planning permission.

2.32 Notwithstanding this, the viability of shopping centre retail development remains, for the moment, challenging no matter how well designed or well located a scheme is. There are three types of scheme which have a better chance of success in the current economic climate. The first of these will be where a town has a large, affluent catchment and an acknowledged undersupply of retail floorspace in both town centre and out-of-town locations. The second scenario relates to schemes which were very close to happening before the recession took hold, which may be revised to better meet the current needs of the market. Barnsley, Macclesfield, Bradford and Lichfield are examples of such schemes. The third opportunity relates to development where the key anchor is a foodstore and, as a result, demand has remained strong. However, due to changes in the food retail sector and the trading model of the 'main four' operators, opportunities in this latter category are more difficult to come by.

2.33 In addition to retail, food and drink is becoming an integral part of many shopping centres. In particular, consumers are increasingly travelling to larger centres to use the leisure facilities and experience more of a complete 'day out'. In the past, it was relatively typical for non-retail uses to

[23] 'Marketbeat Shopping Centre Development Report', Cushman & Wakefield, September 2014

occupy less than 10% of shopping centre floorspace, but this has increased in recent schemes, including Westfield in Stratford where catering and leisure units occupy over 20% of the space.

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

2.34 Many consumers who previously shopped in town centres and at retail parks are now increasingly using the internet to make purchases. Experian[24] identifies that internet sales' share of total retail sales stood at 10.6% in mid-2014 compared to just 4.7% at June 2008. The value of internet sales in 2014 is estimated at £37.2 billion.

2.35 The rise in recent years of e-commerce has had a major impact upon retailers, developers and investors alike, with the top 10 e-retailers in 2012 including Amazon UK (16%), Shop Direct (5%) and Next (4%)[25]. As access to the internet/online shopping continues to grow through digital televisions, tablets and mobile phones, proportionally less money is anticipated to be spent on the high street or at retail parks.

2.36 The growth in internet as a sales medium has been enabled by the increase in access to the internet by households, which the Office for National Statistics[26] reports increased from 57% at 2006 to 83% in 2013. A total of 22 million households in Great Britain now have internet access. The proportion of households with access to the internet is expected to increase further over the coming years, alongside the growth in mobile phone and tablets with access via the new 4G spectrum. The ONS states that access to the internet using a mobile phone more than doubled between 2010 and 2014, from 24% to 58%. This has supported the strong growth recorded, together with improved consumer confidence in the security of online payment, deliveries and heavy demand for expensive electrical products available online. The option of using the internet to 'click and collect' in-store at a dedicated counter is also increasing in popularity (particularly within stores with large sales areas), with the service now accounting for around a fifth of John Lewis internet orders.

2.37 As a consequence of such changes, the Office for National Statistics[27] indicates that the number of people using the internet to purchase goods continues to rise, with 74% of the UK population purchasing products over the internet in 2013, compared to 53% in 2008. The most popular online purchases were clothes/sports goods, with 49% of all adults in the UK purchasing some items via the

[24] 'Experian Retail Planner Briefing Note 12.1', October 2014
[25] Ibid
[26] 'Statistical Bulletin: Internet Access Households and Individuals', Office for National Statistics, August 2013
[27] Ibid

internet. In addition, 42% of the population bought household goods online and 23% bought food or groceries.

2.38 Online spending continues to be the key growth opportunity for national and independent retailers, accounting for increasing proportions of total sales. For example, online sales at Next in 2011 accounted for 44% of operating profit and 32% of group sales. With regard to foodstore operators, food accounts for 20.5% of all internet sales, which equates to 3.1% of all food retailing[28]. Verdict's research identifies that major retailers have seen their business grow as online shopping has increased and, as a result, the likes of Asda and Sainsbury's have improved their geographical coverage and capacity. In particular, online sales at Tesco currently exceed £2 billion, with Colliers noting that the operator has a reported 48% online grocery market share.

2.39 It is evident that internet shopping as a whole is having an impact upon traditional high streets, in light of increased competition and lower prices. Consequently, there is a possibility that online retailing will continue to put some pressure on retail rental growth over the next five to ten years. In particular, it appears likely that smaller town centres (which may be less able to offer a complete 'shopping experience') are likely to be the subject of greater ongoing impacts from online retailing.

2.40 Despite some variance in the estimated future growth of online shopping, it is clear that e-tailing cannot entirely replace the 'shopping experience' as shopping is a social activity. In this regard, retailers are already adopting innovative approaches to encourage people to visit their store through 'try before you buy' concepts. For example, Ellis Bingham has installed Vertical Chill indoor ice climbing walls at five stores for customers to try equipment and to interact with products. For successful retailers, online selling provides an additional route to the market. Online retailers benefit from demand generated through physical channels whilst high street outlets can benefit from reaching a wider customer base through the internet. Those retailers who are likely to have a healthy future are those who are able to combine a strong high street presence with an interesting and closely related e-tail offer.

Summary

2.41 In summary, it is evident that the retail market has undergone significant changes in recent years. Wider economic conditions facing the UK have led to a marked decline in some previously healthy town centres, as well as other traditional retail formats. This has principally been caused by a decline

[28] 'Shop Expansion and the Internet', CBRE, May 2012

in available expenditure, due to suppressed disposable incomes and an increase in the proportion of expenditure committed online.

2.42 However, 2014 has seen an increase in consumer confidence, mainly driven by an improved economic outlook as a result of falling unemployment and the availability of credit. As a consequence, it is anticipated that expenditure growth rates will increase moving forward. Whilst such forecasts remain below those achieved before the recession, they are significantly higher than those recorded over the last three or four years. The growth in online sales has also impinged on the need for new tangible floorspace. However, increased expenditure growth allied with the retail industry embracement of innovative multi-channelling retail strategies, provides an opportunity for town centres to widen their audience in the future and retain ground. To deliver on this, it will be critical that town centres are flexible enough to both embrace and complement digital solutions, whilst also providing appropriate and well managed retail floorspace that can showcase products and services. The ability for centres to ‘move with the times’ and utilise modern technology, whilst providing a materially different experience to online shopping (partly through the inclusion of leisure and food and drink offers), will help ensure their ongoing vitality and viability.

3.0 Planning Policy Context

Introduction

3.01 Given that this Study seeks to provide evidence to assist in the production of the Local Plan, it is important to review existing national planning policy of pertinence to retail and town centre matters to explore the context for the Update and how it may impact upon the production of future development plan policy. We also summarise emerging Central Lincolnshire Local Plan policy, insofar as it is relevant to retail and town centre matters.

National Planning Policy Framework

3.02 The National Planning Policy Framework was published in March 2012. The NPPF replaces all former Planning Policy Statements, Planning Policy Guidance Notes and some Circulars in a single consolidated document.

3.03 The main theme of the NPPF is that there should be 'a presumption in favour of sustainable development'. In terms of plan-making, it is stated that local planning authorities should positively seek opportunities to meet the development needs of their area, with an emphasis on Local Plans having sufficient flexibility to adapt to rapid change.

3.04 In terms of economic development, it is set out within the NPPF's core principles that planning should proactively drive and support economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made to objectively identify and then meet the business and other development needs of an area, with positive responses made to wider opportunities for growth.

3.05 The NPPF stresses the Government's commitment to securing economic growth in order to create jobs and prosperity, with paragraph 17 stating that the planning system should do everything it can to support sustainable economic growth.

3.06 Paragraph 19 indicates that planning should operate to encourage and not to act as an impediment to sustainable growth, and that significant weight should be placed on the need to support economic growth through the planning system. The NPPF seeks to ensure that local planning authorities plan proactively to meet the development needs of business and support an economy fit for the 21^{st} century.

3.07 The NPPF still recognises the need to promote the vitality and viability of towns and cities through the promotion of competition and growth management during the plan period. Paragraph 23 of the NPPF provides guidance for local planning authorities in drawing up Local Plans, it indicates that they should, *inter alia*:

- recognise town centres as the heart of their communities and pursue policies to support their vitality and viability;
- define a network and hierarchy of centres that is resilient to anticipated future economic changes;
- define the extent of town centres and primary shopping areas;
- promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
- retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
- allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centre;
- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available;
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres; and
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

3.08 Paragraph 23 also indicates that needs for retail, leisure, office and other main town centre uses should be met in full and should not be compromised by limited site availability.

3.09 Paragraph 24 requires local planning authorities to adopt a sequential approach to the consideration of planning applications for main town centre uses that are not in an existing centre or in accordance with an up-to-date Local Plan. Paragraph 25 indicates that the sequential approach should not apply to applications for small scale rural offices or other small scale development.

3.10 Paragraph 26 indicates that local planning authorities should require an impact assessment for retail, leisure and office development outside of town centres which are not in accordance with an up-to-date Local Plan and if the development is over a proportionate, locally set threshold. Where there is no locally defined threshold, the default threshold will be 2,500 sq.m.

3.11 Paragraph 27 indicates that where an application fails to satisfy the sequential test or is likely to have a significant adverse impact on the vitality and viability of a town centre or on existing, planned, committed investment in a centre it should be refused.

3.12 The NPPF also recognises that retail activity should still, where possible, be focused in existing town centres. Retail and leisure proposals which cannot be accommodated in or adjacent to the town centre will have to satisfy a dual impact test and the sequential test.

Ensuring the Vitality of Town Centres Planning Practice Guidance

3.13 Ensuring the Vitality of Town Centres National Planning Practice Guidance was published in March 2014 and replaces the previous Planning for Town Centres Practice Guidance. It provides a more concise summation of how retail and main town centre planning policy is to be applied in practice. However, the objectives of the Practice Guidance remain comparable with those of its predecessor, with there being a stated requirement for local planning authorities to plan positively and support town centres to generate local employment, promote competition within and between town centres, and create attractive and diverse places for users.

3.14 The Practice Guidance requires local planning authorities to fully assess and plan to meet needs for main town centre uses through the adoption of a 'town centre first' approach. Paragraphs 002 and 003 confirm that this should be delivered through a positive vision or strategy which is communicated through the development plan. The strategy should be facilitated through active engagement with the private sector and other interested organisations (including Portas Pilot organisations, Town Teams and so on). Any strategy should be based on evidence which clarifies the current state of town centres and opportunities to meet development needs and support centres' vitality and viability.

3.15 Such strategies should seek to address the following matters:

- the appropriate and realistic role, function and hierarchy of town centres in the area of over the plan period, including an audit of the vitality and viability of existing town centres and their ability to accommodate new development;
- consideration of the vision for the future of each town centre and the most appropriate mix of uses;
- the assessment of the scale of development that a town centre can accommodate;
- the timeframe within which new retail floorspace can be delivered;

- what other complementary strategies are necessary or appropriate to enhance the town centre to deliver the vision in the future; and
- the consideration of the enhancement of car parking provision including charging and enforcement mechanisms.

3.16 Paragraph 005 of the Practice Guidance identifies a series of key indicators which are of relevance in assessing the health of a centre over time. Paragraph 005 goes on to state that not all successful town centre regeneration initiatives have been retail led or focused on substantial new development, but have instead involved improvements such as renewed public realm, parking, and accessibility and other partnership mechanisms.

3.17 Paragraph 007 identifies the importance of planning for tourism as an important component of any overall vision and indicates that local planning authorities should consider specific tourism needs (including locational or operational requirements) and opportunities for tourism to support local services, vibrancy and the built environment.

