

IT'S OUR CITY

APPENDICES TO
THE ADDENDUM TO THE RETAIL PROOF (I-R/A/01)

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Appendix 1

<http://www.dacorum.gov.uk/pdf/SpatialPlanning-09-03-30-RetailStudyUpdateAppendix5-DacorumRECAPModel2008.pdf>

See table 2, p.3

Sources:

MapInfo Anysite Report, 16/10/2008. MapInfo/Oxford Economic Forecasting Information Brief 08/2.

DTZ estimates for SFT based on 'UK e-retail 2008', Verdict Research Limited.

Appendix 2

<http://www.wmra.gov.uk/documents/WEST%20MIDLANDS%20REGIONAL%20CENTRES%20STUDY%20May%202009.pdf>

2.14 There have been important changes in the UK economy since our first Update of November 2007. Indeed, it is now known that the UK's economy contracted by 2.1 per cent in the second half of 2008 and the 2009 budget forecast anticipates a fall in GDP in 2009 of around 3.5 per cent, but with some growth anticipated in 2010, at 1.25 per cent. As a consequence of the recession, the two major providers of data on retail spending have both published new forecasts for future growth in comparison goods spending per head in the period up to 2016, as follows:

Comparison Goods Retail Spending Forecasts – Per Cent, Per Capita, Per Annum
Pitney Bowes/MapInfo/Oxford Economics

Experian

Date of Forecast	October 2008	March 2009	September 2008	February 2009
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Period of Forecast	2006-18	2008-2016	2008-2016	2008-2016
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Rate of Forecast	4.0% pc, pa	2.31% pc, pa	3.2% pc, pa	1.3% pc, pa
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2.15 Thus, it can be seen that both organisations have substantially reduced their forecast growth rates for comparison goods spending in the period 2008 to 2016; the current range is from 1.3 per cent, per capita, per annum (Experian) to 2.31 per cent, per capita, per annum (MapInfo).

Data Input Changes

Comparison Goods Expenditure Growth Per Capita

2.19 The comparison goods per capita expenditure growth rates used in this further update are as set out in Table 2.1.

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2.20 For the two year period 2006-2008 we use the actual comparison goods rate provided by Pitney Bowes/MapInfo/Oxford Economics Retail Spending Outlook of March 2009 (as revised); this equates to 4.910 per cent, per capita, per annum. For the eight year period 2008-2016 we use a range of the recent forecasts from the low figure of 1.3 per cent per capita, per annum, provided by Experian in February 2009, to the high figure of 2,310 per cent, per capita, per annum, provided by MapInfo/Oxford Economics in March 2009. The medium rate for 2008-2016 becomes a midpoint between the two forecasts.

2.21 However, as stated earlier, neither forecaster appears to be willing to go beyond 2016.

Change in Floorspace Efficiency

2.35 MapInfo provides no information on anticipated change in floorspace efficiency (change in retail sales per unit sales area). Experian's Retail Planner Briefing Note of October 2008, puts forward a central case for a change in comparison goods floorspace efficiency of 2.2 per cent, per annum (Page 29 of the Briefing Note). However, this was based on a past trends change in comparison goods sales turnover of 5.8 per cent per annum in the period 1987 to 1999. In our assessment, the significantly lower expenditure growth rates now projected for the period 2008 to 2016 and from 2021 to 2026 are not sufficient to support this 2.2 per cent rate of floorspace efficiency change in the future. Thus, for the purposes of this further update, we have adopted the floorspace efficiency changes set out in Table 2.2, which ties the rate of floorspace efficiency change to the medium expenditure projections for the various forecast periods used.