3.18 Paragraph 009 reaffirms the town centre first policy in the form of the sequential test, which requires local planning authorities to undertake an assessment of candidate sites' availability, suitability and viability when preparing their local plan. Such an assessment should also consider the scale of future needs and the type of land needed to accommodate main town centre uses.

Housing and Economic Development Needs Assessment Planning Practice Guidance

3.19 The Government has issued further Practice Guidance to provide specific instruction in respect of the undertaking of needs assessments (including those for main town centre uses). Paragraph 032 of the Practice Guidance states that plan makers should consider forecasts of quantitative and qualitative need based on a range of data which is current and robust. Local planning authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements.

The Portas Review ('An Independent Review Into the Future of Our High Streets') and the Government's Response

3.20 The Portas Review was published in December 2011. It is an independent review undertaken by Mary Portas into the state of Britain's high streets and town centres. The review considers the reasons why retail spending on the high street is falling, why there has been a decline of Britain's high streets, and the benefits that can be brought about through the protection of Britain's high streets. Portas puts forward 28 recommendations which include actions that Government, businesses and other organisations should take in order to create diverse, sustainable high streets where retailers can thrive.

3.21 The Government published a response to the Portas Review in March 2012. The response acknowledges that in response to the challenges facing the high street, including out-of-centre retail development and online retailing, the high street will have to offer something new and different in order to create a diverse and competitive environment. In its response, the Government accepts a number of recommendations put forward in the Portas Review, including: the implementation of Town Teams (described as visionary, strategic and strong operational management teams for high streets); the provision of funding for pilot areas who are judged to have the best ideas for improving their town centres and high streets; investing in Business Improvement Districts; and support for a new National Market Day. The Government's response seeks to encourage areas to think creatively about how their town centres can be enhanced in order to entice people back, including improvements which could be secured through the redesign of high streets, and the promotion of the evening and night time economy.

Relaxation of Permitted Development Rights

3.22 At a national level, recent changes to the Town and Country Planning (General Permitted Development) Order 1995 have sought to support the diversification and vitality of town centres. The changes follow the Portas Report recommendation to make it easier to change surplus space in order to provide for the effective re-use of buildings.

3.23 The Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2013 came into force on 30 May 2013. It provides, for a period of three years, for the change of use of Use Class B1 offices to residential without the need for planning permission. The Order also provides for the temporary change of use (for up to two years) of uses falling within Use Classes A1, A2, A3, A4, A5, B1, D1 and D2 to uses falling within Classes A1, A2, A3 and B1, subject to the use relating to no more than 150 sq.m of floorspace and subject to the temporary provision not previously being relied upon.

3.24 From 6 April 2014, permitted development rights have been further extended to provide for certain additional changes of use without the need for planning permission. The changes come into force under the Town and Country Planning (General Permitted Development) (Amendment and Consequential Provisions) (England) Order 2014 and result in the introduction of two new classifications that affect commercial premises.

3.25 The first provides for the change of use of premises and land from Use Class A1 to use as a 'deposit taker' (effectively comprising banks, building societies, credit unions and friendly societies). The second provides for the change of use from Use Classes A1 and A2 to residential. There are certain restrictions as to where and when the rights can be exercised.

3.26 The intended consequence of such measures is to secure the redevelopment and reuse of premises. However, it is considered that the relaxation in respect of changes of use to residential are more likely to encourage re-use of offices in larger metropolitan areas (particularly in London and the south east) which may benefit from a greater supply of office buildings and where previously there may have been some reluctance to grant planning permission for residential uses.

Emerging Central Lincolnshire Local Plan

3.27 The City of Lincoln, North Kesteven District and West Lindsey District authorities are jointly preparing a Local Plan for their collective area. Consultation on a Preliminary Draft Version of the Central Lincolnshire Local Plan was undertaken between October and November 2014.

3.28 The Preliminary Draft Version set out a draft Vision for Central Lincolnshire for the period to 2036 and beyond. The Preliminary Draft sought to ensure *inter alia* that, over the plan period to 2036, and beyond:

- Central Lincolnshire would be location of positive growth. Its city, market towns and many of its villages would see new homes built, new jobs created and improved infrastructure developed;
- Between 2011 and 2036, Central Lincolnshire would have 25,000 to 47,500 new homes meeting all communities' needs; and
- Growth would be focussed at Lincoln, Sleaford and Gainsborough, but villages would not be left behind, with appropriate and sensitive development being permitted to ensure they remain thriving local communities.

3.29 One of the stated policy objectives of the Preliminary Draft was to encourage and support a competitive, diverse and stable economy, and to enhance Central Lincolnshire's hierarchy of centres to meet the needs of residents and visitors.

3.30 Draft Policy LP3 suggested the following development distribution across the area: around 50% of the required amount of new housing and employment would be accommodated in the Lincoln area, with Gainsborough and Lincoln both accommodating around 15% and the remaining 20% being split between the other settlements elsewhere in Central Lincolnshire.

3.31 Draft Policy LP5 comprised the main retail policy within the Preliminary Draft of the Local Plan and set out the hierarchy for retail development within Central Lincolnshire. There were four tiers within the hierarchy. Lincoln sat alone at the top of hierarchy as a city centre, due to its sub-regional role as Central Lincolnshire's primary centre. Gainsborough, Market Rasen and Sleaford were all classed as town centres, forming the second hierarchical tier. The third and fourth tiers comprised district and then local centres.

3.32 Draft Policy LP5 also indicated that new centres will be required in relation to proposed SUEs at Lincoln, Gainsborough and Sleaford, which should be appropriate in scale and location to the need arising in the area they serve. The policy indicates that the development of new centres would be required to consolidate and enhance the existing network and hierarchy of centres and not harm the vitality and viability of existing centres.

3.33 With regard to edge-of-centre and out-of-centre developments, Draft Policy LP5 indicated both that the sequential test would apply and that a robust assessment of impact on nearby centres would be required for any proposals:

- providing a floorspace of more than 500 sq.m gross, unless within 1 kilometre of Lincoln city centre (in such circumstances, a 2,500 sq.m threshold would apply); or
- within 500 metres of the boundary of a district centre and greater than 300 sq.m; or
- within 500 metres of the boundary of a neighbourhood centre and greater than 200 sq.m gross.

4.0 Updated Assessment of the Vitality and Viability of Key Retail Centres

4.01 The NPPF identifies a number of factors that will be of relevance in delivering sustainable development, with one such factor being the need to ensure the vitality and viability of town centres. Paragraph 23 of the NPPF indicates that local authorities should promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. Paragraph 23 also requires local planning authorities to recognise that town centres are at the heart of their communities and to pursue policies that support their viability and vitality. It also states that competitive town centre environments should be promoted in order to enhance customer choice, provide a diverse retail offer and reflect the individuality of town centres.

4.02 The criteria by which the health of a centre can be judged is set out in the Government's Ensuring the Vitality of Town Centres Planning Practice Guidance of March 2014. Indicators that should be monitored on a regular basis in order to judge the health of a centre and its performance over time include the following:

- **Diversity of uses** – Data on the diversity of uses in the town centre and the district and local centres was collated during our surveys in March 2015.
- **Proportion of vacant street level property** – Vacant properties were identified during the undertaking of the March 2015 surveys.
- **Retailer representation** – Information on the performance of centres and the current strength of retailer representation has been derived from Venuescore's 2013-14 UK Shopping Venue Rankings.
- **Commercial rents** – Zone A rental data has historically been derived from Estates Gazette Interactive (EGi) data, which is a widely recognised source of such information. However, EGi has discontinued its reporting of such data and we have been unable to establish an alternative, reliable published source of such data. We are therefore unable to provide comment on any changes in commercial rents within the three authority areas.
- **Pedestrian flows** – General footfall and pedestrian flows were observed whilst undertaking of the surveys of the centres.
- **Accessibility** – Consideration of access to and around each centre is informed by our site visits to each centre.

- **State of town centre environmental quality** – Consideration of the quality of the buildings and public realm in each of the centres has also been informed by our observations when undertaking field work.

4.03 The commentary below provides a summary of our analysis of the health of the four key retail centres of Lincoln, Gainsborough, Market Rasen and Sleaford, with reference to their performance over time. The commentary is supplemented by a more detailed appraisal of available data pertaining to the centres' performance against the above criteria, and our observations in surveying each centre, which is provided at Appendix 1.

Lincoln

4.04 Lincoln is a popular retail and leisure destination, with the historic city centre attracting a significant number of tourists and shoppers each year. It has a large amount of floorspace (with 166,500 sq.m of commercial floorspace being provided across 652 units) and a strong representation from national retailers, which reflects its role as an important sub-regional shopping centre. However, there has been a net decrease of 29 commercial units and 4,850 sq.m of commercial floorspace since July 2011.

4.05 The majority of the city centre's retail units in the city centre are concentrated along the pedestrianised areas of High Street, Cornhill, Saltergate and Guildhall Street. These streets accommodate most of the top national multiple fashion retailers represented in the Lincoln, including Primark, BHS and H&M. The level crossing on High Street, however, can act as a barrier between the northern and southern parts of the centre, though our site visit indicated that there was still a considerable level of pedestrian activity and movement between the primary shopping area and St Marks Shopping Centre to the south. Lincoln also includes a number of out-of-centre retail parks which accommodate numerous national operators in large, modern retail and leisure service units.

4.06 Lincoln's offer is supplemented by the historic Cathedral Quarter area to the north of the city centre, which accommodates a mix of independent art, craft and gift shops. In addition, Brayford Wharf provides a key leisure sector destination, with numerous popular restaurants and bars located next to an Odeon multiplex cinema.

4.07 In terms of the diversity of use of commercial units, the proportion of convenience units and convenience floorspace in Lincoln is below national average level, with the larger foodstore units tending to be located in the out-of-centre retail parks. Similarly, the retail service offer is below national average, both in terms of the proportion of units and proportion of floorspace dedicated to the use. However, this is not unexpected given the size of the centre and its strong comparison goods focus. The proportion of floorspace in the city centre that is dedicated to comparison goods use is very significantly above national average, which is at least in part due to the retail parks to the west of the city centre falling within our survey area (which is defined by Experian Goad). Our survey has also identified that the city centre has particularly strong financial and business service and leisure service offers.

4.08 Whilst the proportion of commercial floorspace which is vacant in Lincoln city centre is broadly comparable to the national average level, the proportion of commercial units which are vacant is slightly higher than national average. Three of the vacant units are in the relatively prominent Waterside Shopping Centre, but the majority of vacancies occur in more peripheral locations. There does, however, appear to be an issue at Brayford Wharf, which appears to be losing some of its occupiers despite being a recently completed development.

4.09 The city centre receives high levels of pedestrian activity, particularly around the pedestrianised outdoor streets. The areas around House of Fraser and Boots, and around Cornhill, attract a particular concentration of shoppers. The city centre is generally accessible and feels safe and secure. In addition, the city centre environment is of a high quality for the most part, and provides a safe, pleasant and popular shopping environment for visitors. However, there are some areas of lesser quality, mostly towards the south of High Street and across peripheral parts of the city centre which are also the subject of higher vacancy rates.

Gainsborough

4.10 Gainsborough is the largest settlement in West Lindsey and performs an important role as a retail and service destination for the local area. Our visit in March 2015 identified a total of 198 units within the town centre, comprising a total gross floorspace of 49,790 sq.m. However, there has been a net decrease, equating to one retail unit and 2,810 sq.m of floorspace, since we last surveyed the town centre in July 2011.