Table 2.2 Improvements in Comparison Goods Floorspace Efficiency from 2006

Level

Year

No of

Years

Rate**Per Annum**2006-2008 2 **1.85%**2008-2016 8 **0.68%**2016-2021 5 **2.20%** Experian2021-2026 5 **1.60%****Special Forms of Trading**

2.36 This Further Update report utilises low, medium and high forecasts for the proportion of comparison goods expenditure accounted for by Special Forms of Trading (SFT), as set out in Table 2.3. The 'low' scenario (where the proportion of SFT grows most, thereby leaving less for new floorspace) derives from the Experian forecast set out in Table 5.1 of its Retail Planner Briefing Note 6.1, which anticipates a growth in SFT to 13.9 per cent of comparison goods sales in 2013 and remaining constant thereafter. MapInfo again fails to provide any advice on projected change in SFT, but its 2006 base position suggests that SFT accounted for only 5.4 per cent of comparison goods expenditure at that date, compared to the corresponding figure produced by Experian for 2006 of 8.3 per cent. Thus, under the high scenario, we allow for a lower increase in the share accounted for by SFT, which peaks under this scenario at 11.0 per cent in 2016, remaining constant thereafter.

2.37 We acknowledge that there continues to be uncertainty with respect to future change in SFT. Indeed, the very definition of non-store retail sales is fraught with difficulty, so that data from organisations such as the Interactive Media in Retail Group (IMRG) bear no resemblance to estimates of e-commerce provided by ONS. A further difficulty arises in that many goods sold over the internet may still come from the shelves of conventional retail outlets, so that there is an additional uncertainty over e-tailing's precise impact on current and future retail space requirements. Thus, we have applied some sensitivity testing to assess the impact on the regional need for comparison goods floorspace of each percentage point change in the proportion of comparison goods sales accounted for by SFT (as discussed in Section 3).

Appendix 3

<http://www.internetretailing.net/news/m-s-profits-down-38-but-online-sales-are-up-34>

Despite pretty dismal overall results for its year to end March 2009, with like-for-like sales down 5.9% and profits down by 38%, [Marks and Spencer's online operations](#) have significantly outperformed the market.

Sales from the company's website were up 34% and the retailer's share of the online clothing market increased to 5.3% from 4.5%.

<http://www.nextplc.co.uk/nextplc/financialinfo/reportsresults/2008/2009-03-26/2009-03-26pr/?t=pressrelease>

RESULTS FOR THE YEAR ENDED JANUARY 2009

Retail like for likes were down -6.5%.... Directory sales were up 2.1%

The internet continues to be very important to the development of the Directory and now accounts for over 60% of our orders.

<http://www.debenhamsplc.com/deb/ir/report/2009re/intresult2008-09/interimresults0809GRFIN2009.pdf>

Debenhams plc

Interim Results 2009

23 April 2009

Like-for-like sales -3.6%

Debenhams Direct performance

- **H1 sales up 29.7%**

Appendix 4

http://inquiry.knowsley.gov.uk/Proof%20of%20Evidence/SOCG_RETAIL_1.pdf

RSOCG FINAL

Ref: 589904/Inquiry/Rule 14/RSOCG Page 1 of 20

STATEMENT OF COMMON GROUND ON RETAIL ISSUES

SOCG/RETAIL/1

BETWEEN

TESCO STORES LIMITED

AND

KNOWSLEY METROPOLITAN BOROUGH COUNCIL

AND

LIVERPOOL CITY COUNCIL

AND

SEFTON BOROUGH COUNCIL, WEST LANCASHIRE DISTRICT COUNCIL, ST HELENS COUNCIL, LANCASHIRE COUNTY COUNCIL

INQUIRY REFERENCE: APP/V4305/V/08/1203375

LPA REF: 08/00001/HYB

INQUIRY DATE: 18/11/2008

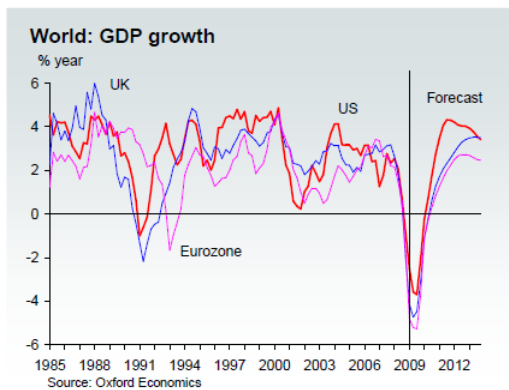
1.11 For deduction of Special Forms of Trading (SFT), a rate of 1.9% is used for convenience goods, and 5.9% for comparison goods, as recommended by the MapInfo Explanatory Volume that accompanies the 2005 price-based data set.