4.11 The pedestrianised areas of Market Place, Silver Street and Lord Street accommodate the majority of retail and service units in the town, with additional stores also located on Church Street, Market Street and North Street. In addition, large modern retail units at Marshall's Yard provide popular accommodation for national multiple operators. Although the development of Marshall's Yard has significantly strengthened the profile of Gainsborough town centre when compared with 10 years ago, the centre's retail ranking has decreased very slightly in recent years from 337th in 2010 to 353rd in 2013. Notwithstanding this, the town centre has managed to retain its top retailers.

4.12 A clear division exists between Marshall's Yard, which contains mostly large modern retail units, and the historic part of the town centre, where the retail units are smaller in size and sometimes do not meet the requirements of modern retailers. As a consequence, the demand for retail units at Marshall's Yard appears to be considerably higher than in the rest of the town centre and, due to the strength and mix of representation in the development, Marshall's Yard also attracts a significantly higher level of pedestrian activity. By comparison, the older parts of the town centre have higher vacancy rates and suffer from lower levels of footfall.

4.13 Notwithstanding this, the public realm improvement schemes that have been implemented within the historic parts of the town centre have been very beneficial in improving the environment of these areas, which has made them more attractive places to undertake a shopping or leisure visit. Furthermore, these areas now accommodate the majority of independent stores and budget retailers, as well as being the focus of retail service, leisure service and financial and business service uses. Consequently, these areas continue to make a significant contribution to Gainsborough's overall retail and leisure offer.

4.14 In terms of the level of vacancies, there are concentrations of empty units to the north of Church Street, towards the west of Lord Street and on Silver Street. Furthermore, the former job centre building and a parade of units to the rear of Argos are now completely vacant; this has created a gap between the main shopping area and the bus stops to the south of the town centre.

4.15 The overall diversity of uses in Gainsborough town centre is broadly similar to national average levels, although there is a comparative shortfall in leisure services (restaurants, cafes, bookmakers, public houses and so on) in respect of both the proportion of units and floorspace dedicated to this use when compared to the national average. In addition, the proportion of leisure services has actually decreased since the original Central Lincolnshire City and Town Centre Study reported in 2012 (when the under-representation of the leisure service sector was identified as a potential issue). This may be because the relatively modest size and pedestrianised nature of Gainsborough town centre mean that it is more readily suited to retail and retail service uses, and less able to successfully accommodate restaurant and evening economy uses.

Market Rasen

4.16 Market Rasen's main shopping area is concentrated along Queen Street, Union Street, Market Place and John Street. The Lincolnshire Co-operative Food store on John Street helps anchors the centre, with Market Rasen's convenience goods offer supplemented by Mattu's Local on Union Street and the Tesco foodstore on the outskirts of the town centre.

4.17 There are currently 85 retail units which provide a gross floorspace of 10,970 sq.m. In terms of the diversity of units, the composition of the town centre is broadly comparable to national average levels. However, there are several notable differences with national average figures in terms of the composition of floorspace. In this regard, the town centre has a higher than average amount of convenience goods floorspace and a relatively low level of comparison goods floorspace. In addition, the town centre has a relatively strong leisure service and financial and business service offer in terms of the proportion of commercial floorspace that is dedicated to these uses.

4.18 Market Rasen town centre is predominantly comprised of independent retailers. There are only a limited number of national operators and the centre accommodates only one of Experian Goad's list of the top 27 comparison retailers (this being Boots, which is located on Queen Street). However, Market Rasen also accommodates three nationally operated banks and a Post Office.

4.19 Market Rasen's town centre environment is considered to be of a reasonably good quality, although the vacant units detract from its overall attractiveness. Pedestrian activity is concentrated around Market Place and Queen Street and there are lower levels of activity on King Street and on Union Street. Accessibility within the town centre is also considered to be good, but the linkages with the railway station would benefit from improvement.

Sleaford

4.20 Sleaford is the largest retail centre in North Kesteven District. The town provides daily and weekly shopping facilities, specialist shops, financial and office services, medical services and a wide range of other community and recreational facilities, which cater for the predominantly rural local community in the outlying area.

4.21 The main shopping area is concentrated on Southgate, with important secondary shopping streets including Market Place and Westgate. The town centre's primary convenience foodstores comprise the Sainsbury's supermarket to the rear of the Riverside Shopping Centre, the Iceland store on Southgate and the Aldi supermarket to the south of the town centre on Mareham Lane. Other foodstore units in the outskirts of Sleaford include the Tesco, Lidl and Co-operative Food units on Lincoln Road, to the north of the town centre.

4.22 The town centre currently contains 204 retail units, which have a total gross floorspace of 37,810 sq.m. There has been a net increase of eight retail units since July 2011, although the amount of floorspace has decreased by 300 sq.m over the same period.

4.23 In terms of the diversity of uses in Sleaford town centre, the proportion of convenience units is broadly similar to the national average. The proportion of units in retail service and financial and business service sectors is above the national average. However, the proportion of comparison goods and leisure service units is slightly below the national average.

4.24 The proportion of commercial floorspace dedicated to convenience, comparison goods and leisure service use is below national average level, whilst the proportion of retail service and financial and business service floorspace is above national average.

4.25 In terms of vacancy rate, the proportion of commercial units which are vacant and the proportion of vacant floorspace are both above national average level. This pattern has not changed since our last visit in July 2011. The greatest concentration of empty units occurs in the north-west of the town centre at the Riverside Shopping Centre, which had 11 vacancies at the time of our survey in March 2015. There is also a cluster of empty units towards the south of the town centre close to the railway station. However, planning permission has been granted to bring the large vacant Corn Exchange building back into active use, which will go some way to addressing this issue, particularly in terms of the amount of vacant floorspace in Sleaford.

4.26 Sleaford contains only four of Experian Goad's list of top 27 comparison goods operators, although the retail offer includes 32 addition national retailers, seven of which are banks or building societies. However, the town centre has a high proportion of independent retailers.

4.27 Pedestrian activity appeared to be at a reasonable level during our visit to Sleaford in March 2015. The focus of activity was around Southgate and the Sainsbury's supermarket. However, the Riverside Shopping Centre and the Bristol Arcade appeared to be relatively quiet. Notwithstanding this, we consider the town centre to have reasonably good all-round accessibility and the centre generally feels safe and secure. In addition, the town centre is generally of a good environmental quality and accommodates a number of high quality historic buildings. However, there are some areas of poorer quality, including the Riverside Shopping Centre and elements of the southern part of the town centre, which both have higher levels of vacancy.

5.0 Population and Expenditure

5.01 In July 2011, a survey of 1,500 households was undertaken within the defined Study Area, which has been drawn so as to include the three authority areas and also adjacent areas where local residents would naturally gravitate towards conveniently located retail facilities in Lincoln, North Kesteven and West Lindsey. A map of the catchment is provided overleaf at Figure 5.1.

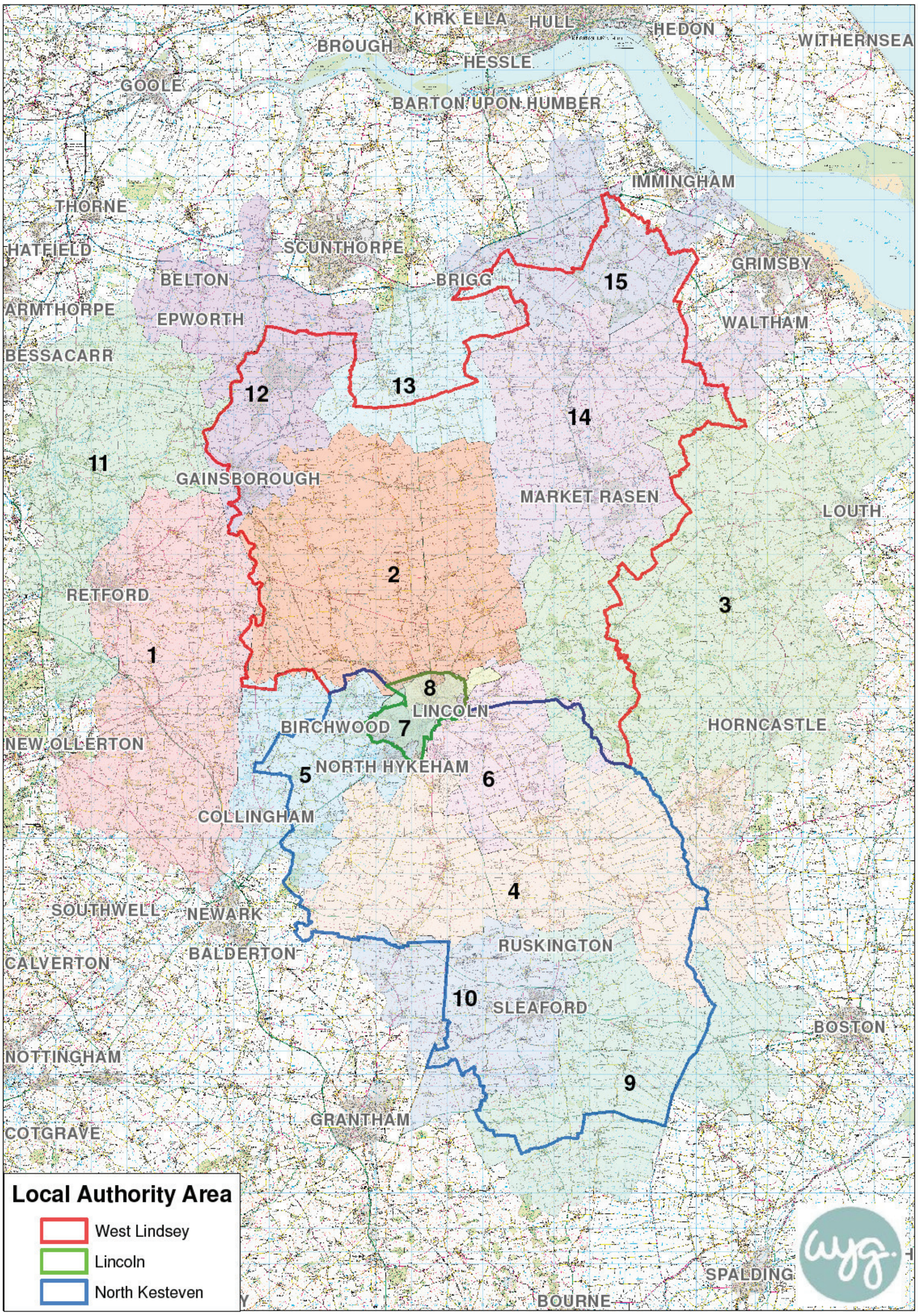
5.02 The defined catchment was broken down into fifteen survey zones on a geographic basis in order to allow trends to be assessed on a local level. The zones are numbered 1 to 15 and Table 5.1 sets out the postcode sectors which define each of the zones, which have been used as a basis for the NEMS household survey and the quantitative need assessment. The authority area of the City of Lincoln very broadly corresponds to Zones 7 and 8; North Kesteven very broadly corresponds to Zones 4, 5, 6, 9 and 10; and, West Lindsey very broadly corresponds to Zones 2, 14 and 15 (and also includes parts of Zones 3, 8, 12 and 13).

5.03 The questions and full tabulation of results from the household survey are provided at Appendices 3 and 4. The zones comprise the following postcode areas.

Table 5.1: Post Codes by Survey Zone

Survey Zone	Post Code Sectors
Zone 1	DN22 0, DN22 6, DN22 7, DN22 9, NG22 0, NG23 6
Zone 2	DN21 5, LN1 2, LN2 2, LN2 3, LN8 2
Zone 3	LN3 5, LN8 5, LN8 6, LN9 5, LN9 6, LN10 5, LN11 0, LN11 9
Zone 4	LN4 3, LN4 4, LN5 0, LN5 9, LN10 6
Zone 5	LN6 3, LN6 4, LN6 5, LN6 8, LN6 9, NG23 7
Zone 6	LN3 4, LN4 1, LN4 2
Zone 7	LN5 7, LN5 8, LN6 0, LN6 7
Zone 8	LN1 1, LN1 3, LN2 1, LN2 4, LN2 5
Zone 9	NG34 0, NG34 9, PE20 3
Zone 10	NG32 3, NG34 7, NG34 8
Zone 11	DN9 2, DN9 3, DN10 4, DN10 5, DN10 6, DN22 8
Zone 12	DN9 1, DN17 3, DN21 1, DN21 2, DN21 3
Zone 13	DN20 9, DN21 4
Zone 14	DN37 0, LN7 6, LN8 3
Zone 15	DN20 8, DN37 8, DN38 6, DN39 6, DN41 8

Figure 5.1: Study Area and Zones



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Study Area Population

5.04 The population within each postal code sector and each zone at 2015 has been calculated using Experian Micromarketer G3 data (2013 estimate, which was issued in October 2014). Experian also models projected future increases in population data, utilising Government population projections.

5.05 In considering future population growth, we are informed by the Central Lincolnshire Local Plan Team[29] that it is planning for an increase in population of 39,020 persons across the Lincoln, North Kesteven and West Lindsey authority areas across the emerging Central Lincolnshire Local Plan period from 2012 to 2036. Given that the base date of this Update report is 2015, on a pro rata basis, the planned population increase equates to 34,143 persons in the period 2015 to 2036. We understand that this planned population growth across Central Lincolnshire has been derived from Department of Communities and Local Government data.

5.06 As we identified at paragraph 5.02, the three local authority areas very broadly equate to Zones 2, 4, 5, 6, 7, 8, 9, 10, 12, 14 and 15. However, some of these zones also incorporate areas that lie outside Central Lincolnshire.

5.07 As a consequence, whilst Experian estimates that these 11 zones collectively have a population of 361,198 persons at 2015, Office for National Statistics data[30] identifies an estimated population of 299,200 at 2015 for the three local authority areas that comprise Central Lincolnshire. Accordingly, we estimate that the total population of Zones 2, 4, 5, 6, 7, 8, 9, 10, 12, 14 and 15 is around 21% higher than the population of the Central Lincolnshire area.

5.08 It therefore follows that, whilst the Central Lincolnshire Local Plan Team is planning for an increase of 34,143 persons across the Central Lincolnshire area between 2015 and 2036, the increase across the identified 11 zones is likely to be somewhat higher than this.

5.09 In this context, we note that Experian identifies that the population increase across these 11 zones between 2015 and 2036 will be 39,590 persons, which compares to the 34,143 persons increase which is being planned for. Whilst the difference between these two growth figures is proportionately less than the difference between the existing population of Central Lincolnshire and the population of the 11 zones, the Experian figures are considered to be consistent with the overall level of growth that

[29] By email on 11 March 2015
[30] 2012-Based Subnational Population Projections, ONS, May 2014

is being planned for. This is because the majority of future population growth will be located proximate to existing built up areas and it is logical that a lesser level of growth is likely to occur in peripheral zones just beyond the Central Lincolnshire area. It is unsurprising that both datasets are broadly consistent as both are derived from Government data.

5.10 We are also informed that, at the time of our reporting, the Central Lincolnshire Planning Team is planning for 60% of housing growth across the emerging plan period to be delivered in the Lincoln area; for 12% of housing growth to be delivered in the Gainsborough area; for 12% of housing growth to be delivered in the Sleaford area; and, for 16% of housing growth to be delivered elsewhere in Central Lincolnshire. We can confirm that we have given consideration to the distribution of planned housing growth across the Central Lincolnshire area and that the distribution of growth also broadly conforms to the Experian population projections. Accordingly, it is considered that the Experian population projections in this instance represent a robust means of estimating the future population of the Study Area, which is consistent with that which is being planned for in practice.

5.11 On this basis, Table 5.2 sets out our estimate of future population growth across the Study Area using Experian Micromarketer G3 data.

Table 5.2: Study Area Population by Survey Zone (2015 to 2036)

Zone	2015	2016	2021	2026	2031	2036
1	42,869	43,042	43,956	44,812	45,536	46,157
2	37,002	37,215	38,334	39,419	40,280	40,954
3	34,883	35,065	36,014	36,964	37,779	38,425
4	42,847	43,159	44,695	46,136	47,308	48,295
5	37,650	37,920	39,204	40,414	41,416	42,233
6	25,465	25,671	26,702	27,631	28,363	28,952
7	43,069	43,200	43,753	44,775	45,953	46,851
8	40,033	40,159	40,656	41,555	42,569	43,316
9	22,253	22,453	23,405	24,263	24,973	25,569
10	29,813	30,066	31,301	32,417	33,308	34,045
11	29,902	30,013	30,580	31,095	31,475	31,795
12	43,344	43,588	44,857	45,992	46,866	47,562
13	11,410	11,467	11,745	11,969	12,147	12,297
14	23,426	23,534	24,086	24,595	24,988	25,296
15	16,296	16,379	16,788	17,143	17,442	17,715
Total	**480,262**	**482,931**	**496,076**	**509,180**	**520,403**	**529,462**

Source: Experian Micromarketer G3 2014 data release

5.12 The above table indicates that Experian forecast that the Study Area population will increase from a total of 480,262 persons at 2015 to 529,462 persons at 2036, equating to an increase in population of 49,200 persons (or 2,343 persons per annum across the 21 year period from 2015 to 2036).

Retail Expenditure

5.13 In order to calculate per capita convenience and comparison goods expenditure, we have again utilised Experian Micromarketer G3 data which provides detailed information on local consumer expenditure that takes into consideration the socio-economic characteristics of the local population. Experian is a widely accepted source of expenditure and population data and is regularly used by WYG in calculating retail capacity.

5.14 The base year for the Experian expenditure data is 2013. Per capita growth forecasts have been derived from Experian Retail Planner Briefing Note 12.1, which was published in October 2014. Appendix 3 of the Retail Planner Briefing Note identifies annual growth forecasts for convenience and comparison goods, which we set out overleaf at Table 5.3 and which inform our assessment.

5.15 The latest growth forecasts suggest that the recovery from the downturn in the economy is well underway, albeit growth in convenience goods expenditure will improve over the medium and long term when compared to the current position. For convenience goods, Experian forecasts +0.5% annual growth at 2015, which is then forecast to increase to +0.8% at 2022. Whilst there is some deviation in the rate forecast thereafter, the rate of annual convenience goods growth forecast to 2035 does not fall below +0.6%.

5.16 By contrast, Experian identifies an immediate and relatively strong annual comparison growth rate of +4.4% at 2015. A drop in the rate of growth to +3.1% is anticipated at 2016, with growth rates thereafter to 2035 forecast to be relatively stable, within the range +3.0% to +3.5%. As Experian's growth forecasts only extend to 2035, we apply the identified growth rate at 2025 (+0.7 for convenience goods and +3.5 for comparison goods) for the year 2036.

Table 5.3: Expenditure Growth Forecasts

Year	Convenience (%)	Comparison (%)
2015	0.5	4.4
2016	0.4	3.1
2017	0.5	3.0
2018	0.4	3.0
2019	0.7	3.2
2020	0.7	3.2
2021	0.5	3.0
2022	0.8	3.3
2023	0.8	3.3
2024	0.8	3.3
2025	0.7	3.3
2026	0.7	3.2
2027	0.6	3.2
2028	0.8	3.3
2029	0.6	3.3
2030	0.6	3.3
2031	0.7	3.4
2032	0.8	3.5
2033	0.6	3.3
2034	0.8	3.5
2035	0.7	3.5

Source: Appendix 3, Retail Planner Briefing Note 12.1 (October 2014)

5.17 Growth in expenditure forecast in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties in predicting the economy's performance over time. Assessments of this nature should therefore be reviewed on a regular basis in order to ensure that forecasts over the medium and long term are reflective of any changes to relevant available data.

5.18 Experian Retail Planner Briefing Note 12.1 also provides a forecast as to the proportion of expenditure which will be committed through special forms of trading (comprising 'non-store retailing', such as internet sales, TV shopping and so on) over the reporting period. We have 'stripped out' any expenditure which survey respondents indicated was committed via special forms of trading and instead have made an allowance derived from Experian's recommendation.

5.19 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a physical store's shelves or stockroom (particularly in the case of convenience goods). Accordingly, expenditure committed in this manner acts to support stores and should be considered 'available' to tangible retail destinations.

5.20 Accordingly, in order not to overstate the influence of expenditure committed via special forms of trading, our approach is based on Experian's 'adjusted' figure (provided at Appendix 3 of its Retail Planner Briefing Note) which makes an allowance for internet sales which are sourced from stores. The proportion of expenditure committed through special forms of trading cited below at Table 5.4 is 'stripped out' of the identified expenditure as it is not available to stores within the Study Area.

Table 5.4: Special Forms of Trading Forecasts

Year	Convenience	Comparison
2015	2.8%	12.5%
2016	3.1%	13.2%
2021	4.4%	15.9%
2026	5.0%	15.9%
2031	5.6%	15.5%
2035	6.1%	15.2%

Source: Appendix 3, Experian Retail Planner Briefing Note 12.1 (October 2014)

5.21 Based on the above growth rates and special forms of trading allowances, it is possible to produce expenditure estimates for each survey zone at 2015, 2016, 2021, 2026, 2031 and 2036. In doing so, our assessment takes into account both per capita retail expenditure growth and population change.

Again, given that Experian does not provide an 'adjusted' allowance for special forms of trading at 2036, we have applied the figure provide for 2035 to this subsequent reporting year.

Convenience Goods Expenditure

5.22 Taking into consideration the above increases in population and per capita expenditure, it is estimated that, at 2015, the resident population of the Study Area generates some £958.91m of convenience goods expenditure[31]. As set out below in Tables 5.5 and 5.6, available convenience goods expenditure is then forecast to increase to £1,171.83m at 2036, which represents an increase of £212.91m (or 22.2%) between 2015 and 2036.

Table 5.5: Total Available Study Area Expenditure – Convenience Goods (£m)

2015 (£m)	2016 (£m)	2021 (£m)	2026 (£m)	2031 (£m)	2036 (£m)
958.91	966.23	1,006.88	1,064.91	1,119.03	1,171.83

Source: Table 2a, Appendix 2
In 2013 prices

Table 5.6: Total Available Study Area Expenditure – Convenience Goods (£m)

Growth 2015-2016 (£m)	Growth 2015-2021 (£m)	Growth 2015-2026 (£m)	Growth 2015-2031 (£m)	Growth 2015-2036 (£m)
7.32	47.97	106.00	160.12	212.91

Source: Table 2a, Appendix 2
In 2013 prices

Main Food and 'Top-Up' Shopping

5.23 For the purposes of this study, the proportion of convenience goods expenditure directed to respondents' main food shopping destination has been derived directly from a specific question in the household survey and has been applied on a zone by zone basis. The survey indicates that, across the Study Area, approximately 73.6% of expenditure is directed to the main food shopping destination (bulk food shop) and approximately 26.4% is directed to 'top up' shopping destinations (i.e. regular day-to-day purchases, such as milk, bread, and so on)[32]. Our estimate of the split between these two types of expenditure on a zonal basis is provided below at Table 5.7.