1.12 Whilst WYG do not dispute the MapInfo deductions at 2008, they consider that the proportion of expenditure deducted to account for SFT for comparison goods (including the internet) should increase over time more in line with rates suggested by Experian in their Retail Planner Briefing 5.1 (November 2007). This accounts for 12.9% of comparison goods expenditure by 2013. C&W do not agree with the level of deduction used at 2008 and would consider 8.8% more appropriate as set out in Experian Retail Planner Briefing 5.1 and increase this up to 14.4% by 2016.

Floorspace Efficiency

1.14 The agreed floorspace efficiency rate for convenience and comparison floorspace for the retail assessment is a rate of 0.2% per annum for convenience floorspace and 1.5% per annum for comparison floorspace. WYG would prefer to use 0.5% per annum for convenience goods. RTP have used 2.2% for comparison goods as a sensitivity test.

Appendix 5



Growth forecasts – US, UK & Eurozone

- There were further indications this week that markets may have got a little ahead of themselves in anticipating a quick end to the global recession. In the US, May industrial output slipped 1.1%, dragged down by the Chrysler bankruptcy, and jobless claims and ABC consumer confidence deteriorated modestly. Housing data was mixed, with a decent bounce in housing starts but a fall in the NAHB housing index. In the UK, May retail sales fell 0.6%, public borrowing data was worse than expected, and there was a further significant rise in unemployment. Eurozone trade data, meanwhile, showed a 24% annual fall in exports in April, suggesting little sign of a recovery in world demand. In Japan, machine tool orders rose for the fourth straight month, but activity is stabilising at a very low level – orders remain almost 80% down on a year ago.

Appendix 6

Why Choose The Trafford Centre?

- Over 35 million visits in 2008
- 72% of visitors are ABC1
- An average weekly footfall of 670,111
- 68% of visitors are female and 32% male
- 66% of visitors are from The Greater Manchester area, 21% are from neighbouring areas and 13% are further afield
- The Trafford Centre is a destination shopping centre and 89% of visitors travel to the Centre by car
- 10,000 free car-parking places
- The average time spent at the Centre is over 2 hours
- The Centre is open 363 days per year
- The £90 million Barton Square opened in March 2008, adding an exciting 200,000 sq ft home ware destination to The Trafford Centre
There were 1.4 million visitors to Barton Square in 2008
- Over 240,000 visitors to The Trafford Centre website per month

Appendix 7

[http://www.surreycc.gov.uk/sccwebsite/sccwspublications.nsf/f2d920e015d1183d80256c670041a50b/12bc1651c2fbc1a88025757600475462/\\$FILE/12%20Personal%20Travel%20Report%2007-8%20KEP.pdf](http://www.surreycc.gov.uk/sccwebsite/sccwspublications.nsf/f2d920e015d1183d80256c670041a50b/12bc1651c2fbc1a88025757600475462/$FILE/12%20Personal%20Travel%20Report%2007-8%20KEP.pdf)

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Department for Transport (2007), *Transport Statistics Bulletin, National Travel Survey: 2006 Most recent data.*