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[31] Expressed in 2013 prices, as is every subsequent monetary value
[32] Derived from responses to Question 14 of the NEMS household survey, based on the Study Area average calculated using the mid-point in the range of each response (e.g. if a respondent stated that between 50% and 75% of their food spend was undertaken through a 'main food' shop, we have assumed that 62.5% of expenditure was committed in such a manner)

Table 5.7: Assumed Split of Convenience Goods Expenditure Between Main and Top-Up Shopping

Zone	Main Food	Top Up
1	73.8%	26.2%
2	72.6%	27.4%
3	69.4%	30.6%
4	72.6%	27.4%
5	75.7%	24.3%
6	72.1%	27.9%
7	73.3%	26.7%
8	71.6%	28.4%
9	76.0%	24.0%
10	73.9%	26.1%
11	76.2%	23.8%
12	76.2%	23.8%
13	73.3%	26.7%
14	73.3%	26.7%
15	73.9%	26.1%

Source: Derived from Table 2B, Appendix 2

5.24 By applying these estimates to the identified resident population of the Study Area, convenience goods expenditure at 2015 committed through 'main food' shopping trips is estimated to be £705.45m and through 'top up' shopping trips is estimated to be £253.46m.

Comparison Goods Expenditure

5.25 For comparison goods, Tables 5.8 and 5.9 set out our estimation that the resident population of the Study Area will generate some £1,396.70m of comparison goods expenditure at 2015. Available comparison goods expenditure is then forecast to increase to £2,940.55 at 2036, which represents an increase of £1,543.84m (or 110.5%) between 2015 and 2036.

5.26 Whilst the identified expenditure increase is clearly very significant, the rate of forecast growth is still more modest than that which has been previously achieved, principally because of the expectation that an ever increasing proportion of comparison goods expenditure will be committed through special forms of trading (most particularly, internet shopping).

Table 5.8: Total Available Study Area Expenditure – Convenience Goods (£m)

2015 (£m)	2016 (£m)	2021 (£m)	2026 (£m)	2031 (£m)	2036 (£m)
1,396.70	1,435.47	1,664.18	2,009.31	2,426.74	2,940.55

Source: Table 8, Appendix 2
In 2013 prices

Table 5.9: Total Available Study Area Expenditure – Convenience Goods (£m)

Growth 2015-2016 (£m)	Growth 2015-2021 (£m)	Growth 2015-2026 (£m)	Growth 2015-2031 (£m)	Growth 2015-2036 (£m)
38.77	267.48	612.60	1,030.04	1,543.84

Source: Table 8, Appendix 2
In 2013 prices

5.27 For the purposes of this Study, comparison goods expenditure has been divided into eight sub-categories: 'DIY', 'Electrical' and 'Furniture' (these three categories collectively being referred to as bulky goods)' and, 'Clothing & Footwear', 'CDs, DVDs and Books', 'Health and Beauty/Chemist Goods', 'Small Household Goods' and 'Toys, Games, Bicycles and Recreational Goods' (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by Experian on a zonal basis.

5.28 In considering the above, it should be noted that if an excess of expenditure manifests itself within the Study Area, this does not necessarily translate directly into a requirement for additional floorspace. In assessing quantitative need, it is also necessary to take account of:

- Existing development proposals;
- Expected changes in shopping patterns; and
- The future efficiency of retail floorspace.

6.0 Updated Assessment of Quantitative Retail Need

6.01 We have examined the need for new convenience and comparison goods floorspace over five year reporting periods from 2016 to 2036 (and at base year 2015). At the outset, it is again important to note that an assessment of need in the long term should be viewed with caution, due to the obvious difficulties inherent in predicting the performance of the economy and shopping habits over time. A complete series of quantitative capacity tables are provided at Appendix 2, which act to provide full details of the step-by-step application of our methodology. A summary of our approach and our findings in respect of capacity is set out below.

Capacity Formula

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

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

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

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

6.05 **Surplus / Deficit (£m)** – This represents the difference between the expenditure and turnover figures outlined above. A surplus figure represents an effective under provision of retail facilities within the Study Area (which, all things being equal, would suggest that additional floorspace could be supported), whereas a deficit would suggest a quantitative overprovision of retail facilities.

6.06 Although a surplus figure is presented in monetary terms, it is possible to convert this figure to provide an indication of the quantum of floorspace which may be required. The level of floorspace will vary dependent on the type of retailer proposed and the type of goods traded. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers. However, within the bulky goods sector there is significant variation, with electrical retailers tending to have a much higher sales density than those selling DIY or furniture goods.

6.07 We set out below the identified quantitative capacity for additional convenience and comparison goods floorspace across the Central Lincolnshire area and within each of the key town centres. In each case, given the geographical separation between the four centres and their relatively distinct catchment areas, we assume that the existing market share of each will be maintained going forward. This approach is consistent with that which was adopted in the 2012 Central Lincolnshire City and Town Centre Study.

6.08 For each of the key settlements, the identified capacity represents that which arises from the settlement as a whole. Accordingly, the quantitative need identified for each settlement may not necessarily be provided in its entirety within the respective town or city centre, as a portion of the need – particularly in respect of convenience goods floorspace – could be provided within existing or proposed district or local centres (or other sustainable locations) within the settlement in question. However, it is anticipated that the vast majority of the identified requirement for additional comparison goods floorspace will be provided within the respective town or city centre, accepting the need to adopt a sequential approach to development.

Capacity for Future Convenience Goods Floorspace

Central Lincolnshire Area

6.09 In order to ascertain the likely need for additional convenience goods floorspace within Central Lincolnshire, it is first necessary to consider the performance of the current provision.

6.10 Table 8.1 below sets out the survey-derived turnover of all convenience goods stores within Central Lincolnshire. For each destination the survey-derived turnover is compared to a 'benchmark' turnover which indicates the level of turnover that the store would generally be expected to attract, based on company average trading levels. A judgement can then be made on the trading performance of existing facilities based on the comparison of the survey-derived turnover with the expected turnover (based on nationally published trading information from Mintel and Verdict) of existing provision.

6.11 The ‘benchmark’ turnover differs for each operator based on its average turnover per square metre throughout the country. Although robust up-to-date information is available in terms of the convenience goods floorspace provided by large foodstores, it can be more difficult to quantify the extent of local convenience provision as there is no single comprehensive database to rely upon. Where we have been unable to verify the exact quantum of floorspace provided by existing smaller-scale convenience stores, we have assumed that stores are trading ‘at equilibrium’ (i.e. the survey-derived turnover equates to the expected level of turnover). On each occasion, given the scale of the catchment and most stores’ relatively central location within it, it has been assumed that each convenience goods store’s turnover will derive from within the Study Area.

6.12 Furthermore, as this assessment is based upon a ‘goods based’ approach which disaggregates expenditure by category type, it is important to recognise that major foodstore operators generally sell an element of non-food goods such as books, CDs, clothing and household goods. To account for this, the typical ratio between convenience/comparison goods provision for each operator[33] has been applied to the estimated net floorspace of each foodstore. This provides an indication of the likely sales area dedicated to the sale of convenience goods at each store.

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

[33] The footnotes attached to Table 5 of Appendix 2 provide further clarification in respect of our approach in this regard

Table 6.1: Trading Performance of Current Foodstores in Main Centres

Store	Net F'space (sq.m)	Net Conv F'space (sq.m)	T'over per sq.m (£)	Benchmark Turnover (£m)	Survey Estimate (£m)
Lincoln (Facilities in Zones 5, 7 and 8)					
Asda, Newark Road, North Hykeham	5,805	3,483	13,901	48.42	47.91
Morrisons, Tritton Road, Lincoln	3,357	2,686	13,388	35.96	53.74
Sainsburys, Tritton Road, Lincoln	7,476	4,486	12,684	56.89	50.18
Co-op, High Street, Lincoln	227	198	8,146	1.61	15.24
Tesco Express, Newark Road, Lincoln	196	186	12,099	2.25	5.83
Lidl, St Mark's Retail Park, Tritton Road, Lincoln	891	713	3,522	2.51	2.47
Tesco Express, St Mark's, High Street, Lincoln	235	223	12,099	2.70	0.70
Iceland, High Street, Lincoln	530	515	7,615	3.92	1.21
Other Lincoln Zone 7 Stores	-	-	-	13.27	13.27
Asda, Nettleham Road, Lincoln	744	498	13,901	6.93	3.53
Co-op, Burton Road, Lincoln	128	112	8,146	0.91	2.29
Tesco Extra, Wragby Road, Lincoln	6,761	4,057	12,099	49.09	50.01
Waitrose, Searby Road, Lincoln	2,981	2,450	13,080	32.05	29.08
Tesco, Canwick Road Trading Estate, Lincoln	2,000	1,514	12,099	18.32	16.11
Marks & Spencer, High Street, Lincoln	1,160	1,107	11,578	12.81	6.34
Iceland, Nettleham Road, Wolsey Way, Lincoln	489	475	7,615	3.62	2.52
Lidl, Carlton Centre, Lincoln	910	728	4,124	2.56	3.47
Other Lincoln Zone 8 Stores	-	-	-	8.44	8.44
Sub-Total Lincoln	**-**	**-**	**-**	**302.27**	**312.34**
Sleaford (Facilities in Zone 10)					
Tesco, Northgate, Sleaford	2,066	1,564	12,099	18.92	36.41
Sainsburys, Southgate Centre, Sleaford	1,372	991	12,684	12.56	12.45
Lidl, Northgate Centre, Sleaford	865	692	4,124	2.44	6.13
Iceland, Southgate, Sleaford	414	402	7,615	3.06	1.96
Other Sleaford Stores	-	-	-	6.09	6.09
Sub-Total Sleaford	**-**	**-**	**-**	**43.08**	**63.04**
Gainsborough (Facilities in Zone 12)					
Morrisons, Heapham Road, Gainsborough	2,777	2,222	13,388	29.74	35.00
Tesco, Beaumont Street, Gainsborough	2,720	2,059	12,099	24.91	20.97
Aldi, Lea Road, Gainsborough	960	768	8,602	9.02	6.95
Lidl, Ropery Road, Gainsborough	743	594	4,124	2.09	4.76
Marks & Spencer Simply Food, Marshall's Yard	515	491	11,578	5.69	3.07
Other Gainsborough Stores	-	-	-	9.82	9.82
Sub-Total Gainsborough Town Centre	**-**	**-**	**-**	**81.28**	**80.57**
Market Rasen (Facilities in Zone 14)					
Tesco, Linwood Road, Market Rasen	1,395	1,056	12,099	12.78	16.39
Other Market Rasen Stores	-	-	-	4.79	4.79
Sub-Total Market Rasen Town Centre	**-**	**-**	**-**	**17.57**	**21.19**
Other Facilities in Central Lincolnshire	-	-	-	51.62	54.23
Sub-Total Other Facilities	**-**	**-**	**-**	**51.62**	**54.23**
Total	**-**	**-**	**-**	**495.81**	**531.37**

[1] Net sales area derived from 2014 Q4 Storepoint database or from recent planning applications where applicable
[2] Net convenience goods sales density generally derived from Verdict 2014 company data or using WYG judgment where appropriate
[3] Sales densities derived from Verdict 2014 or Mintel Retail Rankings 2014 for national multiples and WYG assessment for local shops
[4] Survey derived turnover derived from 2011 household survey
[5] Full details, including floorspace, sales density, benchmark turnover and survey-derived turnover of other facilities in Central Lincolnshire located outside the key town centres can be found in Table 5 of Appendix 2
[6] Tesco Extra at Wragby Road in Lincoln, Lidl at Boutham Dairy in Lincoln and Aldi at Lea Road in Gainsborough are all replacement or extended stores and revised and update floorspace figures have been used in calculating benchmark
At 2013 prices

6.14 Table 6.1 indicates that, across the whole of the Central Lincolnshire area considered together, the expected turnover of existing convenience goods shopping provision is £495.81m, which compares to a survey-derived turnover of £531.37m (which equates to a 55.4% market share of convenience goods expenditure which arises in the Study Area). This suggests that, cumulatively, convenience goods floorspace is effectively 'overtrading' by £35.55m at 2015. The vast majority of this overtrading occurs in Sleaford and, to a lesser extent, Lincoln, suggesting that there is a current undersupply of convenience goods floorspace within these settlements. The benchmark turnover of existing stores generally relates to those stores that were trading at the time of the 2011 household survey; however, the Tesco Extra at Wragby Road in Lincoln, the Lidl at the Boultham Dairy site in Lincoln and the Aldi at Lea Road in Gainsborough are all extended or replacement stores and in each case we have assessed their benchmark turnover on the basis of the floorspace provided by the current store. Accordingly, the performance of these particular stores should be considered in this context. All other convenience goods floorspace (providing greater than 200 sq.m gross floorspace) which has been implemented subsequent to the undertaking of the household survey is treated as a commitment.

6.15 Based on the findings of the 2011 household survey and accepting the caveat provided at paragraph 6.13, the survey suggests that a handful of superstores are performing strongly, most particularly the Morrisons store at Tritton Road in Lincoln (which overtrades by 49.5%) and the Tesco at Northgate in Sleaford (which overtrades by 92.4%). It should be noted that, although the level of overtrading is significant, such trading performances are not unheard of and occur elsewhere at the more successful stores operated by the 'big four' supermarket retailers.

6.16 In order to appraise the need for additional convenience goods retail floorspace, it is necessary to consider how overtrading may be affected by future growth in expenditure. Accordingly, Tables 6.2, 6.5, 6.7, 6.9 and 6.11 set out the anticipated increases in expenditure which will be available to the Central Lincolnshire area and to each of the four centres, assuming that each centre's current market share is maintained. In each case, it is assumed that the turnover of existing floorspace will improve at the rates suggested by Figure 4a of Experian's Retail Planner Briefing Note 12.1 Addendum (-0.4% at 2016; -0.2% per annum from 2017 to 2021; and +0.1% per annum from 2022). The future turnover of commitments has also been estimated through the application of these forecast changes in retail sales density.

6.17 Following this exercise, we then consider the effect existing retail commitments[34] will have in meeting identified convenience shopping needs (set out by Tables 6.4, 6.6, 6.8, 6.10 and 6.12).

6.18 Table 6.2 indicates that, after taking into consideration future increase in both population and expenditure, a convenience goods expenditure surplus across the Central Lincolnshire area of £35.55m is identified at 2015. At 2016 after increases in population and expenditure are considered against changes in floorspace productivity, we estimate that there will be a greater expenditure surplus of £41.59m. By 2021, we estimate that there will be an even larger surplus of £69.04m, increasing thereafter to £98.74m at 2026, to £126.27m at 2031 and to £153.05m at 2036.

Table 6.2: Quantitative Need for Convenience Goods Floorspace in Central Lincolnshire Area

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	495.81	531.37	35.55
2016	493.83	535.42	41.59
2021	488.91	557.95	69.04
2026	491.36	590.10	98.74
2031	493.82	620.09	126.27
2036	496.29	649.35	153.05

Source: Table 6.1 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (55.4%) claimed by facilities in the Central Lincolnshire area
2013 Prices

6.19 We have taken account of all retail planning permissions which provide greater than 200 sq.m gross floorspace and estimate that extant retail planning permissions[35] would, if implemented, provide an estimated 3,669 sq.m of convenience goods sales floorspace across the Central Lincolnshire area. As set out at Table 6.3, we estimate that these commitments would have a combined turnover of £14.05m if they were operational at base year 2015. Convenience goods retail commitments are identified at:

- **Newark Road, Lincoln** (planning permission reference 2012/0287/F), which provides for the erection of an Aldi foodstore;
- **High Street, Scotter** (planning permission reference 126246), which has now been implemented and which provided for the erection of a Co-op convenience store;

[34] Convenience goods commitments are detailed in the below commentary and at Table 6.6 of Appendices 6 and 7
[35] Provided via email by the Central Lincolnshire Local Plan Team on 28 April 2015

- **Market Rasen Road, Dunholme** (planning permissions reference 121264 and 128025), which provides for a Co-op convenience store; and
- **Land bounded by Severus Crescent, Justanian Way and Valerian Place, North Hykeham** (planning permission reference 14/1313/RESM), which provides for three retail units, one of which will be a convenience store.
- **Unit 1, Lindis Retail Park, Lincoln** (planning permission reference 2015/0014/F), which provides for a Netto foodstore (and amendments to an existing comparison goods unit).

6.20 We are aware that Tesco also benefits from extant planning permissions to substantially extend its existing store at Trinity Street, Gainsborough in order for it to trade as a Tesco Extra and for the erection of a new Tesco Extra at the former Advanta Seeds site in Sleaford to replace its existing store in the town. However, we are also aware that over the past 12 months Tesco has reviewed its new store programme and we understand from press reports[36] that neither of these planning permissions will now be implemented. As a consequence, we do not take account of either in our consideration of commitments, as to do so would provide a misleading position in respect of the capacity to accommodate additional convenience goods floorspace.

6.21 Full details of the assumptions made in estimating the turnover of commitments are provided in the notes which accompany Table 6.6 of Appendix 2. However, Table 6.3 sets out our estimate that the five identified convenience goods commitments would have a turnover of £20.06m at 2015. Clearly, this extinguishes only part of the identified need for convenience goods floorspace across the whole of the Central Lincolnshire area.

[36] Gainsborough Standard article headlined 'Gainsborough: Tesco is no longer expanding its Gainsborough supermarket', dated 14 October 2014, and Sleaford Standard article entitled 'Tesco pulls the plug on new Sleaford superstore', dated 8 January 2015

Table 6.3: Extant Convenience Commitments within the Central Lincolnshire Area

Location	Planning Application Reference	Proposal	Net Conv Sales (sq.m)	Conv Sales Density (£ per sq.m)	Estimated T/O at 2015 (£m)	Status
Newark Road, Lincoln	2012/0287/F	Erection of an Aldi foodstore	792	8,602	6.81	Approved
High Street, Scotter	126246	Erection of a Co-op convenience store	244	8,146	1.98	Completed subsequent to survey
Market Rasen Road, Dunholme	130093	Erection of a Co-op convenience store	221	8,146	1.80	Completed subsequent to survey
Justanian Way, North Hykeham	14/1313/ RESM	Three retail units including convenience goods store	265	13,018	3.45	Approved
Lindis Retail Park	2015/0014/F	Erection of a Netto foodstore	502	7,000	3.52	Approved
Total	**-**	**-**	**2,024**	**-**	**20.06**	**-**

Source: Table 6.6 of Appendix 2
2013 Prices

6.22 After account is taken of these commitments, an expenditure surplus of £15.50m is apparent at 2015, increasing to £21.62m at 2016, to £49.26m at 2021, to £78.87m at 2026, to £106.30m at 2031 and to £132.98m at 2036. The surplus equates to a relatively modest net convenience goods floorspace requirement of between 1,191 sq.m and 2,214 sq.m at 2015 (depending on format and operator), increasing to between 10,205 sq.m and 18,978 sq.m at 2036. The identified floorspace requirement for each reporting year is set out below at Table 6.4.

Table 6.4: Quantitative Need for Convenience Goods Floorspace in the Central Lincolnshire Area After Account is Made for Commitments

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	35.55	20.06	15.50	1,191	2,214
2016	41.59	19.97	21.62	1,667	3,101
2021	69.04	19.78	49.26	3,837	7,137
2026	98.74	19.88	78.87	6,113	11,369
2031	126.27	19.97	106.30	8,198	15,247
2036	153.05	20.07	132.98	10,205	18,978

Source: Table 6.1b of Appendix 2
[1] Average sales density assumed to be £13,018 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2014)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices

6.23 Having considered the capacity to support additional convenience goods floorspace across the whole of the Central Lincolnshire area, we below consider convenience goods requirements for each of the key settlements. It should be noted that, in addition to the quantitative needs which arise at the four key centres, a limited part of the capacity identified above arises from the trading performance of smaller centres. Accordingly, we anticipate that some retail development (which would generally be of a modest scale) may be appropriate outside of the settlements of Lincoln[37], Gainsborough, Market Rasen and Sleaford to meet day to day needs. The large majority of capacity identified across the Central Lincolnshire area should be directed to the key settlements, in accordance with the findings of this Update which are set out below.

Lincoln

6.24 Table 6.5 sets out our estimate that a relatively modest expenditure surplus of £10.08m is attracted to Lincoln at 2015 based on its identified market share of 32.6% of all convenience goods expenditure which originates within the Study Area. Assuming Lincoln's convenience goods facilities maintain this market share over the plan period, we estimate that this surplus will grow to £13.67m at 2016, to £29.91m at 2021, to £47.32m at 2026, to £63.45m at 2031 and to £79.13m at 2036.

6.25 The identified capacity is limited as a result of larger replacement Lidl and Tesco stores which commenced trading last year at Boultham Park and Wragby Road, both of which have been taken into consideration in our assessment (we have only accounted for the additional floorspace which has been brought forward as a result of these developments). In addition, we note the commitments to provide an Aldi foodstore at Newark Road (with an estimated net convenience goods sales area of 792 sq.m), which we estimate would turn over around £6.81m at 2015, a convenience store at Justanian Way in North Hykeham (with an estimated net convenience goods sales area of 186 sq.m), which we estimate would turn over around £3.45m at 2015, and a Netto at Lindis Retail Park (with an estimated net convenience goods sales area of 502 sq.m), which we estimate would turn over around £3.52m at 2015. These commitments extinguish any need for additional convenience goods floorspace at 2015 and 2016. Thereafter, as set out in Table 6.6, there is a relatively modest requirement for between 1,080 sq.m and 2,009 sq.m of additional convenience goods net floorspace at 2021, increasing to between 4,823 sq.m and 8,969 sq.m at 2036. The level of need at 2036 is such that it equates to the convenience goods sales area which could be provided by two food superstores.