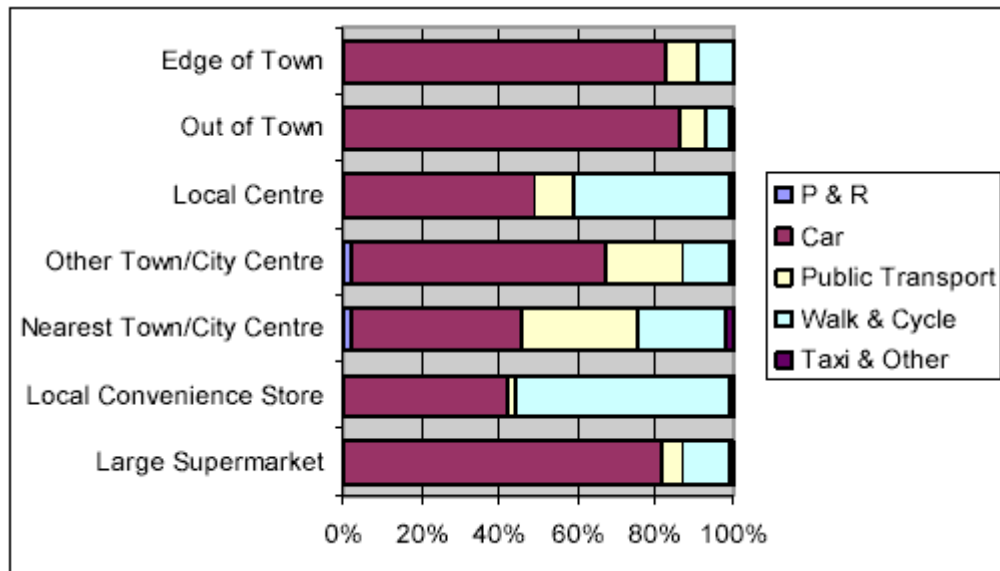
Table 12.4: Average car occupancy by trip purpose in Great Britain, 2006¹¹⁴

Shopping has average car occupancy of 1.7

Appendix 8

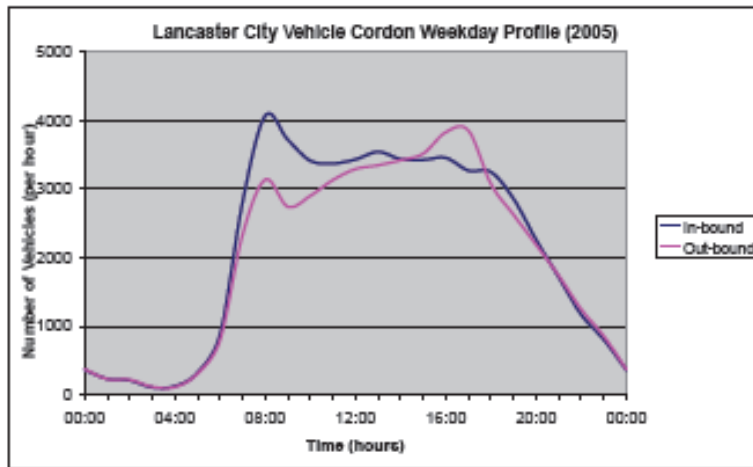
<http://www.cfit.gov.uk/docs/2006/stc/technical/pdf/stc-technical01.pdf>

Figure 1.5: Modal choice for access to different retail destinations



Appendix 9

From p.110: Lancashire Local Travel Plan vol 1: L83



Appendix 10

<http://www.propertyweek.com/story.asp?sectioncode=38&storycode=3142126>

From Property Week:

Modus woes prove retail model is broken

05.06.09

‘...From 1997 to 2007 the numbers worked for everyone.

For local authorities it was good news, because high-density retail planning consents were so valuable that they could demand big section 106 payments.

Retailers benefited, as the likes of John Lewis were accommodated as anchors at rock-bottom rents, while for developers the good times rolled: yields were falling and rents rising. To top it all, residential sales to buy-to-let investors could also be factored in.

Now, the equation must be turned on its head.

Local authorities will have to contribute more and demand less. Developers will have to focus on improving existing high streets and shopping centres, rather than ploughing money into lavish new schemes. Retailers, likewise, will have to get real. It is fine to ask for lower rents, shorter leases and reduced service charges, but they can't have everything.

So, the world has changed....

...It was easy, with hindsight, to borrow money from Anglo Irish Bank and to convince yourself that out-of-the-way places were ‘undersupplied’ towns.

But how much retail does Britain really need? Even the most frivolous shoppers are cutting back, and many of these projects were marginal at best....’

Appendix 11

<http://www.lep.co.uk/businessnews/Tithebarn-delayed-until-after-the.5368354.jp?CommentPage=3&CommentPageLength=10#comments>

'...most of the building work will start post-2012, although no official start date has been released.

Peter Kuit, director of development at Preston Council, said: "A lot of the activity will take place after the Olympics have finished, when the big contractors are looking for work."

And he said the completion date would be "later" than 2014.

But Mr Kuit said: "We could have been in dire straits because the economy's in low activity at the moment.

"If it's re-phased and we're coming out on a rising market it does make it better. When it comes on stream there'll be more disposable income to draw into the scheme. It could turn out there's a bit of a silver lining in it."

Appendix 12

<http://www.chesterchronicle.co.uk/chester-news/local-chester-news/chester-issue/2009/01/09/three-is-the-magic-number-for-tourism-59067-22648901/>

[Jan 9 2009](#) by [Barry Ellams](#), Chester Chronicle

Three is the magic number for tourism

Chester's regional destinations will work closer together to attract more visitors.
BARRY ELLAMS reports.

A FORMIDABLE trinity of Cheshire attractions could attract more visitors to the region this year.

A pro-active marketing campaign will draw on the collective firepower of Cheshire Oaks, Chester Zoo and the city of Chester to enhance the region's reach and appeal to visitors.

Cheshire Oaks – a designer shopping village with restaurants and a cinema – attracts 6.7 million visitors annually while Chester Zoo recorded 1.2 million visitors in 2007 and, according to recent figures, Chester is enjoying a rise in footfall above 8.5 million.

Chester's history, the zoo's nation-wide appeal and Cheshire Oaks's diverse range and affordability are a strong group of unique brands each distinctive but complementing each other.

Chester's unique selling point – its historic shops, Roman heritage, restaurants and hotels – can be packaged alongside the designer outlet and zoo which attract their own visitors from across the UK.

Cheshire Oaks's new general manager, Colin Wilding, is keen to see an alliance between the traditional rivals of Chester city centre and Cheshire Oaks to broaden the appeal of the region.

Mr Wilding was instrumental in strengthening the relationship between the City of York and its out of town retail centre run by McArthur Glen.

<http://www.telegraph.co.uk/finance/financetopics/financialcrisis/5487218/Financial-crisis-high-noon-on-the-high-street.html>

Chester has a population of 90,000, but some **nine** million visitors to the city a year, and according to Stephen Wundke, the coordinator of Chester City Centre Management (a partnership of businesses, residents, and city and county councils), 72 per cent of those come for 'the retail experience' – an integral part, as he puts it, of the 'heritage package' that is Chester; you could argue, he says, that the Rows – the

medieval two-tiered shops in the city centre – were 'the first ever shopping centre in Britain'.

But the recession has provided the final element in creating what Wundke describes as 'the perfect storm' that has hit Chester's retailing in recent years. The city's shops already faced competition from Cheshire Oaks, the largest designer outlet in Britain, with 140 stores, which opened in 1995, six miles to the north, and Broughton Shopping Park (the largest Tesco in the North-West) five miles to the west. Chester has lost not only many of its shoppers, but also something of its identity, succumbing to 'clone town' syndrome, with the dwindling of independent shops and the proliferation of multiples and national chain stores....'

Retail League Table

Centre	Ranking	Spend
Norwich	11 th	£1bn
Cambridge	26 th	£820m
Bath	33 rd	£620m
Chester	34th	£600m
York	43 rd	£480m