[37] It should be noted that Lincoln area incorporates areas such as North Hykeham which lie outside the City of Lincoln administrative area

Table 6.5: Quantitative Need for Convenience Goods Floorspace in Lincoln

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	302.27	312.34	10.08
2016	301.06	314.73	13.67
2021	298.06	327.97	29.91
2026	299.55	346.87	47.32
2031	301.05	364.50	63.45
2036	302.56	381.69	79.13

Source: Table 6.2 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (32.6%) claimed by facilities in the Central Lincolnshire area
2013 Prices

Table 6.6: Quantitative Need for Convenience Goods Floorspace in Lincoln

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	10.08	16.27	-6.19	-476	-885
2016	13.67	16.21	-2.54	-196	-364
2021	29.91	16.04	13.86	1,080	2,009
2026	47.32	16.12	31.19	2,418	4,497
2031	63.45	16.20	47.24	3,644	6,776
2036	79.13	16.29	62.85	4,823	8,969

Source: Table 6.2b of Appendix 2
[1] Average sales density assumed to be £13,018 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2014)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices

Gainsborough

6.26 Table 6.7 indicates that a very small expenditure deficit of £0.71m is apparent at Gainsborough at 2015 based on its identified market share of 8.4% of all convenience goods expenditure which originates within the Study Area. Assuming convenience goods facilities maintain this market share going forward, we estimate that a surplus of £0.23m will be apparent at 2016, increasing to £4.45m at 2021, to £8.93m at 2026, to £13.07m at 2031 and to £17.10m at 2036.

6.27 The identified capacity is limited in the short term, which reflects the fact that Aldi opened a new store at Lea Road in Gainsborough subsequent to the Central Lincolnshire City and Town Centre Study reporting in May 2012. Notwithstanding this, as Tesco now has no plans to increase the size of its current store, we set out below at Table 6.8 our estimation that there will be a requirement for between 1,312 sq.m and 2,440 sq.m of additional convenience goods net floorspace in the town by 2036. The lower figure broadly equates to the convenience goods floorspace that would typically be provided by a large supermarket (or by two relatively small supermarkets).

Table 6.7: Quantitative Need for Convenience Goods Floorspace in Gainsborough

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	81.28	80.57	-0.71
2016	80.95	81.18	0.23
2021	80.15	84.60	4.45
2026	80.55	89.47	8.93
2031	80.95	94.02	13.07
2036	81.36	98.46	17.10

Source: Table 6.4 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (8.4%) claimed by facilities in Gainsborough
2013 Prices

Table 6.8: Quantitative Need for Convenience Goods Floorspace in Gainsborough After Account is Made for Commitments

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	-0.71	0.00	-0.71	-55	-101
2016	0.23	0.00	0.23	18	33
2021	4.45	0.00	4.45	347	645
2026	8.93	0.00	8.93	692	1,287
2031	13.07	0.00	13.07	1,008	1,875
2036	17.10	0.00	17.10	1,312	2,440

Source: Table 6.4b of Appendix 2
[1] Average sales density assumed to be £13,018 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2014)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices

Market Rasen

6.28 Table 6.9 indicates that a relatively limited expenditure surplus of £3.62m is attracted to Market Rasen at 2015 based on its identified market share of 2.2% of all convenience goods expenditure which originates within the Study Area. Assuming convenience goods facilities maintain this market share going forward, we estimate that this surplus will grow to £3.85m at 2016, to £4.92m at 2021, to £6.12m at 2026, to £7.22m at 2031 and to £8.30m at 2036.

6.29 Whilst the identified capacity is very limited in the short term, there are no extant planning permissions to provide any substantial level of convenience goods floorspace in Market Rasen. As a consequence, we identify below at Table 6.10 that this surplus translates into an immediate but modest need for between 278 sq.m and 517 sq.m of convenience goods net floorspace at 2015, increasing to between 637 sq.m and 1,185 sq.m at 2036.

Table 6.9: Quantitative Need for Convenience Goods Floorspace in Market Rasen

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	17.57	21.19	3.62
2016	17.50	21.35	3.85
2021	17.33	22.25	4.92
2026	17.41	23.53	6.12
2031	17.50	24.72	7.22
2036	17.59	25.89	8.30

Source: Table 6.5 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (2.2%) claimed by facilities in Market Rasen
2013 Prices

Table 6.10: Quantitative Need for Convenience Goods Floorspace in Market Rasen After Account is Made for Commitments

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	3.62	0.00	3.62	278	517
2016	3.85	0.00	3.85	297	552
2021	4.92	0.00	4.92	383	713
2026	6.12	0.00	6.12	474	882
2031	7.22	0.00	7.22	557	1,036
2036	8.30	0.00	8.30	637	1,185

Source: Table 6.5b of Appendix 2
[1] Average sales density assumed to be £13,018 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2014)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices

Sleaford

6.30 Table 6.11 identifies a relatively substantial estimated expenditure surplus of £19.97m is attracted to Sleaford at 2015 based on its identified market share of 6.6% of all convenience goods expenditure which originates within the Study Area. Once more assuming that convenience goods facilities maintain this market share going forward, we estimate that this surplus will grow to £20.62m at 2016, to £23.72m at 2021, to £27.32m at 2026, to £30.67m at 2031 and to £33.92m at 2036.

6.31 As Tesco now has no intention to implement its planning permission to extend its existing Lea Road store to trade as a Tesco Extra, the identified capacity translates into an immediate and relatively significant need for additional convenience goods floorspace. As identified below at Table 6.12, the identified surplus equates to a need for between 1,534 sq.m and 2,852 sq.m of convenience goods net floorspace at 2015, increasing to between 2,603 sq.m and 4,841 sq.m at 2036. The level of need at 2036 is such that it equates to the convenience goods sales area associated with a large food superstore.

Table 6.11: Quantitative Need for Convenience Goods Floorspace in Sleaford

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	43.08	63.04	19.97
2016	42.90	63.52	20.62
2021	42.48	66.20	23.72
2026	42.69	70.01	27.32
2031	42.90	73.57	30.67
2036	43.12	77.04	33.92

Source: Table 6.3 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (6.6%) claimed by facilities in Sleaford
2013 Prices

Table 6.12: Quantitative Need for Convenience Goods Floorspace in Sleaford After Account is Made for Commitments

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	19.97	0.00	19.97	1,534	2,852
2016	20.62	0.00	20.62	1,590	2,958
2021	23.72	0.00	23.72	1,848	3,436
2026	27.32	0.00	27.32	2,118	3,939
2031	30.67	0.00	30.67	2,365	4,399
2036	33.92	0.00	33.92	2,603	4,841

Source: Table 6.3b of Appendix 2
[1] Average sales density assumed to be £13,018 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2014)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices

Capacity for Future Comparison Goods Floorspace

6.32 Turning to comparison goods capacity, it is first important to note that our methodology deviates from that which has been deployed in respect of convenience goods for two principal reasons. Firstly, it can be extremely difficult to attribute an appropriate benchmark turnover to existing comparison goods provision. Secondly, there tends to be greater disparity between the trading performance of apparently similar comparison goods provision depending on its location, the character of the area and the nature of the catchment. As a consequence, we adopt the approach with comparison goods floorspace that it is trading 'at equilibrium' at base year 2015 (i.e. our survey derived turnover estimate effectively acts as benchmark).

6.33 We assume that there is therefore a nil quantitative need for any additional floorspace across the Central Lincolnshire area and in each key town at 2015. Once again, we also assume that the future performance of Central Lincolnshire's and each key centre's comparison goods facilities will be commensurate with their current market share. However, we do consider that Lincoln city centre, its retail parks and standalone large format retail units will attract some limited custom from outside the Study Area. In this respect, we have assumed that 5.0% of Lincoln's overall turnover will be derived as inflow from outside the Study Area.

6.34 On this basis and given that the household survey identifies that the Central Lincolnshire area claims a 56.0% market share of comparison goods expenditure, we estimate that £813.22m of comparison goods expenditure is claimed by comparison goods floorspace within the Central Lincolnshire area at

2015. Our assessment 'rolls forward' the identified market share to examine the likely level of comparison goods floorspace required to maintain the role and function of Lincoln's retail facilities going forward.

6.35 Given the forecast increases in comparison goods expenditure and population and allowing for year on year increases in the productivity of existing floorspace, we estimate that by 2016 there will be an expenditure surplus of £3.87m to support additional comparison goods floorspace within the Central Lincolnshire area. As set out below at Table 6.13, this surplus is forecast to then increase sharply to £50.45m at 2021, to £145.81m at 2026, to £271.14m at 2031 and then to £439.05m at 2036. Account has again been made for the turnover efficiency of existing comparison goods floorspace to increase (on the basis that operators are generally able to make their existing floorspace more productive over time)[38].

Table 6.13: Quantitative Need for Comparison Goods Floorspace in Central Lincolnshire Area

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	813.22	813.22	0.00
2016	831.92	835.79	3.87
2021	918.51	931.34	50.45
2026	1,024.09	1,124.48	145.81
2031	1,141.81	1,358.09	271.14
2036	1,273.06	1,712.11	439.05

Source: Table 26.1 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4b of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share (56.0%) claimed by facilities within the Central Lincolnshire area
2013Prices

6.36 Once again, this initial analysis does not take into account existing commitments, which we set out in Table 6.14 and which we estimate would have a combined turnover of £14.93m if it were to be assumed that each was operational at 2015. As previously set out at paragraph 6.31, our methodology is predicated on the assumption that existing facilities will be trading in line with expectations at base year 2015. Whilst there have been some changes in comparison goods retail floorspace since the undertaking of the household survey, most of these changes are relatively minor in nature and are a consequence of retailers responding to the market. Accordingly, given that we are of the view that the market shares identified by the household survey remain reliable at 2015, we also

[38] Such increases have been derived from the projections set out in Table 4b of the Addendum to Experian Retail Planner Briefing Note 12.1 (these being +2.3% at 2016, +2.0% per annum between 2017 and 2021, and +2.2% between 2022 and 2031)

assume that the changes in floorspace that have occurred subsequent to the undertaking of the survey will have broadly met any outstanding needs in the intervening period (and, as a consequence, that comparison goods floorspace is trading 'at equilibrium' at base year 2015). Therefore, for comparison goods, it is therefore not necessary to account for planning commitments that are implemented at the time of our reporting.

6.37 Comparison goods floorspace that we have accounted for in our assessment are set out below:

- **Doddington Hall, Hall Yard** (planning permission reference 14/1519/FUL), which provides for a bike shop and storage unit;
- **Land bounded by Severus Crescent, Justanian Way and Valerian Place, North Hykeham** (planning permission reference 14/1313/RESM), which provides for three retail units, two of which are likely to be in comparison goods use;
- **Land to the rear of 20 Southgate, Sleaford** (planning permission reference 13/0144/FUL), which provides for the erection of a two storey building and conversion of public house to form retail units;
- **17 to 18 Market Place, Sleaford** (planning permission reference 13/01371/FULEXT), which provides for the restoration of buildings for retail use;
- **26 Southgate, Sleaford** (planning permission reference 10/0855/FUL), which provides for the erection of a three storey office building for retail, office and residential purposes;
- **Bass Maltings, Sleaford** (planning permission reference 09/0006/FUL), which provides for the change of use and conversion of the Bass Maltings for mixed-use purposes, including retail uses;
- **Antiques Centre, Hemswell** (planning permission reference 130567), which provides for the extension of the existing Antiques Centre;
- **290 to 291 High Street, Lincoln** (planning permission reference 2014/0159/F), which provides the change of use of the existing premises from sui generis to A1 retail;
- **Newark Road, Lincoln** (planning permission reference 2012/0287/F), which provides for the comparison goods floorspace within an Aldi foodstore.

6.38 Whilst we are aware of outline planning application reference 2008/641/O, which provides for significant additional comparison goods floorspace in the form of the proposed Lindongate scheme in Lincoln city centre, it now appears that this development will not be progressed in the form set out by the outline permission. It is due to lapse later in 2015 and due to the lack of intention to proceed, we do not treat it as a commitment.

6.39 Instead, the applicant, Lincolnshire Co-operative Limited, has submitted a new planning application which provides for the development of the Corn Exchange and buildings Sincil Street for Class A1 and A3 uses (there is a small loss of floorspace as a consequence of the development). The Design and Access Statement submitted in support of the application indicates that additional phases of development would provide for the development and refurbishment of the wider Lindongate site, but not in the 'shopping centre' format that was originally envisaged.

6.40 We also do not consider planning permission reference 2015/0014/F, which provides for an Aldi at Lindis Retail Park, as a comparison goods commitment as there will be no net increase in comparison goods floorspace as a consequence of the development. Our estimate of the approximate turnover of each of the above schemes is set out below at Table 6.14.

Table 6.14: Extant Comparison Commitments within the Central Lincolnshire Area

Location	Planning Application Reference	Proposal	Net Comp Sales (sq.m)	Comp Sales Density (£ per sq.m)	Estimated T/O at 2015 (£m)	Status
Doddington Hall, Doddington Lane, Doddington	14/1519/FUL	Bike shop and storage	300	3,000	0.90	Approved
Justanian Way, North Hykeham	14/1313/ RESM	Three retail units	91	3,000	0.27	Approved
Land to the rear of 20 Southgate, Sleaford	13/0144/ FULEXT	Erection of two storey building and conversion of public house to form retail units	228	4,000	0.91	Approved
17 to 18 Market Place	13/01371/ FULEXT	Mixed-use development to restore buildings for retail use	708	4,000	2.83	Approved
26 Southgate, Sleaford	10/0855/FUL	Erection of three storey building for retail, office and residential	1,076	4,000	2.83	Approved
Bass Maltings, Sleaford	09/0006/FUL	Change of use and alterations to Bass Maltings	487	4,000	1.95	Approved
Antique Centre, Hemswell Cliff	130567	Extension to antiques centre	289	3,000	0.87	Approved
290 to 291 High Street	2014/0159/F	Change of use from sui generis to A1 retail	239	5,000	1.20	Approved
Newark Road, Lincoln	2012/0287/F	Erection of Aldi foodstore	198	8,602	1.70	Approved
Total	**-**	**-**	**7,235**	**-**	**14.93**	**-**

Source: Table 26.6 of Appendix 2
2013 Prices

6.41 The estimated £14.93m turnover of comparison goods commitments extinguishes any need for additional comparison goods floorspace in the Central Lincolnshire area over the very short term to 2016. However, a relatively substantial positive residual of £33.58m is identified at 2021, increasing sharply to £127.01m at 2026, to £250.17m at 2031, and to £415.68m at 2036. The surplus equates to a comparison goods net floorspace requirement of between 5,946 sq.m and 9,910 sq.m at 2021, increasing to between 53,106 sq.m and 88,510 sq.m at 2036. The minimum figure is based on the identified need being met through the delivery of high street floorspace and the maximum figure relates to need being met by bulky goods retailers or in smaller town centres (which both generally accommodate operators which achieve lesser sales densities). The requirement in respect of additional comparison goods floorspace is set out below at Table 6.15.

Table 6.15: Quantitative Need for Comparison Goods Floorspace in Central Lincolnshire Area After Account is Made for Commitments

Year	Comparison Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus	Extant	Residual	Min[1*]	Max[2*]
2015	0.00	14.93	-14.93	-2,987	-4,978
2016	3.87	15.28	-11.41	-2,230	-3,717
2021	50.45	16.87	33.58	5,946	9,910
2026	145.81	18.81	127.01	20,171	33,618
2031	271.14	20.97	250.17	35,636	59,393
2036	439.05	23.38	415.68	53,106	88,510

Source: Table 26.1b of Appendix 2
[1] Average sales density assumed to be £5,000 per sq.m at 2015
[2] Average sales density assumed to be £3,000 per sq.m at 2015
2013 Prices

6.42 Having considered the capacity to support additional comparison goods floorspace across the whole of the Central Lincolnshire area, we again below consider the specific requirements of each of the key towns. In viewing the below, it should be noted that some of the centres currently have above average levels of vacant floorspace and consideration should be given as to the contribution such floorspace could make to meeting identified needs.

Lincoln

6.43 Table 6.16 indicates that an expenditure surplus of £3.00m is attracted to Lincoln at 2016 based on its identified market share of 42.9% of all comparison goods expenditure which originates within the Study Area. Assuming that this comparison goods market share is maintained going forward, we estimate that this surplus will grow to £39.17m at 2021, to £113.22m at 2026, to £210.54m at 2031, and to £340.92m at 2036.

6.44 We note only limited extant comparison goods floorspace commitments in the Lincoln area (relating to the change of use of premises at High Street and the comparison goods floorspace associated with the proposed Aldi supermarket at Newark Road) and, as a consequence, very little of the identified need for additional floorspace is extinguished. Accordingly, Table 6.17 sets out our estimate that there will be a requirement for between 6,356 sq.m and 10,594 sq.m of comparison goods net floorspace at 2021, increasing to a substantial need for between 42,975 sq.m and 71,625 sq.m of floorspace at 2036.

Table 6.16: Quantitative Need for Comparison Goods Floorspace in Lincoln

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	631.45	631.45	0.00
2016	645.97	648.98	3.00
2021	713.20	752.38	39.17
2026	795.19	908.41	113.22
2031	886.59	1,097.13	210.54
2036	988.50	1,329.42	340.92

Source: Table 26.2 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (42.9%) claimed by facilities in Lincoln
2013 Prices

Table 6.17: Quantitative Need for Comparison Goods Floorspace in Lincoln

Year	Comparison Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	0.00	2.90	-2.90	-580	-967
2016	3.00	2.97	0.04	7	12
2021	39.17	3.28	35.90	6,356	10,594
2026	113.22	3.65	109.57	17,401	29,002
2031	210.54	4.07	206.47	29,410	49,016
2036	340.92	4.54	336.38	42,975	71,625

Source: Table 26.2b of Appendix 2
[1] Average sales density assumed to be £13,018 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2014)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices

Gainsborough

6.45 Table 6.18 indicates that an expenditure surplus of just £0.36m is attracted to Gainsborough at 2016 based on its identified market share of 5.4% of all comparison goods expenditure which originates within the Study Area. Assuming that this comparison goods market share is maintained going forward, we estimate that this surplus will grow to £4.72m at 2021, to £13.64m at 2026, to £25.36m at 2031, and to £41.07m at 2036.

6.46 We are unaware of any relevant extant comparison goods planning permissions in Gainsborough and, as a consequence and as set out in Table 6.19, this surplus translates into a short term need for between 71 sq.m and 118 sq.m of comparison goods net floorspace at 2016, increasing to a need for between 5,247 sq.m and 8,745 sq.m of floorspace at 2036.

Table 6.18: Quantitative Need for Comparison Goods Floorspace in Gainsborough

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	76.07	76.07	0.00
2016	77.82	78.18	0.36
2021	85.92	90.64	4.72
2026	95.80	109.44	13.64
2031	106.81	132.18	25.36
2036	119.09	160.16	41.07

Source: Table 26.4 of Appendix 2

[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4b of the Addendum to Experian Retail Planner 12.1 (October 2014)

[2] Assumes constant market share of Study Area expenditure (5.4%) claimed by facilities in Gainsborough

2013 Prices

Table 6.19: Quantitative Need for Comparison Goods Floorspace in Gainsborough After Account is Made for Commitments

Year	Comparison Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	0.00	0.00	0.00	0	0
2016	0.36	0.00	0.36	71	118
2021	4.72	0.00	4.72	836	1,393
2026	13.64	0.00	13.64	2,166	3,610
2031	25.36	0.00	25.36	3,613	6,022
2036	41.07	0.00	41.07	5,247	8,745

Source: Table 26.4b of Appendix 2
[1] Average sales density assumed to be £5,000 per sq.m at 2015
[2] Average sales density assumed to be £3,000 per sq.m at 2015
2013 Prices

Market Rasen

6.47 Table 6.16 indicates that a very limited expenditure surplus of £0.08m is available to Market Rasen at 2016, based on its identified market share of just 1.2% of all comparison goods expenditure which originates within the Study Area. Assuming that this comparison goods market share is maintained going forward, we estimate that this surplus will grow to £1.00m at 2021, to £2.88m at 2026, to £5.36m at 2031, and to £8.68m at 2036.

6.48 We are unaware of any relevant extant comparison goods planning permissions in Market Rasen. As a result of this and as Table 6.20 identifies, we find that the identified surplus translates into a need for between 177 sq.m and 118 sq.m of comparison goods net floorspace at 2016, increasing to a need for between 5,247 sq.m and 8,745 sq.m of floorspace at 2036.

Table 6.20: Quantitative Need for Comparison Goods Floorspace in Market Rasen

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	16.08	16.08	0.00
2016	16.45	16.53	0.08
2021	18.17	19.16	1.00
2026	20.25	23.14	2.88
2031	22.58	27.95	5.36
2036	25.18	33.86	8.68

Source: Table 26.5 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (1.2%) claimed by facilities in Market Rasen

2013 Prices

Table 6.21: Quantitative Need for Comparison Goods Floorspace in Market Rasen After Account is Made for Commitments

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	0.00	0.00	0.00	0	0
2016	0.08	0.00	0.08	15	25
2021	1.00	0.00	1.00	177	294
2026	2.88	0.00	2.88	458	763
2031	5.36	0.00	5.36	764	1,273
2036	8.68	0.00	8.68	1,109	1,849

Source: Table 26.5b of Appendix 2
[1] Average sales density assumed to be £13,018 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2014)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices

Sleaford

6.49 Table 6.22 indicates that a very limited comparison goods expenditure surplus of £0.20m is attracted to Sleaford at 2016 based on its identified market share of 3.1% of all comparison goods expenditure which originates within the Study Area. Assuming that this comparison goods market share is maintained going forward, we estimate that this surplus will grow to £0.20m at 2016, to £2.66m at 2021, to £7.69m at 2026, to £14.30m at 2031, and to £23.15m at 2036.

6.50 We note four comparison goods extant planning permissions in Sleaford – relating to consented developments at Southgate, Market Place and at the out-of-centre Bass Maltings – which act to extinguish all identified comparison goods capacity over the short and medium terms. Accordingly, Table 6.23 identifies a positive expenditure surplus of £0.26m at 2031, which we estimate will support between just 37 sq.m and 62 sq.m of comparison goods net floorspace. By 2036, we estimate that there will be an expenditure surplus of £7.50m which will support between 958 sq.m and 1,597 sq.m of comparison goods net floorspace.

Table 6.22: Quantitative Need for Convenience Goods Floorspace in Sleaford

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	42.88	42.88	0.00
2016	43.86	44.07	0.20
2021	48.43	51.09	2.66
2026	53.99	61.68	7.69
2031	60.20	74.50	14.30
2036	67.12	90.27	23.15

Source: Table 26.3 of Appendix 2
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of the Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (3.1%) claimed by facilities in Sleaford
2013 Prices

Table 6.23: Quantitative Need for Convenience Goods Floorspace in Sleaford After Account is Made for Commitments

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	0.00	9.99	-9.99	-1,999	-3,332
2016	0.20	10.22	-10.02	-1,959	-3,265
2021	2.66	11.29	-8.63	-1,528	-2,547
2026	7.69	12.59	-4.90	-778	-1,297
2031	14.30	14.03	0.26	37	62
2036	23.15	15.65	7.50	958	1,597

Source: Table 26.3b of Appendix 2
[1] Average sales density assumed to be £13,018 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2014)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices