

MILTON KEYNES COUNCIL  
THE MILTON KEYNES RETAIL CAPACITY AND LEISURE STUDY



ROGER TYM & PARTNERS  
Planners and Development Economists

VOLUME 1

Final Report February 2010

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# 1 INSTRUCTIONS, CONTEXT AND OUTLINE OF REPORT STRUCTURE

## Instructions

- 1.1 Milton Keynes Council commissioned Roger Tym and Partners to undertake this study in 2007, following a competitive tendering process. The brief, which is attached as Appendix 1, explains in paragraph 1.4 that the study will form part of the evidence base for the Council's new Local Development Framework Core Strategy and will enable the Council to develop preferred options for the location of additional retail floorspace, if needed, in the Core Strategy. Thus, the study has to reflect the Government's requirements, as set out in PPS6 (now replaced by PPS4-planning for prosperous economies) and in the new PPS12 (which are discussed in Section 2 of our report). The study has a forward horizon of 2026, but we also provide assessments of need to the years 2011, 2016 and 2021.
- 1.2 Section 2 of the brief sets out the purpose and method for this study and includes a ten elements of the study that be pulled together to focus on what additional development is required and where it should be located. Paragraph 2.2 confirms that the study should comply with relevant national advice and best practise elsewhere on the most sustainable locations for new retail development.
- 1.3 Paragraph 3.1 identifies the specific terms of reference for this study, and states that the study should include the following:
  - Projections of the amount of convenience and comparison floorspace required within the Borough by 2007 and 2012 with an indication of the amount of floorspace required by 2021 and 2026 based on current population trends and housing completions.
  - A strategy for accommodating new retail development in the Council's area, including advice on the application of the "sequential approach" in the unique circumstances of Milton Keynes.
  - Clear views on the role and potential of Central Milton Keynes (CMK) and each district/town centre, taking into account development potential, design considerations, traffic/pedestrian movement etc. This should be based on published sources rather than undertaking and new detailed analysis.
  - An assessment of the appropriate level, nature and location of retail provision required serving proposed expansion areas outside the current boundaries of the City.
  - A review of town centre boundaries and defined retail frontages currently identified in the adopted Local Plan.
  - A consideration of if the Council's policy of providing a local centre within 500 metres of most new housing is feasible and the size of store which can be provided.
  - Details of retailers, services and commercial leisure operators seeking representation within the City or to expand their representation here. This should be from published sources.

- 1.4 At the inception meeting for the study, it was agreed that an assessment of leisure need would also be undertaken, to accord with the PPS6 requirements to assess town centres uses that include retail and leisure uses.
- 1.5 A Draft Report was put out to public consultation between December 22<sup>nd</sup> 2008 and 16<sup>th</sup> February 2009. Eighteen sets of comments were received on the Draft Study and a list of those who responded is contained at Appendix 8 Volume 3. RTP welcomed the responses and where possible have addressed the concerns raised within this final report. However the views contained within this report are those of RTP and not of third parties.
- 1.6 In addition to the consultation process, the economic downturn led to changes in the published expenditure growth figures, both MapInfo and Experian produced revised forecasts in February and March 2009. These revised forecasts have also been incorporated into the report resulting in lower floorspace requirements than previously forecast. Further information on these changes is contained within the technical note at Appendix 7 Volume 3.

## Context

- 1.7 Sections 6 and 7 of the brief include some of the context to our study and it refers to a number of important studies and strategies that we have taken into account; these include:
- The **South East Plan**, the Regional Spatial Strategy which will, upon adoption, guide growth in Milton Keynes within the context of the South East region (replacing the adopted South East Plan, RPG9);
  - The **Milton Keynes Strategic Development Areas Study** (GVA Grimley), which outlines the potential for housing development in new strategic development areas to the south-east and south-west of Milton Keynes;
  - The **CB Richard Ellis Milton Keynes Retail Capacity Study 2003 (updated in 2006)**, undertaken on behalf of the Milton Keynes Partnership;
  - The **CMK Development Framework** adopted in 2002 as a Supplementary Planning Guidance which covers the area between H5 Portway, H6 Childs Way, the West Coast railway line, and the Grand Union Canal, and also includes Campbell Park;
  - The **Central Bletchley Regeneration Framework**, which was prepared by Edaw, and adopted as Supplementary Planning Guidance in 2004, following on from the Vision for Bletchley, which was established in the 1999 Bletchley Regeneration Study; and
  - The **Wolverton Regeneration Strategy**, which was also adopted in 2004, which is intended to provide a strategy which identifies projects and opportunities for the regeneration of Wolverton. This sits alongside the **Wolverton West End Development Framework** (also adopted in 2004), which specifically concerns development opportunities in the West End of Wolverton, Greenleys and Wolverton Mill.
  - The Western and Eastern Expansion Areas Development Framework adopted in November 2005 and October 2005. These documents provide a detailed framework for development of these areas. **The EEA framework** refers to a mix of uses being

provided within a 3 ha area including retail units, small food store with no retail unit to exceed 1000 sq m. The **WEA framework** refers to a High Street spine with a comprehensive range of local services and facilities and smaller local centres in the northern and southern parts of the WEA with a “corner” shop level of retail provision

- 1.8 The brief explains that the City continues to attract considerable interest from major retailers who are either not currently represented with the City or from other retailers who are also seeking to expand their existing operations.

- 1.9 Our study takes into account this context.

## Structure of the Remainder of the Report

- 1.10 The remainder of our report is structured as follows:

- Section 2 provides a résumé of the requirements of national and regional policies in so far as they relate to town centres, the location of retail and leisure development and the test of soundness in the new PPS12.
- Section 3 provides our qualitative analysis of the current performance of CMK, Bletchley, Wolverton, Westcroft, Kingston, Olney, Newport Pagnell, Stony Stratford, Woburn Sands, Fenny Stratford, the retail parks and the local centres. We draw on the findings of our health checks in undertaking this analysis.
- Section 4 provides our analysis of the current patterns of retail and leisure spending, drawing on the telephone survey of households.
- Section 5 provides our analysis of quantitative and qualitative needs in the retail and leisure sectors in the period up to 2021 and, more tentatively, up to 2026.
- Section 6 identifies alternative strategies for meeting the retail and leisure needs which we have identified - as required by paragraph 4.38 of PPS12 - and our initial evaluation of these alternatives.
- Section 7 sets out our overall conclusions and recommendations to the Council.

- 1.11 The main report is accompanied by three separate volumes which comprise:

- i) Figures and Spreadsheets, which relate to our assessments of quantitative need in the retail and leisure sectors;
- ii) Appendices, as follows:
  - Appendix 1 - Brief to Consultant
  - Appendix 2 - Health Checks Data
  - Appendix 3 - Method for Forecasting Population Projections
  - Appendix 4 - National Trends in the Retail and Leisure Sectors
- iii) Reports by NEMS Market Research, entitled:
  - Milton Keynes Retail and Leisure Household Survey





## 2 THE REQUIREMENTS OF NATIONAL AND REGIONAL POLICY

- 2.1 Since the drafting of this report PPS6 has been replaced by the new PPS4 'Planning for Prosperous Economies' which was published on December 29<sup>th</sup> 2009. PPS4 will not result in the conclusions within this report being altered but there additional requirements that will need to be addressed. The implications of PPS4 will be dealt with in a supplementary paper to accompany this report.

### PPS6

- 2.2 The current national policy context, in so far as it relates to town centres and the location of new retail, office and leisure developments, is set, in the main, by PPS6, which is structured under four sections that deal with:

- the Government's objectives;
- the plan-led approach to positive planning for town centres;
- the assessment of proposed developments; and
- measuring and monitoring the vitality and viability of town centres.

- 2.3 In this section of our report, we focus on the Government's objectives and on the plan-led approach to positive planning for town centres.

### *The Government's Objectives*

- 2.4 The very first paragraph of PPS6 makes it clear that '*sustainable development is the core principle underpinning planning*' and that '*the planning system has a key role in facilitating and promoting sustainable and inclusive patterns of development, including the creation of vital and viable town centres*'. The Government's key objective for town centres, therefore, is to promote their vitality and viability (paragraph 1.3).

- 2.5 The Government's second tier objectives are set out in paragraph 1.4 of PPS6; these can be summarised as:

- enhancing consumer choice;
- supporting efficient, competitive and innovative retail and leisure sectors and improving their productivity; and
- improving accessibility to existing and new development by a choice of means of transport.

- 2.6 Paragraph 1.5 of PPS6 then sets out the Government's wider objectives; these can be summarised as:

- the promotion of social inclusion by ensuring access to a range of town centre uses and rectifying deficiencies;
- the regeneration of deprived areas;
- the promotion of economic growth;

- the delivery of more sustainable patterns of development; and
- the promotion of high quality and inclusive design, enhanced public realm and an accessible and safe environment.

2.7 Regional planning bodies (RPBs) and local authorities (LPAs) are therefore required to implement these Government objectives by planning positively for the growth and development of town centres, whilst not restricting competition or innovation (paragraphs 1.6 and 1.7). The main town centre uses to which PPS6 applies are: retail; leisure; offices; and arts, cultural and tourism facilities (paragraph 1.8), with housing said to be *‘...an important element in most mixed-use, multi-storey developments’* (paragraph 1.9).

### *Positive Planning for Town Centres: A Plan-led Approach*

2.8 The introduction to Section 2 of PPS6 states that *‘in order to deliver the Government’s objective of promoting vital and viable town centres, development should be focused in existing centres in order to strengthen and where appropriate, regenerate them’*. Thus, RPBs and LPAs are called upon to:

actively promote growth and manage change in town centres;

- i) define a network and hierarchy of centres, each performing their appropriate role to meet the needs of their catchments; and
- ii) adopt a proactive and plan-led approach to planning for town centres through regional and local planning.

2.9 We consider it appropriate to summarise these requirements in a different and more logical order to that which is set out in PPS6 itself, starting with the role of regional plans.

### *The Role of Regional Plans*

2.10 Paragraphs 2.12 to 2.14 of PPS6 set out the requirements placed on RPBs in developing their Regional Spatial Strategies (RSSs). The over-riding requirement is for RPBs to set out a vision and strategy for the region’s growth, particularly for higher level centres, and provide a strategic framework for planning at the local level. In particular, RPBs must:

- i) develop a strategic framework for the development of a network of centres, taking into account the need to avoid an over concentration of growth in the higher level centres;
- ii) make strategic choices about those centres of regional and sub-regional significance where major growth should be encouraged;
- iii) identify the need for new centres to be developed in areas of planned major growth;
- iv) assess the need for additional floorspace in the comparison retail, leisure and office sectors over the lifetime of the RSS (and for five-yearly periods within it) and, having regard to capacity and accessibility considerations, they must identify where the identified needs would best be met;
- v) monitor and regularly review the implementation of the strategy; and
- vi) identify the need for major town centre development of regional or sub-regional significance.

- 2.11 However, PPS6 is clear that new or expanded regional or sub-regional shopping centres located in out-of-centre locations are unlikely to meet the requirements of national policy (paragraph 2.14).

#### *Networks and Hierarchies*

- 2.12 Paragraphs 2.9 to 2.11 of PPS6 provide further advice in relation to the development the network and hierarchy of centres, but - in this part of the policy statement - the advice is in relation to both the regional and local levels. Thus, authorities must plan carefully how to distribute any identified growth at both regional and local levels. In defining their spatial objectives, RPBs and LPAs:

*‘...should consider whether there is a need to rebalance the network of centres to ensure that it is not overly dominated by the largest centres, that there is a more even distribution of town centre uses, and that people’s everyday needs are met at the local level’ (paragraph 2.9).*

- 2.13 Thus, in developing the network and hierarchy, RPBs and LPAs are required to consider:

- i) whether there is a need to avoid over concentration of growth in the higher level centres;
- ii) the need for investment in those centres requiring to be regenerated; and
- iii) the need to address deficiencies in the network (paragraph 2.9)

- 2.14 Of crucial importance is the PPS6 requirement that *‘...any significant change in the role and function of centres, upward or downward, should come through the development plan process, rather than through planning applications’*, with higher order centres dealt with in the RSS and with lower order centres dealt with through the development plan documents (paragraph 2.10).

#### *Promoting Growth and Managing Change*

- 2.15 Paragraphs 2.3 to 2.8 of PPS6 turn to the role of LPAs in promoting growth and managing change in town centres. Paragraph 2.3 states that LPAs should - within the regional planning context - actively plan for growth and the management of change in town centres over the period of their development plan documents by:

- i) selecting appropriate existing centres to accommodate growth, making the best use of existing land and buildings, but extending the centres where appropriate;
- ii) managing the role of existing centres through the promotion of specialist activities, or specific types of uses; and
- iii) planning for new centres of an appropriate scale in areas of significant growth, or where there are deficiencies in the existing network.

- 2.16 Paragraph 2.4 urges that growth should be accommodated, wherever possible, through *‘...more efficient use of land and buildings within existing centres’*. Where growth cannot be accommodated within existing centres, paragraph 2.5 advises LPAs to plan for:

- i) the extension of the primary shopping area, if there is a need for additional retail provision; and

ii) the extension of the town centre, to accommodate other main town centre uses.

- 2.17 Where existing centres are in decline, PPS6 advises LPAs to *'...assess the scope for consolidating and strengthening these centres by seeking to focus a wider range of uses there, promote the diversification of uses and improve the environment'* (paragraph 2.8). However, where a reversal of decline is not possible, LPAs are advised to consider a reclassification of the centre, so as to reflect its revised status in the hierarchy.

#### *The Role of Plans at the Local Level*

- 2.18 Paragraphs 2.15 to 2.18 of PPS6, deal with the role of the forward planning system at the local level. We note, in particular, the provisions of paragraph 2.15 which require LPAs to adopt a positive and proactive approach to planning for the future of all types of centres within their areas. Thus, in line with the RSS and their community strategies, LPAs should prepare a core strategy development plan document which sets out *'...a spatial vision and strategy for the network and hierarchy of centres, including local centres, within their area, setting out how the role of different centres will contribute to the overall spatial vision for their area'*.

- 2.19 Paragraph 2.16 urges LPAs to work with stakeholders and the community so as to:

- i) assess the need for new floorspace for retail, leisure and other town centre uses, taking account of both quantitative and qualitative considerations;
- ii) identify deficiencies in existing provision, assess the capacity of existing centres to accommodate new development and identify centres in decline where change needs to be managed;
- iii) identify the centres where development will be focused, as well as the need for any new centres of local importance;
- iv) define the extent of the primary shopping area and the town centre on their Proposals Map;
- v) identify and allocate sites in accordance with the considerations set out in paragraphs 2.28 to 2.51;
- vi) review existing land use allocations;
- vii) promote investment in deprived areas by identifying opportunities for growth and improved access;
- viii) set out criteria based policies for assessing proposals on sites not allocated in development plan documents; and
- ix) distinguish between primary and secondary frontages.

- 2.20 Paragraphs 2.19 to 2.22 of PPS6 then proceed to highlight the need for high quality and inclusive design, the importance of accessibility and safety and the need for efficient use of land through the promotion of higher-density mixed-use development. Paragraphs 2.23 and 2.26 deal with the management of the evening economy and the need for a range of leisure, cultural and tourism activities and paragraph 2.27 seeks to promote the retention and enhancement of existing markets and, where appropriate, the creation of new ones.

### *Site Selection and Land Assembly*

- 2.21 Paragraphs 2.28 to 2.52 of PPS6 deal with site selection and land assembly in the forward planning process. Paragraph 2.28 sets out the five key considerations for local authorities when they are selecting sites for development; these are to:
- i) *'assess the need for development';*
  - ii) *'identify the appropriate scale of development';*
  - iii) *'apply the sequential approach to site selection';*
  - iv) *'assess the impact of development on existing centres'; and*
  - v) *'ensure that locations are accessible and well serviced by a choice of means of transport'.*
- 2.22 These considerations match the development control tests set out in paragraph 3.4 of PPS6. In applying them in the development plan preparation process, LPAs are required to work closely with retailers, leisure operators, developers, other stakeholders and the wider community and paragraph 2.31 makes it clear that LPAs may need to make choices between competing development pressures in their town centres.

### *Need for Development*

- 2.23 Paragraph 2.32 states that need assessments should be carried out as part of the plan preparation and review process, that they should be updated regularly and that LPAs should take account of the regional spatial strategy. Indeed, the LPAs' assessments of need *'...should inform and be informed by the regional needs assessments and form part of the evidence base for development plan documents'.*
- 2.24 LPAs should place greater weight on quantitative need for specific types of retail and leisure developments taking into account population change, forecast change in expenditure for specific classes of goods and forecast improvements in productivity in the use of existing floorspace.
- 2.25 Nevertheless, an important qualitative consideration will be the need to improve the range of services and facilities in deprived areas (paragraph 2.35). Another consideration which may be taken into account in the assessment of qualitative need is the degree to which existing shops may be over-trading (paragraph 2.36). However, regeneration and employment impacts - whilst capable of being material considerations - are not indicators of retail need (paragraph 2.37).

### *Appropriate Scale*

- 2.26 Paragraph 2.41 states that:
- 'In selecting suitable sites for development, local planning authorities should ensure that the scale of opportunities identified are directly related to the role and function of the centre and its catchment'.*
- 2.27 As a consequence, paragraph 2.42 states that *'...local centres will generally be inappropriate locations for large scale new development...'* and that LPAs *'...should therefore consider setting an indicative upper limit for the scale of developments likely to*

*be permissible in different types of centres...*'. If a need is identified for larger format developments, paragraph 2.43 indicates that sites should be identified within or on the edge of 'city centres' and 'town centres', as defined in Table 1 of Annex A to PPS6.

#### *Sequential Approach to Site Selection*

2.28 Paragraph 2.44 of PPS6 sets the order of preference in applying the sequential approach, as follows:

- first, locations within existing centres, but subject to caveats relating to suitability, availability and scale in relation to the function of the centre;
- second, edge-of-centre locations, with a preference given to sites that are, or will be, well connected to the centre; and then
- out-of-centre sites, with preference given to sites which are, or will be, well served by a choice of means of transport and those with a high likelihood of forming links with the centre.

2.29 It is important to note that the distance threshold for the purposes of the 'edge-of-centre' definition, varies from up to 300 metres from the primary shopping area for retail use, to within 300 metres of a town centre boundary for all other main town centre uses (as set out in Table 2 of Annex A of PPS6). It is also noteworthy that LPAs are required to give weight to those locations that best serve the needs of deprived areas when considering alternative sites at the same level in the sequential ranking (paragraph 2.44).

2.30 There is a requirement for flexibility and realism on the part of both LPAs and developers/operators when discussing the identification of sites for inclusion in development plan documents. Sites must be available, or likely to become available for development during the development plan document period, and capable of accommodating a range of business models, all parties having been flexible in relation to scale, format, car parking provision and the scope for disaggregation (paragraph 2.45).

2.31 A new requirement, however, is for development plan documents to include phasing policies so as to ensure that preferred locations are developed ahead of less central locations (paragraph 2.46).

#### *Assess Impact*

2.32 If LPAs are proposing to allocate sites in 'edge-of-centre' or 'out-of-centre' locations, they must assess the potential impact on centres within the catchment area of the potential development (paragraph 2.48). LPAs must also assess the potential impact on other centres of those allocations within a centre which would substantially increase its attraction vis-à-vis other centres (paragraph 2.48).

#### *Ensure Locations are Accessible*

2.33 Paragraph 2.49 of PPS6 confirms PPG13's aspiration to reduce the need to travel, to reduce reliance on the private car and to ensure that everyone has good access to a range of facilities. As a consequence, in selecting sites for allocation, LPAs are required to have regard to accessibility by a choice of means of transport and the potential impact of development on car use, traffic and congestion.

### *Other Relevant Matters*

- 2.34 After assessing the sites against the five considerations set out in paragraph 2.28 of PPS6, LPAs are able to consider other matters such as physical regeneration, the likely net employment impact, the potential impact on economic growth and the potential impact on social inclusion (paragraph 2.51).

### *Assembling Sites*

- 2.35 Paragraph 2.52 states that LPAs ‘...should allocate sufficient sites to meet the identified need for **at least the first five years from the adoption of their development plan documents...**’ (our emphasis). LPAs are also required to consider the scope for site assembly using their CPO powers in order to ensure that suitable sites are brought forward for development.

### *Designation of New Centres*

- 2.36 Paragraph 2.53 repeats the advice that *‘new centres should be designated through the plan-making process where the need for them has been established, such as in areas of significant growth, or where there are deficiencies in the existing network of centres, with priority given to deprived areas.... Whether this is done at the regional or local level will depend on the size of the proposed centre and its proposed role in the hierarchy of existing centres...’* PPS6 is clear, however, that existing out-of-centre facilities must not be regarded as ‘centres’, unless they are identified as such in the RSS and/or in development plan documents (paragraph 2.54).

### *Providing for Local Shopping and Other Services*

- 2.37 Paragraphs 2.55 to 2.59 are concerned with the provision for local shopping and other services. There is emphasis on the need for a network of local centres, so as to meet people’s day-to-day needs and provide a focus for local services. LPAs are encouraged to seek to rectify any deficiencies in local provision, especially in deprived areas, through liaison with the local community, retail operators and other stakeholders.

### *Conclusions in Relation to PPS6*

- 2.38 In our assessment, the provisions of PPS6 reflect the Government’s wider emphasis on the need to plan, monitor and manage at both the regional and local planning levels; indeed the key changes in national policy emphasis that arose as a result of the publication of PPS6, in March 2005, were:
- i) a requirement for a much more proactive plan-led approach to planning for town centres through regional and local planning;
  - ii) much more emphasis on the need to develop a network and hierarchy of centres, at both the regional and local levels; and
  - iii) a much greater involvement on the part of the public sector in the management and implementation of changes in town centres and in the monitoring of their vitality and viability.



- 2.39 Where growth cannot be accommodated within existing centres, LPAs are to plan for the extension of the primary shopping area, if there is a need for retail provision, and for the extension of the town centre as a whole to accommodate other main town centre uses.
- 2.40 The five key considerations to apply in selecting sites for development are similar, whether in forward planning or in development control. However, the publication of PPS6 has caused more emphasis to be given to the issue of scale, so that LPAs are to consider setting indicative upper limits for the scale of development likely to be permissible within or on the edge of different types of centres.

## PPS12

- 2.41 This study will form part of the evidence base upon which the Council will draw in developing its Local Development Framework and, in particular, its Core Strategy Development Plan Document. PPS12 introduces a new test of 'soundness', as follows:

*'To be "sound" a core strategy should be justified, effective and consistent with national policy.'*

*"Justified" means that the document must be:*

- *founded on a robust and credible evidence base*
- *the most appropriate strategy when considered against the reasonable alternatives.*

*"Effective" means that the document must be:*

- *deliverable*
- *flexible*
- *able to be monitored'*

- 2.42 Thus, the PPS12 places more emphasis on the need for development plan documents to:
- i) *'...demonstrate that the plan is the most appropriate, when considered against reasonable alternatives': (Paragraph 4.38 of PPS12, our emphasis); and*
  - ii) *'...show how the vision, objectives and strategy for the area will be delivered and by whom, and when.' (Paragraph 4.45 of PPS12, our emphasis).*

## Potential Changes to National Policy

### *White Paper - Planning for a Sustainable Future*

- 2.43 Paragraph 7.55 of the May 2007 White Paper, Planning for a Sustainable Future, suggests that there will be a review of PPS6 so as to *'...replace the need and impact tests with a new test which will have a strong focus on our town centre first policy, and which promotes competition and improves consumer choice avoiding the unintended effects of the current need test'*. In our assessment, what is proposed in the White Paper is unclear and local planning authorities will have to await the actual wording of the revision to PPS6 to understand the consequence. In our opinion, therefore, little weight can be given to this aspect of the White Paper.



- 2.44 It is worth noting, however, that paragraph 7.56 of the White Paper envisages that any changes to PPS6 will also take account of the conclusions of the Competition Commission's investigation of the UK's grocery sector.

*Competition Commission's Investigation of the UK Grocery Market*

- 2.45 The Competition Commission published the findings of its investigation of the UK grocery market in April 2008. The Commission's key recommendations are that:
- i) The Department of Communities and Local Government (CLG) should take such steps as are necessary to make the Office of Fair Trading (OFT) a statutory consultee for all applications for grocery stores in excess of 1,000 sq.m sales area (including applications for extensions which would cause the post-implementation sales area to exceed 1,000 sq.m).
  - ii) The OFT should provide advice to the LPA on whether a particular retailer has passed or failed a 'competition test'. A grocery retailer would fail the test if:
    - a) it was not a new entrant to the local area (defined by a ten minute drive time); and
    - b) the total number of fascias in the local area were three or fewer; and
    - c) the retailer would have 60 per cent or more of the groceries sales area in the local area.
  - iii) CLG should take such steps as are necessary to ensure that LPA's take account of the OFT's advice on the result of the competition test and that LPAs may only determine planning applications in a manner inconsistent with that advice where they are satisfied that:
    - a) *'the particular development would produce identified benefits for the local area that would clearly outweigh the detriment to local people from the area becoming or remaining highly concentrated in terms of grocery retailing; and*
    - b) *the development, or any similar development, would not take place without the involvement of a large grocery retailer that had failed the competition test.'*
- 2.46 Nevertheless, the Competition Commission makes it clear that:
- i) it does not envisage the competition test being a replacement for the need test (paragraph 11.134 of the CC report);
  - ii) its remedies are additional to the reforms mooted in the Planning White Paper and *'...do not preclude any of the reforms proposed in the Planning White Paper in any way'* (paragraph 11.135 of the CC Report); but that
  - iii) LPAs should *'...take greater account of competition in their development plans'* (paragraph 11.135 of the CC report).
- 2.47 The Competition Commission published the findings of its investigation of the UK grocery market in April 2008. The Commission's key recommendations are for the introduction of a 'competition test' based on whether a retailer was a new entrant to the local area and whether the retailer would have 60% or more of the groceries sales area in the local area. However, following an appeal to the Competition Appeal Tribunal by Tesco, the

recommendation was quashed and the Competition Commission were ordered by the Tribunal to reconsider the matter.

## Conclusion in Relation to Potential Changes to National Policy

- 2.48 It will be prudent for the Council to take greater account of competition in the formulation of the retail policy aspects of its LDF, but we find the changes mooted in the White Paper to be vague and unclear. As a consequence, we recommend that the Council awaits the revised PPS6 which is likely to be published in the autumn, after the period for potential legal challenges to the Competition Commission's findings has lapsed.

## Planning Policy Statement 4: Planning for Sustainable Economic Growth (December 2009)

- 2.49 The Government have recently published Planning Policy Statement 4 (PPS4), which forms the replacement to PPS6 which has been the benchmark guidance in respect of retail and town centres since 2005. The new PPS4 thus replaces PPS6, as well as the existing PPS4, PPS5, and parts of PPS7 and PPS13.
- 2.50 The overarching objective of the Government is to achieve sustainable economic growth, and PPS4 sets out a series of objectives for planning in order to achieve this, including promoting the vitality and viability of town and other centres, as important places for communities. In order to do this, the Government seeks to:
- focus new economic growth and development of main town centres within existing centres, in order to offer a wide range of facilities and address deficiencies;
  - promote competition between retailers and enhance consumer choice in town centres; and
  - conserve and where appropriate enhance the heritage of existing centres
- 2.51 The requirement for regional-level assessments of main town centres uses, as previously prescribed by PPS6, is retained. At the local level, the evidence base should be informed by regional assessments, and, in addition, assessments of need of the quantum of floorspace required for economic development; identify deficiencies in the provision of local convenience shopping; assess existing and future land supply for economic development; and assess the capacity of existing centres to accommodate new town centre development.
- 2.52 The PPS6 is split between 'plan-making policies', and 'decision-making policies', the latter set of which should be used for the assessment of planning applications and therefore are of less relevance to this study
- 2.53 Policy EC1 sets out the factors which local planning authorities should take into account when assessing the need for retail and leisure developments. Policy EC3 sets out a series of ten factors which regional and local planning authorities should take into account when setting out a strategy for their town centres. These include the need to:
- set flexible policies for centres which can be readily adapted;
  - define a network and hierarchy of centres which meets the needs of the catchment;

- define the extent of centres and primary shopping areas;
- consider setting floorspace thresholds for the scale of edge-of-centre or out-of-centre development which should be the subject of an impact assessment;
- define any locally important impacts on centres which should be tested;
- encourage a diversity of uses in centres;
- identify sites or buildings suitable for development, conversion or change of use; and
- use necessary tools such as local development orders and area action plans to address other issues associated with the growth and management of town centres.

2.54 Policy EC4 considers promoting consumer choice and competitive town centres and the means through which this should be promoted, including supporting the diversification of town centre uses; planning for a strong retail mix; recognising the role played by smaller shops; supporting shops and other facilities in local centres and villages; supporting (and where necessary creating) markets, and encouraging a range of evening and night-time uses.

2.55 Policy EC5 places a requirement on local planning authorities to identify an appropriate range of sites to accommodate the identified need for additional floorspace, ensuring that the sites are capable of accommodating a range of business models. This should be based on the following factors:

- the identified need for the development;
- an appropriate scale of development, in keeping with the role and function of the centre;
- application of the sequential approach to site selection (with priority given to in-centre sites, followed by well-connected edge-of-centre sites);
- assessment of the impact of sites on existing centres; and
- consider the extent to which other considerations (such as physical regeneration benefits) may be material.

2.56 Policy EC9 states that regional planning bodies and local planning authorities should, through their annual monitoring reports, keep the following matters under review, in order to inform consideration of the impact of policies and planning applications:

- a) 'the network and hierarchy of centres (at both the regional and local levels);*
- b) the need for further development; and*
- c) the vitality and viability of centres (at the local level)'*

2.57 In order to measure the vitality and viability of town centres, Policy EC9 recommends that *'local authorities should also regularly collect market information and economic data,*

*preferably in co-operation with the private sector'* on the key indicators set out in Appendix D of the PPS<sup>1</sup>.

- 2.58 The PPS subsequently turns to 'decision-making' policies, and sets out two tests of impact which must be satisfied. These 'strengthened' impact tests reflect the fact that PPS4 no longer requires applications for development to provide justification of the qualitative or quantitative need Policy EC10 sets out criteria which must be satisfied for all economic development, whilst Policy EC16 specifically relates to applications for town centre development. Policy EC17 explicitly states that where the proposed development does not satisfy these criteria, the application should be refused.

#### *RTP Comment on PPS4*

- 2.59 With regards to retail and town centres, it is apparent that PPS4 reiterates similar proposals to those that were consulted upon in the Proposed Changes to PPS6. More specifically, PPS4 aims to promote the vitality of town centres, consumer choice and retail diversity. As with the Proposed Changes to PPS6, the new PPS4 proposes the removal of the 'need' test when assessing planning applications for retail development, and it advocates a more detailed 'impact' test than the one in the current version of PPS6, which will require the assessment of retail proposals against economic, social and environmental criteria.
- 2.60 We consider, the new PPS4 will only have limited implications for the preparation of the Core Strateg., Need still remains an important consideration for development plan preparation purposes and it is arguable that need must remain a development control issue, because of the provisions of Section 38(6) of the 2004 Act.

## **Regional Planning Policy**

### *The South East Plan*

- 2.61 The South East Plan (SEP) was adopted in May 2009 and replaces RPG9 as the statutory regional planning guidance covering Milton Keynes. The SEP has been the subject of extensive preparation and consultation, which took place between 2003 and 2006, with a Draft South East Plan submitted to Government in March 2006. An Examination in Public was subsequently held between November 2006 and March 2007, with the corresponding Panel Report published in August 2007. A final public consultation stage took place during summer 2008 and the SEP was subsequently adopted in May 2009.
- 2.62 The SEP sets out a vision of '*A socially and economically strong, healthy and just South East that respects the limits of the global environment*', and is supported by a series of core objectives.
- 2.63 Section 4 of the SEP sets out the over-arching spatial strategy for the South East, and confirms the nine sub-regions which together comprise the South East. Milton Keynes and Aylesbury Vale together form one of the nine sub-regions. Policy SP2 identifies a series of 'Regional Hubs', including Milton Keynes, which will become foci for economic activity and

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<sup>1</sup> These indicators form the basis of our assessment of the performance of Oakham and Uppingham town centres set out later in the document. Appended to the study is guidance on how the Council can monitor these indicators.  
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- regeneration, new market and affordable housing in order to allow for the creation of higher density 'living centres', and major retail and employment development.
- 2.64 Paragraph 4.12 confirms the location of seven Strategic Development Areas in the South East, to be the focus for *'major mixed use development schemes'*. South East Milton Keynes and South West Milton Keynes are both designated as SDAs. Milton Keynes is also identified as a 'Centre of Significant Change' at paragraph 4.17; these town centres can be *'expected to evolve significantly in terms of their range of town centre uses throughout the life of this strategy'*. Accordingly, *'Local authorities, in partnership with other organisations, should work to develop proactive, integrated strategies for their future'*.
- 2.65 Section 13 of the SEP specifically discusses town centre, and it is stated that *'The development of dynamic and successful town centres is central to the achievement of sustainable development in the South East. While the most significant growth is expected in the Primary Regional Centres, particularly the Centres for Significant Change...the policies aim to distribute growth to middle and lower order centres to create a balanced network of centres not overly dominated by the largest centres'*.
- 2.66 Policy TC1 confirms the Strategic Network of Town Centres and identifies Milton Keynes as a 'Primary Regional Centre' and 'Centre for Significant Change'.
- 2.67 Policy TC2 concerns new development and redevelopment in town centres and states that *'All of the Centres for Significant Change are identified as Regional Hubs. These town centres will be the focus for significant growth, along with areas where there are particular regeneration needs or a specific growth area focus. Major retail developments, and other town centre uses of a large scale, should be located in these Centres for Significant Change'*.
- 2.68 Policy TC3 confirms that *'no need has been identified for any further out-of-centre regional or sub-regional shopping centres or large-scale extensions to existing centres during the period to 2026'*, adding that *'the role and regeneration of town centres should not be undermined by an intensification of uses on out-of-centre development'*.
- 2.69 Section 23 of the SEP specifically concerns Milton Keynes and Aylesbury Vale. Policy MKAV1 states that within the Milton Keynes Unitary Authority area, a total of 41,360 dwellings will need to be provided over the period 2006-26. This comprises of 34,160 dwellings in and around the Milton Keynes urban area (based on Local Plan and SHLAA-identified sites); 4,800 dwellings as part of 10,400 new dwellings to the south-east of Milton Keynes (with the remainder to be provided in Bedfordshire, although figures are subject to the outcome of the East of England RSS Review); and 2,400 in rural Milton Keynes District. A further 5,390 dwellings will be provided as an urban extension to Milton Keynes within Aylesbury Vale District.
- 2.70 Paragraph 23.9 confirms that of the 34,160 dwellings to be provided in the Milton Keynes urban area, 23,750 will take the form of urban extensions, and 10,410 will be sourced from within the existing urban area.
- 2.71 Reflecting the growth agenda, Policy MKAV2 sets out the spatial framework for the Milton Keynes Growth Area. Policy MKAV2 confirms that *'Milton Keynes will accommodate an*

*additional 44,350 dwellings over the period 2006-2026, at an average rate of 2,218 dwellings per annum, of which 30 per cent should be affordable...New development will be delivered through a combination of urban intensification, locations established through the Milton Keynes Local Plan, and two strategic development areas...One SDA will be to the south-east of Milton Keynes and the second to the south-west of Milton Keynes'. The target figure of 44,350 dwellings is different from that outlined above in Policy MKAV1 as it includes the 5,390 dwellings to be included in Aylesbury Vale District, but excludes housing within Milton Keynes District but outside the growth area (i.e. the 'rural Milton Keynes' allocation).*

- 2.72 Paragraph 23.12 confirms that the South East Milton Keynes SDA will accommodate 4,800 dwellings, and the South West SDA 5,300 dwellings.
- 2.73 The overall housing allocation for Milton Keynes and Aylesbury Vale is reduced from that in consultation drafts of the SEP as no allowance is now made for future growth east of the M1; rather, paragraph 23.10 of the SEP states that *'In the longer term it is possible that some future growth of Milton Keynes may need to be accommodated east of the M1 motorway, but no allowance is made at this stage in housing figures for Milton Keynes pending future review of the South East Plan and the local development plan'.*

#### ***The Milton Keynes and South Midlands Sub-Regional Strategy (MKSM SRS)***

- 2.74 The MKSM Growth Area forms its own 'Sub-Region', which comprises parts of three regions - the East Midlands, East of England and South East. Milton Keynes & South Midlands (MKSM) was one of four areas identified in 2000 by the Deputy Prime Minister as a potential growth area
- 2.75 The MKSM SRS was published in March 2005, with the purpose of providing a clear, agreed sub-regional strategy for the period 2001-2021, and a long term vision for the sub-region towards the year 2031, as part of the Government's Sustainable Communities Plan. The SRS also provides guidance on issues related to the scale, location and timing of new development, as well as the supporting infrastructure which will be needed. As part of the Regional Spatial Strategy it is a statutory planning document. Part A of the SRS details the strategy for the sub-region, with Part B providing strategies for the three sub-areas (Bedfordshire and Luton; Milton Keynes and Aylesbury Vale; and Northamptonshire). Section 23 of the now-adopted South East Plan replaces the Milton Keynes and Aylesbury Vale sub-area strategy set out in Part B.
- 2.76 The SRS has a number of key objectives:
- To achieve a 'major increase' in the number of new homes provided;
  - To provide for a 'commensurate level' of economic growth and skills development, particularly in high value sectors;
  - To locate development in main urban areas to support urban renaissance and regeneration;
  - To ensure development contributes to an improving environment;
  - To provide for infrastructure requirements generated by new development; and

- To create sustainable communities.

2.77 Strategic Policy 1 of the SRS allocates a total of 44,900<sup>2</sup> dwellings to be developed in Milton Keynes over the period 2001 to 2021, and a total of 169,800 across the MKSM region. Milton Keynes is allocated the largest proportion of the growth to be accommodated. Paragraph 22 states that a further 23,700 dwellings for Milton Keynes over the period 2021 to 2031 should be treated as a 'provisional planning assumption'.

#### *Borough of Milton Keynes Local Plan 2001-2011*

2.78 The Borough of Milton Keynes Local Plan was adopted relatively recently, in December 2005, and is intended to guide development in the Borough to 2011. The Vision for the development of the Borough identifies the need for *'attractive, vibrant, successful town centres'*.

2.79 Policy S1 outlines the general strategic approach to development in the Borough, and, in line with PPS6, notes that development should follow a sequential approach to site selection. As such, development should be concentrated around the existing centres of CMK, Bletchley, Wolverton, Stony Stratford, Newport Pagnell, Olney and Woburn Sands Town Centres, as well as District and Local centres, providing they have good public transport access.

2.80 Policy S3 outlines the areas of expansion of Milton Keynes which will help accommodate the substantial levels of new development to be directed towards it. Four areas for expansion are identified:

- East of the City;
- West of the City;
- North of the City (Rocla Pipes site); and
- North of the City (land at Stantonbury Park Farm)

2.81 The detailed provisions of the expansion areas are discussed in policies EA1 to EA7 of the Local Plan, with policies KS1 to KS6 discussing 'other key sites'.

2.82 Policy S5 presents an overview of the Plan priorities for CMK, and notes that the Plan has been informed by the production of the CMK Development Framework, which was published in 2001 and guides development in the CMK area over a thirty year period. Policy S5 confirms that *'Within the Local Plan period, CMK will continue to develop as an emerging regional centre and a focus for retail, commercial and cultural development within the city'*. The policy notes the need to provide a broader mix of uses and higher density of development in CMK, and for reduction in the influence of the car with promotion of public transport alternatives. The need to *'integrate different facilities and quarters'* within the centre is also identified.

2.83 Policy S6 discusses the regeneration of Bletchley, which has suffered from the dominance of CMK in the local retail hierarchy. Key objectives for Bletchley include upgrading the

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<sup>2</sup> Since uplifted in the proposed changes to the South East Plan to 49,950 dwellings as discussed above.



town centre to act as a focus for the regeneration of the town as a whole; improving access by public transport; and improving retailing

- 2.84 Policy S7 identifies Newport Pagnell, Woburn Sands and Olney as other 'Key Settlements' where development will be concentrated.
- 2.85 Policy TC1 discusses the retail hierarchy in the Borough; as would be expected, CMK is the highest-order centre and is classed as a 'Regional Shopping Centre'. It is stated that CMK will *'increasingly function as a regional centre for comparison shopping and also cater for the daily convenience shopping needs of its increased workforce and the daily and weekly needs of its substantially enlarged residential population'*. Bletchley, Wolverton, Westcroft and Kingston are identified as second-tier District Centres. These centres *'will function as centres accommodating the weekly convenience shopping needs of their respective catchment populations, consistent with the particular objectives of regeneration (in Bletchley and Wolverton) and controlled expansion and further diversification (in Westcroft and Kingston)*. Newport Pagnell, Olney, Stony Stratford and Woburn Sands are classed under Policy TC1 as third-tier 'Established town centres'. These centres function primarily as *'local shopping destinations for the daily or specialist needs of their largely static residential catchment populations and in recognition of the constraints placed upon their development'*. All remaining settlements in the Borough are classed as fourth-tier 'Local and village centres'. Subsequent policies detail further the provisions of the different levels of centres (Policies DC1, DC2 and TC1-TC17) and identify within each centre specific focuses for improvement. The Plan continues to pay specific attention to CMK, with Policy CC1 defining the main or primary shopping area in CMK, and CC2 the criteria which must be satisfied for applications for additional retail floorspace. Policy CC3 notes that supplementary planning guidance, informed by the Development Framework for CMK, will guide the development of sites within CMK. The Plan contains detailed guidance on the development of the various 'Quarters' which comprise CMK.
- 2.86 More general guidance of the criteria which need to be adhered to for retail proposals are outlined at Policy R1, with Policy R2 detailing criteria for retail warehouse applications, noting that land is allocated for the development of such uses at Winterhill in the first instance.

### ***Borough of Milton Keynes Local Development Framework - Core Strategy***

- 2.87 The Council has commenced work on the preparation of the Local Development Framework for Milton Keynes Borough, as prescribed under the Planning and Compulsory Purchase Act 2004. The Council published a Preferred Options draft of its Core Strategy document in late 2007, The pre submission version of the Core Strategy was published on February 17<sup>th</sup> 2010 for a 6 week consultation period.
- 2.88 The document identifies that *'Currently, there is no short term requirement for new retail development to support growth. Longer term requirements after 2011 will be focused on Central Milton Keynes and the centres of Bletchley, Wolverton, Westcroft and Kingston.'* Objective 5 of the 16 core strategy objectives is *'To promote the development of Central Milton Keynes as the vibrant cultural centre of the MKSM(21) sub-region by making it the main location within the city for retail, leisure, cultural and*



*larger office developments (around 12,000m<sup>2</sup> of office floorspace per year) and for up to 6,000 homes by 2026'*

- 2.89 Policy CS4 deals specifically with Retail and Leisure Development, this identifies the comparison and convenience floorspace requirements up to 2026 and identifies the role and priorities for each centre in the retail hierarchy.

#### ***EDAW - CMK Development Framework***

- 2.90 The CMK Development Framework was published in 2001, and establishes a number of 'key challenges and goals' which CMK needs to address which, if left unaltered, could hinder the longer term economic development of the city centre. The challenges are distilled into a series of twelve strategic goals, one of which, 'Strengthen Economic Success', identifies the need to *'diversify and strengthen the retail / leisure offer'*, whilst the need to set CMK apart from other competitors in the Region to create a distinctive 'place' is also noted.
- 2.91 A number of key projects are identified for the various 'Quarters' of the City Centre, including:
- A new transport interchange focused upon Milton Keynes Central rail station;
  - The development of Midsummer Boulevard as a new 'spine' linking the station with Campbell Park to the east of the centre, with Midsummer Boulevard to be transformed into a new 'High Street' for CMK, as well as improvements to Saxon Gate;
  - Development of a new residential quarter to the south of the city centre;
  - A new Civic Square to act as a focus of activity in the centre;
  - The development of a new Enterprise and Knowledge Quarter to the north of the retail area; and
  - The development of the Canalside area for residential and office development.
- 2.92 The Framework has, as noted above, been carried forward to inform the Milton Keynes Local Plan, which was adopted in 2005.



### 3 PERFORMANCE ANALYSIS - THE PPS6 INDICATORS

#### *Introduction*

- 3.1 In this section we provide a “health-check” of centres within Milton Keynes, including CMK, the traditional town centres at Bletchley and Wolverton, district centres, market towns such as Olney, retail parks and a representative sample of local centres. Our analysis of the retail performance of the centres has involved:
- on-foot surveys of each town centre (carried out in March 2008) ;
  - photographic analysis; and
  - desk research in relation to the study centres and a range of competing centres;
- 3.2 Our analysis of the retail performance of the study centres is based upon examination of a range of ‘performance indicators’, a number of which are specified in Section 4 of PPS6 as ‘important indicators’. The performance indicators involve measurement and analysis of retail rankings; the diversity of uses; representation from national multiple retailers; the retail property offer; retailer demand; commercial yield on non-domestic property; change in shopping rents; vacancy rates; and pedestrian flows. Each performance indicator is analysed in detail below to provide a comprehensive analysis of the retail performance of the individual centres.
- 3.3 For CMK<sup>3</sup> (Central MK), we compare the findings of our assessment with the results for competing centres outside of the Borough. These are identified as Northampton, Bedford and Luton all of which, as will be demonstrated in subsequent sections of this report, attract significant proportions of available expenditure from within the study area. These three centres can be considered to be the main urban centres which neighbour Milton Keynes.
- 3.4 The detailed performance analysis data are contained in Volume 3, Appendix 2

#### **Application of the Ten Vitality and Viability Indicators to CMK**

##### *Indicator 1: Retail Rankings*

- 3.5 Management Horizons Europe (MHE) produce national rankings of retail destinations that have been regularly updated since 1995/1996 and were last published in February 2008. It counts a weighted score for multiple retailers, whereby the representation of high-end retailers is awarded more points. The latest rankings record results for all the major centres within Milton Keynes, except for Fenny Stratford which may be incorporated into

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<sup>3</sup> ‘Central Milton Keynes’ can be considered to be the area bounded by the West Coast Mainline railway, the Grand Union Canal, and routes H5 and H6. However it should be noted that the secondary data utilised in this section is likely to adopt different interpretations of what constitutes CMK. The Experian Goad boundary of CMK can broadly be defined as being bounded by Childs Way - Secklow Gate - Avebury Boulevard - Saxon Gate (including the Central Business Exchange development to the south of Saxon Gate) - North Row - Silbury Boulevard - Marlborough Gate. The primary shopping area of CMK is defined in policy CC1

the ranking for Bletchley<sup>4</sup>. Historic data for the period back to 1995/96 is only available for Central MK, Bletchley and the competing centres.

- 3.6 Table 3.1 below shows the positioning of CMK within the MHE Index between 1995 and 2008. Central MK is identified as a “Major Regional” centre is occupies 30<sup>th</sup> place in the 2008 rankings. This demonstrates consistency with the 29<sup>th</sup> position held in 2003/04. Nationally other centres of similar ranking to Central MK are Chester, Bristol, Watford and Sheffield. Since the mid 1990s the centre’s ranking has improved by 27 places. This is one of the strongest improvements recorded within the upper reaches of the rankings, with dramatic advances made between the 2000/01 and 2004/04 surveys. This corresponds with the opening of Midsummer Place in 2000 and reflects the introduction of a significant amount of new floorspace and significant numbers of new retailers at that time.
- 3.7 Table 3.1 also shows the rankings for the competing centres of Northampton, Luton and Bedford. Both CMK and Northampton are classified as “Major Regional” centres whilst Luton performs a “Regional” role and Bedford falls lower in the hierarchy as a “Sub-regional” centre. Central MK is ranked higher than all of these centres and has improved its ranking by a considerably larger margin since the mid 1990s. Northampton is the closest competitor in 43<sup>rd</sup> position, having been overtaken by Central MK in the results of MHE’s 2003/04 survey.
- 3.8 Both Northampton and Luton (which is currently ranked in 82<sup>nd</sup>) have broadly maintained their positions since the mid 1990s. Luton has managed to reverse a decline that was evident up to 2003/04 whilst Northampton has only fallen back slightly since 1995. Bedford is the lowest ranking of the competing centres in 126<sup>th</sup> place, having suffered a continuous and substantial decline in its position since the mid 1990s, when it was ranked higher than Luton in 73<sup>rd</sup>. These results indicate that CMK ranks more highly than competing centres outside of the Borough and has improved its position against those centres over the past decade.

**Table 3.1 - MHE Retail Rankings for Milton Keynes and competing centres.** Source: Management Horizons Europe.

Centre	Location Grade	2008 Rank	2003/04 Rank	2000/01 Rank	1998/99 Rank	1995/96 Rank	2003/4-2008 Change	1995/6-2008 Change
<b>CMK</b>	Major Regional	<b>30</b>	29	55	53	57	<b>-1</b>	<b>27</b>
<b>Northampton</b>	Major Regional	<b>43</b>	43	37	39	38	<b>0</b>	<b>-5</b>
<b>Luton</b>	Regional	<b>82</b>	101	93	97	84	<b>19</b>	<b>2</b>
<b>Bedford</b>	Sub-Regional	<b>126</b>	118	87	88	73	<b>-8</b>	<b>-53</b>
Bletchley	Regional	<b>110</b>	229	388	361	289	<b>119</b>	<b>179</b>
Kingston	District	<b>399</b>	912	989			<b>513</b>	
Westcroft	Local	<b>1364</b>	1194				<b>-170</b>	
Wolverton	Local	<b>1535</b>	1545				<b>10</b>	
Newport Pagnell	Local	<b>1716</b>	1545				<b>-171</b>	
Stony Stratford	Minor Local	<b>2988</b>						
Woburn Sands	Minor Local	<b>3575</b>						
Olney	Minor Local	<b>5257</b>						

<sup>4</sup> Regrettably we are not able to ascertain the boundaries of the centres as surveyed by MHE.

*Indicator 2: Diversity of Uses*

- 3.9 To assess the diversity of uses and the strength of different sectors within each individual centre, we use the latest GOAD survey data produced by Experian. Data is available for all the main centres in Milton Keynes, except for Wolverton and Olney. Where this information is not available and for the smaller centres, our commentary is based on the findings of our “health-check” visits. The GOAD data can be used to analyse the representation of convenience, comparison and service uses (and their respective sub-sectors) in the various centres<sup>5</sup>, and compare them to UK averages. This helps to identify any areas of shortfall the retail offer.
- 3.10 CMK contains a total of 348 classified units, the full breakdown of which is provided at Table PA1 in Appendix 2. The centre as a whole contains 20 convenience outlets, representing 5.75% of all units. This compares to a UK average of 9.08%. Whilst CMK has reasonable representation in the grocery and frozen food as well as the bakery sub-sectors, it has no dedicated greengrocers, fishmongers or butchers and falls significantly below the national average in terms of off-licences, newsagents and tobacconists.
- 3.11 Some under-representation in the convenience sector is not unusual in higher-order centres, though in this instance the size of the shortfall shows scope for improvement. Whilst CMK is served by Waitrose and Iceland at the Food Centre, the general absence of smaller convenience operators limits variety and choice for shoppers.
- 3.12 Table PA1 also shows that CMK is served by 200 comparison goods outlets, equating to 57.47%, more than a quarter above the national average. The centre performs particularly well in important fashion sub-sectors such as ‘*mixed and general clothing*’, ‘*men’s and boy’s clothing*’ and ‘*women’s girl’s and children’s stores*’. The presence of these types of stores is *twice* the national average or higher. CMK also performs very well in terms of jewellers, sports and toys, giftware and variety department stores/catalogue showrooms. The proportion of retail units falling within these categories is at least 70% higher than the national average.
- 3.13 Representation of chemists, booksellers and electrical goods retailers is broadly in line with the national average. The comparison sub-sectors where Central MK falls below the UK average are ‘*florists and gardens*’ (29% of the national average), ‘*charity shops, pets and other comparison goods*’ (just 8%) and ‘*furniture, carpets and textiles*’ (just 7%). There are no outlets specialising in ‘*cars, motorcycles and motor accessories*’.
- 3.14 The relative strength of the comparison offer in Central MK (and the some extent the weakness of the convenience sector) is likely to be related to the nature of the property offer. As the central area is dominated by purpose-built shopping centres and the quality of the accommodation is generally high, leading to higher rents which, favours and encourages the presence of national multiples, whilst making it more difficult for independent operators to gain a presence within Central MK. The lack of variety in the retail property offer and the leasing arrangements operated by a very limited number of landlords will in part account for the absence of butchers, greengrocers, fishmongers, florists and charity shops. However, we note that under-representation in these categories

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<sup>5</sup> GOAD definition of town centre boundaries  
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will be addressed in part by the market held at c:mk. Under-representation in sectors such as furniture, textiles and motor accessories can partly be explained by the limited provision of retail warehousing within CMK, which is restricted to The Place Retail Park. Nevertheless, there is extensive availability of retail warehousing at locations such as the Central Retail Park at Rooksley and Winterhill retail parks which are all in close proximity to Central MK.

- 3.15 So far as service uses are concerned, Table PA1 shows a total of 97 outlets accounting for 27.87% of all units within the centre. This percentage is 5.41% below the national average. Two key service sectors - '*restaurants, cafes, coffee bars*' etc and '*banks and financial services*' - are well represented with the proportion of units falling within these categories slightly exceeding the national average (we would nevertheless expect the number of food and drink outlets to be further ahead of the UK average in a high-order centre such as Central MK). All other sub-sectors record shortfalls, from '*hairdressers, beauty parlours and health centres*' (at 70% of the national average) to '*laundries and dry cleaners*' (30%).
- 3.16 The property offer of the town centres and local centres may be more appropriate for these operators and as we highlight in the healthcheck of these centres, the shortfall of service uses in Central MK is being absorbed in the Borough's other centres.

*Indicator 3: Presence of National Multiples and High Profile Retailers*

- 3.17 As noted above, the convenience offer in CMK is led by two main supermarkets, a Waitrose store of 28,400 sq ft (gross figures) located at the Food Centre and Sainsbury's which has recently relocated from the Food Centre to a new supermarket on Block C4.1. There is also a smaller Iceland supermarket, other convenience outlets include an Oddbins off-license, Holland and Barrett and notable confectioners Thorntons and Hotel Chocolat.
- 3.18 Comparison goods retailers are led by the John Lewis Partnership who have a very large department store within the centre:mk that extends to 210,400 sq ft. Other anchor retailers are Marks and Spencer's 147,300 sq ft store, a 74,400 sq ft Bhs and House of Fraser's 56,600 sq ft unit. Midsummer Place is anchored by a 147,000 sq ft branch of Debenhams. Together these provide the centre with a strong complement of department store floorspace that act as a considerable draw for both shoppers and smaller operators.
- 3.19 In addition to the key anchor stores there is good representation of major High Street names including large branches of Boots and Next (both in excess of 40,000 sq ft). Other major comparison retailers include New Look and H&M, Gap, Topshop, Mothercare, HMV, River Island, Waterstones, TK Maxx and W H Smith. There are also the usual national multiples providing jewellery, footwear, sports clothing, cards and gifts.
- 3.20 Central MK has particularly good representation of high end clothing and fashion retailers. These include Hugo Boss, Hobbs, Kookai, Planet, Coast and Ann Harvey. The youth fashion sector is also well represented with retailers such as USC, Fat Face, Sole Trader Hollister and Republic. Sports orientated fashion retailers are concentrated in the Xscape centre where there are outlets of Animal, O'Neill and Quiksilver. The presence of these types of retailer attest to the strength of the retail offer and help differentiate Central MK

from competing centres. If there is any weakness in the overall fashion offer it is as the result of the absence of popular, lower end clothing stores such as Primark, TK Maxx and Peacocks.

- 3.21 National service multiples within Central MK include branches of most national banks and building societies and national estate agent chains such as Haart, Your Move and Bairstow Eves, together with travel agents Thomson and Thomas Cook. High profile food and drink operators include Pizza Express, Nandos, Bella Italia, Pizza Hut and Pret a Manger. There is the usual presence of fast food outlet such as McDonalds, Burger King, KFC and Subway. The recent opening of thehub:mk has added quality names including Brasserie Blanc, Strada and Café Rouge. Other leisure operators include three gym chains - Virgin Active, Fitness First and Bannatynes.
- 3.22 Overall, CMK has excellent representation of national multiples and high profile retailers and such operators dominate the retail and leisure offer.

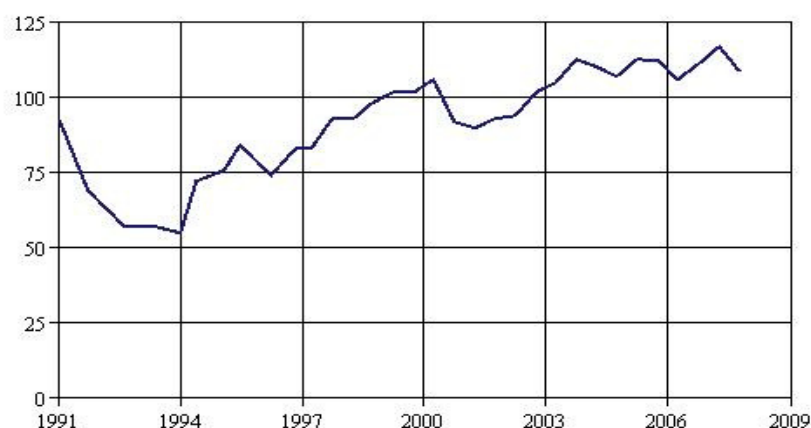
*Indicator 4: Operator Demand*

- 3.23 The commercial organisation, FOCUS, collects data on documented retailer requirements, and publishes the data twice-yearly. FOCUS also produces Town Reports for main centres, which include time-series data on the number of retail requirements.
- 3.24 It is worth emphasising from the outset that the level of demand for any centre is typically influenced by whether any new development is proposed; hence if a major new development scheme was to emerge, the number of requirements would be expected to show a noticeable increase.

*Analysis of published requirements by number*

- 3.25 Figure 3.2 below shows the number of requirements for Milton Keynes historically since 1991, whilst Table PA7 in Appendix 2 presents details of current<sup>6</sup> retailer requirements. The vast majority of these requirements do relate to CMK and/or could be accommodated within the central area in accordance with Planning Policy Statement 6.

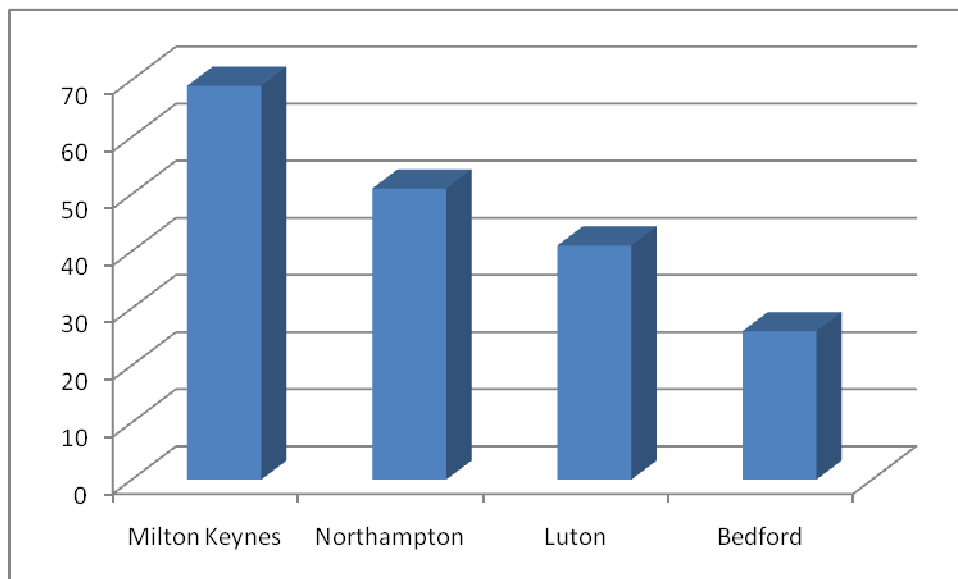
**Figure 3.2 - Operator Demand - Milton Keynes - 1991-2008**



<sup>6</sup> As at July 2009  
Roger Tym & Partners  
M9226 - February 2010

- 3.26 Since 2000 the number of retail requirements has remained consistent at around the 100 mark, not falling lower than 90 (April 2001) or higher than 117 (April 2007). This follows on from a sustained period of increasing demand following the recession of the early 1990s and prior to the opening of Midsummer Place in 2000. These results show strong and consistent demand for space within the centre. The current updated listings (as of June 2009), indicate 32 requirements for Milton Keynes, or in most cases CMK, once specific requirements for other centres within Milton Keynes and duplicate entries are stripped out. This indicates a recent decline in operator demand since autumn 2007, when Focus' most recent "Town Report" indicates 109 outstanding operator requirements. This fall may not be surprising given current economic uncertainties and falling consumer confidence, though the level of residual demand is low by recent standards.
- 3.27 Figure 3.3 below shows the number of existing<sup>7</sup> requirements for CMK and the competing centres. Whilst we have noted a recent fall in operator demand for space within Central MK, it still runs significantly higher than demand for outlets within the competing centres. Northampton has fewer published requirements despite being a centre of similar size and status. As would be expected, the smaller centres at Luton and Bedford have much fewer requirements, though they both perform well given their positions within the retail rankings.

**Figure 3.3 - Number of Requirements in CMK and competing centres (June 2008)**



#### *Analysis of published requirements by type*

- 3.28 The FOCUS database also provides detailed information with regards to the operators who are presently listed as having an identified requirement for Milton Keynes.
- 3.29 Table 3.4 below (also replicated as Table PA7 in Appendix 2) provides a breakdown of the published retailer requirements by name and type, and reflect levels of retailer interest in

<sup>7</sup> Based on FOCUS town reports, January 2009  
Roger Tym & Partners  
M9226 - February 2010



locating in Milton Keynes in July 2009<sup>8</sup>. As can be seen, there are currently five national convenience retailers with requirements for CMK, two of which are bakers (Greggs and The Bakers Oven), pretzel chain Ditsch, and an un-named chain of newsagents. There are therefore currently no requirements for larger convenience outlets in CMK.

- 3.30 The largest number of requirements is from national comparison multiples, which amount to almost 61 per cent of all requirements, excluding charity shops. The biggest requirement is from budget department store group TJ Hughes who are looking for premises up to 150,000 sq ft. The remaining requirements are quite mixed with demand from other low-end retailers such as 99p Stores and Yours, but it can be noted that on balance, the requirements are geared towards the higher-end of the retail market, as the presence of operator requirements such as Zara Home, Gerry Weber, Esprit, Rituals and Phase Eight indicates. It is noted that the quality of retailers seeking space in CMK is higher than in Northampton and the other competing centres.
- 3.31 In addition there are a small number of comparison goods requirements for out-of-centre premises in Milton Keynes, from retailers who specialise in bulky goods and would probably require retail warehouse or trade counter space which may not be available within CMK, such as Hammonds Furniture and Tile Choice. However, such accommodation is available on the edges of Central MK at The Place and Winterhill retail parks. Other furniture retailers such as Zara Home are known to have more flexible requirements and it is possible that these retailers could be accommodated within c:mk or Midsummer Place.
- 3.32 So far as service uses are concerned, we note a total of nine requirements, equivalent to 27 per cent of the total number of requirements. Eight of these requirements are in the important food and drink sub-sector. These range from Pret a Manger, Burger King and Subway, through to larger, higher profile requirements such as Café Rouge. We nevertheless note that demand for high-profile restaurants is subdued and this may in part be due to the recent opening of thehub:mk. The other service operator requirement is from hairdresser Rush.
- 3.33 Table 3.4 shows a breakdown of retailers with a published requirement for in-centre premises in CMK as at July 2009, and details their minimum, maximum and median floorspace requirements.

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<sup>8</sup> The identified requirements exclude (i) requirements for out-of-centre retail, trade warehouses etc, and (ii) charity shops

**Table 3.4 Retail requirements by type for CMK.** Source: FOCUS (July 2009)

Operator	Minimum requirement (sq.ft gross)	Maximum requirement (sq.ft gross)	Median requirement (sq.ft gross)
<b>Convenience goods operators (total: 4 / 12%)</b>			
The Bakers Oven	1,750	3,000	2,375
Un-named CTN retailer	1,000	1,500	1,250
Greggs Plc	800	1200	1,000
Ditsch	130	500	315
<b>Sub-total</b>	<b>3,680</b>	<b>6,200</b>	<b>4,940</b>
<b>Comparison goods operators (total: 20 / 61%)</b>			
TJ Hughes	25,000	150,000	87,500
Esprit	6,459	10,764	8,612
Republic	5,000	8,000	6,500
99P Stores	3000	6000	4,500
Zara Home	2,692	3,230	2,961
Yours Clothing	2,500	3,500	3,000
Gerry Weber	2,500	4,000	3,250
Kathmandu UK Ltd	1,750	3,500	2,625
Quiz Clothing	1,500	2,500	2,000
Animal	1,500	2,000	1,750
Leia	1,300	2,100	1,700
Bags Etc	1000	1500	1,250
Wheels of Sport	1,000	2,500	1,750
Profile Clothing	1,000	6,000	3,500
Buy the Book	1,000	2,000	1,500
HPJ Jewellers	700	1,200	950
Phase Eight	700	1,500	1,100
Garage Street Shoes	600	1,200	900
Rituals	600	1,200	900
Magnolia	26	68	47
<b>Sub-total</b>	<b>59,827</b>	<b>212,762</b>	<b>136,295</b>
<b>Services operators (total: 9 / 27%)</b>			
Terra Cotta (Atlantis Enterprises)	5,000	12,000	8,500
Hooters	4,000	8,000	6,000
Café Rouge	2,500	3,500	3,000
Tantra (Atlantis Enterprises)	2,500	5,000	3,750
Burger King	1,500	2,500	2,000
Rush Hair	1,000	2,000	1,500
Pret a Manger	850	3000	1,925
Subway	600	2000	1,300
Fuel Juice Bars	200	500	350
<b>Sub-total</b>	<b>18,150</b>	<b>38,500</b>	<b>28,325</b>

- 3.34 Overall therefore we conclude that the published requirements for CMK can be considered to be healthy, particularly given the current economic climate, with demand from a variety of national multiples operating within different sections of the market (but, encouragingly, orientated towards the higher end of the retail spectrum). However, recorded requirements continue to indicate the dominance of comparison goods retailers and weaker demand from convenience retailers and service operators.

#### *Indicator 5: The Retail Property Offer*

- 3.35 Analysis of the FOCUS listings of June 2009 indicates that the mean sales area requirement for the 20 comparison goods operators with an identified interest in CMK is a sizeable 6,815 sq.ft (633 sq.m)<sup>9</sup>. However if we remove the substantial floorspace requirements of TJ Hughes (who have a median requirement of 87,500 sq.ft) the mean sales area requirement for comparison goods retailers is reduced to 2,568 sq.ft (239 sq.m).
- 3.36 Nevertheless this still represents a moderate average requirement for CMK, and one which it may have trouble accommodating within the existing property offer. Our analysis of Experian's GOAD data for the central area shows that the 26 vacant units in the town centre<sup>10</sup> have an 'average' gross floorspace of 2,615 sq.ft (253 sq.m). This translates to an 'average' net sales area of approximately 1,830 sq.ft (177 sq.m), significantly below the average sale area required by prospective new retailers.
- 3.37 Furthermore, when we exclude one large vacant unit at Secklow Gate West of 18,400 sq ft from the GOAD data, the size of the average vacant unit falls to 1984 sq ft (184 sq m) and therefore an average net sales area of 1389 sq ft or 123 sq m. This is more than 100 sq m below the average requirement and suggests that the available property is unlikely to meet the requirements of those seeking space within the centre; future retail development should ensure modern, large units attractive to modern multiple retailers are provided. There may also be scope for the modernisation and/or amalgamation of existing vacant units in the centre where appropriate, in order to increase their letting potential.
- 3.38 Of the 25 vacant units available, only 5 meet or exceed the average floorspace requirements of the identified comparison goods retailers. These include the aforementioned unit at Secklow Gate West and three identified units on Midsummer Boulevard. Only one available unit of sufficient size is identified in either the centre:mk or Midsummer Place.
- 3.39 We consider the presence of vacant units further in '*Indicator 8: Proportion of Vacant Street Level Property*' below.

#### *Indicator 6: Prime Retail Yields*

- 3.40 Figure PA8 of Appendix 2 shows the prime retail yields in CMK and the comparator centres of Northampton, Luton and Bedford. Yield is an efficient measure of the confidence of investors in the long term profitability of the shopping centre for retail (and other commercial) developments; hence the lower the yield, the greater the level of investment confidence.
- 3.41 Historical data shows that prime retail yields have remained broadly constant since the start of this decade with a slight improvement to 4.5 per cent since mid 2007, from 4.75 per cent. According to the Valuation Office Agency this places CMK in the third highest tier of centres nationally (the best performing centres such as Cardiff, Leicester and

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<sup>9</sup> Figures are derived from obtaining the median floorspace requirement for each operator and calculating the mean of these figures.

<sup>10</sup> GOAD definition, January 2008 survey

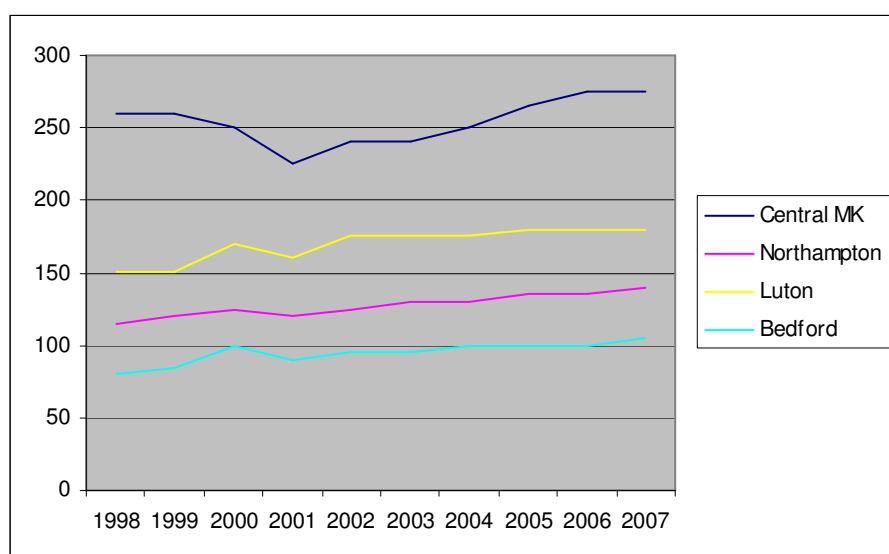
Nottingham reporting yields of 4 per cent). Sixteen other centres record prime retail yields of 4.75 per cent and these include central Birmingham, Southampton and Reading.

- 3.42 Results for the comparator centres indicate that CMK has lower yields than competing centres. Northampton is closest at 4.75 per cent and has improved its position much faster than any of the other centres having been at 6 percent up to 2005. Luton records a yield of 5.5 per cent, a slight improvement from 5.75 percent in 2000/2001, whilst Bedford has remained consistently at 6 per cent since 2000. CMK can therefore be considered to be performing well. It ranks high nationally and this puts it in a good position to attract future investment.

#### *Indicator 7: Changes in Prime Zone A Shopping Rents*

- 3.43 Figure 3.5 below show the movement in Prime Zone A retail rents in CMK and comparator centres<sup>11</sup> since 1998<sup>12</sup>. Figure 3.5 shows that rents have risen only slightly in CMK over the past 10 years from £260 per sq ft to £275 per sq ft in January 2008. Discussions with agents for the central area's most successful retail scheme, thecentre:mk, confirm that rents are still being achieved at these levels<sup>13</sup>. This represents a 5.8% increase since 1998. Such growth is very modest over a ten year period, though the detailed data does show that rents have recovered from a decline to £225 per sq ft in 2001.
- 3.44 However, as can be seen from Figure 3.5 below, Prime Zone A rents in CMK are still considerably higher than in the other three centres. Luton reports the second highest rents which currently stand at £180 per sq ft, whilst Bedford records the lowest rents of £105 per sq ft. Northampton, a centre of similar status, has prime rents at just £140 per sq ft, almost half those of CMK. This may be explained by the high quality of the modern retail accommodation throughout CMK. Other centres have nevertheless improved prime rents at a much faster rate than CMK over the past decade, albeit from a lower starting position than CMK.

**Figure 3.5- Prime Zone A Shopping Rents (£) in CMK and competing centres 1998-2007**



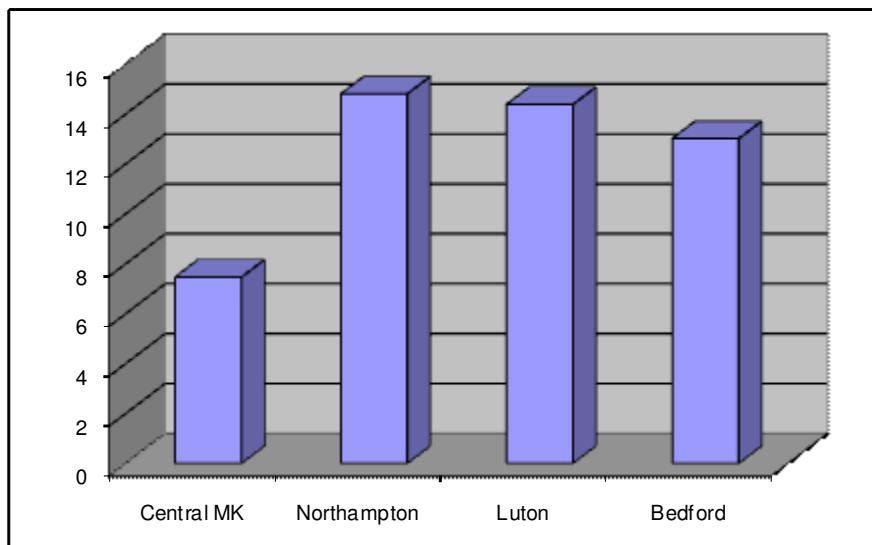
<sup>11</sup> No published rental data is available for any centre in Milton Keynes other than CMK and Bletchley.

<sup>12</sup> Rental data is sourced from the Focus property website, using figures from early 2008.

<sup>13</sup> Source: CBRE - July 2008

*Indicator 8: Proportion of Vacant Street-Level Property*

- 3.45 At the time of the last GOAD survey in January 2008, CMK contained a total of 26 vacant units. This is equivalent to 7.11 per cent of all units within the central area and is a third lower than the national average of 11.11 per cent. This low rate of vacancy and largely reflects the high quality of town centre property within the shopping malls and the active management of that accommodation by the centre landlords that expedites the re-letting of vacant units.
- 3.46 At the time of our visit to Central MK in March 2008, it was apparent that both thecentre:mk and Midsummer Place benefit from high occupancy, with a low number of vacant units and none that were of a significant size. Unoccupied units were spread throughout the centres and there did not appear to be any particular concentrations. Similar circumstances were observed in both Xscape and the Theatre District. We would not expect the vacancy rate recorded at the beginning of the year to have increased - indeed it may have fallen.
- 3.47 There was however one area where vacancy rates were particularly high and created cause for concern. At the time of our visit, the mall to the western side of the Food Centre suffered a concentration of unoccupied units. The mall was marketed as an area for "Specialist Shops" but it was apparent that a number of outlets had recently closed or relocated. The high number of inactive premises was particularly concerning because this mall forms a key part of the pedestrian link between Xscape and the main shopping centres - footfall was very low at the time of our visit. Further to observations made in respect on Indicator 2 ("Diversity of Uses") there may be opportunities in this part of the Food Centre to encourage bakers, butchers and greengrocers, helping to strengthen the convenience offer. The recent relocation of Sainsbury's from the Food Centre provides further potential to strengthen the convenience goods offer.
- 3.48 The vacancy rates of Central MK and comparator centres are illustrated in Figure 3.6 below. This shows that vacancy is considerably lower in Central MK than in the competing centres of Northampton, Bedford and Luton where the proportion of vacant units all exceeds 13 per cent. Central MK's result is particularly impressive given the size of the centre.



**Figure 3.6- Vacancy rates in CMK and comparator centres (%).** Source: Experian Goad

#### *Indicator 9: Pedestrian Flows*

- 3.49 As part of our on-foot surveys of the town centres we considered the pedestrian flows in the centres, noting which areas appeared busy and if any clear distinction was notable in secondary areas. We set out our findings for each of the centres below. Surveys of CMK and other town centres were undertaken in March 2008.
- 3.50 Car parks surrounding thecentre:mk and Midsummer Place were busy at the time of our visit and footfall within the centres appeared to be healthy. Flows were equally balanced between the new and older parts of the shopping centre and were most concentrated at the intersection of the two buildings around House of Fraser. The outdoor market was closed at the time of our visit but is likely to boost pedestrian activity on this section of the southern mall when open. The quietest areas appeared to be Middleton Hall and Queens Court, though other open areas such as the plaza and Oak Court were busier and the animated clock within Midsummer Place acts as a draw for visitors with children. The open air market was not operational at the time of our visit to the centre however this operates five days a week and can be considered to be a likely strong attractor of footfall.
- 3.51 Footfall was significantly lower at the Food Centre, particularly in the mall dedicated to “speciality shops” which suffers a high rate of vacancy. This was despite busy car parks surrounding the centre. Pedestrian flows were also very light at Xscape and around the Theatre District. This was probably to be expected given that these venues are orientated towards leisure uses and the evening economy.
- 3.52 Outside of the centres mentioned it was observed that pedestrian flows were very low around CMK. There was some activity around parking areas and to Lloyds Court north of thecentre:mk but otherwise there were few pedestrians to the central boulevards and surrounding residential and office areas. This issue is discussed in greater detail below with reference to Indicator 11 “State of the Town Centre Environmental Quality”.

*Indicator 10: State of the Town Centre Environment*

- 3.53 Retail provision within CMK is unusual in that it is almost entirely provided within purpose built shopping centres, namely thecentre:mk and Midsummer Place. As noted above, some retail outlets are also provided within Xscape. The quality of the town centre environment is therefore highly dependent on the design, layout and maintenance of these privately-owned facilities.
- 3.54 Thecentre:mk was built in the mid 1970s and provides for two principal malls laid out in parallel on an east-west axis. Each mall exceeds over 700 metres in length. Retail units are provided over a single level and all are accessed from the ground floor only. Units on the edges of the centre have a secondary frontage facing directly onto the surrounding parking areas. The mall is of a uniform, low-rise architectural style with a minimalist design and layout, notable for being substantially clad in glass.
- 3.55 Despite the centre's age, it is very well maintained with a generally light and airy interior. Planting, public seating and signage are of a good quality. Two "public" spaces are provided within the development at Middleton Hall and Queens Court. At the time of our visit both these spaces appeared to be lightly used. Middleton Hall is at the entrance to the John Lewis store and is a large, sparsely furnished space, providing potentially good facilities for temporary exhibitions and displays but not encouraging public congregation at other times. Queens Court is an open courtyard featuring fountains and several pieces of artwork. None of the centre's units have frontages facing directly onto the Court and it therefore appears to be bypassed by shoppers and visitors.
- 3.56 The exterior of the centre is in good condition. There are some active frontages at the ground floor level that face onto the small areas of car parking immediately adjacent to the centre. If retailers could be encouraged to make the most of these frontages it would enliven the shopping centre's external appearance. The Secklow Gate flyover that passes through the centre of the development creates some unattractive entrances into the shopping centre from car parking to the north on Silbury Boulevard and from the outdoor market to Midsummer Boulevard. Spaces beneath the flyover would benefit from environmental improvements.
- 3.57 Midsummer Place forms an extension to thecentre:mk that was completed in 2000. Though of quite differing architectural styles, the two centres are well integrated by a large covered plaza that provides a vibrant and attractive focal point. The mall is arranged in a semi-circle, returning shoppers to the plaza at either end. Many units have double-height frontages and both interior and exterior finishes are of a good standard. Oak Court provides an additional space for informal congregation and currently features public art including the "Concrete Cows" by Liz Leyh.
- 3.58 To the east of Midsummer Place the Food Centre sits between Midsummer and Avebury Boulevards. Though built in the same style as thecentre:mk, it is a slightly taller structure wrapping around a multi-storey car park. Access to the three supermarkets is principally gained through external entrances onto the parking areas. At the western end of the centre there is an enclosed mall which provides a number of smaller retail units with planting and seating of similar quality to thecentre:mk itself.

- 3.59 Further to the south of the Food Centre lies the Xscape centre. This large domed structure dominates the skyline of CMK and is visible in long-distance views throughout the town. It therefore forms an important local landmark. Xscape contains a central mall giving access to the multiplex cinema and a range of small retail, food and drink outlets. A number of these units also have frontages to the surrounding parking areas. The interior of the centre is smart and well maintained though does not benefit from the same light and airy atmosphere of CMK's other shopping and leisure facilities.
- 3.60 Beyond the purpose-built shopping facilities, the centre's public realm reflects the early planning of the town and the priorities given at that time to car users. The street pattern is set out in a uniform grid pattern which provides easy access for motorists but creates an environment dominated by highway infrastructure and car parking. At the time of our visit traffic flowed freely through CMK with no congestion.
- 3.61 Some more recent leisure-based developments on the edges of the retail district have incorporated more pedestrian-friendly environments though these are presently limited in scale. The Theatre District, where the Milton Keynes Theatre provides a key architectural asset for the central area, features a range of bars and restaurants set in small blocks that facilitate a high degree of permeability for pedestrians. Public spaces are open to the elements and are provided at a much more intimate scale. Recently completed development at thehub:mk takes this further by combining high density mixed-use development, incorporating leisure, housing and office uses, with good quality public realm.
- 3.62 Nevertheless, these different areas of development remain substantially detached from one another with the distances between destinations a key factor in discouraging pedestrian movement and interaction. This problem also affects the relationship between principle shopping and leisure facilities and Campbell Park, the centre's most important environmental asset. With limited housing development within CMK itself, walking distances to and from other residential areas are quite considerable. Large blocks of vacant land that have yet to be developed on the peripheries of CMK exacerbate this sense of relative isolation. All these factors contribute to the low footfall and limited pedestrian flows generally observed outside of the free-standing shopping and leisure centres in CMK.
- 3.63 Whilst transport routes into and around the town centre are generally direct, well maintained and safe, the low density of existing commercial development and the predominance of inactive frontages contributes to a sterile public realm that frequently lacks character and interest. This has important implications for the quality of the retail environment because it limits dwell time and discourages linked visits that can enhance trading conditions for different, but complementary, shops and services.
- 3.64 Public transport facilities are reasonable within the central area. Milton Keynes railway station is situated on the western side of CMK, some distance from the centre's main retail and leisure facilities. Walking times from the station to c.mk would be between 15 and 20 minutes. However, there are frequent bus services also connecting the station to the shopping centres. Milton Keynes is situated on the West Coast Mainline with services provided by Virgin and London Midland. Regular services are therefore available to



London Euston, Birmingham, Manchester, Liverpool and Glasgow. London Midland provide half hourly services to Euston via Bletchley with stops at Wolverton and Northampton to the north.

- 3.65 CMK' Bus Station is located adjacent to the rail station, though most services also stop in the vicinity of thecentre:mk and Midsummer Place. Bus services in Milton Keynes are mainly operated by MK Metro/Arriva and Stagecoach. There is a comprehensive network of regular services throughout the city that is concentrated on CMK. Services outside the urban area link to Olney, Leighton Buzzard, Towcester, Bedford, Northampton, Aylesbury, Buckingham, Dunstable, Peterborough, Cambridge, Oxford, Luton and Luton Airport. There are designated bus lanes through the central area from the railway station to the main shopping and leisure facilities.
- 3.66 There are reasonable levels of cycle parking within CMK with facilities concentrated on thecentre:mk where there are large covered parking bays.

## Application of the Ten Vitality and Viability Indicators to Bletchley

### *Indicator 1: Retail Rankings*

- 3.67 The lower part of Table 3.1 above shows that Bletchley is the second highest ranking of any centre within Milton Keynes. It is placed in 110<sup>th</sup> position and categorised as a centre of 'Regional' importance. Its ranking has improved dramatically since 1995/96 with a particularly marked increase over the past 5 years. Bletchley is now ranked higher than Bedford and alongside the likes of Stevenage, Harrow and Shrewsbury. We believe that these improvements principally result from MHE's inclusion of retail developments at Denbigh North within its findings for Bletchley. The traditional town centre would not rank so highly on its own merits. We consider Bletchley's ranking of 213<sup>th</sup> position in the 2006 Javelin 'Venuscore' Index<sup>14</sup> as a more accurate benchmark of its current performance, which identifies Bletchley as a 'Sub-Regional' centre, and ranks the town alongside centres such as Barrow-in-Furness, West Bromwich, Lowestoft and Weymouth.

### *Indicator 2 Diversity of Uses*

- 3.68 Table PA2 in Appendix 2 shows that Bletchley town centre comprises a total of 156 retail units. It has a healthy convenience offer that accounts for 10.26% of all outlets, 1.18% higher than the UK average. The '*grocery and frozen foods*' and the '*butchers*' sub-sectors perform particularly strongly with representation significantly above the average. Other convenience sectors perform close to the national average, except for '*bakers*' which is a third below. Overall, Bletchley has a strong convenience offer that complements its role as the largest of the traditional town centres.
- 3.69 The overall proportion of comparison goods retailers within Bletchley town centres is 37.18%. This is 8.04% below the UK average of 45.22%. There is considerable variation in the town centre's performance in different comparison good sub-sectors. The centre performs well in terms of cars and motor accessories, hardware and household goods,

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<sup>14</sup> Javelin's 'Venuscore' Index can be considered a robust alternative to the MHE Index; both adopt a highly similar methodology to assessing retail rankings of centres based on the presence of anchor stores and multiple retailers. The Venuscore Index is 2006-based, however we do not consider there has been significant alteration to the retail offer in Bletchley subsequent to this.

chemists, jewellers and florists, which all have representation that is above the national average. One of the best-performing sub-sectors is that which includes charity shops, indicating that Bletchley's comparison goods offer is pitched towards the lower end of the market.

- 3.70 Whilst the town centre has healthy representation in some comparison sectors, others have a much smaller presence. The important fashion sub-sectors are significantly under-represented with women's, girls and children's clothing outlets at 58% of the national average, footwear at 55% and mixed and general clothing at 38%. There are no stores specialising in men's or boy's clothing. Other sectors with no representation whatsoever include giftware and variety, department and catalogue stores.
- 3.71 Table PA2 also shows the breakdown of service uses within Bletchley. Overall, the proportion of units in service use is 37.82%, which is 4.54% above the UK average of 33.28%. The centre has an above average presence of hairdressers and beauty parlours, banks and other financial services. There is also a very strong representation of travel agents and estate agents within Bletchley (in comparison to CMK and as noted above). It is also particularly encouraging to note that the presence of outlets within the food and drink sub-sector only falls slightly below the national average representing a good performance for a centre such as Bletchley. However, it was noted at the time of our visit that such outlets chiefly comprised cafes and hot food takeaways and that the centre would benefit from a greater number of restaurants.

*Indicator 3: Presence of National Multiples and High Profile Retailers*

- 3.72 The largest occupier within Bletchley town centre is the Sainsbury's supermarket at the Brunel Centre which extends to 38,800 sq ft. Smaller supermarkets include Somerfield, Iceland, Aldi and Lidl, giving Bletchley strong representation of major convenience stores. The only other national multiples are Greggs, Bargain Booze and a Martins newsagent. There are a small number of independent butchers, bakers and greengrocers.
- 3.73 So far as comparison goods retailers are concerned, the largest operators are household goods retailers Wilkinson (17,400 sq ft store), Poundstretcher (8,100 sq ft) and Poundland (5,800 sq ft). There is a good sized branch of W H Smith within the Brunel Centre extending to 5,700 sq ft. Both Boots and Superdrug have large stores and opticians Specsavers and Dollond and Aitchison also have premises. National clothing retailers are limited to New Look, Dorothy Perkins and Adams, together with budget operators Peacocks, Select and Ethel Austin. However, the majority of comparison goods retailers within the centre are independent and local operators. The Agora Shopping Centre on Queensway provides up to 17,900 sq ft of well-maintained accommodation for small retailers. There are also a relatively large number of charity shops including the RSPCA and Cancer Research UK.
- 3.74 Service uses are led by branches of national banks including Barclays, HSBC and Nationwide. Thomson and Co-op travel operate travel agents and national chains Connells and Your Move have estate agents offices. The only multiple food and drink operators are Subway and Burger King.

- 3.75 Overall Bletchley has reasonable representation of national multiples, although these are at the low end of the market. A greater presence would boost the vitality of the centre and attracting more middle-market names would be particularly beneficial given the current concentration of low end brands and independent retailers.

*Indicator 4: Operator Demand*

- 3.76 In Bletchley there are currently two requirements from national multiples. The largest is from discount retailer In Store who require between 8,000 and 12,000 sq ft. This specific requirement may be directed towards the retail parks at Denbigh. The low-end fashion group Bonmarche are also looking for a unit of up to 3,500 sq ft whilst The Bakers Oven have a requirement for outlets between 1,750 sq ft and 3,000 sq ft. The final requirement is from the Barracuda pub and bar group who seek a unit of up to 9,000 sq ft.

*Indicator 5: The Retail Property Offer*

- 3.77 Experian's GOAD data suggest that the average size of vacant units within the town centre is 2,968 sq ft gross. However when we remove one very large unit of more than 32,000 sq ft on Queensway, this average falls to 1,581 sq ft gross or approximately 1,107 sq ft net. These results suggest that Bletchley may struggle to accommodate the requirements of published operator demand at present.

*Indicator 6: Prime Retail Yields*

- 3.78 Aside from CMK, the only other centre for which prime retail yield data is available is Bletchley. Yields here have remained constant since late 2000 at 10 per cent. It is apparent that the centre has experienced only limited investment in its property portfolio since the turn of the millennium and it is disappointing, if not surprising, that there have not been any improvements in yields during that period. Other centres within the vicinity that post lower (and therefore better) yields than Bletchley include Marlow and Beaconsfield.

*Indicator 7: Changes in Prime Zone A Shopping Rents*

- 3.79 Bletchley is the only other centre aside from CMK for which published rental data is available. This shows that since 2003, rents have increased from £30 per sq ft to £40 per sq ft. As would be expected these rents are significantly lower than CMK. Nevertheless the increase in values by more than a third represents a healthy improvement over the past 5 years.

*Indicator 8: Proportion of Vacant Street-Level Property*

- 3.80 Experian's GOAD data (January 2008) indicates that there are 22 vacant units within Bletchley town centre equating to 14.10% of all units. This is relatively high rate of vacancy that exceeds the national average by almost 3%. At the time of our visit, empty units tended to be concentrated to the western end of the centre where footfall is greatest (see below). This includes a very large unit on the edges of the Brunel Centre and Queensway. The current vacancy level gives some cause for concern.

*Indicator 9: Pedestrian Flows*

- 3.81 Pedestrian flows in Bletchley town centre were centred on Queensway and the anchor stores of the Brunel Shopping Centre. Flows predominantly move in an east - west direction through the centre corresponding to its layout and the location of key retailers. The eastern section of Queensway is noticeably quieter around Elizabeth Square and beyond as retail activity gives way to professional services and banking facilities. Pedestrian activity was also low to the north west of the centre around Princes Way suggesting that most visitors to the three smaller supermarkets there are car-borne.

*Indicator 10: State of the Town Centre Environment*

- 3.82 Bletchley is one of the established older settlements that form part of Milton Keynes and as such the form of its town centre is very different to the central area described above. Bletchley town centre takes a linear form centred on a largely pedestrianised commercial core to Queensway. At its western end is the Brunel Shopping Centre and the Bletchley Bus Station, which is adjoined by some free-standing units on a small retail park adjacent to Saxon Street. The centre is almost entirely surrounded by dense suburban residential development.
- 3.83 Queensway features wide, tree-lined pavements and restricted vehicular access, where speeds are limited to 20 mph. Consequently, traffic has little impact on the town centre environment and there are no issues of noise or air pollution. The pedestrian environment is therefore generally safe and pleasant. The exception to this is the northwestern corner of the centre between Aldi and Iceland which is affected by congestion to the Saxon Street dual carriageway.
- 3.84 Queensway has the style of a typical high street with largely Victorian architecture and a number of more recent additions. There are no notable buildings of particularly high architectural quality. The Brunel Centre is a 1970s shopping centre clad with dark glass panels and featuring a central mall that links three anchor units including a Sainsbury's supermarket. Although it has a dated architectural style it is well-maintained. The shopping centre does however have an awkward relationship with the rest of the town centre being laid out on a north-south axis. Its entrance seeks to address the bus station to the north rather than the much busier Queensway which runs from west to east. The interface between the western end of Queensway and the Brunel Centre is particularly unsatisfactory with access to the centre provided by a relatively narrow and poorly signposted walkway.
- 3.85 Bletchley's principal public space is Elizabeth Square to the eastern end of the town centre. This was completed in 2004 and features a bandstand together with public seating and planting. Public seating, litter bins and directional signs are provided throughout the rest of the centre and are generally new and good quality. To the western end of Queensway the pedestrianised area close to the entrance of the Brunel Centre is sparsely furnished and provides scope for environmental improvements.
- 3.86 Bletchley town centre is accessible from a number of main roads, principally Saxon Street and Princes Way. It appears to be provided with adequate levels of car parking that is concentrated to the north west of the centre where a 2 hour stay is free. There is another

main car park adjacent to Elizabeth Square and some on-street parking throughout the centre. It is possible to drive into the heart of the shopping area along a short section of Queensway where a 20mph speed limit applies.

- 3.87 The bus station at Bletchley is well-related to the Brunel Centre and shopping areas adjacent to Lidl and Iceland. It sits next to the main car parking area on Albert Street. It provides a wide range of local services within the Bletchley area as well as throughout Milton Keynes and more distant destinations.
- 3.88 Pedestrian access to the centre is reasonable, with good access from the residential areas that closely bound the centre to the south and east. To the west Saxon Street and the train line form physical barriers that constrain opportunities for pedestrian access.
- 3.89 Bletchley train station to the west is in close proximity to the town centre and provides regular services to CMK, Wolverton and other destinations on the West Coast Mainline. Pedestrian links between the station and the town centre are adequate, though it is necessary to cross the busy Saxon Street and access routes into the Brunel Centre could be identified more clearly.

### Application of the Ten Vitality and Viability Indicators to Wolverton

- 3.90 Within the retail rankings, Wolverton is placed significantly lower than Bletchley in 1535<sup>th</sup> position, partly reflecting its lack of multiple stores and service providers beyond its complement of major supermarkets. The rankings indicate that Wolverton has seen a small improvement in its position since 2003/04 (see Table 3.1).
- 3.91 Unfortunately, Experian do not yet produce GOAD survey data for Wolverton town centre. We nevertheless gained a reasonable impression of the break-down of uses on our “health-check” visit to the centre in March 2008. Wolverton is a smaller town centre than Bletchley, though it has strong representation in the convenience sector with four main retailers present within the centre including a major supermarket, two frozen food specialists and a smaller Co-op supermarket. There is also a Costcutter newsagents and general store to The Square. Given the strong presence of these large stores, other, independent, convenience provision is minimal, though there is an outdoor market on Church Street that appeared to be thriving at the time of our visit.
- 3.92 Comparison shopping is much more limited in Wolverton, particularly in fashion sub-sectors where the town performs poorly. However, the Agora shopping centre, which appears to be located in the former market building, performs an important role containing an extensive range of household goods, clothing and some giftware, albeit firmly pitched at the low end of the market.
- 3.93 The range of service uses varies, with a good presence of estate agents and travel agents, though few national banks had branches within the centre. There are some cafés and 1 or 2 restaurants but this is not as comprehensive as Bletchley’s offer. Overall we would expect Wolverton’s representation of service uses and comparison goods retailers to fall significantly below the national average but the proportion of convenience outlets to exceed that average.

- 3.94 Wolverton's strong convenience offer is anchored by a large Tesco supermarket on Stratford Road which has recently been granted permission to redevelop and extend its convenience and comparison offer. and by Netto and Farmfoods stores to Creed Street. There are also the smaller Co-op and Costcutter general stores elsewhere within the town centre. These facilities are supported by a number of small independent retailers.
- 3.95 There are few other national multiples within the centre, particularly in the comparison goods sector. As with Bletchley there is an Agora Shopping Centre to Church Street which provides a range of comparison goods traders. There are a number of independent stores providing hardware, household goods and some clothing. Service uses include a small number of national banks and a number of independent hairdressers and hot-food takeaways. However, aside from the supermarkets mentioned there is little representation from national multiples and high profile retailers in Wolverton.
- 3.96 In Wolverton, there is limited operator demand with just two requirements for small outlets from Subway and The Extra Care - a charity. These floorspace requirements are limited and it is likely that they could be accommodated within the existing property portfolio. However, it is likely that Wolverton would struggle to accommodate requirements from other operators and particularly national multiples as much of the property offer is small and dated. Conversely this means that rents are low and there is a good representation of local and independent retailers within the centre.
- 3.97 At the time of our visit, vacancies were low in Wolverton with only 3 or 4 small empty units within the vicinity of Church Street and The Square. This represents a very modest proportion of the total units within the centre and does not appear to impact on its vitality. We would expect the proportion of vacant units in Wolverton to be at, or below, the national average.
- 3.98 Pedestrian activity within Wolverton town centre is clearly focussed in two areas; to Church Street and the entrance to the Tesco superstore. Church Street gives access to the centre's main car park together with bus stops and the Agora Shopping Centre. At the time of our visit the outdoor market was also open which added to the bustle of this area. The Stratford Road entrance to Tesco was also busy, though this activity did not appear to extend along the road to other commercial premises. The Square was noticeably quieter than Church Street and appears to perform the role of a secondary location.
- 3.99 As with Bletchley, Wolverton has a traditional town centre set within an area of dense residential development. Unlike Bletchley, it is laid out over several urban blocks surrounded by terraced housing that was built for workers of the town's traditional railway industries. To the south there is a small public square and to the north and east large convenience stores. The intervening area contains the small 1970s Agora Shopping Centre, an outdoor market and a selection of small commercial units to Church Street, Radcliffe Street and Stratford Road.
- 3.100 The town centre is fairly compact but separated into distinct areas that provide a mixed environment for pedestrians and shoppers. The Square is surrounded by small shops and provides for a well-maintained but quiet public space at its centre. Although the Agora Centre forms an apparently thriving component of Wolverton's retail offer, this building does serve to sever The Square from Church Street and the rest of the town centre. Its

architecture is also at odds to the Victorian buildings that lie adjacent to the north and south.

- 3.101 Church Street has quite narrow pavements but, except for providing bus access, is not a main road and could benefit substantially from environmental improvements. To the north Stratford Road is a much busier road which, along with Creed Street to the east, provides a hostile environment for pedestrians wishing to cross from Tesco, Netto and Farmfoods into the rest of the town centre. Traffic calming and improved pedestrian crossings could enhance the retail environment here and help to support smaller retailers by attracting visitors to the supermarkets into the town centre proper.
- 3.102 The town centre at Wolverton occupies a discreet location between industrial facilities to the north and dense housing to the south. Although Stratford Road carries significant volumes of traffic through the centre, access by road is not as good as other large centres within Milton Keynes. To the south and east routes to the centre through the surrounding housing are not clear or easy to navigate. This has disproportionate impacts on The Square which is poorly connected to other parts of the town centre by road. Access to the north from Grafton Street over the railway line provides an unassuming gateway to the town centre.
- 3.103 Buses stop on Church Street and provide a range of local services as well as connections to more distant destinations. Wolverton railway station is also close at hand and is within easy walking distance of the town centre, though pavements are narrow to the busy Stratford Road. Residential development currently under construction between the station and the centre may provide opportunities for improved pedestrian links. Pedestrian access to the centre from established residential areas is good given their close integration, though links to the west with New Bradwell are weak.

### Application of the Ten Vitality and Viability Indicators to Westcroft

- 3.104 In the retail rankings, the district centre at Westcroft ranks slightly higher than Wolverton in 1364<sup>th</sup>, though it has fallen by 170 places since 2003/04. Reasons for such decline are not clear but may reflect the growth of other centres and the concentration of budget retailers within Westcroft itself.
- 3.105 The District Centre contains only 19 retail units, although most of these are large, retail park type outlets. As Table PA3 of Appendix 2 shows, there is only one convenience outlet at Westcroft - the Morrisons supermarket. This is typical of a development of this type but does cause the proportion of convenience uses to fall significantly below the national average.
- 3.106 The convenience offer is strong at 47.37%, compared to the UK figure of 45.22%. Representation across the sub-sectors is restricted by the limited number of units within the centre though there is a mix of clothing, household goods and health and beauty outlets. These large stores operated by high-profile names provide extensive ranges of comparison goods.
- 3.107 In terms of service uses, Table PA3 shows that Westcroft has 7 units equating to an overall proportion that is 11% higher than the national average. As well as four restaurants



there is a travel agents, estate agents and a hairdressers. This is a fairly high for this type of centre and shows reasonable balance with the main retail uses.

- 3.108 Morrisons is the largest retailer present at Westcroft with a 7,432 sq m (gross) supermarket. This is the only convenience outlet within the district centre. Comparison good retailers are led by Instore (part of the Poundstretcher group), which retails household goods and clothing, from a 21,700 sq ft store. Next occupy another large unit of 15,500 sq ft whilst TMC Motoring and Leisure, QS Extra (clothing and homeware) and Jollyes (pet superstore) all have outlets of over 10,000 sq ft. National service operators with a presence at Westcroft include a Going Places travel agency and Pizza Hut, McDonalds and KFC.
- 3.109 The FOCUS data currently shows no outstanding demand for space at Westcroft. None of the main retail outlet within this centre were vacant though there were a couple of unoccupied smaller units within "The Mall", a secondary location that suffers from low footfall. GOAD data also records two vacant units which equates to 10.53% of all outlets within the centre and is below the national average
- 3.110 The Morrisons superstore attracts a steady flow of pedestrian activity within the District Centre. Other main retailers within the centre also appeared to have healthy footfall. However, the " Mall", which contains smaller retail units, and the pedestrian links to the residential area immediately to the west were noticeably quieter.
- 3.111 Westcroft is located at the junction of two main roads, Chaffron Way and Tattenhoe Street, that provide excellent access by car from surrounding residential areas. There are extensive areas of free car parking within the District Centre. Public transport access is available via regular services to other main centres within Milton Keynes, though they appear to account for a very small proportion of trips to the centre.
- 3.112 Pedestrian access from the centre into adjacent residential areas is limited. To the west access from Westcroft itself is reasonable with at least two routes that appear safe and well lit. However from other areas, beyond the main roads to the south and east, pedestrian connections are much poorer. This applies to both Shenley Church End and Tattenhoe.
- 3.113 In terms of the environment, Westcroft is essentially a retail park anchored by Morrisons with a number of other large format units and fast food outlets. Its car orientated format provides for a functional and clean shopping environment. Most units front directly onto the central car park with the exception of "The Mall" which is a poorly used pedestrian thoroughfare. Some attempts have been made to incorporate public open space into the design of the development with an area of hard landscaping with public seating to the northwestern corner. However, this appears to add little to the retail environment and street furniture is not in a good condition.

### Application of the Ten Vitality and Viability Indicators to Kingston

- 3.114 Kingston is the second highest ranking centre within Milton Keynes in 399<sup>th</sup> position within the MHE rankings. This centre has also seen a massive improvement in its position from 989<sup>th</sup> in 2000/01. As a new district centre it appears to have significantly strengthened its



offer in recent years and performs significantly better than Westcroft despite being of a similar format.

- 3.115 As with Westcroft, Kingston district centre comprises a retail park, anchored by a major supermarket, in this instance a Tesco Extra. There is one other (much smaller) convenience outlet at Kingston. Table PA4 of Appendix 2 shows that comparison goods retailers occupy 16 units within the centre, accounting for 57.14% of all outlets. This is significantly above the national average, but not unusual for this type of centre. Finally, service uses account for a healthy 35.71% and slightly above the UK average. There is a particularly healthy complement of restaurants and coffee bars along with hairdressers, travel agents and a dry cleaners.
- 3.116 The main convenience store at Kingston is the Tesco Extra that extends to 129,800 sq ft (gross). In terms of comparison retailers, this district centre has a much stronger presence of high profile names than Westcroft. The largest unit is taken by Marks and Spencer outlet (36,800 sq ft), with Boots, Next, Blacks and Mothercare World all occupying units of around 10,000 sq ft. Other national multiples include Mamas and Pappas, Lilley & Skinnners and Clarks and large mobile phone stores (Phones 4 U and Carphone Warehouse).
- 3.117 Food and drink operators at Kingston are Costa Coffee and Starbucks, together with Dominos pizza and McDonalds. There is a large First Choice travel agency and a smaller branch of Thomas Cook.
- 3.118 The only published requirements for Kingston are from Superdrug who are seeking a store here of up to 6,000 sq ft, and Dr. Herbs, who require a smaller unit of up to 800 sq.ft gross. Experian report no vacant shop units within the Kingston District Centre at the time their most recent survey and this was unchanged at the time of our visit. Kingston is a modern and well managed centre offering good quality accommodation.
- 3.119 Pedestrian flows within the district centre are concentrated on the anchor store, in this instance Tesco. The small covered mall at the entrance to Tesco had a bustling atmosphere which no doubt benefits the small retailers located here. Other large-format stores within this centre also seemed to be well-supported.
- 3.120 Pedestrian access is poor mainly due to the centre being surrounded by industrial uses and/or busy roads. The main access from residential areas to the west is provided via a subway cut beneath the Brinklow round-about. This did not appear to be well used and does not provide a pleasant means of accessing the commercial facilities at the centre.
- 3.121 Whilst Kingston is slightly larger and more modern than Westcroft it is otherwise similar in its design, layout and environment. The limited street furniture is in better condition here and the busier enclosed mall at the entrance to Tesco provides access through to a small public square and associated community facilities. This arrangement appears to be more successful with greater footfall, though it still lacks any character or interest that might support the centre's retail activities.

## Application of the Ten Vitality and Viability Indicators to Olney

- 3.122 The 2008 MHE rankings take into account, for the first time, a much larger number of smaller centres. These include Stony Stratford (2988<sup>th</sup>), Woburn Sands (3575<sup>th</sup>) and Olney (5257<sup>th</sup>) which are all classified by MHE as “Minor Local” centres. At this level the number of centres included within the survey tends to exaggerate differences in the rankings and, as further commentary below demonstrates, our findings in respect of the strength and status of these centres differs from the ranking index provided by MHE.
- 3.123 As with Wolverton, GOAD data is not available for Olney and our observations are therefore based on our own visit to the town centre. The convenience offer within the town centre is led by a medium-sized Co-op supermarket, together with a butchers, bakers and delicatessen/greengrocers. There are also newsagents, confectioners and off-licenses. The convenience uses present seem adequate for a centre of this size and probably perform at, or slightly below the national average.
- 3.124 Olney has a very strong representation of comparison goods retailers. Nearly all of these are independent operators focused on high end products. They include giftshops, quality kitchenware and small art galleries. There is particularly good representation of independent clothing and fashion retailers. We would therefore expect the town centre to be performing above the national average in terms of the presence of comparison goods outlets. This is very encouraging for a rural centre of this size.
- 3.125 Three national banks have branches in Olney and this is complemented by other services such as estate agents and travel agents. However, the strongest sub-sector appears to be food and drink. The town centre benefits from a good range of restaurants, coffee shops and cafes, together with a number of apparently popular public houses that also serve food. Together with the strong comparison offer, these services provide an excellent mix of uses in Olney.
- 3.126 Aside from the small Co-op supermarket and several “High Street” banks (including Barclays, Nationwide Building Society and Nat West), Olney has a relatively low presence of national multiple operators. This does not however appear to harm the vitality and viability of the town centre, much of which is derived from the abundance and popularity of quality independent retailers and service uses within the centre.
- 3.127 There is no published demand for new stores and services in Olney town centre. Nevertheless, vacancy levels are very low with only two unoccupied units at the time of our visit. This represents a very small proportion of the total units within the town centre and we would expect the vacancy rate of the centre to fall significantly below the UK average. Demand for space is likely to be strong from local retailers and quality operators to whom the small, old, but well maintained property offer will be well suited.
- 3.128 Pedestrian activity within Olney town centre is centred on the Market Place and surrounding shops. Footfall also appeared to be healthy in the area around the Co-op and on the southern approaches to the Market Place. High Street becomes progressively quieter to the north as commercial uses give way to residential.
- 3.129 Olney town centre is located on the A509, which provides good road access from other parts of the settlement and rural areas beyond. The road is busy but was not congested at

the time of our visit. Car parking within the town is free and is provided at a number of locations, principally in the Market Place, at the Co-Op and in smaller car parks to the eastern side of the centre. There is additional on-street parking available to High Street.

- 3.130 Olney is reasonably well connected to other parts of Milton Keynes by bus services that make regular stops within the town centre. Cycle parking is available to the north of the Market Place. Finally, the centre is well integrated with the surrounding residential areas and pedestrian routes are safe and pleasant.
- 3.131 The town centre is characterised by Olney's role as a rural market town whose commercial centre provides for a vibrant and attractive shopping environment. Well-maintained Georgian architecture makes a substantial contribution to the street scene as do the many smart and traditional shop fronts. The few modern additions are sympathetic to the centre's established character and do not dilute its high architectural quality. Public open space is limited to areas on the fringe of the Market Place but street furniture and signage is of a good quality throughout.
- 3.132 The A509 Weston Road/High Street routes large volumes of local traffic through the town centre though this does not have significant environmental impacts for shoppers. The generous width of the Market Place and High Street provide for a pleasant pedestrian environment though the number of road crossings could be improved. The main shopping streets are complemented by a number of small courtyards that lead off them and provide for quieter, wholly pedestrianised shopping locations.

### Application of the Ten Vitality and Viability Indicators to Newport Pagnell

- 3.133 Newport Pagnell was ranked in the same place as Wolverton in the 2003/04 retail rankings but has now fallen back to 1716<sup>th</sup> in the 2008 results. The reason for the decline is not clear but may in part be as a result of limited opportunities for growth and the inclusion of new centres within the MHE rankings.
- 3.134 Unlike Olney, GOAD data is available for Newport Pagnell, and as Table PA5 of Appendix 2 shows there are a total of 111 retail outlets in the town centre. Of these units, 9.91% provide convenience goods, a figure that is slightly above the national average and would be expected in this type of centre. This includes two small supermarkets operated by Co-op and Somerfield as well as a good number of bakers and newsagents.
- 3.135 Comparison uses account for 44.14% of all outlets, just below the national figure of 45.22%. There is generally healthy mix of retailers with the sub-sectors of florists and gardens, furniture, textiles, hardware and household goods performing particularly strongly. The weakest categories are those relating to clothing with only two stores specialising in womenswear and no representation in either '*mixed and general clothing*' or '*men's and boy's wear*'. The only other significant deficiency is in '*gifts, china, glass and leather goods*' which records only one unit and is surprising given the number of quality independent retailers within the town centre.
- 3.136 Lastly, service uses account for a relatively high proportion of outlets, 41.44% of units compared to a UK average of 33.28%. There is particularly good representation in the categories of restaurants and cafes, hairdressers and beauty salons, banks and estate

agents. This confirms that Milton Keynes' smaller town centres play an important role in accommodating and providing services.

- 3.137 Convenience operators in Newport Pagnell town centre are led by the Co-op who have a 6,300 sq ft store and Somerfield who occupy smaller premises extending to 3,100 sq ft. Other convenience multiples are Threshers off-license and a Martins newsagents.
- 3.138 National comparison retailers are limited to Boots, Savers (heath and beauty), Blockbuster and a Dollond and Aitchison opticians. Service uses include national banks HSBC, Lloyds TSB, Barclays and the Woolwich together with a branch of the Nationwide Building Society. UK-wide estate agents Bairstow Eves, Connells and Taylors also have offices within the town. The only multiple food and drink use is Pappa Johns pizza. These comparison and service outlets are supported by a wide range of good quality independent retailers, restaurants, cafes and A2 service uses. It is therefore our opinion that Newport Pagnell has reasonable representation of high profile national multiples for a centre of its size.
- 3.139 The town registers four requirements with another from The Extra Care and others from Greggs (1,200 sq ft), Edward Jones Investments (1,100 sq f of A2) and the Barracuda group (up to 9,000 sq ft).
- 3.140 Two vacant units were observed in Newport Pagnell at the time of our visit. These were both small units located on High Street. GOAD data indicates that the town centre has a vacancy rate of just 1.10%, which represents an excellent performance that is more than 9% lower than the UK average of 11.11%.
- 3.141 The town centre at Newport Pagnell appeared to be well-supported at the time of our visit. Pedestrian flows are concentrated along High Street which is at its busiest between the medical centre and St Johns Street. Further to the east, High Street is significantly quieter with seemingly little activity generated by the Woolworths store that is located here. This may be expected given that the eastern end of High Street effectively forms the boundary to the built-up area.
- 3.142 The town centre at Newport Pagnell is located at the junction of two main routes through the town providing good access by road. Dedicated short and long stay car parks are located to the south and west of the centre and provide over 500 spaces. These were very busy at the time of our visit.
- 3.143 Bus services to other destinations within Milton Keynes operate at ten minute intervals with stops concentrated to the western end of the town centre, opposite the medical centre. Although the historic centre is located to the north of the town's main residential areas it is still well integrated and there are adequate pedestrian routes via Tickford Street and Wolverton Road that enable those travelling on foot to access the centre in a safe and convenient manner.
- 3.144 The town centre at Newport Pagnell is also a traditional commercial area centred around the junction of High Street and St John Street. As with Olney, Newport Pagnell features high quality, mainly Georgian, architecture of two and three storeys height. Shop fronts are of a good quality with some very attractive facades that make positive contributions to the street scene. Notable buildings include the Parish Church, a couple of fine public

houses and Tickford's Arcade that runs off St John Street providing a more unique shopping experience.

- 3.145 Roads through the town centre, including the B526, were busy but not congested at the time of our visit. Traffic does give rise to noise and air pollution, but this is to be expected as both High Street and St John Street provide principal routes through the settlement. The pedestrian environment is generally good with an adequate number of road crossings and relatively new street furniture and public seating. Easy access is available from the town centre to the river side and a small children's play area is provided to the eastern end of High Street.

### Application of the Ten Vitality and Viability Indicators to Stony Stratford

- 3.146 As noted above, Stony Stratford is ranked in 2988<sup>th</sup> according to MHE's most recent survey. Stony Stratford town centre is very similar in size to Newport Pagnell with 120 units. The GOAD data contained at Table PA6 of Appendix 2 shows that 10% of units retail convenience goods, slightly above the national average. The centre has a good complement of bakers, butchers, greengrocers and newagents/off-licenses. However, there is only one unit in the important '*grocery and frozen food*' category - a small Budgens supermarket - equating to less than a third of the UK average.
- 3.147 Table PA6 also shows that comparison goods retailers account for 48.33% of units in Stony Stratford. This above average proportion is encouraging and is supported by number of strong sub-sectors including sports, toys and hobbies, cars and motor accessories, booksellers and stationers, and giftware. Unlike Newport Pagnell, Stony Stratford has a reasonable presence of clothing retailers, with nine outlets in total. However, the proportion of jewellers is only 34% of the national average and there are no stores recorded in the '*variety, department and catalogue showroom*' sub-sectors.
- 3.148 In terms of service uses, the centre also performs well above the national average with 38.33% of outlets operating in this sector. The important food and drink category is strong as are hairdresser and beauty parlours, estate agents and travel agents. Unusually though, the number of banks and financial service providers is just over half the national average.
- 3.149 Stony Stratford only has one supermarket of 14,100 sq ft that is operated by Budgens. Other multiples within the convenience sector include a Threshers off-license, McColls and Martins newsagents and a small Costcutter general store (600 sq ft).
- 3.150 There are few national comparison multiples in Stony Stratford and these are limited to Boots, Carpetwise, Cox and Robinson chemists and a Choices video shop. As well as four national banks and building societies, there is a Going Places travel agents and a couple of estate agent chains with representation in the town centre. Although the number of multiples is limited in Stony Stratford, as with Newport Pagnell and Olney, the strength of independent retail, services, food and drink considerably enhances the vitality of this centre.
- 3.151 The town centre currently has requirements from charity groups British Heart Foundation and The Extra Care, together with Superdrug who are seeking another store between

2,000 and 6,000 sq ft. The requirement from Superdrug is encouraging and demonstrates the strength of the centre, though it may be difficult to accommodate such a store within the existing property offer.

- 3.152 As with Olney and Newport Pagnell, vacancy rates are extremely low in Stony Stratford with GOAD data from February 2006 showing 4 empty units, equating to 3.33% of the total. At the time of our visit in March 2008 we observed just one small vacant unit. This was located in a secondary location within the Silverfen Arcade.
- 3.153 Stony Stratford exhibited healthy pedestrian flows at the time of our visit throughout High Street. The courtyards and arcades leading off the main road were noticeably quieter but this is to be expected given their role as secondary locations. However Cofferdge Close was unusually quiet given that this is the location of a Budgens supermarket - the main convenience outlet within the town centre.
- 3.154 The town centre has good access from Watling Street and the new A5 which connects it to western areas of Milton Keynes. Routes into the centre were busy but not congested at the time of our visit. There are three main car parks within the town that provide free short and long stay parking for between 50 and 100 vehicles each. These are well related to the High Street.
- 3.155 There is good access for pedestrians from the dense residential development that surrounds the town centre. Bus services provide frequent links to other local destinations, though there are few bus stops within the town centre itself. We did not note any dedicated cycle parking or cycle routes within Stony Stratford.
- 3.156 Stony Stratford is very similar to Newport Pagnell in terms of the size and quality of its town centre. It features a mixture of pleasing Georgian and Victorian architecture that creates an attractive and coherent townscape. Exaggerated over-hanging signage is a unique feature of the town centre and shop fronts are generally traditional and good quality, enhancing the street scene. Several arcades and courtyards leading off High Street add to the character of the centre. The only building that detracts from the centre's appearance is the 1970s/80s Cofferdge Close development which attempts, but largely fails, to respect the traditional architecture of the town.
- 3.157 The High Street at Stony Stratford is more lightly trafficked than in the other established centres and this compensates for some narrower pavements and no marked pedestrian crossings. Public seating and open spaces are limited but street furniture and signage is of an adequate standard. The town centre is very clean and overall provides an attractive and pleasant destination.

### Application of the Ten Vitality and Viability Indicators to Woburn Sands

- 3.158 Woburn Sands is ranked in 3575<sup>th</sup> position by the MHE rankings, some way ahead of Olney, despite being a smaller centre offering fewer services. GOAD survey data is not available for the small town centre, though our visit to the centre indicates that it provides a balanced mix of uses. Convenience goods are provided by a small Co-op supermarket and good-sized independent delicatessen. Though adequate for a centre of this size we would expect representation in this sector to fall below the national average.

- 3.159 Woburn Sands performs better in the comparison sector with a good number and range of outlets, including a hardware store, gift shop, chemists, jewellers and a store specialising in womenswear. The centre therefore probably performs above the UK figure for the proportion of comparison goods retailers. Service uses are also well represented and include two national banks, travel agents, estate agents and hairdressers.
- 3.160 Apart from the Co-op supermarket, we did not note any other multiple operators within the centre at the time of our visit. Nevertheless, this is not unusual for a centre of this size and is compensated for by a range of high quality independent operators. There were no vacant premises in Woburn Sands town centre at the time of our visit, attesting to its robust health.
- 3.161 There was moderate footfall within the centre at the time of our visit. This is firmly concentrated to the eastern side of the High Street where most retail outlets are located. Shops and services within are concentrated on the A5130 and are therefore readily accessible by car. Parking is provided on-street and by one busy free car park off Russell Street. Pedestrian access to the centre is good with High Street being surrounded by residential development. Bus services connect Woburn Sands with Milton Keynes, Leighton Buzzard and Bedford. There is also a small railway station within the town that provides services to Bletchley and Bedford. This is located to the north of the commercial centre with a walking distance of approximately ten minutes.
- 3.162 Overall, Woburn Sands provides a similar retail experience to the three established centres addressed above, albeit on a significantly smaller scale. The centre has a linear form to High Street/Station Road, with retail uses concentrated to the eastern side of the road. The architecture is mainly in a modest Victorian style with notable buildings including the old village hall. Traffic through the centre is busy, but does not have unacceptable impacts on the shopping environment. Pedestrian crossings are adequate though pavements are quite narrow. A small area of public seating is provided around the War Memorial, street furniture is in good condition and the centre is clean and well-maintained.

### Application of the Ten Vitality and Viability Indicators to Fenny Stratford

- 3.163 The centre at Fenny Stratford lies in close proximity to Bletchley town centre and therefore struggles to provide a full range of uses and services despite being of a reasonable size. There is only one convenience outlet within the centre (a Lonsdale store in Victoria Road). This lack of provision is likely to be detrimental to the overall performance of the centre. However, there are a reasonable range of comparison retailers including a hardware store, domestic appliances store, model shop, cycle shop and lingerie store. Although there are few A2 operators in the centre (and no banks or financial service providers), there are a relatively large number of hot-food takeaways, a couple of restaurants and a café.
- 3.164 We did not note the presence of any national multiples (with the exception of Lonsdale) in Fenny Stratford at the time of our visit in March 2008. As mentioned elsewhere in respect of Indicators 2 and 8 the centre would particularly benefit from the presence of a further



convenience small multiple retail presence as well as service uses in the food and drink and financial sub-sectors. We also note the recent closure of the town's Post Office, a further attractor of footfall in the centre, and the provision of replacement facilities within the centre to offer such services should be investigated.

- 3.165 There are a number of vacant units of varying sizes throughout Fenny Stratford. These are not concentrated within any particular part of the centre but notable units include the former car sales site on the corner of Denmark Street and another showroom on the eastern side of Aylesbury Street. Both of these sites could be suited to redevelopment for Tesco Express or Sainsbury's Local-type formats. This would help to mitigate the lack of convenience provision within the centre that is noted above.
- 3.166 Very few pedestrians were observed within Fenny Stratford, though most were to the southern end of the centre rather than around the busy junction of High Street and Aylesbury Street to the north.
- 3.167 The centre at Fenny Stratford has good road access from most residential areas within the vicinity and from other parts of Milton Keynes via Watling Street. There is on street car parking to Aylesbury Street and a reasonably sized car park off Denmark Street. However, this facility appears to be poorly maintained. There are a number of bus stops on the main road providing local services and Fenny Stratford railway station is located off Simpson Road with half hourly services to Bletchley and Bedford
- 3.168 The town centre environment at Fenny Stratford is relatively poor and suffers from heavy traffic and low levels of investment. The speed and volume of traffic has quite significant noise impacts and there are no pedestrian crossings. At the time of our visit two large sites within the centre were vacant and another site was derelict with fire damage, significantly detracting from the street scene. Aside for this, the architecture of the centre is mixed with some good quality Victorian buildings and modern infill. Many shop fronts are tired and dated though a few are original and attractive, such as Pollards and Foo Foo.
- 3.169 The centre was generally clean and there was no evidence of graffiti. Pavements were fairly wide but would benefit from improved maintenance. Street furniture was limited to a couple of benches. The public car park at Demark Street is poorly maintained and is in need of re-surfacing. As a whole, the centre at Fenny Stratford could benefit substantially from environmental improvements that improved the pedestrian environment and enhanced the street scene.

### *Retail Parks*

- 3.170 Milton Keynes' retail parks contain a mix of uses that are entirely typical of these type of shopper destinations. None of these centres provide convenience goods, though there is a large Tesco Extra supermarket in close proximity to the Beacon and Rushmere Retail Parks at Denbigh North (Bletchley). Aside from a couple of fast food outlets at The Place retail park (Central MK), service uses are very limited. Instead they are dominated by large format comparison goods retailers, with prominent occupiers including DIY retailers, furniture and electronic goods stores with some fashion and footwear outlets, particularly at Bletchley.



- 3.171 The retail parks are almost entirely occupied by national multiples, most of whom are high profile retailers. This is to be expected in these types of centre. Notable attractions include Habitat at the Central Retail Park and Ikea at Denbigh North.
- 3.172 Occupancy rates are generally high with no vacant units at Denbigh and only one unit at the Central Retail Park (Rooksley). There were two large empty units at the Winterhill Retail Park and 2 slightly smaller vacant units to the rear of The Place. However, in both these instances, the proportion of vacant units fell below the national average.
- 3.173 Because the retail parks within Milton Keynes are generally compact there appears to be little pedestrian movement within them. The disjointed nature of the commercial provisions at Denbigh meant that pedestrian movement between the various superstores and retail parks was non-existent at the time of our visit. However, it was possible to discern that some locations were busier than others. The Central Retail Park at Rooksley appeared to be well supported whilst nearby Winterhill Retail Park and The Place were slightly quieter. Despite poor pedestrian links most facilities at Denbigh appeared to be very busy with car-borne visitors.
- 3.174 The retail parks visited within were all typical of this type of development, being dominated by highway and parking infrastructure, but providing a clean and functional shopping environment. Retail Parks within the vicinity of CMK (the Winterhill Retail Park, The Place and Rooksley's Central Retail Park) were all set back from busy but uncongested main roads and were provided with some limited pedestrian access into adjacent areas. However, the commercial area at Denbigh appears to suffer from quite severe congestion which has negative environmental impacts. This problem is compounded by the lack of safe pedestrian linkages between the various retail parks, supermarkets and Ikea.

### *Local Centres*

- 3.175 The diversity of uses within the local centres largely depends on their size. Most are anchored by a general convenience store, though a number have other outlets such as bakers and off-licenses. Netherfield and Shenley Church End both perform well in terms of the range of convenience outlets. As would be expected, few centres have any significant presence of comparison goods outlets though Oldbrook contains three or four outlets. Service uses are typically hairdressers and beauty salons together with hot-food takeaways. There are restaurants at Grange Farm and Oldbrook and estate agents at Shenley Church End and Broughton.
- 3.176 Few of the centres visited were of sufficient size to attract multiple operators, save for their convenience store anchors. Local Co-op supermarkets are located at Stantonbury<sup>15</sup> and Netherfield whilst Budgens have opened stores in the new local centres at Broughton and Grange Farm. The main convenience store at Shenley Church End is a Netto. Only the local centre at Oldbrook has established a good range of multiples with both a Tesco Express and a Lidl and comparison and service uses from Pizza Hut (takeaway), Majestic Wine Merchants, the Bathstore and a children's nursery operated by Leapfrog.

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<sup>15</sup> We understand the Co-Op store at Stantonbury is due to close in September 2009, and are aware of ongoing proposals by the Stantonbury Campus and Sainsbury's to enhance the offer at the local centre. Prior to any development of these proposals we consider the centre will continue to serve local needs only, given the limited offer and size of the centre, and should be treated accordingly in the retail hierarchy.

- 3.177 Vacancy levels within the centres vary quite considerably. Most have healthy occupancy rates with no vacant units at either Oldbrook or Shenley Church End. However, problems were evident at Coffee Hall, where only one unit is occupied for retail purposes, and more pressing at Stantonbury where the majority of shop units were vacant (5 in total). There was a relatively high proportion of empty units at Broughton and Grange Farm but this is to be expected given that these facilities have only been completed recently.
- 3.178 Pedestrian flows at local centres are generally light, though there were significant levels of activity observed at the popular centres of Netherfield and Oldbrook. Both these locations enjoy excellent access from main roads. The quietest were the new local centres at Grange Farm and Broughton and the limited facilities at Coffee Hall.
- 3.179 The environmental quality of Milton Keynes' local centres varies quite considerably in response to their size, design and the communities which they serve. Centres that provide examples of a good shopping environment include Shenley Church End and the new centre at Broughton that provide for well-maintained and designed facilities set within pedestrian friendly environments.
- 3.180 Of the local centres we visited Stantonbury demonstrated the most pressing environmental problems. Its low occupancy has contributed to its neglected appearance and a significant amount of graffiti. Subway links beneath the V7 were dark and intimidating whilst dense vegetation on pedestrian routes to the north created similar effects. There is scope for environmental improvements to improve the centre's poor performance by increasing its visibility and accessibility.
- 3.181 Centres at Netherfield and Coffee Hall were noted to have quite dated architecture that may inhibit their success. The local centre at Oldbrook was found to have the least pedestrian friendly environment being severed by a main access road into the housing estate.

## 4 CURRENT PATTERNS OF RETAIL AND LEISURE SPENDING

### Introduction

- 4.1 This section of our report falls into two main parts. First, we provide a brief overview of the methodology that we employ to establish current patterns of convenience and comparison shopping, using the results of the surveys of households. Secondly, we describe the existing patterns and destinations for the different categories of shopping activity.

### Household Survey Methodology

- 4.2 Our assessment of current patterns of retail and leisure spending is based on a telephone survey of 2,503 households undertaken by NEMS Market Research between 12<sup>th</sup> February and 4<sup>th</sup> March 2008. The overall catchment area of the study can be found at Figure 4.1 in Appendix 3.
- 4.3 The overall catchment area (OCA) thus extends significantly beyond the boundaries of Milton Keynes Borough, reflecting the draw of Milton Keynes as a regional shopping destination across the South Midlands area. The OCA is disaggregated into 25 survey zones, based on postcode sectors as listed in Section 2.1 of the separately-bound report by NEMS. Survey Zones 1 to 7 inclusive, and part of 16, are located within the administrative boundary of Milton Keynes Borough. The remaining zones extend to include parts of Aylesbury Vale, Bedford, Cherwell, Daventry, Kettering, North Hertfordshire, South Bedfordshire and Wellingborough districts, and the entirety of Northampton Borough and Luton Unitary Authority. These areas have been included to accurately reflect the overall catchment of Milton Keynes as a retail destination.
- 4.4 Respondents were contacted at a variety of times (during the day, in the evening, and at the weekend), and all respondents were established to be the main shopper in the household. The number of interviews conducted in each zone was weighted in accordance with the population base, and hence a proportionately larger number of interviews were conducted in more densely populated zones. A full breakdown of the number of interviews conducted in each zone is shown in Section 2.2 of the separately-bound NEMS report. The most number of interviews conducted in any one zone was 213 (Zone 21, Luton), and the least number were in Zones 17 and 18 (50 interviews in each). 100 interviews were conducted in each of the seven zones covering the Milton Keynes urban area (survey zones 1 to 7). An explanation of the statistical reliability of the survey sample is given on page v of NEMS' report.
- 4.5 The survey questionnaire, which is reproduced in the penultimate section of NEMS' report, sought to establish:
- patterns of convenience goods spending, based on the location of:
    - the shop where the household spends most money on food and groceries and the amount spent per week (questions 1 and 2);

- the shop where the household undertakes most 'top-up' food and groceries purchases and the amount spent per week (questions 3 and 4);
- spending on food and groceries in small shops for those who named supermarkets in i) and ii) above (questions 5, 6 and 7).
- patterns of comparison goods spending, based on the locations of the last two purchases of:
  - clothes and shoes (questions 8 and 9);
  - furniture, carpets or soft household furnishings (questions 10 and 11);
  - DIY and decorating goods (questions 12 and 13);
  - Domestic appliances such as washing machines, fridges, cookers, TVs, DVD players or computers (questions 14 and 15); and
  - Specialist items such as jewellery, photographic goods, musical instruments or sports equipment (questions 16 and 17).
- the proportion of the household's total spending on non-food goods that is accounted for by:
  - the internet;
  - paper catalogues; and
  - TV interactive shopping.

4.6 The composite pattern of spending for convenience goods was achieved on the basis of the mean weekly household spend findings, as follows:

	Mean Household Spend	Percentage Weighting
Main Food & Groceries	£68.30	80%
Top-up Food & Groceries	£13.66	16%
Small Local Shops	£3.76	4%
All Convenience Goods	£85.72	100%

4.7 The composite pattern of spending for comparison goods was achieved on the basis of MapInfo expenditure data in relation to five categories of spend, as follows:

	Percentage Weighting
clothing and footwear	24.05%
furniture, carpets and soft furnishings	12.70%
DIY and decorating goods	15.37%
domestic appliances	11.32%
specialist/other goods	36.56%
All Comparison Goods	100%

## Overall Catchment Area

- 4.8 The overall catchment area (OCA) is shown in Figure 4.1 shown in Appendix 3. It comprises 25 zones based, as we note above, on postcode sectors. For ease of reference, we have labelled the zones as set out in Table 4.1 below. Zones 1 to 7 form the 'inner zones' and are equivalent to the urban area of Milton Keynes and surrounding areas such as Bletchley and Stony Stratford. Zones 8 to 25 form the 'outer zones', which (with the exception of Zone 16) fall outside the administrative boundaries of Milton Keynes Borough and include neighbouring districts where it is considered the catchment of Milton Keynes as a retail destination extends into. Combined, the inner and outer zones therefore form the OCA for Milton Keynes.
- 4.9 As can be seen from Figure 4.1 the catchment area thus centres on Milton Keynes, extending westwards as far as Banbury and Bicester; north-west to Daventry; north to Kettering, Northampton, Rushden and Wellingborough; east to include Biggleswade, Bedford and Sandy; south east to include Dunstable, Luton and Hitchin; and south to include Aylesbury and Leighton Buzzard.

**Table 4.1 The Overall Catchment Area**

Zone No	Zone Name	Main centre(s)	Predominant Administrative Area Based on Population
1	Bletchley	Bletchley	Milton Keynes
2	South West Milton Keynes	Westcroft	Milton Keynes
3	South Milton Keynes	-	Milton Keynes
4	East Milton Keynes	Kingston	Milton Keynes
5	Central and North Milton Keynes	CMK	Milton Keynes
6	West Milton Keynes	-	Milton Keynes
7	North West Milton Keynes	Wolverton; Stony Stratford	Milton Keynes
8	Daventry	Daventry; Long Buckby	Daventry
9	Wellingborough	Wellingborough; Rushden	Wellingborough
10	Kettering	Kettering; Burton Latimer	Kettering
11	South Northampton	Northampton	Northampton
12	North Northampton	Northampton	Northampton
13	Banbury	Banbury	Cherwell
14	Bicester	Bicester	Cherwell
15	South Northamptonshire	Brackley; Buckingham; Towcester	South Northamptonshire

16	Milton Keynes Rural	Olney; Newport Pagnell	Milton Keynes <small>Note-Bedford Borough population projections used</small>
17	Amphill & Flitwick	Amphill; Flitwick	Mid Bedfordshire
18	Leighton Buzzard	Leighton Buzzard	South Bedfordshire
19	Aylesbury	Aylesbury	Aylesbury Vale
20	Dunstable	Dunstable	South Bedfordshire
21	Luton	Luton	Luton
22	Bedford	Bedford; Kempston	Bedford
23	East of Bedford	Biggleswade; Sandy	Mid Bedfordshire
24	Aylesbury Vale Rural	-	Aylesbury Vale
25	East of Luton	Hitchin; Shefford	North Hertfordshire

4.10 The population of the catchment area in 2008 is shown in the second row of figures in Spreadsheet 1. It shows that the overall population base in the 2008 base year amounts to 1,685,885 persons across the OCA, including 194,201 in the inner zones, Zones 1 to 7. The population projections for Zones 1 to 7 are derived from ward-based projections sourced from the Milton Keynes Observatory for the period 2005 to 2015; after 2015, district-wide growth rates for Milton Keynes Borough are used. For the outer zones, Zones 8 to 25, the relevant district growth rate is used, based on the administrative authority covering the major centres of population in each zone<sup>16</sup>. The population forecast is then projected forward to 2011, 2016, 2021 and 2026, as indicated in Spreadsheet 1, which also shows the changes in population in each of the survey zones and across the catchment for each of the interval periods. It can be seen that the population is due to increase across the OCA to 2,040,745 by 2026, representing an increase of 354,860 from the 2008 population level, equivalent to an increase of 21.0 per cent. Reflecting Milton Keynes' status as a growth area, the population of Zones 1 to 7 is forecast to increase from 194,201 persons in 2008 to 286,875 persons in 2026, an increase of 92,674 (equivalent to an increase of 47.7 per cent. Thus, the forecast increase in population in the inner zones is over double that of the projected OCA-wide rate. Evidently, as we discuss in the following chapter, this will have implications in respect of the quantum of retail development needed to support this growing population in future years.

4.11 Thus, having explained the methodology employed in the survey of households, we turn to the findings.

## Comparison Goods Spending Patterns

4.12 Spreadsheet 2 sets out the 'goods based' per capita comparison expenditure - which varies across the 25 survey zones - for the base year of 2008, and for each of the subsequent reporting years. The 2006-based per capita spending on comparison goods varies from £2,874 in Zone 21 (Luton) to £3,596 in Zone 24 (Aylesbury Vale Rural). The highest per capita expenditure within the inner zones is £3,564 in Zone 4 (East Milton Keynes). The total amount of comparison goods spending for residents of the whole of the

<sup>16</sup> It should be noted that whilst the main centres of population in Zone 16 are located in Milton Keynes Borough (Olney/Newport Pagnell), the boundaries of Zone 16 cover the rural areas of the Borough which are not forecast to deliver significant levels of new housing provision as is the case in the urban areas of the Borough covered by Zones 1 to 7. Therefore for Zone 16 the lower growth rate for Bedford Borough, whose administrative boundaries extend into much of the eastern half of Zone 16.

catchment area in 2008 is shown in Spreadsheet 3, which calculates the overall 'pot' of money available in each zone, and the OCA, for the base year and subsequent reporting years. The figures in this spreadsheet are derived by applying the populations shown in Spreadsheet 1 to the expenditure data shown in Spreadsheet 2. Spreadsheet 3 shows that the total comparison expenditure available for the OCA in 2008 amounts to £5,898.6m, with £700.8m of this available to residents in Zones 1 to 7. However an adjustment is made for the comparison goods spending which is 'lost' to special forms of trading (for example online, mail-order or TV shopping<sup>17</sup>). These deductions are shown in Spreadsheet 3, and account in 2008 for 11.3 per cent of total comparison expenditure. The recent growth in internet spending does have implications for the future floorspace requirements, however it is thought that this growth will peak at around 15 per cent still allowing the remaining 85 per cent to be directed towards built floorspace requirements. Applying this deduction ensures that the available 'pot' of expenditure is reduced to £5,232.1m for the OCA, and £621.6m for the inner zones, in 2008.

- 4.13 Spreadsheet 5a then sets out the market shares in 2008, derived from the household survey, achieved by the various centres, stores and retail parks. The market shares component of the spreadsheet is split into two parts, firstly showing centres within the OCA which achieve a market share of spending from residents of the OCA, and secondly destinations outside the OCA, which reflect the extent to which expenditure is 'leaking' from the catchment. Spreadsheet 5b subsequently converts the spending patterns to absolute money flows through the application of the percentage market share for each zone to the pot of money available to residents in each zone.
- 4.14 The total amount of catchment area residents' comparison expenditure which is retained by the centres and stores within the OCA is £4,647.4m (Spreadsheet 5b, row '*Sub total for OCA*', penultimate column). The overall retention rate for all city, town, district and local centres, retail parks and freestanding stores within the catchment area is therefore 88.8 per cent (i.e. retained expenditure of £4,647.4m divided by the total pot of available comparison goods expenditure of £5,232.1m x100). Therefore, almost £9.00 of every £10.00 spent by residents of the catchment area on comparison goods is retained in the centres within the catchment. We consider this to be a strong retention rate, reflecting the significance of Milton Keynes as a regional shopping destination, as well as the presence of a number of higher order retail destinations such as Bedford, Luton and Northampton within the catchment boundary. Given the location of a number of strong retail destinations proximate to the boundaries of the catchment, such as Leicester, Oxford, Stevenage and Watford, this retention rate can be considered encouraging.
- 4.15 The remainder of the comparison expenditure of the OCA's residents flows to centres and stores located beyond the catchment. These flows are known as 'leakage', and amount to approximately 11.2 per cent of the overall comparison goods expenditure available, equivalent to approximately £584.6m (total expenditure of £5,232.1m less the retained

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<sup>17</sup> Special forms of trading forecasts are provided by Experian, and most recently published in their Retail Planner Briefing Note 6.1 (January 2009). The forecasts indicate a slight reduction in SFT forecasts from those published by the company previously; however it should be noted that the overall capacity analysis is only influenced to a limited extent by fluctuations in SFT rates, as they still account for a relatively small proportion of expenditure spend (under 15 per cent in the case of comparison goods, and under 5 per cent for convenience goods)

expenditure of £4,647.4m). The majority of these flows are to centres just outside the catchment area (such as Stevenage, Letchworth and Welwyn Garden City for example) although strong flows are also apparent to Central London, Oxford and Peterborough.

- 4.16 The information provided in Spreadsheet 5b also allows for the calculation of the retention rate of the inner zones, which gives an indication of the extent to which Milton Keynes is successfully attracting comparison spending from the more local catchment. This can be calculated by summing the retained expenditure for the inner zones (Spreadsheet 5b, row '*Sub total for OCA*', Zones 1 to 7), which amounts to £604.2m. We have noted above that the inner zones have a total comparison expenditure availability of £621.6m. Thus, it can be calculated that the inner zones have a stronger retention rate of 97.2 per cent (£604.2m divided by £621.6m, x100). Thus, over 97 per cent of the total available expenditure for comparison goods available to residents of Milton Keynes is retained within the area; just 2.8 per cent flows to destinations outside Zones 1 to 7. Clearly this suggests that Milton Keynes is doing a successful job in retaining the expenditure available to support comparison retailing in the locality.
- 4.17 The estimated comparison goods turnovers of the town centres located within the wider catchment area (not taking into account any allowance for any expenditure inflow from those who are resident beyond the OCA) are summarised in the penultimate column of Spreadsheet 5b, and also summarised in Table 4.2 below. Spreadsheets 6, 7, 8 and 9 then present the estimated turnover for the subsequent interval years of 2011, 2016, 2021 and 2026 respectively.
- 4.18 The centres/retail parks which are *italicised* in Table 4.2, are located within the OCA but outside the inner zones (i.e. the boundaries of zones 1 to 7):



**Table 4.2 Comparison Goods Expenditure Retained within the Catchment Area**

<b>Towns Within the Catchment Area</b>	<b>Comparison Goods Turnover Drawn from Catchment Area Residents (£m)</b>
CMK <small>Including all shopping centres and XScape Leisure</small>	1,053.6
<i>Northampton</i>	539.8
<i>Bedford</i>	386.1
<i>Luton</i>	359.4
<i>Aylesbury</i>	256.8
<i>Banbury</i>	197.3
<i>Kettering</i>	124.6
<i>Dunstable</i>	103.1
<i>Hitchin</i>	89.5
Bletchley <small>Including retail parks</small>	73.0
<b>Retail Parks and Freestanding Stores within the Catchment Area</b>	<b>Comparison Goods Turnover Drawn from Catchment Area Residents (£m)</b>
<i>Bedford</i> <small>All retail parks</small>	144.0
<i>Northampton - Riverside Business Park</i>	104.7
<i>Luton</i> <small>All retail parks</small>	104.7
<i>Northampton - St James' Retail Park</i>	88.9
<i>Wellingborough</i> <small>All retail parks</small>	59.3

- 4.19 Thus, Table 4.2 confirms that CMK is by some distance the dominant comparison retail centre within the OCA, within an estimated turnover of £1,053.6m drawn from residents of the OCA. This represents approximately 20.1 per cent of all available comparison goods expenditure available within the OCA (£5,232.1m in 2008). We can calculate from Spreadsheet 5b that £417.8m of this is generated from within the inner zones; however this indicates that approximately £635.8m of comparison goods spending is flowing into CMK from the outer catchment area (i.e. zones 8 to 25), again affirming the wide trade draw of the centre. Indeed, the comparison goods turnover of CMK is approaching double that of the centre with the second highest comparison goods turnover, Northampton, which accounts for £539.8m of spending of residents of the OCA, equivalent to 10.3 per cent of the total 'pot' of comparison expenditure. Bedford and Luton attract the third and fourth largest amounts of expenditure on comparison goods, and have highly similar turnovers. Table 4.2 also shows that Bletchley<sup>18</sup> attracts £73.0m of comparison goods spending - the only other centre within Milton Keynes Borough in the top ten destinations in the OCA. As would be expected, Bletchley's turnover is dwarfed by that of CMK.

<sup>18</sup> Including retail parks, but excluding the Ikea store at Bletchley. Spreadsheet 5b shows that Ikea accounts for a further £31.5m of comparison goods expenditure from residents of the OCA.

- 4.20 Table 4.2 also shows the draw of the principal retail parks within the OCA, with retail parks in Bedford accounting for £144.0m of spending of residents in the OCA, a turnover figure which is sufficient to rank 7<sup>th</sup> overall in terms of spending patterns in the OCA. None of the retail parks in Milton Keynes feature as major attractors of expenditure, although it can be observed from Spreadsheet 5b that Routeco Retail Park accounts for £54.3m of comparison goods expenditure, followed closely by Central and The Place Retail Parks, which combined account for £53.2m of comparison goods expenditure.
- 4.21 As would be expected none of the smaller district centres in Milton Keynes attract levels of comparison goods spending comparable to those shown in Table 4.2, due to their significantly more limited retail offer. Spreadsheet 5b nevertheless shows notable turnovers for the district centres at Kingston (£23.0m), Wolverton (£7.4m) and Westcroft (£6.0m). It is also noteworthy that Olney town centre achieves a comparison goods turnover of £13.8m, which can be considered a strong performance given the proximity to Milton Keynes.
- 4.22 The household survey results indicate that in 2008, some £584.6m of the comparison expenditure of the catchment area's residents currently flows to centres outside the OCA. Table 4.3 shows the principal destinations which attract this expenditure. Stevenage's location on the immediate south-east boundary of the OCA ensures that it attracts the largest share of 'beyond zones' spending, with £110.7m, equivalent to 2.1 per cent of the total available comparison goods expenditure within the OCA. Other 'beyond zones' destinations account for less, and Central London (£61.1m) is the only other centre to attract upwards of 1 per cent of the total available comparison goods expenditure. In many cases the beyond zones leakage is largely restricted to the survey zones proximate to these centres: for example, of the £110.7m of leakage to Stevenage, £81.6m originates from Zone 25; similarly, of the £34.5m leaking to Oxford, £26.2m originates from Zone 14, at the south-western point of the OCA.

**Table 4.3 Main Destinations for Comparison Goods Expenditure Leakage**

Towns Outside the Catchment Area	Comparison Goods Expenditure Leakage (£m)
Stevenage	110.7
Central London	61.1
Oxford	37.9
Welwyn Garden City	37.5
Letchworth	23.9
Peterborough	21.7
Hemel Hempstead	19.1
Rugby	19.4
Cambridge	14.5

- 4.23 The 'Sub-total Zones 1-7 (MK Borough)' and 'Sub-total for OCA' rows in Spreadsheets 5a and 5b show the proportion, and then absolute amount, of comparison expenditure of the catchment area's residents which is retained in the inner zones and in the OCA as a whole. These figures are known as the 'retention rates' (for market shares in Spreadsheet 5a) and 'absolute retention' of expenditure (i.e., in monetary terms, as shown in Spreadsheet 5b). It can be observed that the overall comparison retention rate varies considerably across the 25 zones which comprise the OCA. Spreadsheet 5a shows that the inner zones (1-9) generally have a strong retention rate, confirming that there is a

relatively low proportion of comparison expenditure 'leaking' from the Milton Keynes urban area to other nearby centres. The highest retention rate is achieved by Zone 2 (South West Milton Keynes), which achieves a retention rate of 99.6 per cent. The lowest retention rate of the inner zones is, surprisingly, Zone 5 (Central and North Milton Keynes), which achieves a retention rate of 92.9 per cent - although this evidently is still a strong performance. For the outer zones, the lowest retention rate is, by contrast, 44.6 per cent for Zone 25 (East of Luton). As we note above a sizeable proportion of expenditure in this zone 'leaks' to nearby Stevenage. As would be expected the retention rate shows substantially more fluctuation in the outer zones than the inner zones, although it is apparent that 18 of the 25 zones achieve a retention rate upwards of 90.0 per cent (including all seven inner zones).

- 4.24 The localised retention rate - which is the proportion of expenditure on comparison goods available to residents in a specific zone which is spent in town/district centres and stores within that zone - can be found by referring to Spreadsheet 5a, and matching the zone with the 'sub total' market share for that zone. Hence, for example, centres in Zone 1 (Bletchley) attract 33.9 per cent of the market share from residents in the local zone, Zone 1. The highest localised retention rate is Banbury (Zone 13), at 88.5 per cent. CMK (Zone 5) achieves a localised retention rate of 70.1 per cent.

## Comparison Goods Market Shares

### CMK

- 4.25 Figure 4.2 in Appendix 4 presents a zonal analysis of CMK's comparison goods market shares, based on the figures identified in Spreadsheet 5a (Zone 5, row 'CMK'). These figures represent the market shares which CMK attracts from each of the 25 survey zones. CMK secures a comparison goods market share in excess of 40 per cent in 8 of the 25 survey zones - all 7 inner zones as well as Zone 18 (Leighton Buzzard). These zones can be considered to represent the primary catchment of CMK. The presence of a number of other large retail centres within the catchment (such as Northampton, Bedford and Luton) explains why the primary catchment of CMK does not extend to more survey zones. However the retention rate is strong within these primary areas: Spreadsheet 5a shows that in that the market share exceeds 60 per cent in five of these eight primary catchment zones (Zones 2, 3, 4, 5 and 7).
- 4.26 CMK also achieves a market share of between 20 and 40 per cent from a further five zones, which can be considered to represent its secondary catchment: these are Zones 15 (South Northamptonshire), 16 (Milton Keynes Rural), 17 (Amphill and Flitwick), 20 (Dunstable) and 24 (Aylesbury Vale Rural). Thus, the zones concentrically surrounding the Milton Keynes urban area can be considered to be the principal source of expenditure flow into the centre, in addition to the inner zones. CMK achieves a market share of between 10 and 20 per cent from a further five zones - Zone 11 (South Northampton) and Zone 14 (Bicester). In these centres it is likely that comparison goods spending is shared with a second higher-order centre, principally Northampton (in the case of Zone 11) and Oxford (Zone 14).

- 4.27 Notably there are significant number of zones where CMK achieves under 10 per cent of the comparison goods market share: Zones 8, 9, 10, 12, 13, 19, 21, 22, 23 and 25. These represent the quaternary catchment for CMK, and again reflect the closer spatial proximity of competing destinations - such as Northampton (in the case of Zones 8 and 12), Kettering (Zone 10), Luton (Zone 21) and Bedford (Zones 22 and 23) for example.

### Overlapping Comparison Goods Catchments

- 4.28 Figure 4.3 and 4.4 in Appendix 4 and Table 4.4 present an analysis of dominant centres, where the comparison goods market share exceeds 40 per cent, and centres of subsidiary influence, which are defined on the basis of having comparison goods market shares of between 10 per cent and 40 per cent. Thus, Figure 4.2 and Table 4.4 reveal that:
- When taking into account the market share of retail parks, CMK is the un-opposed dominant centre (i.e. with a market share upwards of 40 per cent and no centres of subsidiary influence) in six zones (Zones 2 to 7 inclusive;
  - CMK is the dominant centre in a further two zones - Zones 1 and 18, but in these zones it is completing, in the case of Zone 18, with another dominant centre (Leighton Buzzard, which also has a market share upwards of 40 per cent); or in the case of Zone 1, with a centre which has subsidiary influence (Bletchley);
  - The existence of seven other dominant centres within the catchment area (Kettering, Northampton, Banbury, Leighton Buzzard, Aylesbury, Bedford and Luton) provides ample demonstration of the competition for retail spending within the OCA. However none of these centres appear to have a catchment as wide as CMK', as each is the dominant centre in only one zone (with the exception of Northampton), and in each case the dominant centre competes with a centre of subsidiary influence (which in many cases are out-of-centre retail parks);
  - Ten of the 25 zones have no dominant centre, and thus in these zones the competition for the market share is the most intense, as - evidenced by Table 4.4 - there are upwards of three centres for each zone<sup>19</sup> which each attract a significant market share;
  - CMK acts a centre of subsidiary influence (i.e. achieves a market share of between 10 and 40 per cent) in a total of seven zones: these are zones 11, 14, 15, 16, 17, 20 and 24.

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<sup>19</sup> With the exception of zone 24  
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**Table 4.4 Dominant Comparison Goods Centres and Centres of Subsidiary Influence**

<b>Zone</b>	<b>Dominant Centre (Market Share 40%+)</b>	<b>Centres of Subsidiary Influence (Market Share 10% to 40%)</b>
1	CMK	Bletchley and Retail Parks
2	CMK	-
3	CMK	-
4	CMK	-
5	CMK	-
6	CMK	-
7	CMK	-
8	-	Daventry; Northampton; Banbury; Other centres outside cmk
9	-	Wellingborough; Wellingborough Retail Parks; Northampton
10	Kettering	Kettering Retail Parks
11	Northampton	CMK; St James' Retail Park, Northampton
12	Northampton	Riverside Business Park, Northampton
13	Banbury	Southam Road Retail Park, Banbury
14	-	CMK; Banbury; Bicester; Oxford
15	-	CMK; Northampton; Banbury
16	-	CMK; Bedford; Bedford Retail Parks
17	-	CMK; Bedford; Bedford Retail Parks
18	CMK; Leighton Buzzard	-
19	Aylesbury	Aylesbury Retail Parks
20	-	CMK; Dunstable; Luton
21	Luton	Luton Retail Parks
22	Bedford	Bedford Retail Parks
23	-	Bedford; Biggleswade; Biggleswade Retail Park; Stevenage
24	-	CMK; Aylesbury; Other outside catchment
25	-	Hitchin; Stevenage

## Comparison Goods Sub-Sectors

4.29 The analysis we have set out above relates to the composite market shares. However it is also useful to consider shopping patterns in relation to the five individual comparison goods sub-sectors, namely:

- clothes and shoes;
- furniture, carpets and soft furnishings;
- DIY and decorating goods;
- audio-visual and domestic appliances; and
- specialist items such as china, glass, books, jewellery, photographic goods, musical instruments and sports equipment.

4.30 We set out these in turn below. For each sub-sector we rank the three locations with the highest market shares from each of the 25 survey zones

### *Clothes and Shoes*

- 4.31 Clothes and shoes is a critically important comparison sub-sector in terms of the success or otherwise of a town centre: analysis of shopping patterns in this sub-sector is, therefore, of considerable utility. Table 4.5 shows that, as would be expected, CMK achieves the highest clothes and shoes market share for each of the seven inner survey zones, as well as a further seven of the 18 outer zones. Catchment-wide, CMK achieves a market share of 23.4 per cent, some distance ahead of Northampton, which achieves a catchment area-wide market share of 13.2 per cent, and Luton, which achieves 8.8 per cent. From this it is evident that CMK is therefore the dominant retail centre across the catchment area for clothes and shoes goods shopping, attracting almost 1 in 4 of such shopping purchases. This performance can be considered strong in the context of competing centres within the catchment. Nevertheless it is considered there is some scope to increase this market share further, and the strengthening of the retail offer in CMK over the plan period should assist in this respect.
- 4.32 Table 4.5 shows that the market shares attracted by CMK show a degree of fluctuation within the inner zones. CMK achieves the highest market share from Zone 2 (South West Milton Keynes) at 84.6 per cent, followed by Zone 6 (West Milton Keynes). The 'local' zone market share for the zone which covers CMK (Zone 5 - Central and North Milton Keynes) is surprisingly low at 73.8 per cent. Given the proximity of residents in this area to the retail offer it would have been expected this figure to be higher. CMK attracts highly similar market shares from Zones 3, 4, 5 and 7; in each of these zones, CMK attracts a comparison goods market share of between 67 and 74 per cent. CMK attracts a market share of just 52.1 per cent from Zone 1: in this case it can be observed that Bletchley accounts for over 22 per cent of the market share, significantly higher than its market share for any of the six other inner zones. Indeed, Bletchley is the second most popular destination for clothing and shoes purchases for residents in five of the seven inner survey zones.
- 4.33 In the outer zones, whilst shopping patterns become more disparate, CMK attracts the largest market share for clothes and shoes from Zones 14, 15, 16, 17, 18 20 and 24. The greatest market shares attracted to CMK from these outer zones are 57.3 per cent from Zone 18 (Leighton Buzzard) and 42.2 per cent from Zone 16 ((Milton Keynes Rural). Of the 25 survey zones, there are only three (Zones 8, 10 and 23) in which CMK does not feature as one of the three principal clothing and shoes destinations.
- 4.34 It is evident from Table 4.5 that Northampton also forms a popular destination for clothing and shoes spending, attracting a market share of 13.0 per cent from the catchment. Northampton is the most popular destination for residents in four of the 25 zones, chiefly Zones 8, 9, 11 and 12 (the latter two of which cover the Northampton urban area) and features in the top three destinations in a further three zones. Table 4.5 also affirms that Bedford and Luton are popular destinations for residents in a number of zones.

**Table 4.5 Clothes and shoes sub-sector - Market shares of centres by zone**

Zone No	Highest market share <sup>20</sup>		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	CMK	52.4	Bletchley	22.8	Beacon RP, Bletchley	4.8
2	CMK	84.6	Bletchley	7.6	Kingston Centre, MK	2.9
3	CMK	73.1	Bletchley	13.5	Bicester Village, Bicester	3.8
4	CMK	67.7	Bletchley	8.1	Kingston / Kingston Centre, MK	6.5
5	CMK	73.8	Central London	3.5	Other centres outside catchment area	2.6
6	CMK	81.2	Bletchley	7.0	Other centres outside catchment area	4.7
7	CMK	69.9	Wolverton	9.4	Northampton	5.7
8	Northampton	38.8	Banbury	12.9	Rugby	12.3
9	Northampton	24.5	Wellingborough	11.9	CMK	11.0
10	Kettering	59.5	Other centres outside catchment area	8.1	Kettering RP, Kettering	7.4
11	Northampton	65.4	CMK	12.4	Sixfields RP, N'ton / Riverside Bus Pk, N'ton	5.9
12	Northampton	63.3	Weston Favell	12.9	CMK	8.3
13	Banbury	81.6	CMK	4.5	Oxford	4.3
14	CMK	31.6	Banbury	26.2	Oxford	14.0
15	CMK	36.6	Northampton	18.5	Banbury	16.9
16	CMK	42.2	Bedford	28.2	Northampton	7.2
17	CMK	34.5	Bedford	32.7	Interchange RP, Bedford	8.1
18	CMK	57.3	Leighton Buzzard	18.0	Aylesbury	5.6
19	Aylesbury	71.9	CMK	10.2	Other centres outside catchment area	3.6
20	CMK	34.4	Dunstable	28.6	Luton	24.1
21	Luton	66.0	CMK	10.2	Central London	3.5
22	Bedford	69.0	Interch' RP, Bedford	10.7	CMK	9.4
23	Bedford	31.2	Biggleswade	21.6	Interchange RP, Bedford	10.3
24	CMK	35.6	Aylesbury	32.0	Other centres outside catchment area	4.7
25	Hitchin	27.2	Stevenage	17.9	CMK	11.1
<b>Total</b>	<b>CMK</b>	<b>23.4</b>	<b>Northampton</b>	<b>13.2</b>	<b>Luton</b>	<b>8.8</b>

### *Furniture, Carpets and Soft Furnishings*

- 4.35 CMK achieves the highest overall market share for expenditure on furniture, carpets and soft household furnishings across the catchment, at 19.6 per cent, followed by Northampton (9.1 per cent) and Bedford (7.5 per cent), as shown in Table 4.6. Once again CMK achieves the highest market share for expenditure on these items in all of the inner zones, as well as five of the outer zones (Zones 15, 16, 17, 18 and 24). Given the 'bulky goods' nature of most furniture, carpets and soft furnishings items, it is unsurprising to see that across the catchment area out-of-centre retail parks, which benefit from large floorplates and direct customer parking, feature prominently as attractors of market shares. Hence for example the Routeco Retail Park in Winterhill attracts the second highest market share of expenditure in this category from residents in six of the seven inner zones: this location has representation from major retailers in this sub-sector such

<sup>20</sup> In cases where more than one centre is listed, the listed centres have equal market shares (denoted where appropriate with a \*)

as DFS, Carpetright, Land of Leather, Furniture Village and ScS, and thus the high market share it attracts is somewhat unsurprising. Central Retail Park in Rooksley also attracts a noteworthy market share from two inner zones. In Zone 1, Bletchley forms the second most popular destination, behind CMK, but maintains a market share of 23.8 per cent - higher than any of the retail parks in Milton Keynes. In the outer zones, out of centre retail parks also feature prominently in the spending patterns of residents in Zones 12, 13 and 21, where retail parks attract two of the three highest market shares.

- 4.36 However the large number of destinations listed as the principal destinations for expenditure in the outer zones, affirms that the local offer in the catchment area appears relatively strong, and hence residents do not need to travel great distances to purchase such goods.

**Table 4.6 Furniture, Carpets and Soft Furnishings - Market shares of centres by zone**

Zone No	Highest market share		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	CMK	37.7	Bletchley	23.8	Routeco RP, Winterhill	15.7
2	CMK	64.5	Routeco RP, W'hill	17.5	Central RP, Rooksley	7.0
3	CMK	47.2	Routeco RP, W'hill	20.9	Bletchley	7.7
4	CMK	48.8	Routeco RP, W'hill	17.9	Bletchley	11.9
5	CMK	65.9	Routeco RP, W'hill	9.5	Central RP, Rooksley	5.5
6	CMK	68.7	Routeco RP, W'hill	14.3	Bedford / Bletchley	5.0
7	CMK	55.8	Routeco RP, W'hill	21.7	Bletchley / Wolverton	5.4
8	Northampton	23.7	Daventry	23.6	CMK	10.9
9	Northampton	16.9	CMK	12.9	Victoria RP, W'borough	9.1
10	Kettering	54.2	Northampton	7.9	Peterborough	7.9
11	Northampton	40.4	St James RP, N'ton	21.8	CMK	11.4
12	Northampton	48.8	Riverside B Pk, N'ton	19.9	St James RP, N'ton	7.5
13	Banbury	48.5	Banbury Cross RP, Banbury	24.1	Southam Road RP, Banbury	11.1
14	Bicester	22.6	CMK	16.0	Banbury	10.8
15	CMK	32.1	Northampton	20.7	Banbury	7.5
16	CMK	27.6	Bedford	23.1	Routeco RP, W'hill, MK	6.6
17	CMK	31.2	Bedford	31.0	Interchange RP, Bedford	5.8
18	CMK	51.0	Leighton Buzzard	26.8	Aylesbury	4.1
19	Aylesbury	48.8	CMK	19.8	Cambridge CI RP, A'bury	10.7
20	Dunstable	27.5	CMK	19.1	White Lion RP, D'stable	16.9
21	Luton	46.7	Luton RP, Luton	13.6	Hatters Way RP, Luton	7.8
22	Bedford	49.9	CMK	12.9	Interchange RP, Bedford	10.5
23	Bedford	25.7	B'wade RP, B'wade	17.9	Stevenage	13.9
24	CMK	33.7	Aylesbury	29.7	High Wycombe / Watford	4.6
25	Stevenage	38.6	Hitchin	17.2	Letchworth	8.8
<b>Total</b>	<b>CMK</b>	<b>19.6</b>	<b>Northampton</b>	<b>9.1</b>	<b>Bedford</b>	<b>7.5</b>

### *DIY and Decorating Goods*

- 4.37 The DIY and decorating goods sub-sector is the only sub-sector where CMK does not attract the dominant market share from all of the seven inner survey zones. Whilst CMK attracts the largest market share in five of these zones, Bletchley attracts a market share



of 45.7 per cent from Zone 1 (compared to 16.0 per cent for CMK), and the Routeco Retail Park attracts 36.7 per cent of the market share from Zone 4 (East Milton Keynes), approximately three times higher than CMK at 12.4 per cent. In zones where CMK attracts the dominant market share, there is considerable variation in the level of dominance, ranging from 28.4 per cent in Zone 3 to 46.8 per cent in Zones 5 and 6. This can be considered to be a strong performance given, as with the furniture sub-sector discussed above, many retailers operating in this category do so from out-of-centre retail warehouses. To this end, Routeco Retail Park, which is anchored by Homebase and Wickes DIY stores, attracts the highest market share from Zone 4; the second highest market share from Zones 2 and 4; and the third highest market share from Zones 5, 6 and 7. Similarly, the Central Retail Park at Rooksley, anchored by a 132,000 sq.ft (gross) B&Q Warehouse, attracts the second highest market share from Zones 4, 5, 6 and 7, and the third highest market share from Zone 3. Therefore, Table 4.6 shows the retail parks in Milton Keynes strongly feature in influencing the patterns of retail spending in this sub-category, with a retail park accounting for upwards of 25.0 per cent of the market share in four of the seven inner zones.

- 4.38 The influence of the retail parks is not however, an issue specific to Milton Keynes, as witnessed in the presence of out-of-centre parks in the market shares of the outer zones. Indeed only three of the 18 outer survey zones have no influence from retail parks when considering the three largest attractors of market shares. Across the 25 survey zones retail parks account for the highest market share in six zones.
- 4.39 Elsewhere in the catchment area it is apparent that the market shares for DIY and decorating goods are distributed between a large number of centres and stores, with little pattern in the market shares apparent from the outer zones. Indeed the strength of the local offer can be demonstrated by the fact that CMK does not feature to a significant extent in the top three destinations in any of the outer zones, with the exception of Zone 16 where it attracts the highest market share, as well as Zones 18 and 25. Whilst there may be some limited potential for Milton Keynes to improve its market share in this respect, the nature of the products sold is again something many customers might be reluctant to travel long distances to obtain, and furthermore local provision appears to be strong, with all of the main settlements within the study area being served by one or more standalone DIY stores.

**Table 4.7 DIY and decorating goods sub-sector - Market shares of centres by zone**

Zone No	Highest market share		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	Bletchley	45.7	CMK	16.0	Beacon RP, Bletchley	12.8
2	CMK	31.1	Routeco RP, W'hill	29.5	Bletchley	14.8
3	CMK	28.4	Routeco RP, W'hill	26.3	Central RP, Rooksley	20.5
4	Routeco RP, W'hill	36.7	Central RP, Rooksley	17.9	CMK / Bletchley / Beacon RP, Bletchley	12.4
5	CMK	46.8	Central RP, Rooksley	18.8	Routeco RP, Winterhill	15.3
6	CMK	46.8	Central RP, Rooksley	23.4	Routeco RP, Winterhill	12.8
7	CMK	43.4	Central RP, Rooksley	29.2	Routeco RP, Winterhill	12.0
8	Daventry	29.7	Northampton	17.5	Sixfields RP, Northampton	16.3
9	Victoria RP, W'boro	20.8	Castlefields RP, W'boro	15.0	Rushden	12.0
10	Kettering	52.2	Kettering RP, Kettering	30.8	Belgrave RP, Kettering	14.3
11	St James RP, N'ton	39.1	Northampton	36.2	Riverside B Pk, N'ton / Nene Valley RP, N'ton	6.5
12	Northampton	27.8	St James RP, N'ton	21.6	Riverside Bus Pk, N'ton	16.6
13	Southam Road RP, Banbury	55.4	Banbury	33.1	Banbury Cross RP, Banbury	9.8
14	Launton Rd RP, Bic'r	53.4	Bicester	17.1	Buckingham	10.0
15	Brackley	17.5	Northampton	12.0	Towcester	11.1
16	CMK	22.7	Bedford	20.2	St Johns Centre, Bedford	9.7
17	Bedford	20.8	Luton	16.4	Hatters Way RP, Luton	10.4
18	Leighton Buzzard	73.7	CMK	11.1	Bletchley	3.8
19	Aylesbury	53.2	Vale RP, Aylesbury	19.2	Broadfields RP, Aylesbury	17.1
20	Dunstable	31.2	Hatters Way RP, Luton	23.2	Luton	20.0
21	Luton	40.3	Luton RP, Luton	27.2	Hatters Way RP, Luton	22.6
22	Bedford	43.0	Riverfield Dr, Bedford	23.0	St Johns Centre, Bedford	18.1
23	B'wade RP, B'wade	37.0	Biggleswade	22.3	Bedford	9.7
24	Aylesbury	33.4	Leighton Buzzard	13.8	CMK	11.4
25	Stevenage	36.4	Hitchin	30.8	Biggleswade RP, B'wade	8.8
<b>Total</b>	<b>CMK</b>	<b>6.5</b>	<b>Luton</b>	<b>5.8</b>	<b>Northampton</b>	<b>5.7</b>

### *Domestic Appliances*

- 4.40 Table 4.8 shows that CMK achieves the highest market share for expenditure on domestic appliances from all of the seven inner zones, as well as outer zones 15, 16, 18 and 24. Across the catchment CMK accounts for 14.5 per cent of the aggregate available expenditure available, over double that of Northampton (6.8 per cent) and Luton (6.6 per cent). Again it is evident that for the inner zones from the table that the principal competition for market shares comes from the retail parks, with Central Retail Park (which includes a 29,000 sq.ft (gross) Comet store) attracting the second highest market share in four of the seven inner zones, and the third highest in the remaining three inner zones. Behind CMK, Bletchley attracts the second highest market share from residents in its 'local' zone (Zone 1), as well as from Zone 5, whilst the district centre of Kingston attracts the second highest market share from Zone 4 (East Milton Keynes), and the third highest market share from Zone 6 (West Milton Keynes); and Wolverton attracts the third highest market share from residents in Zone 7 (North West Milton Keynes).

**Table 4.8 Domestic appliances sub-sector - Market shares of centres by zone**

Zone No	Highest market share		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	CMK	47.2	Bletchley	18.0	Central RP, Rooksley	6.7
2	CMK	60.8	Central RP, Rooksley	13.7	Bletchley	7.8
3	CMK	50.8	Central RP, Rooksley	16.2	Grafton Gate RP / Routeco RP, Winterhill	9.3
4	CMK	51.9	Kingston	10.3	Central RP, Rooksley / Routeco RP, Winterhill	8.3
5	CMK	72.2	Bletchley	4.0	Central RP, Rooksley / Routeco RP, Winterhill	3.9
6	CMK	71.3	Central RP, Rooksley	17.0	Kingston	4.9
7	CMK	57.4	Central RP, Rooksley	18.4	Wolverton	13.6
8	Daventry	22.5	St James RP, N'ton	13.3	Northampton	12.3
9	Riverside B/Pk, N'ton	29.1	Northampton	14.2	Wellingborough	7.6
10	Kettering	61.5	Kettering RP, Kettering	13.9	Peterborough / Other centres in Zone 10	5.7
11	Northampton	39.6	St James RP, N'ton	35.7	Riverside Bus Pk, N'ton	11.8
12	Northampton	35.9	Riverside B/Pk, N'ton	24.5	St James RP, N'ton	20.3
13	Banbury	51.6	Banbury Cross RP, Banbury	25.1	Southam Rd RP, Banbury	20.8
14	Bicester	41.6	Oxford	21.5	Southam Rd RP, Banbury	6.9
15	CMK	28.1	Banbury	14.1	Buckingham	12.2
16	CMK	28.3	St Johns Ctr, Bedford	14.1	Bedford	13.3
17	Bedford	27.9	CMK	27.9	Interchange RP, Bedford	14.0
18	CMK	52.3	Leighton Buzzard	32.7	Bletchley	4.3
19	Aylesbury	60.3	Broadfields RP, Aylesbury	18.2	Cambridge Close RP, Aylesbury	11.1
20	Dunstable	35.1	Luton	26.3	White Lion RP, Dunstable	10.0
21	Luton	46.7	Luton RP, Luton	20.5	Hatters Way RP, Luton	16.7
22	Bedford	48.6	St Johns Ctr, Bedford	30.7	Interchange RP, Bedford	7.8
23	Bedford	25.4	Stevenage	22.5	Biggleswade	17.7
24	CMK	31.0	Aylesbury	23.1	Leighton Buzzard	9.9
25	Stevenage	44.6	Welwyn Garden City	12.3	Hitchin	11.7
<b>Total</b>	<b>CMK</b>	<b>14.5</b>	<b>Northampton</b>	<b>6.8</b>	<b>Luton</b>	<b>6.6</b>

### *Specialist Comparison Items*

- 4.41 The final comparison goods sub-sector relates to other non-food items such as china, glass, books, jewellery, photographic goods, musical instruments and sports equipment. Table 4.9 shows that CMK achieves a catchment-wide market share of 22.5 per cent, just under double that of Northampton (11.7 per cent) and Luton (8.8 per cent). CMK achieves the highest market share for expenditure on specialist goods from a total of 10 of the 25 zones in the OCA, including all seven inner zones and Zones 15, 16 and 17, and the second highest market share from a further eight zones. The influence of the retail parks on the market shares of the catchment is not as pronounced with this sub-category as the nature of the goods sold ensures that the offer is stronger in established centres. Hence, Bletchley achieves the second highest market share for Zones 1, 2 and 3, and the third highest from Zone 4. Somewhat surprisingly, Hemel Hempstead attracts the second

highest market share from residents in Zone 5 (Central and North Milton Keynes), although at 2.9 per cent, the market share is relatively low.

- 4.42 Indeed, the dominance of CMK' market share in this sub-sector is noteworthy. CMK achieves a market share upwards of 80 per cent from four of the inner zones, and over 70 per cent from a further two. CMK achieves a lower market share from Zone 1 (60.1 per cent), which reflects the relative strength of the offer of Bletchley (which attracts a market share of 25.5 per cent) compared to Milton Keynes' other satellite centres. The highest market share CMK attracts is from Zone 2 (South West Milton Keynes) at 95.2 per cent. Indeed, as the remaining 4.8 per cent available market share is entirely directed to Bletchley, the dominance of CMK in this zone is such that these two centres together account for all of the expenditure on goods within this sub-sector in Zone 2.
- 4.43 CMK continues to have a strong influence over shopping patterns in the outer zones. As noted above, CMK attracts the highest market share from outer zones 15, 16 and 17. In addition CMK has the second highest market share from a further eight outer zones, and the third highest from a further two. Thus, when taking into account the inner and outer zones, CMK attracts a top-three market share from a total of 20 of the 25 survey zones. This can therefore be considered to be a strong performance.

**Table 4.9 Specialist comparison items - Market shares of centres by zone**

Zone No	Highest market share		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	CMK	60.1	Bletchley	25.5	Beacon RP, Bletchley	5.4
2	CMK	95.2	Bletchley	4.8	-	-
3	CMK	89.0	Bletchley	7.4	Routeo RP, Winterhill	3.6
4	CMK	71.6	Kingston	10.8	Bletchley	7.7
5	CMK	78.3	Hemel Hempstead	2.9	Wolverton / Routeo RP / Other outside c'ment area	2.9
6	CMK	86.0	Central RP, Rooksley	6.9	Xscape Leisure, MK / Other outside c'ment area	3.6
7	CMK	81.9	Routeo RP, Winterhill	6.9	Northampton / Wolverton / Central RP, Rooksley	2.8
8	Northampton	23.2	Daventry	20.7	Banbury	14.5
9	Northampton	22.4	Wellingborough	13.2	Rushden	12.4
10	Kettering	62.1	Other outside c'ment	9.7	Kettering RP, Kettering	6.2
11	Northampton	62.5	CMK	18.2	St James RP, N'ton	5.7
12	Northampton	71.8	Weston Favell	5.9	CMK	4.6
13	Banbury	83.2	CMK	5.4	Southam Rd RP, Banbury / Other outside c'ment area	4.1
14	Bicester	36.0	Oxford	19.9	CMK	17.4
15	CMK	43.9	Banbury	15.0	Buckingham	12.1
16	CMK	41.4	Bedford	14.6	Northampton	9.0
17	CMK	33.5	Bedford	17.5	Amphill	9.7
18	Leighton Buzzard	47.2	CMK	45.6	Bedford / Hemel Hems'd	1.4
19	Aylesbury	76.5	CMK	7.1	Cambridge Close RP, Aylesbury	3.2
20	Dunstable	40.1	CMK	22.6	Luton	18.2
21	Luton	70.1	CMK	9.0	Dunstable	4.8
22	Bedford	77.1	CMK	10.4	Interchange RP, Bedford	5.1
23	Bedford	22.9	Stevenage	13.3	Biggleswade RP, B'wade	9.0
24	Aylesbury	32.2	CMK	30.3	Other outside c'ment area	5.7
25	Hitchin	24.7	Stevenage	17.3	Welwyn Garden City	14.3
<b>Total</b>	<b>CMK</b>	<b>22.5</b>	<b>Northampton</b>	<b>11.7</b>	<b>Luton</b>	<b>8.8</b>

## Convenience Goods Spending Patterns

- 4.44 Spreadsheet 2 sets out the 'goods based' per capita convenience expenditure - which varies across the twenty survey zones - for the base year of 2008, and for each of the subsequent reporting years. The per capita spending on convenience goods varies from £1,489 in Zone 21 (Luton) to £1,855 in Zone 8 (Daventry). The highest per capita spending on convenience within the seven inner zones is £1,830 in Zone 4 (East Milton Keynes). The total amount of comparison goods spending for residents of the whole of the catchment area in 2008 is shown in Spreadsheet 4, which calculates the overall 'pot' of money available in each zone, and the OCA, for the base year and subsequent reporting years.
- 4.45 The figures in Spreadsheet 4 are derived by applying the populations shown in Spreadsheet 1 to the expenditure data shown in Spreadsheet 2. As with the comparison expenditure, a discount is applied for special forms of trading, which amounts to 2.95 per

cent in the base year of 2008. Taking these deductions into account, Spreadsheet 4 shows that in 2008 the available expenditure for convenience shopping amounts to £2,880.0m for the OCA, of which £346.1m is available within the inner zones (zones 1 to 7). The pattern of expenditure flows for the convenience goods sector as a whole, as revealed by the survey of households, is subsequently set out in Spreadsheet 11a. Given that convenience shopping is a more localised activity - that is to say, consumers are generally less likely to travel long distances to undertake a weekly food shop when compared to the distance a consumer is willing to travel for the purchase of comparison goods - Spreadsheet 11 (and Spreadsheets 12 to 15 for the subsequent interval years) only detail market shares and spending patterns in the inner zones area, i.e. the part of the catchment which covers the Milton Keynes urban area. It is not considered necessary to forecast catchment-wide convenience goods capacity as the spending patterns derived from the catchment-wide household survey indicate relatively little money flowing to convenience stores outside the Milton Keynes urban area from residents of the inner zones (see Spreadsheet 11, Tables a and b, row *'Other stores, Zones 8-25'*).

- 4.46 Spreadsheet 11a thus displays the patterns of expenditure flows within the inner zones, and Spreadsheet 11b subsequently converts the spending patterns to absolute money flows through the application of the percentage market share for each zone to the pot of money available to residents in each zone.
- 4.47 The total amount of catchment area residents' convenience expenditure which is retained by the centres and stores within the inner zones is £341.1m (Spreadsheet 11b, row *'Sub-total, Zones 1-7'*, penultimate column). As we have noted above, the total amount of expenditure available to residents of the inner zones is £346.1m. We can therefore calculate the inner zones convenience sector retention rate to be approximately 98.6 per cent (£341.1m, divided by £346.1m, x100). Therefore just £5.0m of expenditure, equivalent to 1.4 per cent of the total available for the inner zones - flows to stores outside the Milton Keynes urban area. There is, encouragingly, therefore very little leakage of convenience goods expenditure from Milton Keynes to stores further afield. Milton Keynes can thus be considered to have a very healthy level of retention, indicating that the existing offer within the inner zones is strong.
- 4.48 The estimated convenience goods turnovers of the foodstores located within the catchment (not making any allowance for any 'inflow' of expenditure from beyond the OCA), are set out in the penultimate columns of Spreadsheets 11b to 15b. The *'Total £m'* column demonstrates the total turnover of the stores within Zones 1-7 taking into account any inflow from Zones 8 to 25, the outer zones. The *'Total 1-7 £m'* column shows the turnover of the stores within Zones 1-7 which is generated by residents of those zones. The final column in Spreadsheet 11b shows this turnover expressed as a percentage of the total £346.1m expenditure available to support convenience spending within these zones.
- 4.49 Table 4.10 summarises the principal foodstore destinations in the inner catchment zones<sup>21</sup> these are also illustrated on Figure 4.6 in Appendix 3.

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<sup>21</sup> Table 4.10 excludes 'Express' format stores and discount retailers such as Aldi, Lidl and Netto.  
Roger Tym & Partners  
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**Table 4.10 Convenience Goods Expenditure Retained within the Catchment Area**

<b>Foodstores Within the Overall Catchment Area</b>	<b>Convenience Goods Turnover Drawn from Zone 1 to 7 Residents (£m)</b>
Tesco, McConnell Drive, Wolverton, Milton Keynes	60.4
Tesco Extra, 1 Winchester Circus, Kingston, Milton Keynes	52.3
Tesco Extra, Watling Street, Bletchley, Milton Keynes	43.5
Morrisons, Barnsdale Drive, Westcroft, Milton Keynes	42.0
J Sainsbury, 703 Avebury Boulevard, Secklow Gate East, Milton Keynes	33.6
Asda Wal-Mart Supercentre, Bletcham Way, Milton Keynes	27.3
Waitrose, 728 Midsummer Boulevard, Milton Keynes	14.5
J Sainsbury, 27 The Concourse, Brunel Centre, Bletchley	13.2
Marks & Spencer, 2 Sunset Walk, Milton Keynes	2.5

- 4.50 These 9 stores collectively account for £289.3m of the total 'pot' of convenience goods expenditure of £331.5m, equivalent to 83.6 per cent of the aggregate convenience goods expenditure of the residents of Zones 1 to 7 (£289.3m divided by £331.5m, x100). This reflects to a large extent the polarisation trend experienced in the convenience goods sector, whereby there has been continued growth in the aggregate market share of the top four operators - Tesco, Asda, J Sainsbury and Wm Morrison - at the expense of smaller supermarket operators and independent retailers.
- 4.51 As we have commented above the inner zones benefit from a high convenience expenditure rate of 98.6 per cent. Therefore there is very little leakage from the Milton Keynes urban area, either to stores/centres in Zones 8-25, nor outside the catchment boundaries. Milton Keynes therefore acts as a 'self contained' location in respect of the shopping patterns of its residents.
- 4.52 The retention level for each of the Milton Keynes zones is shown in the row '*Sub-total, Zones 1-7*' in Spreadsheet 11a. It shows that each of the seven Milton Keynes zones achieves a retention rate upwards of 95 per cent. The 'lowest' retention rate is 96.9 per cent in Zone 6 (West Milton Keynes), whilst the highest is Zone 3 (South Milton Keynes) which achieves a retention rate of 99.8 per cent. The retention rates for Zones 8 to 25 are significantly lower, as this reflects the fact that few residents from these areas shop at foodstores within Milton Keynes, but instead use more local food shopping facilities in their respective areas. This is reflected in the high figures for these zones in the '*Other stores, Zones 8-25*' row of Spreadsheet 11a.
- 4.53 The localised convenience goods retention rate - which is the proportion of expenditure on convenience goods available to residents in a specific zone which is spent in stores/town centres located within that zone - shows considerable variation across the Milton Keynes zones. The local retention rate is highest for Zone 7 (North West Milton Keynes), at 83.0 per cent (see Spreadsheet 11a, '*Zone 7*' column and '*Sub-total, Zone 7*' row). This zone includes the established centres of Wolverton, which is a district centre anchored by a large Tesco store; as well as the centre of Stony Stratford. The next highest local retention rate is Zone 1 (Bletchley), where just under 75 per cent of convenience goods expenditure available to residents in Zone 1 is spent in stores within this Zone. The high local retention rate can in this instance be attributed to the presence of Tesco Extra, Asda Walmart and

Sainsbury's stores within the zone, thus providing a strong choice of convenience for residents in this zone.

4.54 By way of contrast two zones have noticeably low local retention rates: Zone 6 (West Milton Keynes), which has a local retention rate of 4.9 per cent; and Zone 3 (South Milton Keynes), which achieves 12.9 per cent. The reason for these zones having low local levels of retention is the lack of established large foodstores and district centres within the zonal boundaries, as confirmed by Table 4.1. This ensures that residents in these zones will travel further afield to undertake their main food shops. Spreadsheet 11a shows that residents in Zone 6 largely travel to the Tesco in Wolverton (Zone 7) to undertake their convenience shopping, whilst residents in Zone 3 distribute their spending between a number of stores in Zones 1, 4 and 5.

4.55 Table 4.11 shows the localised retention rate for each of the study zones.

**Table 4.11 Localised Convenience Goods Retention Levels**

<b>Zones</b>	<b>Area</b>	<b>Localised Convenience Goods Retention Rate (%)</b>
1	Bletchley	74.6
2	South West Milton Keynes	40.3
3	South Milton Keynes	12.9
4	East Milton Keynes	60.7
5	Central and North Milton Keynes	30.4
6	West Milton Keynes	4.9
7	North West Milton Keynes	83.0

4.56 In those areas as noted above where the localised retention rate is low, it is important to note the locations where spending is being directed towards from residents in those zones. This is shown in Table 4.12 below, which confirms the top three composite convenience shopping destinations for each of the seven inner survey zones. Thus, Table 4.12 confirms that the most popular destinations for convenience shopping for residents in Zone 6 - which, as we note above, has a low localised retention rate - are Tesco at Wolverton, Morrisons at Westcroft and Asda at Bletcham Way, Bletchley. As all these three principal destinations (which together account for 57.6 per cent of the spending of residents in Zone 6) are all outside the boundaries of the survey zone, the localised retention rate is thus low. Whilst there may be scope for some improvement to the offer in the zones with notably low localised retention rates, the patterns are not overly surprising, as within an urban area spending patterns evidently do not follow the zonal boundaries, and, particularly for 'main' food shopping trips, residents are likely to travel to large-footprint stores within the urban area, whilst using local facilities (substantially more likely to be in the local zone) for their 'top up' shopping trips. Therefore we would not consider the low localised retention rate noted in Zones 3 and 6 to be of particular cause for concern.



**Table 4.12 Convenience goods - Market shares of centres by zone**

Highest market share			Second highest market share		Third highest market share	
Zone No	Centre	MS%	Centre	MS%	Centre	MS%
1	Tesco Extra, Watling Street, Bletchley	36.2	Sainsbury's, Brunel Centre, Bletchley	17.8	Morrisons, Westcroft	11.7
2	Morrisons, Westcroft	34.0	Tesco Extra, Watling Street, Bletchley	19.6	Asda Walmart, Bletcham Way	9.6
3	Sainsbury's, Avebury Boulevard	20.1	Asda Walmart, Bletcham Way	13.9	Tesco Extra, Kingston / Tesco Extra, Watling Street, Bletchley	12.4
4	Tesco Extra, Kingston	52.5	Sainsbury's, Avebury Boulevard	10.1	Asda Walmart, Bletcham Way/ Waitrose, Midsummer Boulevard	6.0
5	Tesco, Wolverton	28.3	Tesco Extra, Kingston	21.0	Sainsbury's, Avebury Boulevard	16.3
6	Tesco, Wolverton	28.2	Morrisons, Westcroft	19.4	Asda Walmart, Bletcham Way	10.0
7	Tesco, Wolverton	66.8	Asda Walmart, Bletcham Way	4.4	Co-Op, New Bradwell	3.6
<b>Total</b>	<b>Tesco, Wolverton</b>	<b>18.0</b>	<b>Tesco Extra, Kingston</b>	<b>14.6</b>	<b>Tesco Extra, Bletchley</b>	<b>12.5</b>

4.57 Table 4.12 thus indicates that the three principal Tesco stores in Milton Keynes account for the greatest amount of expenditure across the seven survey zones. Tesco's store at Wolverton achieves a composite market share of 18.0 per cent, followed by the Tesco Extra stores at Kingston (14.6 per cent) and Bletchley (12.5 per cent).

### Convenience Goods Market Shares

4.58 As discussed above, Table 4.12 shows the stores which attract the greatest proportion of the market shares from residents in each of the 20 survey zones. In Table 4.13, we present a detailed analysis of the convenience goods market shares, which shows dominant stores with a market share of over 30 per cent, and stores with market shares between 10 and 30 per cent, which have a subsidiary influence.

**Table 4.13 Market Shares for Convenience Goods Dominant Stores and Stores with Subsidiary Influence**

<b>Zone</b>	<b>Dominant Stores (Market Share of 30%+)</b>	<b>Subsidiary Stores (Market Share 10 to 30%)</b>
1	Tesco Extra, Bletchley	Morrisons, Westcroft; Sainsbury's, Bletchley
2	Morrisons, Westcroft	Tesco Extra, Bletchley
3	-	Tesco Extra, Bletchley; Asda Walmart, Bletcham Way; Tesco Extra, Kingston; Sainsbury's, Avebury Boulevard
4	Tesco Extra, Kingston	Sainsbury's, Avebury Boulevard
5	-	Tesco Extra, Kingston; Sainsbury's, Avebury Boulevard; Tesco, Wolverton
6	-	Asda Walmart, Bletcham Way; Morrisons, Westcroft; Tesco, Wolverton
7	Tesco, Wolverton	-

4.59 Our analysis of the information in Table 4.13 shows that:

- i) 3 of the 7 inner survey zones lack a dominant store which attracts a market share of over 30 per cent, namely Zones 3, 5 and 6. Of the remaining four zones, there is no more than one dominant store in each zone. Three of the four dominant stores are Tesco supermarkets;
- ii) In the majority of cases residents in each zone have a choice of large foodstore destinations. For residents in Zones 1, 3 and 6 there is a choice of three different foodstore operators, and in Zones 2, 4 and 5 there is a choice of two main foodstore operators. However it is apparent that in Zone 7 the market share is dominated by one operator (Tesco) to the extent that there are no stores which exert a subsidiary influence on shopping patterns in this zone;
- iii) Residents in Zone 3 (South Milton Keynes) have the greatest choice, with a total of four stores achieving a market share of between 10 and 30 per cent. One of these stores (Sainsbury's at Avebury Boulevard) is in CMK, with the remaining proximate to suburban nodes at Bletchley and Kingston.
- iv) The highest individual zonal market shares are enjoyed by:
  - Tesco at Wolverton, which attracts over two-thirds - 66.8 per cent - of the market share from residents in Zone 7 (as well as market shares of circa 28 per cent from residents in Zones 5 and 6);
  - Tesco Extra at Kingston District Centre, which attracts a market share of 52.5 per cent from residents in Zone 4, in addition to a 21.0 per cent market share from residents in Zone 5 and a 12.4 per cent market share from residents in Zone 3;

- Tesco Extra at Bletchley, which attracts a 36.2 per cent market share from residents in Zone 1, as well as a 19.6 per cent market share from residents in Zone 2 and a 12.4 per cent market share from Zone 3; and
- Morrisons at Westcroft, which attracts a market share of 34.0 per cent from residents in Zone 2, alongside a 19.4 per cent share from Zone 6 and 11.7 per cent share from Zone 1.

4.60 The survey findings confirm that, to a large extent, convenience shopping is undertaken on a localised basis. Indeed Spreadsheet 11a and Table 4.12 shows that only five stores within the catchment area have market shares of over 10 per cent in three or more of the inner zones - namely the Tesco stores at Bletchley, Kingston and Wolverton; Sainsbury's at Avebury Boulevard; and Morrisons at Westcroft.

4.61 Thus, Spreadsheets 11a and 11b confirm the position for the 9 superstores as identified in Table 4.10 - so far as their source of convenience turnover is concerned - as follows:

- The Tesco store at Wolverton is the most popular store within the inner catchment area, attracting £60.4m of the £346.1m total convenience expenditure available to residents of Zones 1 to 7, equivalent to 17.5 per cent of the total. The store draws significant levels of trade from three of the seven survey zones, and accounts for two thirds of the convenience goods expenditure of residents in Zone 7;
- The Tesco Extra store at Winchester Circus, Kingston, forms the second most popular convenience spending destination, accounting for £52.3m (15.1 per cent) of convenience goods expenditure from the seven inner survey zones, with the store attracting the majority of its spending from residents in Zone 4;
- The Tesco Extra store at Watling Street, Bletchley, forms the third most popular destination, attracting £43.5m of spending (12.6 per cent of the total), ensuring that the top three convenience retail destinations in Milton Keynes are Tesco stores. The turnover of the Tesco Bletchley store is approximately £15m greater than that of the nearby Asda store, despite the latter being over double the size of the Tesco;
- Morrisons at Barnsdale Drive, Westcroft, is the dominant store in Zone 2 (South West Milton Keynes), from which it achieves a market share of 34 per cent.
- Sainsbury's at Avebury Boulevard draws a reasonable level of turnover from across the seven inner survey zones, with market shares strongest from Zone 3 (South Milton Keynes) and Zone 5 (Central and North Milton Keynes);
- As noted above the Asda at Bletcham Way, attracts £27.3m of expenditure from residents of the inner zones, equivalent to 7.9 per cent of the total, with Zones 1 and 3 forming the principal sources of expenditure;
- The Waitrose store in Midsummer Boulevard, CMK, achieves the highest turnover outside the 'big four' supermarket chains, attracting £14.5m of expenditure (4.2 per cent);
- Sainsbury's at the Brunel Centre in Bletchley is (as with Waitrose) a moderate sized town centre store and as such has a turnover of £13.2m. To a greater extent than the

larger supermarkets noted above, the vast majority of the turnover of this store is sourced from its 'local' zone (Zone 1), from which £11.6m is attracted;

- Marks and Spencer at Sunset Walk, CMK, achieves a turnover of £2.5m, which, because of its central location, attracts a market share from five of the seven inner survey zones. However the turnover of the convenience element of the store is, as would be expected, demonstrably lower than those stores discussed above.

## 5 QUANTITATIVE AND QUALITATIVE NEED IN THE RETAIL AND LEISURE SECTORS

### Introduction

- 5.1 We turn now to our assessment of the quantitative and qualitative needs likely to arise in the retail and leisure sectors in the period up to 2021 and, more indicatively<sup>22</sup>, for the further period from 2021 to 2026. In undertaking the assessment of retail and leisure needs, we have followed the guidance set out in paragraphs 2.32 to 2.37 of PPS6. We deal first with quantitative retail need, taking the class of goods approach to the assessment, as required by paragraph 2.34 of PPS6.

### Methodology for Assessing Quantitative Retail Need

- 5.2 The essential steps in the assessment of quantitative retail need are as follows:
- establish the appropriate catchment area for the highest order town centre being considered, in this case Milton Keynes;
- i) assess the existing level of population and existing volume of retail expenditure of those resident within the defined catchment area;
  - ii) establish where the expenditure of the residents of the catchment area is currently spent, through use of an empirical survey of households resident in the catchment area (as discussed in Section 4), and thereby establish the proportion of expenditure which is currently retained by town centres and freestanding stores located within the catchment - that is the current retention rate;
  - iii) apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for residents of the catchment area and an assessment of growth in retained expenditure, using, initially, a constant retention assumption;
  - iv) make allowance for 'claims' on the growth in retained expenditure as a result of:
    - o floorspace efficiency change (that is the growth in turnover for existing retailers within existing floorspace);
    - o growth over time in Special Forms of Trading (SFT), mainly e-tail growth, but taking account, also, of the projected decline in catalogue sales; and
    - o planning commitments.
  - v) calculate the initial residual expenditure pot which is potentially available for new retail floorspace, based on steps iv) and v) above;

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<sup>22</sup> Longer term projections are more 'indicative' because of the exponential shape of the expenditure growth graph and because PPS6 enshrines the need to plan, monitor and manage.

- vi) make an allowance for under-trading or over-trading in the base year, if this is justified on the basis of circumstances identified by the Court of Appeal in its Kidlington judgment<sup>23</sup>; and
  - vii) develop alternative scenarios for calculating growth in residual expenditure, based on:
    - o increases or decreases in the projected retention level;
    - o increases or decreases in the geographical size of the catchment area, if this is justified as part of a strategy to raise the role and function of the centre as part of the development plan process; and
    - o sensitivity testing of key assumptions.
- 5.3 It should be noted from the outset that the expenditure forecasting undertaken for this study has been carried out against a background of considerable economic uncertainty. Forecasts of consumer retail expenditure made during 2008 indicated that continued steady growth in retail expenditure was to be expected in the short and medium term. However, the rapidly worsening global economic environment resulted in major revisions to these forecasts, to the extent that short term real falls in consumer expenditure were predicted, coupled with substantially lower medium-term growth than had previously been anticipated.
- 5.4 Since late 2008 the UK economic performance has deteriorated sharply as the global economic recession has worsened, and consumer retail expenditure has been significantly affected. In the medium to long term - i.e. the time horizon for this study - a return to growth is expected, and historically consumer expenditure has tended to 'bounce back' sharply after periods of recession. Nevertheless, in the short term there remains considerable uncertainty about the timing and scale of economic recovery. Some recently-published data has indicated that UK consumer expenditure has been more resilient than expected, suggesting that the recession may not be as prolonged nor as deep as some had predicted, and that a relatively early return to past levels of growth can be expected. However, substantial threats to growth remain - whilst disposable incomes and housing market activity are now expected to rise over coming months, the tightening of the availability of consumer credit and the predicted increases in unemployment are likely to have an on-going and adverse effect on retail demand and the performance of the UK retail sector.
- 5.5 At paragraph 5.12 below we set out the consumer retail expenditure forecasts that we have adopted and our reasons for doing so. However, these forecasts should be regarded as conservative. In our assessment it is prudent to take a cautious approach at present, given the uncertainties outlined above. Nevertheless we advise that the expenditure and floorspace capacity forecasts should be subject to early review as and when data providing a clearer picture of the likely pace and timing of economic recovery becomes available.

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<sup>23</sup> The First Secretary of State and Another and Sainsburys Supermarkets Ltd, 6 May 2005, Case No C3/2004/1658.  
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M9226 - February 2010

### *Definition of the Overall Catchment Area*

- 5.6 The overall catchment area was defined on the basis of the approach described in Section 4 of our report, and split into 25 zones based on postcodes, as shown in Figure 4.1 (separate volume). The entire 25 zones are used as the catchment area for comparison goods, but only zones 1-7 are used for the convenience assessment.

### *Existing Level of Population and Expenditure*

- 5.7 The population by zone in the 2008 base year is set out in Spreadsheet 1; those data are based on year 2006 zonal population figures supplied by MapInfo and rolled forward to 2008, using population projections supplied by the Milton Keynes intelligence Observatory for zones 1-7 and local authority population projections are used for zones 8-25, having allocated each zone to the relevant local authority. The detailed methodology for forecasting population growth is discussed within the technical appendix at Volume 2 (separate volume). Also included within this, is our interpretation of the proposed changes to the South East Plan and the implications of this in terms of the population forecasting and strategy. The study reflects the most recent housing growth targets for Milton Keynes identified in the South East Plan.
- 5.8 The zonal per capita expenditure data are supplied by MapInfo for the year 2006, as set out in Spreadsheet 2 for both comparison and convenience goods. These data are then rolled forward to 2008 using MapInfo annual growth of 4.9 per cent, per annum<sup>24</sup> for comparison goods and 2.2 per cent, per annum for convenience goods.
- 5.9 The existing expenditure in 2008 is derived from the product of Spreadsheets 1 and 2 for comparison and convenience goods. Thus, the year 2008 expenditure pot, both including SFT and excluding SFT, is set out in the first and third rows of Spreadsheet 3 for comparison goods, and in the first and third rows of Spreadsheet 4 for convenience goods.

### *Existing Retention Rate for Milton Keynes*

- 5.10 The next step is to use the household survey findings to establish current patterns of expenditure and the current retention rate for Milton Keynes, as described in Section 4 of our report. Thus, the current pattern of expenditure and current retention rate for comparison goods, excluding SFT, is as set out in Spreadsheet 5b, with the overall retention rate for comparison goods being 25.8 per cent (as set out in the final column, 'Total' row). For convenience goods, the pattern of expenditure and current retention rate, excluding SFT, is as set out in Spreadsheet 11b, which reveals a convenience goods retention rate of 98.6 per cent (see the final column of Spreadsheet 11b, in the 'Total Zones 1-7' row).

### *Growth in Expenditure and Growth in Retained Expenditure*

- 5.11 The next steps are to apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for all

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<sup>24</sup> As set out in MapInfo/Oxford Economics Retail Briefing Revised Update, March 2009.  
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residents of the catchment area and then an assessment of growth in retained expenditure, using, initially, a constant retention assumption.

- 5.12 Per capita growth rates are based on forecasts provided by MapInfo/Oxford Economics and Experian. Both organizations regularly update their forecasts on levels of expenditure growth and the rates utilised reflect the contraction in consumer expenditure which have arisen as a result of the current economic downturn. The expenditure growth rates utilised represent the agreed Roger Tym & Partners position as at May 2009, and equates, in terms of expenditure growth from the year 2008 onwards, to the 'midpoint' figure between the forecasts supplied by the two aforementioned sources. As noted above, these forecasts can be considered to be conservative, but reflect the present economic circumstances. Below we set out the expenditure growth rates used for each of the five-year interval periods in the study.
- **2005-2008:** growth rates of 4.91 per cent, per annum (comparison goods) and 2.2 per cent, per annum (convenience goods), sourced from MapInfo/Oxford Economics (Retail Spending Outlook Revised Version March 2009);
  - **2008-2011 and 2011-2016:** growth rates of 1.805 per cent, per annum (comparison goods) and 0.23 per cent, per annum (convenience goods), sourced from the midpoint of Experian forecast for 2008-16 (Retail Planner Briefing Note 6.1, February 2009 changes) and MapInfo forecast for 2009-16 (Retail Spending Outlook Revised Version March 2009);
  - **2016-2021:** growth rates of 5.805 per, per annum (comparison goods) and 0.85 per cent, per annum (convenience goods), sourced from the midpoint of MapInfo/Oxford Economics' medium term past trend (Information Brief 08/02) and Experian medium term past trend (Retail Planner Briefing Note 6.1, January 2009 version);
  - **2021-2026:** growth rates of 4.25 per cent, per annum (comparison goods) and 0.45 per cent, per annum (convenience goods), sourced from the midpoint of MapInfo/Oxford Economics' ultra long term past trend (Information Brief 08/02) and Experian ultra long term past trend (Retail Planner Briefing Note 6.1, January 2009 version).
- 5.13 Population change is based on the MK intelligence Observatory projections and local authority projections, as set out in Spreadsheet 1. The data on growth in per capita expenditure are as set out in Spreadsheet 2 for comparison and convenience goods, utilising the growth rates referred to in paragraph 5.12 above.
- 5.14 Spreadsheet 3 is the product of Spreadsheets 1 and 2 and it sets out the total growth in comparison goods expenditure for all residents in the overall catchment area, with and without SFT. Spreadsheet 4 sets out the corresponding data for growth in convenience goods expenditure.
- 5.15 Thus, the second row of Spreadsheet 10a sets out the total growth in comparison goods expenditure up to 2026 and it reflects the final column of figures in Spreadsheet 3, having excluded SFT.



- 5.16 Similarly, the second row of Spreadsheet 17 sets out the total growth in convenience goods expenditure up to 2026 and it reflects the final column of figures in Spreadsheet 4, having excluded SFT.
- 5.17 In excluding SFT, we have relied on the advice given in Table 5.1 of Experian's Retail Planner Briefing Note 6.1. However, in the convenience sector, we have reduced the proportions of expenditure accounted for by SFT so as to reflect the fact that a proportion of the convenience goods bought over the internet are still supplied from shelves in supermarkets, rather than from distribution warehouses, as is more often the case in the comparison goods sector.

**Table 5.1 Projected Growth in Special Forms of Trading (SFT)**

Year	Comparison Goods		Convenience Goods	
	%	Source	%	Source
2008	11.3	Experian	2.95	Experian x 0.5
2011	13.4	Experian	3.65	Experian x 0.5
2016	13.9	Experian	4.05	Experian x 0.5
2021	13.9	Experian	4.05	Experian x 0.5
2026	13.9	Experian	4.05	Experian x 0.5

- 5.18 Thus, having calculated the growth in total expenditure for all residents of the catchment area (second row of Spreadsheets 10a and 17), the next step is to assess the growth in retained expenditure (third row of Spreadsheets 10a and 17), initially on the basis of a constant aggregate retention level (fourth row of Spreadsheets 10a and 17). Thus, the growth in retained comparison goods expenditure from 2008 to 2026, under the constant market share assumption, is £1,693.6million (final column, third row of Spreadsheet 10a). The growth in retained convenience goods expenditure from 2008 to 2026, under the constant market share assumption, is £200.6 million (final column, third row of Spreadsheet 17).
- 5.19 At this stage, it is also necessary to consider the extent of inflow of expenditure from beyond the study area. For the comparison goods assessment, a wide study area has been used and although there will inevitably be a small proportion of inflow from visitors we do not consider it appropriate to build this into our capacity assessment. Therefore, we have not allowed for any inflow of comparison expenditure from beyond the study area (fifth row of Spreadsheet 10a). Assuming equilibrium in the base year, the 2008 retained comparison expenditure amounts to the turnover of the existing stores within Milton Keynes borough.
- 5.20 For convenience goods, our assessment is based on zones 1-7 only. This is a much more localized area and due to the geography of the catchment, there is a significant quantum of population located immediately outside the zones 1-7 to the north east, specifically Newport Pagnell and Olney. In light of this geography, it is appropriate to allow for inflow of convenience expenditure from beyond zones 1-7. Since we have surveyed zones 8-25, we have accurate data on inflow and row five of Spreadsheet 17 shows there to be £80.1m million of inflow in the base year. Combining retained expenditure and inflow and assuming equilibrium in the base year means that the turnover

of convenience floorspace in Milton Keynes is £421.2 million, of which 19 per cent comes from inflow from beyond zones 1-7. The seventh row of Spreadsheet 17 shows the growth that the retained expenditure and inflow increases by £220.5 million between 2008 and 2026.

### *'Claims' on Growth in Retained Expenditure*

5.21 The next step is to make an allowance for 'claims' on the growth in retained expenditure. We have already allowed for the growth in SFT, as explained in paragraph 5.13 above. The remaining 'claims' are:

- growth in floorspace efficiency, which is growth in the turnover of existing retailers within their existing floorspace; and
- an allowance for the turnover absorbed by planning commitments.

5.22 In making an allowance for growth in floorspace efficiency (under the 'existing traders row of Spreadsheets 10 and 17), we have adopted an approach which is linked to the relative level of expenditure growth for convenience and comparison goods. This is so as to ensure that the growth in floorspace efficiency is not greater than the growth in per capita spending, which would have been the case if the most recent published guidance on this (Experian's 'central case' recommendations<sup>25</sup>) were utilized. Rather, we adopt the following assumptions in respect of floorspace efficiency growth over the period to 2026:

Time period	Floorspace efficiency growth (per cent, per annum) for comparison goods	Floorspace efficiency growth (per cent, per annum) for convenience goods
2008-11	1.85	1.55
2011-16	0.68	0.16
2016-21	2.20	0.60
2021-26	1.60	0.32

5.23 The effect of the gain in floorspace efficiency of existing retailers amounts to a 'claim' of £370.3million in the comparison goods sector (under 'existing traders' row of Spreadsheet 10a). The corresponding effect in the convenience goods sector amounts to £25.5million ('existing traders' row of Spreadsheet 17).

5.24 The next step is to allow for the future turnover requirements of planning commitments, having made an assessment of how much the commitments' turnovers will be derived from residents of the overall catchment area. The comparison good commitments are scheduled in Table 5.2 and the convenience goods commitments are scheduled in Table 5.3; the aggregate turnover of the commitments are shown under the 'commitments' row of Spreadsheets 10a and 17, respectively. We have not included the proposed extension

<sup>25</sup> Experian Retail Planner Briefing Note 6.1, Page 29, 'Central case' recommendation of 2.2 per cent, per annum in the comparison goods sector and 0.6 per cent, per annum for convenience goods. These assumptions are applied over the entire forecasting period, i.e. to 2026. As described above, forecast per capita expenditure growth, by way of more recent updates by MapInfo and Experian, is forecast to be lower than these levels for much of the period to 2026; the floorspace efficiency rates outlined in Paragraph 5.18 take this into account and are linked to the 'hybrid' expenditure growth forecasts utilised in the study.

to thecentre:mk as a planning commitment, as permission for this development has recently lapsed.

**Table 5.2 Comparison Retail Commitments within the Milton Keynes borough**

Scheme	Gross Sales Area (sq.m)	Net Sales Area (sq.m)	Assumed Sales Density in 2008 (£ per sqm)	Comparison Turnover at 2008 (£m)
Former Keyne Print Site, Winterhill	1,945	1,852	2,500	4.6
M&S Denbigh North (Comparison)	12,544	9,408	6,500	61.2
Block C4.1, CMK, Adj Avebury Boulevard	1,546	1,160	5,000	5.8
Midsummer Place, CMK	2,320	1,740	5,000	8.7
Campbell Park	4,252	3,189	5,000	15.9
Units 5-8, 500 Eldergate	905	679	5,000	3.4
Leisure Park, Elder Gate, CMK	19,495	14,621	5,000	73.1
Fairfield (Western Expansion Area) (Comparison goods)	4,500	3,375	5,000	16.9
Stantonbury Park Farm	500	375	5,000	1.9
<b>TOTAL</b>	<b>48,007</b>	<b>36,399</b>		<b>191.5</b>

Notes: net:gross assumed to be 75% other than Winterhill site where net is taken from MKC records. Sales densities are RTP assumptions based on the type of floorspace proposed.

**Table 5.3 Convenience Retail Commitments within Milton Keynes borough**

Scheme	Gross Sales Area (sq.m)	Net Sales Area (sq.m)	Assumed Sales Density in 2008 (£ per sqm)	Convenience Turnover at 2008 (£m)
M&S, Denbigh North (convenience)	1,394	906	11,328	10.3
New Sainsburys store, Block C4.1, CMK	10,755	2,249	9,899	22.3
Wolverton West End	1,000	650	12,098	7.9
Fairfield (Western Expansion Area) (Convenience goods)	3,000	1,950	12,098	23.6
Stantonbury Park Farm	700	455	12,098	5.5
<b>TOTAL</b>	<b>16,849</b>	<b>6,210</b>		<b>69.5</b>

Notes: for the Sainsbury's store it is assumed that the existing Sainsbury's store in CMK will close and be occupied by a non-food retailer, thus the floorspace for JS is net additional. The Sainsbury's store at Block C4.1, CMK is shown as a commitment as it was not trading at the time the household survey was undertaken. It has since been completed and opened. For the named retailers we deduct comparison floorspace based in Verdict company average splits and the net to gross ratio is assumed to be 65%. The sales densities are based on Retail Rankings, with the unidentified occupiers based on an average of the top four foodstore retailers.

5.25 We have assumed that all commitments will be open and trading by 2011. We have then allowed for an increase in sales density of the commitments, as detailed above in Table 5.2. This means that the claim on comparison commitments in 2016 is £202.1m, and for convenience goods is £70.0m in 2016. These outputs are shown in the 'commitments' rows of Spreadsheet 10a (for comparison goods) and Spreadsheet 17 (for convenience goods).

5.26 As the tables above show, existing commitments represent a substantial 'claim' on expenditure growth. The identified commitments above represent our assumptions in relation to the format and timing of committed schemes which can be assumed likely to come forward. Clearly if one or more of the identified convenience and comparison commitments identified above does not come forward, or come forward in a different form to that assumed above, then further surplus capacity to accommodate additional retail floorspace will be 'released'.

### *Residual Expenditure Potentially Available for New Floorspace*

- 5.27 The 'residual' row of Spreadsheets 10a and 17 sets out the residual expenditure potentially available for new floorspace, having allowed for all of the claims on the growth in retained expenditure - that is, growth over time in SFT, growth in floorspace efficiency and commitments.
- 5.28 The final three rows of Spreadsheets 10a and 17 convert the residual expenditure to a floorspace requirement expressed as a net sales area, having applied an average sales density for comparison goods of £7,000 per sq.m sales area in the base year of 2008, which subsequently increases in line with the floorspace efficiency growth rates outlined at paragraph 5.18; by 2026, this brings about an average sales density of £8,729 per sq.m.. The average sales density for convenience goods used is £11,700 per sq.m sales area in 2008, increased to £12,407 per sq.m in 2026. Finally, we convert the sales area requirement to a gross floorspace requirement, as set out in the final row Spreadsheets 10a and 17, using a net to gross ratio of 80 per cent for comparison goods and 65 per cent for convenience goods.
- 5.29 Thus, under the constant market share assumption the quantitative comparison goods need is shown in the final row of Spreadsheet 10a. In the period to 2011 there are no requirements for additional comparison floorspace, as there is an over-supply of floorspace in the region of 24,300 sq.m gross. However for the period to 2016 onwards there is a positive requirement for comparison goods floorspace, amounting to 27,240 sq.m gross by 2016. By 2021 there is a requirement for a further 72,300 sq.m gross floorspace, and, subsequently, a further 71,700 sq.m gross in the period 2021-26. Therefore across the entire period 2008 to 2026, a total comparison floorspace requirement of 146,830 sq.m gross is forecast. As noted previously, these requirements exclude any expansion to the centre:MK.
- 5.30 The figures noted above assume that Milton Keynes retains its current catchment market share of 25.8 per cent. However, it is considered appropriate to consider the implications of a modest increase in the market share which Milton Keynes can achieve from its catchment, for example as a result of significant new development in the centre itself. We return to this issue below.
- 5.31 With the convenience assessment, the final row of Spreadsheet 17 shows that the quantitative convenience goods need in the period up to 2016 is negative. However by 2021 there is a substantial positive requirement of circa 6,500 sq.m gross additional convenience goods floorspace once the current over-provision is taken into account. This requirement further increases to 15,100 sq.m gross to 2026.
- 5.32 Again the convenience floorspace forecasts above do not take into account the proposals for the extension to the centre:MK, for which planning consent has lapsed. However it should be remembered that they **do** take into account new convenience and comparison goods floorspace to serve one of the three proposed sustainable urban extensions to Milton Keynes, which has already been granted consent by the Council.

## *Adjustments for Under-trading/Over-trading in the Base Year*

### *Comparison Goods Sector*

- 5.33 In order to assess the likely extent of any under-trading or over-trading in Milton Keynes borough, we must assess the existing sales density (turnover per sqm) of the floorspace and compare this with what would be expected of these centres given the composition of the retail provision and their position in the shopping hierarchy. Table 5.4 sets out the sales densities for the main comparison shopping destinations in Milton Keynes borough.

**Table 5.4 Comparison Sales Densities of Milton Keynes centres**

<b>Centre</b>	<b>Turnover (£ million) (2008)</b>	<b>Net floorspace (sq.m)</b>	<b>Sales density (£ per sq.m net)</b>
CMK	1053.6	98,952	10,647
Bletchley and Retail Parks	73.0	26,467	2,757
Kingston	23.0	6,692	3,432
Westcroft	6.0	5,145	1,168

Source: Spreadsheet 5b

- 5.34 This table reveals an estimated comparison goods turnover for CMK of approximately £1,054 million, excluding any expenditure inflow from those residents beyond the catchment area. This turnover estimate implies a comparison goods sales density for CMK of over than £10,600 per sq.m sales area, using floorspace data from Experian and a net to gross ratio of 0.8.
- 5.35 By comparison, our West Midlands Regional Centres Study, undertaken for the West Midlands Regional Assembly, found an average comparison goods sales density across the 26 strategic centres of the West Midlands Region of approximately £7,800 per sq.m sales area. This means that CMK has a similar turnover to the higher order centres in the West Midlands, such as Birmingham, Coventry and Solihull.
- 5.36 Information from shopping centre owners on the turnover of their units suggests that our survey results may have slightly over-estimated the turnover of CMK. This outcome can be produced by larger household surveys, where the larger centres may be over-represented in responses. However we are confident that the estimate of turnover that results from the survey is appropriate for the purposes of this study.
- 5.37 In respect of the smaller centres, their sales density ranges from approximately £3,400 per sqm for Kingston to £1,200 per sqm for Westcroft. This range is much lower than CMK, as would be expected, and is the function of CMK being the dominant centre in the borough.
- 5.38 Despite the apparent high turnover of CMK, we find no evidence to support an adjustment for under-trading or over-trading in the comparison goods sector in the Milton Keynes catchment. The standard indicator for assessing overtrading is by assessing the turnover of individual stores against their estimated 'benchmark' turnover figure, based on store size and company average trading performance. Over-trading can be a result of an imbalance between demand (i.e. the amount of expenditure available in a locality) and supply (i.e. the range and size of existing retail provision), and can therefore be both a

qualitative and quantitative indicator of the need for additional retail provision. Recent case law has also suggested that congestion and overcrowding in stores are also qualitative indicators of overtrading. However from the results of the household survey and our observations we do not consider overtrading to be particularly prevalent in stores in CMK. Accordingly, no adjustment for under-trading or over-trading has been taken into account.

#### *Convenience Goods Sector*

- 5.39 The convenience goods expenditure retained by centres and food stores within the overall catchment area is set out in Spreadsheet 11b. For the foodstores that attract a notable market share are summarised in Table 5.5. For these stores, we have made a comparison of survey-based turnover estimates with so-called benchmark turnovers which assume that the stores are trading at company average levels. The analysis, which is set out in Table 5.5 reveals one foodstore to be trading substantially above the company average, namely the Tesco in Wolverton. There are two stores which are substantially under-trading, namely the Asda in Bletchley and Marks and Spencer in CMK. This trading pattern is influenced by the proximity of competitor stores. The Tesco at Wolverton serves a wide catchment as there are no other stores of a similar size in the north and north west of Milton Keynes. The other stores with notable market shares are trading more or less in line with expectations.
- 5.40 In aggregate the benchmark turnover of the main foodstores exceed the turnover according to our survey, which reveals some over trading across the borough, amounting to approximately £16.0m. We do not this consider to be a significant level of cumulative over-trading given nature of the foodstore provision within Milton Keynes (i.e. a small number of very large 'hypermarket' format stores). Furthermore, it can be observed that any significant over-trading is highly localized - chiefly in Wolverton - and this is to an extent offset by under trading elsewhere in the borough. Therefore, we find no justification to adjust the equilibrium position in the base year for convenience goods assessment, although at the local level overtrading of particular stores may increase the scope for additional foodstore provision.

#### *Increase or Decrease in the Geographical Size of the Catchment Area*

##### *Comparison Goods Sector*

- 5.41 A town centre's performance in the comparison goods sector is the prime determinant of its place in the retail hierarchy. Our analysis of comparison goods spending patterns and market shares - as described in Section 4 of our report and shown in Figures 4.2 and 4.3 - suggests that the catchment of Milton Keynes is extensive and draws some comparison trade from every zone. However, it is clear from both these plans that the influence of Milton Keynes diminishes towards the northern part of the catchment and there is influence from other town centres throughout.
- 5.42 The existing catchment area covers elements of the south east and east of England and includes a number of other large town centres, thus resulting in overlapping catchment areas, as explained above. If Milton Keynes were to extend its natural catchment, this means that it would draw trade from other urban areas, beyond the existing catchment.

There is no direction in the South East Plan for Milton Keynes to extend its catchment to the detriment of other town centres in the sub-region. Therefore, we find no evidence to support increasing the size of the Milton Keynes catchment.

- 5.43 In respect of decreasing the comparison catchment, it is noted that the existing retention rate of Milton Keynes centres is 25.8 per cent of the total comparison catchment. The adopted South East Plan supports continued development in Milton Keynes, which relies on this expenditure to support the centre's existing turnover. Therefore, we find no justification to move away from this 'policy neutral' position and reduce the catchment area of Milton Keynes.





**Table 5.5 Assessment of Survey-based Turnover Estimates with Benchmark Turnover Estimates for Main Foodstore in Milton Keynes borough**

Zone	Main Foodstores Within Milton Keynes	Location of Store (in, edge-of-centre or out-of-centre)	Net Floorspace - Convenience Goods Only (sq.m)	Benchmark Sales Density (£ per sq.m)	Benchmark Turnover (in £m)	Actual Convenience Goods Turnover 2008 (in £m)	Quantum of Under /Over Trading (in £m)
1	Tesco Extra, Watling Street, Bletchley, Milton Keynes		2,649	13,481	35.7	45.1	9.4
1	Asda Wal-Mart Supercentre, Bletcham Way, Milton Keynes		5,442	13,596	74.0	38.6	-35.4
1	J Sainsbury, 27 The Concourse, Brunel Centre, Bletchley		1,388	9,899	13.7	16.6	2.8
2	Morrisons, Barnsdale Drive, Westcroft, Milton Keynes		3,689	11,415	42.1	46.2	4.1
3	Lidl, Oldbrook Boulevard, Oldbrook, Milton Keynes		659	2,877	1.9	3.5	1.6
3	Tesco Express, Units 4-5 Oldbrook Boulevard, Oldbrook, Milton Keynes		201	13,481	2.7	2.4	-0.3
4	Tesco Extra, 1 Winchester Circus, Kingston, Milton Keynes		4,715	13,481	63.6	71.8	8.3
5	J Sainsbury, 703 Avebury Boulevard, Secklow Gate East, Milton Keynes		2,871	9,899	28.4	36.9	8.5
5	Waitrose, 728 Midsummer Boulevard, Milton Keynes		1,626	11,602	18.9	22.1	3.3
5	Marks & Spencer, 2 Sunset Walk, Milton Keynes		2,070	11,328	23.4	6.0	-17.5
7	Tesco, McConnell Drive, Wolverton, Milton Keynes		3,159	13,481	42.6	71.0	28.4
7	Netto, Glyn Square, Wolverton, Milton Keynes		499	6,389	3.2	5.1	1.9
7	Co-Op Late Shop, 42 High Street, New Bradwell, Milton Keynes		142	6,908	1.0	1.9	0.9
<b>TOTAL</b>			29,110		351.2	367.2	16.0

### *Convenience Goods*

- 5.44 PPS6 seeks to ensure that people's every day needs, such as convenience shopping, are met on as localised basis as possible. As a consequence, Milton Keynes's overall catchment area is defined, primarily, on the basis of comparison goods spending patterns, where the very existence of the retail hierarchy demands that people travel to higher order centres for their higher order goods and services. To reconcile this point, the convenience assessment has been undertaken on the basis of zones 1-7 as a catchment, although the natural expenditure inflow from areas immediately outside these zones has been taken into account in the assessment. In light of the localised nature of convenience goods shopping, we find no justification to expand the convenience goods catchment.

### *Changes to the Retention Level*

#### *Comparison Goods Sector*

- 5.45 In the comparison goods sector, we have concluded that there is no justification for making any adjustment for under-trading or over-trading and that there is no case for amending the geographical size of Milton Keynes's overall catchment area. Thus we turn to considering whether there is any justification to increase the retention level of the overall catchment area.
- 5.46 Firstly, we must assess the overall retention level of the centres in Milton Keynes within the study area. This aggregate retention level of Milton Keynes centres is 25.8 per cent, as shown in Spreadsheet 10a. Of this, CMK itself achieves a retention rate of some 20.1 per cent. If we focus on zones 1-7 only, CMK itself achieves a retention level of 65.1 per cent of the expenditure in these seven zones and combined with the other centres in Milton Keynes borough, the shopping patterns are self contained with limited expenditure leakage.
- 5.47 In our assessment the main scope for altering the retention level relates to the possibility of increasing the aggregate market share of 25.8 per cent. In reality, this would mean that the centres in Milton Keynes would claim expenditure from zones 8-25 over and above what it already would be spent in other centres in zones 8-25 under a policy neutral constant market shares scenario. The difficulty for planning for this scenario is that other centres in the overall catchment area will look to maintain their own market share and improving the retention level will mean that these centres will inevitably lose market share themselves. Since we are aware that there are proposals in the pipeline in Bedford, Aylesbury, Northampton and Luton for new shopping developments, in our assessment it may be difficult for Milton Keynes to achieve a significant increase in market shares in light of this competition from other sub-regional centres; nor would any substantial increases necessarily be regarded as appropriate from a regional and sub-regional planning perspective .
- 5.48 However in Spreadsheet 10b we demonstrate the implications of a **modest** increase in the market share which Milton Keynes can be expected to be able to achieve from its catchment, which could be considered achievable, particularly should the planned expansion of the centre:MK come forward, alongside other identified commitments for the town centre. Accordingly, Spreadsheet 10b outlines the floorspace requirements for

Milton Keynes, allowing for an increase in market share from 25.8 per cent in 2008 and 2011 (it is assumed that as no significant development will come forward prior to 2011, there is limited potential for Milton Keynes to increase its market share by this time, and hence the market share remains as per the static retention scenario for these periods), to 28.0 per cent in 2016, 29.0 per cent in 2021 and 30.0 per cent in 2026.

- 5.49 The bottom two rows of Spreadsheet 10b translate this increase in market share into revised net and gross comparison goods floorspace requirements for Milton Keynes. As there is no change in the market share prior to 2016, the previously-identified over-supply of comparison goods floorspace remains. By 2016, the requirement increases to circa 51,000 sq.m gross. Again significant increases can be observed after this period, with an additional 92,000 sq.m gross required between 2016 and 2021, and a further 97,900 sq.m required between 2021 and 2026, although again we advise longer term forecasts are treated with caution. Across the period 2008 to 2026, under the increasing retention scenario, a total comparison goods floorspace requirement of 216,500 sq.m is generated.
- 5.50 Therefore it is clear that even allowing for a moderate increase only in the retention rate of Milton Keynes brings about significantly larger floorspace requirements in the period post-2016. The 'increased retention' floorspace requirement is approximately 70,000 sq.m gross higher over the period 2008-26 than the 'static retention' requirement.. For both the static and increasing retention requirements however, we advise that longer term forecasts are kept under regular review - particularly given the current uncertain economic climate, as noted previously - in order for them to remain robust over the duration of the LDF period.

#### *Convenience Goods Sector*

- 5.51 In the convenience sector we adopt a different approach. The aggregate level of retention shown in Spreadsheet 17 - at 98.6 per cent - is already high and there is no case either for increase or decrease. However, since convenience goods shopping is far more localised, we have undertaken a zonal assessment of existing retention level and expenditure growth, as demonstrated in Spreadsheet 16. The purpose of this is to understand the internal shopping patterns within zones 1-7. Table 5.6 summarises the zonal position.

**Table 5.6 Zonal Retention Level and Expenditure Growth**

<b>Zones</b>	<b>Retained Expenditure 2008 (£m)</b>	<b>2008 Retention Level (%)</b>	<b>Expenditure Growth 2008-2016 (£m)</b>	<b>Expenditure Growth 2016-2021 (£m)</b>	<b>Expenditure Growth 2021-2026 (£m)</b>
1	48.6	75%	7.6	23.0	24.8
2	20.8	40%	5.2	9.5	8.0
3	5.2	13%	4.5	7.4	6.2
4	31.5	61%	16.8	14.2	13.4
5	18.3	30%	4.1	10.7	9.0
6	1.7	5%	5.0	6.6	5.5
7	36.1	83%	6.7	8.4	7.0

Source: Spreadsheet 16

- 5.52 This table demonstrates that zones 1 and 7 have a high retention level of over 75% for each zone. Zone 4 has a relatively high retention level of 61 per cent, but zones 3, 5 and 6 all have low retention levels of 30 per cent or less, and are thus 'exporting' substantial expenditure to other parts of the urban area. In the 2008 to 2016 period, the most substantial expenditure growth is in zone 4, where there is £16.8m of expenditure growth. In all other zones, the expenditure growth is under £10.0m and is particularly limited in zones 3 and 5. In the longer term, the expenditure growth is aligned with expansion areas and future strategic growth areas with notable growth in zones 1 and 4.
- 5.53 The differing retention levels are a function of the location of the key foodstores and district centres. Furthermore, due to the good road links and extensive built up area in Milton Keynes, there will inevitably be cross boundary shopping patterns which will influence zonal market shares. However,
- 5.54 it is clear that some zones will experience significant levels of convenience expenditure growth, which is a function of high house building requirements for Milton Keynes and the subsequent high levels of population growth. This expenditure growth is sufficient, in the longer term, to support new foodstores, which we consider should be aligned with the main areas of population growth in the borough. This approach is explained in our strategy at Section 6.

## Findings in Relation to Quantitative Retail Need

### *Comparison Goods Sector*

- 5.55 Spreadsheets 10a and 10b set out the quantitative comparison goods retail need for Milton Keynes. Two scenarios have been tested, firstly for the static retention, which assumes Milton Keynes' current market share of 25.8 per cent will remain unchanged throughout the course of the LDF period to 2026. This is set out in Spreadsheet 10a. Spreadsheet 10b then assesses an increasing retention scenario, whereby the market share which Milton Keynes can achieve increases from its current rate of 25.8 per cent to 30.0 per cent by 2026. Both scenarios exclude the extension to the centre:MK as committed floorspace, but take into account planning permission which has been granted for retail floorspace to serve the western expansion area of Milton Keynes. The increased market share scenario can be considered an aspirational target for Milton Keynes therefore. The increase in market share would in theory be distributed throughout all the centres in Milton Keynes, however in practice this will rely on which strategy is taken forward as to the where to allow for growth. If for example new floorspace is concentrated in CMK then the increase in market share will be directed towards to this centre. These quantitative needs, as set out in the final row of the spreadsheets in terms of gross floorspace, are summarised in Table 5.7.

**Table 5.7 Quantitative Need in the Comparison Goods Sector (Sq.m Gross)**

	<b>Static Retention (<i>Spreadsheet 10a refers</i>)</b>	<b>Increasing Retention (<i>Spreadsheet 10b refers</i>)</b>
<b>2008-11</b>	-24,300	-24,300
<b>2011-16</b>	27,200	51,000
<b>2016-21</b>	72,300	92,000
<b>2021-26</b>	71,700	97,900
<b>Total to 2026</b>	146,800	216,500

- 5.56 The quantitative assessment shows that committed development, assuming that all are implemented as we have assumed, outstrip expenditure growth in the period to 2011, even if the centre:MK extension is excluded from the assessment. Under this scenario, the floorspace requirement to 2016 is therefore approximately 27,200 sq.m gross ;under the increasing retention scenario, this at least doubles to 51,000 sq.m gross (which is broadly similar to the floorspace proposed under the expired centre:MK permission). After 2016, there is a sharp increase in floorspace requirements, which is a function of the compound effect of per capita expenditure growth over this timeframe combined with population growth. Whilst we advise caution against the scale of floorspace requirements post 2021, it is clear that the aggregate requirement is likely to be significant and it is evident that there is sufficient expenditure to support a further large scale shopping development in Milton Keynes in the period between 2016 and 2021.

### *Convenience Goods Sector*

- 5.57 Spreadsheet 17 sets out the quantitative convenience goods retail need for a static aggregate retention level of 98.6 per cent. These quantitative needs, as set out in the final row of Spreadsheet 17 are summarised in Table 5.8.

**Table 5.8 Quantitative Need in the Convenience Goods Sector (Sq.m Gross)**

	<b>Constant Retention (<i>Spreadsheet 17 refers</i>)</b>
<b>2008-11</b>	-7,700
<b>2011-16</b>	5,100
<b>2016-21</b>	9,100
<b>2021-26</b>	8,600
<b>Total to 2026</b>	15,100

- 5.58 Table 5.8 demonstrates that in the short term, and when existing commitments are considered, there is some oversupply of convenience floorspace. However, it is evident that further need in the convenience goods sector arises between 2011 and 2016, and moreover in the period 2016 to 2021 and between 2021 and 2026, at which interval periods the requirement increases sharply. Convenience shopping is more localised than comparison shopping and therefore, we recommend that the future floorspace needs should be aligned with the patterns of existing shortfall and expenditure growth as demonstrated in Table 5.6.

- 5.59 In the 2008-2016 period there is high expenditure growth in both zones 4 and 5, however zone 5 has a much lower retention level. Therefore, we consider that there is scope for a new foodstore to increase the retention level of zone 5, which includes CMK. We anticipate that an improvement in market share would be met through the development of the permitted Sainsburys store in CMK, which commenced trading in October 2008 (subsequent to the undertaking of the household survey which informed the shopping patterns and thus retention rates).. In addition to the convenience floorspace proposed as part of the extension to the centre:MK, there is need for further convenience floorspace to come forward in CMK in the 2016-2021 period.
- 5.60 In the medium and longer term, there is high expenditure growth in zones 1 and particularly zone 4, mainly due to planned expansion areas and strategic development areas to the south east and south west of the city. Zone 4 has the lower retention level of the two zones and in terms of large foodstores only includes the Tesco Extra at Kingston. Therefore, we consider that there is scope to include a further foodstore in zone 4 aligned with the south east expansion of the city; and there is also sufficient expenditure growth to accommodate a foodstore in the 2016-2021 period aligned with expansion to the south west of the city.
- 5.61 Zones 6 and 7 combined have a high level of expenditure growth, which is due to the west expansion of the city. Zone 6 has a low retention level, whilst zone 7 has a high retention level and includes the Tesco store in Wolverton. These zones are expected to witness significant expenditure growth. However, at present, in our assessment there is no requirement for significant additional convenience floorspace over and above the existing commitment for the proposed foodstore at Fairfield, where planning permission exists for a 3,000 sq.m (gross) foodstore as part of the planned western expansion. Assuming this commitment is implemented, any further convenience floorspace development may be of a more limited scale..

## Need in the Leisure Sector

### *Forecast Increases in Leisure Expenditure*

- 5.62 The approach taken by consultants to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector. Furthermore, property development in the leisure sector has historically been very market-led, and it is only since the publication of PPS6 in March 2005 that leisure has been brought firmly into the range of uses covered by the sequential approach.
- 5.63 Nevertheless, MapInfo<sup>26</sup> now supplies information on per capita leisure spending, which can be divided into the six COICOP (Classification of Individual Consumption by Purpose) categories. The data for the Milton Keynes catchment area are set out in Table 5.10. It should be noted that the study does not include hotel provision as that would duplicate the work carried out by the HCA/Invest in Milton Keynes on the hotel market.

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<sup>26</sup> MapInfo, *2004 Leisure Goods & Services Expenditure at Output Area Level: Product Guide* (March 2007), and associated leisure expenditure dataset

**Table 5.10 Breakdown of Leisure Spend in the Milton Keynes Study Area in 2006**

COICOP Categories	Description	Spend Per Capita £	% of Total Leisure Services Spend
11.1.1	Restaurants, cafés, bars, etc	1,335	59.8%
9.4.2	Cultural services	251	11.3%
9.4.3	Games of chance	168	7.5%
11.2	Accommodation services	254	11.4%
9.4.1	Recreational and sporting services	127	5.7%
12.1.1	Personal services (hairdressers etc)	98	4.4%
<b>TOTAL 'LEISURE SERVICES' SPEND</b>		<b>2,233</b>	

- 5.64 Table 5.10 shows that COICOP category 11.1.1 ('*restaurants, cafés and the like*') accounts for almost three-fifths of the average per capita spend on leisure services. '*Accommodation services*' and '*Cultural services*' are the second and third highest categories, and these account for 11.4 per cent and 11.3 per cent of spending on leisure services, respectively. '*Games of chance*' only account for 7.5 per cent of expenditure of leisure services. Commercially-oriented property developments, such as cinemas, account for only a small fraction of spend on cultural services (5.1 per cent), with bingo halls and casinos accounting for just 7.2 per cent and 9.5 per cent of spend, respectively, of expenditure on games of chance<sup>27</sup>.
- 5.65 Bearing in mind the structure of current spend on leisure services, our next step in the assessment of leisure need is to calculate the growth in leisure spend for residents of the Milton Keynes catchment area in the period 2008 to 2026. We sourced year 2006 per capita leisure expenditure data from our in-house MapInfo dataset for residents of the same 25 zones that we used for the retail forecasts (as depicted in Figure 4.1). We have undertaken separate assessments for food and drink uses (i.e. use class A3, A4 and A5) and other commercial leisure uses separately. Figure 5.2 in Appendix 3 highlights the existing location of Leisure facilities within Milton Keynes.

#### *Food and drink uses*

- 5.66 The projected growth in expenditure on food and drink leisure services is set out in Spreadsheet 18, using Experian's recommended growth rate for spending on leisure services of 0.8 per cent, per capita, per annum for the period 2007 to 2016<sup>28</sup>. The market share for food and drink uses is derived from the NEMS household survey questions on restaurants and bars, applying a weighting of 1:1 to achieve a combined market share for food and drink uses. CMK achieves a market share of 16.2% for food and drink uses from the 25 zones in the catchment area.

<sup>27</sup> Betting accounts for the greatest proportion of 'games of chance' expenditure (36.5 per cent at 2007, according to the Leisure Industries Research Consultancy).

<sup>28</sup> Experian, *Retail Planner Briefing Note 5.1*, Table 3.2 (we do not have access to the corresponding MapInfo forecasts). Experian's forecasts do not go beyond 2016; in the absence of any better information we have therefore also applied the 1.1 per cent, per annum forecast growth rate to the post-2016 period.

- 5.67 Spreadsheet 18a reveals that the total CMK retained spending on food and drink leisure services in the catchment area is £319.7 million in 2008 and is projected to increase to £446.7 million in 2026.

*Other commercial leisure uses*

- 5.68 Our assessment of other commercial uses is based on zones 1-7 rather than the entire catchment as we have used for food and drink uses. This is because the survey information for other commercial leisure uses is less reliable than for food and drink uses and thus a reliable market share cannot be applied to the study area to derive available expenditure. Therefore, we used the expenditure growth in zones 1-7 only to achieve a more realistic scenario of leisure expenditure growth.
- 5.69 This calculation is set out in Spreadsheet 18b and in absolute terms, the growth in leisure services spend (excluding food and drink uses) within zones 1-7 in the period to 2026 amounts to £122.5 million. Applying the leisure spend shares (from Table 5.10 above), the growth that would be absorbed by cultural services would amount to just £13.8 million and growth in expenditure on games of chance would amount to just £9.2 million. Furthermore, commercial facilities such as cinemas will absorb only a proportion of the expenditure growth in cultural services and casinos and bingo halls will absorb only a proportion of the expenditure growth in games of chance.

*Conversion of Expenditure Increases to Additional Leisure 'Requirements'*

*Food and Drink*

- 5.70 Having applied a market share to the food and drink expenditure, we can calculate the proportion of retained expenditure growth in the period to 2026, assuming constant market shares. However, not all of the growth in retained expenditure would be available for new restaurants/cafés, pubs/bars and take-away outlets. In the same way that an allowance is made in the retail sector for existing operators to improve their turnover efficiency, it is reasonable to assume that some of the growth in available food & drink expenditure should be directed to existing operators (to allow them to grow their business, re-fit their premises, and so on). Unlike in the retail sector, however, there is a dearth of published advice on what proportion of expenditure growth in the food & drink sector should be ring-fenced for existing operators. In the absence of firm guidance, we have therefore allocated half of the growth (0.5 per cent per annum) in food & drink expenditure to existing restaurateurs and pub/bar operators.
- 5.71 The resultant residual food and drink leisure expenditure is shown in the final row of Spreadsheet 18a, which demonstrates that by 2016 there will be £37.8 million of surplus expenditure, increasing to £67.3 million by 2021 and to £97.0 million by 2026. The 'residual' expenditure would be sufficient to support a wide range food and drink uses (A3, A4 and A5). These could include new, good-quality restaurants - which typically generate annual turnovers of around £850,000 to £1 million - high-profile restaurant operators, which take in excess of £1 million per annum - as well as several branded pubs/bars, which typically have annual turnovers of between £0.9 million and £1.1 million. Therefore, there is sufficient expenditure growth to support an expansion in the food and drink offer in the Milton Keynes borough.



### *Cinemas and Theatres*

- 5.72 Data from Dodona suggest that the average multiplex screen accounts for an annual spend of £301k in ticket revenue, whereas an independent screen accounts for £148k per annum in ticket revenue. However, it is not sufficient to simply convert the potential growth in cinema revenue to a notional 'requirement' for screens. Cinema operators make decisions based on 'screen density' - that is, the existing provision within appropriate drive-time isochrones, taking account of population levels (or the number of screens available per 100,000 people). The latest information that we have access to indicates that the average travel time to a cinema is around 18 minutes<sup>29</sup>. We have therefore analysed cinema provision within zones 1-7 compared to an 18 minute drive time. The findings are reproduced in Table Figure 5.1, and the location of cinemas (together with theatres, bingo halls and casinos).
- 5.73 The population within an 18 minute drive time in 2005 is 222,506 persons<sup>30</sup>. There are currently only two cinemas within zones 1-7 (and within the 18-minute drive-time area of Milton Keynes), although both are multiplexes, namely a 16-screen Cineworld and 10 screen Odeon at the Point, both in CMK.
- 5.74 Table 5.11 indicates that the screen density within an 18-minute drive-time of CMK is 11.7 screens per 100,000 population, which is higher than the south east England average of 5.8 screens per 100,000 population, and the UK average of 5.8 screens per 100,000 population<sup>31</sup>.

**Table 5.11 Cinema Screen Density Within an 18-minute Drive-time of Milton Keynes Town Centre**

Town	No of Cinemas Within 18 Minute Drive-time	No of Screens Within 18 Minute Drive-time	Population Within 18 Minute Drivetime	Screen Density (i.e screens per 100,000 people)	South-East Average Screen Density	UK average Screen Density
Milton Keynes	2	26	222,506	11.7	5.8	5.8

- 5.75 The above table demonstrates that CMK is well provided for by cinemas, which is a function of its position attracting visitors from a large catchment area. Therefore, we find no quantitative requirement to plan for any future cinema provision.
- 5.76 There is a good provision of theatres in Milton Keynes borough, with facilities at Marlborough Gate, at Theatre Walk in Stantonbury and in Wavendon. Therefore we find no requirement to specifically plan for any future theatre provision.

### *Bingo*

- 5.77 There is only one bingo club within zones 1-7, which is the Gala located at the Point in CMK. The projected growth of expenditure in bingo clubs would be sufficient to support an additional Gala or Mecca type club, which currently generate average net stakes of around £1.47 million per club, or it could support two or three new neighbourhood clubs,

<sup>29</sup> Source: Caviar

<sup>30</sup> Year 2005; source: MapInfo

<sup>31</sup> South East and UK screen density figures are sourced from the UK Film Council's 'Statistical Yearbook 2006/07' (whose statistics are based on Dodona Research RSU Analysis).

for which annual net stakes average around £444,000 per branch. More targeted market testing would be required to ascertain whether operators of neighbourhood bingo clubs would consider locating in the catchment area.

### *Casinos*

- 5.78 A traditional casino typically generates a turnover of around £4 million per annum<sup>32</sup>. Thus, casinos would need to double their share of expenditure on games of chance for a new traditional casino to be supported on the basis of expenditure growth. However, we note that at present there is no casino in CMK, although one has been granted permission in Leisure Plaza in CMK and permission has been granted for a casino at Xscape. This would be sufficient to meet the need in this sector.

## **Summary of Scope for Additional Commercial Leisure Facilities**

- 5.79 Expenditure on food and drink leisure services from the overall catchment area attracted to Milton Keynes is projected to grow by £97.0 million in the period up to 2026, whilst the leisure expenditure for zones 1-7 (excluding food and drink uses) is projected to grow by £1122.5 million in the same timeframe. How this growth might be expended locally depends very much on what opportunities the market supplies - thus, current spending patterns can only provide a guide to what might happen in the future.
- 5.80 A high proportion of expenditure growth is forecast for eating and drinking establishments (restaurants, cafés, take-away outlets and pubs/bars). Capturing a sizeable proportion of this growth in expenditure through the provision of a better and more appealing choice of restaurants, cafés and pubs/bars will be vital to the future health of all of the town centres. Whilst CMK already has a reasonable food & drink offer, further appropriate facilities, including better quality establishments, should be welcomed both in CMK and in other town centres in the borough.
- 5.81 The remainder of the growth in expenditure on leisure services will go to a wide range of activities, with no single activity capturing any significant market share. We have identified a qualitative need for a Casino, and since drafting this report we are aware that permission has been granted for a casino at Xscape which will meet this need. Although we do not find a quantitative need for new cinema provision we are aware of proposals for improving the cinema offer in the Theatre district, this could bring qualitative improvements to the area, attracting other users including a quality food and drink offer which we have identified is missing in the Central Milton Keynes.
- 5.82 As we have stressed, the approach to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector and so the quantitative 'needs' that we have identified should be treated as an indicative guide. Furthermore, the leisure sector is dynamic, changing and operator-led. Thus, if an investor feels capable of attracting customers by diverting spending from other facilities, the planning system does not seek to prevent additional development, provided such development meets the tests in PPS6.

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<sup>32</sup> Source - The Gambling Commission  
Roger Tym & Partners  
M9226 - February 2010

## 6 STRATEGIES FOR MEETING RETAIL AND LEISURE NEEDS

### Introduction

- 6.1 In Section 2 of our report, we set out the requirements that PPS6 imposes on Regional Planning Bodies (RPBs) and Local Planning Authorities (LPAs) in preparing the development plans; these include the need to consider:
- i) whether there is a need to avoid an over-concentration of growth in the higher level centres;
  - ii) the need for investment in those centres requiring to be regenerated; and
  - iii) the need to address deficiencies in the network.
- 6.2 Thus, in preparing their development plan documents within the context set by the RSS, LPAs, in turn, must:
- i) select appropriate existing centres to accommodate growth, making the best use of existing land and buildings, but extending the centres where appropriate using tools such as the Action Plans, CPOs and strategies to improve transport, land assembly, crime prevention and design;
  - ii) manage the role of existing centres through the promotion of specialist activities, or specific types of uses; and
  - iii) plan for new centres of an appropriate scale in areas of growth, or where there are deficiencies in the existing network
- 6.3 In paragraph 2.40 and 2.41 of our report, we refer to the new test of soundness introduced by PPS12. This new test requires the Council to demonstrate that its chosen strategy is the most appropriate, when considered against reasonable alternatives, and secondly, that the chosen strategy is effective and deliverable.
- 6.4 Thus, in assessing strategies for meeting retail and leisure needs, we have dismissed those which would clearly not accord with national and regional policy, such as trying to meet most of the need in existing out-of-centre retail parks or through the creation of a new centre in an out-of-centre location.
- 6.5 Finally, we should state at the outset that all reasonable strategies will provide for localised convenience and service needs in line with the principles set out earlier in Section 5.
- 6.6 Thus, we have focused our evaluation on just three alternative strategies, as follows:
- i) Strategy 1: seeking to meet almost all of the comparison retail and commercial leisure needs in CMK, with convenience retail needs aligned with localised population growth;
  - ii) Strategy 2: seeking to channel most of the comparison retail and commercial leisure needs to a combination of CMK and to the town and district centres elsewhere in the borough, but again with convenience retail needs aligned with localised population growth; and

- iii) Strategy 3: seeking to rebalance the network of centres in Milton Keynes borough, by channeling comparison retail and commercial leisure needs to a combination of CMK and the town and district centres elsewhere in the borough.
- 6.7 Our floorspace requirements for retail uses are set out in Section 5, where under both comparison and convenience sectors we have found there to be no floorspace requirements in the very short term i.e. the period to 2011. However, larger scale developments have a long gestation period and the Core Strategy needs to assess the period to 2026. Therefore, strategies to deliver the floorspace requirements we have forecast need to be included within the future development plan documents.
- 6.8 It should be noted that the economy is currently in a state of flux and there is a great deal of uncertainty in forecasting future expenditure growth. Therefore although the strategies to deal with any forecast growth would not change the amount of growth may do so. We would therefore advise that an early review of the figures is undertaken to ensure that the chosen retail strategy remains robust.

### Strategy 1: CMK Focused

- 6.9 The effect of this strategy would be that any large scale comparison shopping developments and commercial leisure provision would be channelled to CMK whilst the convenience floorspace requirements would be aligned with population growth. The floorspace requirements under this strategy are set out in Table 6.1

**Table 6.1 Gross Floorspace Requirements (after commitments) under Strategy 1 (sq.m gross)\***

	2011-2016	2016-2021	2021-2026
<b>Comparison Goods Sector</b>			
<b>Total requirement (Table 5.8 refers)</b>	<b>27,200-51,000</b>	<b>72,300-92,000</b>	<b>71,700-97,900</b>
CMK	23,200-43,300	61,400-78,200	61,000-83,200
Other town and district centres	4,100-7,600	10,800-13,800	10,700-14,700
<b>Convenience Goods Sector</b>			
<b>Total requirement (Table 5.9 refers)</b>	<b>5,100</b>	<b>9,100</b>	<b>8,600</b>

Notes: The range of floorspace is due to the two scenarios (static and increasing retention), as discussed in Section 5. See text for commentary on distribution of convenience goods floorspace requirement. \*Figures may not add due to rounding.

### Comparison and Commercial Leisure Requirements

- 6.10 In respect of the comparison goods requirements, this strategy has a strong focus on CMK. In order to account for smaller scale requirements in the other town and district centres in Milton Keynes borough, we have allowed for 15 per cent of the floorspace requirements for 'other town centres'. This is less than the future market share of other town centres and retail parks in zones 1-7, which currently stands at some 31 per cent. However, under this strategy, the other town and district centres take a reduced share of future needs since there is no policy support to allow for future development to the out of centre retail parks.
- 6.11 The implications of this strategy is that in the 2008-2016 period, the main requirement for CMK would be met by the extension to c:mk, should it progress, or Midsummer Place or another development of a similar scale. In the period, 2016-2021, our assessment shows

there to be a requirement for a further larger scale retail development of between 61,400 and 78,200 sq.m gross comparison floorspace to meet the expenditure growth generated from per capita expenditure and population growth over the period to 2021. Since large scale retail development take some years to be delivered, retail growth in CMK should be planned for in the council's development plan documents.

- 6.12 In respect of the other town centres, the subdued expenditure growth and existing commitments soak up much of the requirements in the period to 2016, but there remains a requirement of between 4,100 and 7,600 sq.m gross to be distributed between the other town centres for this period (depending on the centres' either maintaining or increasing their market share). In the period 2016-2021, there is a requirement of between 10,800 and 13,800 sq.m gross floorspace, which would be sufficient to support small extensions to the existing centres, but no large scale retail provision. This strategy means that the existing town centres maintain their existing role, but would not divert significant investment from CMK, which could be used to deliver a large scale floorspace to meet the identified expenditure growth. The strategy does not seek to preclude development from smaller town centres therefore, of a scale appropriate to the role and function of the centre in question, but large scale retail development in these centres should be resisted. It can be expected that an element of the comparison goods requirement over the Plan period will be met as part of facilities to serve the planned urban extensions. The 4,500 sq.m gross non-food retail floorspace proposed as part of the western expansion of Milton Keynes has already been included as a planning commitment.
- 6.13 Although we have not translated the expenditure growth in the Leisure sector into floorspace requirements, due to the expenditure patterns it is inevitable that additional facilities will be focused on A3, A4 and A5 food and drink type uses. Whilst the other wider facilities will respond to demand, although we have noted that there is already a good provision of leisure facilities in Milton Keynes. Strategy 1 for the leisure uses follows the same principles as for comparison retail floorspace, in that this should be channelled to CMK, with a smaller scale provision in other town centres in the borough.

### *Convenience Requirements and Expansion/Growth Areas*

- 6.14 Turning to the convenience goods requirements, we have aligned these with the planned housing growth in Milton Keynes. There are four broad areas of growth: the western and eastern expansion areas, and further strategic development areas located to the south west and south east of Milton Keynes as included in the adopted South East Plan. We have allowed for a foodstore of approximately 3,500 sqm gross in each of the south east and south west expansion areas/strategic development areas, as well as the eastern expansion area. However these figures are guidelines only and we advise the Council adopts a flexible stance on the scale of new foodstore provision, reflecting the local circumstances of particular applications, and the specific quantitative and qualitative benefits of proposals that may come forward.
- 6.15 A foodstore in the western expansion area should be developed first, given the relative lack of provision in the western side of the urban area. Given that planning permission exists for a foodstore development of 3,000 sq.m gross in this location it is likely that this qualitative shortfall will be met in the relatively near term. There is sufficient residual floorspace

requirement to accommodate smaller scale developments and store extensions which can meet a localised need.

- 6.16 The effect of these recommendations would be to create four separate smaller retail locations which would be anchored by a foodstore. In light of the scale of residential growth planned for Milton Keynes, we consider that this approach is consistent with PPS6 (paragraph 2.53). In addition to the foodstore, such centres might include some smaller unit shops which including comparison outlets that serve localised shopping needs and other A1 service uses and other A2-A5 uses. It is not appropriate to include any large scale comparison floorspace in these centres since such floorspace is likely to draw trade from beyond the local catchment such centres should serve. We now look more closely at the expansion areas and strategic development areas and their implications for convenience floorspace provision within the borough.

#### *Western Expansion Area*

- 6.17 The western expansion of Milton Keynes already has planning permission for some 4,330 dwellings. This is located on the edge of zones 6 and 7, which in combination have a growth of almost £12.0 million between 2008 and 2016 and a population growth of over 6,000, (the Core Strategy - pre submission version, identifies a capacity of 6,600 new dwellings). This expenditure growth increases to £39.2 million by 2026 with the population growth of over 17,000. For the purposes of the quantitative assessment, the western expansion is assumed to fall in zones 6 and 7 and accounts for a large proportion of this growth; It is clear that there is scope for additional foodstore provision. The identified commitments for Milton Keynes make provision for a store of some 3,000 sq.m gross which reflects the planning permission granted for convenience floorspace provision at this location in October 2007, Although we understand that the applicant may wish to amend the retail component of the planning permission; the acceptability of an altered retail component can be determined if and when a specific proposal comes forward. At this stage consideration would have to be given to the impact on the distribution of new floorspace (i.e. if more is granted in this location would less be provided elsewhere) and the impact on the established centres in this area.

#### *Eastern Expansion Area*

- 6.18 The eastern expansion of Milton Keynes is located on the edge of zone 4 and adjacent to the M1 motorway and benefits from planning permission of some 4,000 dwellings, (the Core Strategy - pre submission version identifies a capacity of 4000 dwellings). Zone 4 experiences expenditure growth of £16.8 million between 2008 and 2016, with a further £14.2 million by 2021, although some of the growth between 2016 and 2021 will be due to the South East Strategic Development Area, as explained below. Since it is assumed in the quantitative assessment that the eastern expansion area falls within zone 4, it accounts for a large proportion of this expenditure growth. To serve this expenditure growth, there is currently only one large foodstore in zone 4, namely the Tesco at Kingston. Therefore, we consider that there is merit in providing for a further foodstore alongside the eastern expansion area to serve the expenditure generated from this development and other expenditure growth in zone 4. However, since the eastern expansion area is smaller than the western area and it relies on expenditure growth elsewhere, we anticipate further foodstore development should come forward in the 2016 to 2021 period, although we

appreciate that there is scope to bring a store forward earlier in the plan period depending on the delivery of the developments. It should however be noted that if alternative development such as the expansion of the foodstore at Kingston or convenience provision in other areas such as Oakgrove were to come forward then this would have implications for the capacity available to support a foodstore in the EEA and therefore these implications need to be considered in any decision making process.

#### *South Eastern Strategic Development Area*

- 6.19 The South Eastern Strategic Development Area (SE SDA) arises from recommendations in the MK2031 Strategy and part of the area is included within the South East Plan, with the remainder in the East of England and will need to be considered in the review of the East of England Plan. This development area will deliver some 10,400 homes (4,800 in the Milton Keynes and 5,600 in Mid-Bedfordshire<sup>33</sup>).
- 6.20 The SE SDA is located outside zone 4, but as with the expansion areas, our quantitative assessment assumes that the growth from this area falls within zone 4. Between 2016 and 2021, zone 4 is forecast to experience growth of some £14.2 million and a further growth of £13.3 million between 2021 and 2026. This equates to a total population growth of some 11,520 persons between 2016 and 2026. Therefore, we consider that there is scope for a foodstore to accommodate the growth in the SE SDA.

#### *South Western Strategic Development Area*

- 6.21 The South West Strategic Development Area (SW SDA) also arises from the recommendations in the MK2031 Strategy and is included within the emerging South East Plan to accommodate 5,390 new dwellings (this area is in Aylesbury Vale district), which we have assumed will come from in the 2016 to 2026 period. As with the SE SDA and the expansion areas, we assumed that this growth is included within its nearest core zone, which for the SW SDA is zone 1. In this respect, Zone 1 experiences expenditure growth of £7.7 million between 2008 and 2016, a further £23.0 million by 2021 and a further £24.7 million by 2026. The total population growth between 2008 and 2026 for zone 1 is 27,308 persons. This quantum of growth can again be considered sufficient to accommodate development of a new foodstore in this location.

#### *Other Town and District Centres*

- 6.22 Once an allowance for the foodstore provision as new centres in the expansion areas and SDAs, there is a residual requirement for further floorspace that can be directed to existing town and district centres. This is sufficient to support either new small foodstores to improve local competition or for extensions to existing foodstores. Any applications that come forward to meet these requirements should be treated on their individual merits. We find no requirement to specifically plan for these requirements.

#### *Summary of convenience requirements and expansion/growth areas*

- 6.23 In summary, the following strategy for the expansion/growth areas in respect of convenience goods provision is recommended:

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<sup>33</sup> The figure for Bedfordshire is subject to confirmation in the review of the East of England Plan.



- The western expansion area is located on the fringes of Zones 6 and 7 which is expected to receive significant expenditure growth. However limited further convenience floorspace is required in this area, over and above the existing commitment for a 3,000 sq.m gross foodstore. However there may remain residual floorspace for stores to serve more local needs, and/or extensions to existing stores;
- There is also merit in providing additional convenience floorspace to serve the eastern expansion area, on the edge of Zone 4, given that there is only one existing large foodstore within this zone. As the eastern expansion area is expected to come forward subsequent to the western expansion, it is considered this floorspace should come forward in the 2016-21 period. However given that much of the area benefits from planning permission it may be necessary for foodstore development in this location to be brought forward prior to this;
- We also consider scope for additional foodstores in the region of 3,500 sq.m gross to serve the South Eastern Strategic Development Area (it is assumed this area falls within Zone 4) and the South Western Strategic Development Area (adjacent to Zone 1). In both cases, as there are no firm proposals for developments at these locations tabled as yet, it is likely these developments will come forward in the period 2021-26;
- There is sufficient residual floorspace capacity available to support small new foodstores, or extensions to existing foodstores, within existing town and district centres in Milton Keynes; such applications should be treated on their individual merits.

### *Bulky Goods*

6.24 Beyond comparison and convenience goods, PPS6 does not distinguish between the types of goods sold. Therefore, we have not undertaken separate assessments for 'bulky' comparison goods. However, we appreciate that some types of goods would be more appropriately sold from larger units, which are often positioned on the edge or out of centre locations due to the dearth of town centre sites to accommodate units with large floor plates. Such goods will continue to attract expenditure in the period to 2026 and thus proposals are likely to be forthcoming for units that sell this type of good. Experian advises that expenditure on 'bulky goods'<sup>34</sup> amounts to some 30 per cent of total comparison expenditure. However, a large proportion of these goods could still normally be expected to be sold from town centre outlets. Therefore, we recommend that any applications for bulky goods units should be treated on their individual merits, taking into consideration the sites location, the goods that will be sold, the business model proposed and the size of unit. It should be ensured that, in reviewing applications for bulky goods and out-of-centre development, the Council's chosen strategy for retailing in Milton Keynes is not undermined, and no compromise to the vitality and viability of existing centres arises as a result of the proposals. At present we see no requirement to specifically plan for additional bulky goods-format retailing, and individual planning applications that come forward can be judged on their merits.

<sup>34</sup> Defined in Experian Retail Planner Briefing Note 5.1 as DIY goods, furniture and floor coverings, major household appliances whether electric or not and audio visual equipment



### *Strategy 1: Spatial Proposals for CMK*

- 6.25 CMK is the dominant centre in the borough drawing trade from a large catchment and our surveys show that it performs well vis-à-vis other centres in the catchment. It is important that CMK continues in its role as the dominant centre to reflect its role in the South East Plan as a 'Centre for Significant Change'. Since there is uncertainty as to the status of the centre:MK expansion, we have consider our spatial proposals for CMK under two strategies:

#### *Stage 1: Deliver an extension to the centre:MK/Midsummer Place*

- 6.26 Our assessment shows that whilst there is a current over-supply of comparison goods floorspace in Milton Keynes, this is restricted to the short term, and there is a need for further comparison floorspace in the 2011 to 2016 period in CMK. This is necessary to maintain CMK's role and although trading successfully we consider that in time the centre:MK/Midsummer Place shopping centre will benefit from a further extension and modernisation. It is a priority for a new scheme to be permitted and built prior to 2016 in order to deliver an improvement to the shopping environment of this part of CMK and meet the identified floorspace requirements that occur. Our quantitative assessment demonstrates that there is capacity in the period 2011 to 2016 to bring forward to a reasonably large retail led development of up to 43,300 sq.m gross plus passive leisure uses (A3, A4 and A5).

#### *Stage 2: CMK development post 2016*

- 6.27 In addition to the centre:MK/Midsummer Place extension, our assessment has identified a requirement for a further between 61,400 and 78,200 sq.m gross comparison floorspace to be directed towards CMK in the period 2016 to 2021. Since land assembly and planning for large town centre schemes can take up to ten years, we consider that the Council should be engaging with developers within the next two years to consider the potential for a further large retail development in CMK. In doing so, we consider the following principles should be applied:

- Land should be considered that offers to possibility of up to 78,200 sq.m gross of comparison floorspace, plus a proportion for A1 convenience, A1/A2 service uses and A3, A4 and A5 passive leisure uses.
- In addition to the retail and passive leisure uses, there is an opportunity to improve the cultural offer in CMK, with the inclusion of a casino in any new development.
- Every opportunity should be taken to provide for larger unit sizes.
- The development should be well integrated with the existing shopping centres.
- There should be a letting policy to ensure that any gaps in provision if this objective can be achieved in market terms, in particular for the high end fashion operators which CMK is currently lacking.

### *Strategy 2: CMK and Other Town and District Centres*

- 6.28 Under this strategy, the distribution of floorspace is based on the market share the existing centres achieve of the expenditure in zones 1-7. This means that the other town centres would have a claim on a larger proportion of floorspace requirements than under strategy 1.

However, we do not propose any change to the strategy for the convenience requirements strategy, as outlined in paragraphs 6.13 to 6.20.

**Table 6.2 Gross Floorspace Requirements (after commitments) under Strategy 2 (sq.m gross)\***

	2011-2016	2016-2021	2021-2026
<b>Comparison Goods Sector</b>			
<b>Total requirement (Table 5.8 refers)</b>	<b>27,200-51,000</b>	<b>72,300-92,000</b>	<b>71,700-97,900</b>
CMK	16,200-30,300	43,000-54,700	42,700-58,200
Other town and district centres	8,200-15,300	21,700-27,600	21,500-29,400
<b>Convenience Goods Sector</b>			
<b>Total requirement (Table 5.9 refers)</b>	<b>5,100</b>	<b>9,100</b>	<b>8,600</b>

Notes: The range of floorspace is due to the two scenarios (static and increasing retention), as discussed in Section 5. See text for commentary on distribution of convenience goods floorspace requirement. \*Figures may not add due to rounding

### *Comparison and Commercial Leisure Requirements*

- 6.29 We have broadly applied the local market share for comparison shopping patterns in zones 1-7 to the floorspace requirements. This amounts to 70 per cent for CMK and 30 per cent for other town and district centres. However, it should be noted that within this 30 per cent is the existing spending in out of centre retail parks. Under this strategy, the comparison requirements are lower for CMK, with a higher level of requirements for other town centres.
- 6.30 Looking specifically at CMK, under this strategy the requirements for floorspace of between 16,200 and 30,300 sq.m gross (reflecting the 'static' and 'increasing' retention scenarios respectively) are less than what has been previously permitted for the centre:MK, although the 2016 to 2021 period shows a requirement for between an additional 43,000 and 54,700 sq.m gross of comparison floorspace. The result of this strategy is that the other town and district centres in Milton Keynes borough will have to deliver large developments of up to 15,300 sq.m gross to 2016 and up to a further 27,600 sq.m gross to 2021. This is a challenging strategy and would require sites to be identified of sufficient size to accommodate this scale of growth. Moreover, it is not clear that there would be market support for such an approach.
- 6.31 In respect of the commercial leisure, if this strategy was implemented, then the passive leisure uses (A3, A4 and A5 uses) would also follow under a similar ratio, with the higher proportion flowing to CMK, but with a high proportion of floorspace being accommodated within the existing centres.

### **Strategy 3: Rebalance the Network**

- 6.32 Under this strategy, the network of centres would be rebalanced by channelling comparison and commercial leisure floorspace to a combination of both CMK and the town and district centres in the borough. As with Strategy 2, we do not propose any change to the strategy for the convenience requirements strategy, as outlined in paragraphs 6.13 to 6.20.

**Table 6.3 Gross Floorspace Requirements (after commitments) under Strategy 3 (sq.m gross)**

	2011-2016	2016-2021	2021-2026
<b>Comparison Goods Sector</b>			
<b>Total requirement (Table 5.8 refers)</b>	<b>27,200-51,000</b>	<b>72,300-92,000</b>	<b>71,700-97,900</b>
CMK	13,600-25,500	36,100-46,000	35,800-49,000
Other town centres	13,600-25,500	36,100-46,000	35,800-49,000
<b>Convenience Goods Sector</b>			
<b>Total requirement (Table 5.9 refers)</b>	<b>5,100</b>	<b>9,100</b>	<b>8,600</b>

Notes: The range of floorspace is due to the two scenarios (static and increasing retention), as discussed in Section 5. See text for commentary on distribution of convenience goods floorspace requirement. \*Figures may not add due to rounding

### *Comparison and Commercial Leisure Requirements*

- 6.33 To rebalance the network of centres, we have allowed for 50 per cent of the requirements to be accommodated in CMK, with the remaining 50 per cent in the other town and district centres in the borough. The result of this strategy is that for CMK there is only a modest requirement of between 13,600 and 25,500sq.m gross in the period to 2016. Under this strategy the requirement for 2016-2021 is between 36,100 and 46,000 sq.m gross and for 2021 to 2026 a further 35,800 to 49,000 sq.m gross is required for CMK.
- 6.34 The outcome of this strategy is that there are also large floorspace requirements for other town and district centres. To achieve this level of provision, one of the existing town centres will need to elevate from its existing 'district centre' level in the shopping hierarchy. In addition, sites will need to be identified in these centres that can accommodate the scale of growth envisaged. If sufficient sites are not identified, this will inevitably result in pressure for further out of centre development to accommodate the requirements.
- 6.35 As with Strategy 2, the passive leisure uses (A3, A4 and A5 uses) would also follow under pattern of development, with floorspace being delivered in both CMK and the existing centres.
- 6.36 At first sight, this third strategy may be perceived as having some merit in that it could be said to seek to spread opportunities and investment risk and to reflect the current balance in the network of centres. However, Strategy 3 would dissipate, geographically, the occupier demand which exists in the comparison retail and leisure sectors. Such dissipation of occupier demand would substantially increase the risk of failure to deliver key anchor projects in CMK. Thus, projects such as the extension to the centre:MK requires pent-up demand in the retail and leisure sectors to be channelled to these opportunities and for alternatives to be cut-off. Such an approach will reduce yields, increase investor confidence and maximise the chances for success.

### **RTP Recommendations on Strategy**

- 6.37 Our study suggests that the retail and commercial leisure needs we have identified will be best satisfied along the lines of Strategy 1, which would involve:
- i) meeting most of the comparison retail and commercial leisure needs, including food and drink, in CMK

- ii) allow for smaller scale comparison retail and commercial leisure needs in the town and district centres in order to accommodate a locally derived need.
  - iii) align new convenience floorspace with the areas of high population growth, with a residual to support smaller incremental increases and extensions to existing facilities, where this is appropriate to the role of the centre it is located within.
  - iv) limit the amount of significant retail and commercial leisure development in out-of-centre locations only allowing such increases where it will not be detrimental to achieving the objectives of i -iii outlined above.
- 6.38 There are physical opportunities for further high quality retail led development in CMK that will maintain its role as a dominant centre in the shopping hierarchy. There is also a need to ensure investor confidence remains in CMK by channelling occupier demand to flagship opportunities that are critical to the future growth of the centre.
- 6.39 We would also recommend an early review of the expenditure growth figures, to ensure that the chosen retail strategy remains robust.

## 7 RECOMMENDATIONS ON POLICY AND RETAIL HIERARCHY

### The Network of Centres

- 7.1 Paragraphs 2.9 to 2.11 of PPS6 provide advice in relation to the development of the network and hierarchy of commercial centres. In developing the network and hierarchy, Regional Planning Bodies and Local Planning Authorities are required to consider:
- whether there is a need to avoid an over-concentration of growth in the higher level centres;
  - the need for investment and growth to strengthen other centres, especially those needing regeneration; and
  - the need to address deficiencies in the network by promoting centres to function at a higher level in the hierarchy or designating new centres.
- 7.2 As advised by PPS6 any change in the role and function of centres - upward or downward - must come through the development plan process, rather than through planning applications. Table 1 of Annex A of PPS6 gives further guidance on the hierarchy of centres; these are tiered with City Centres at the top followed by Town, District and Local Centres.
- 7.3 The adopted Milton Keynes Local Plan (2005), in accordance with the Buckinghamshire Structure Plan (1991-2011) sets out at Policy TC1 the character and function of the “shopping hierarchy” within the Borough. Central Milton Keynes is identified as a regional shopping centre at the top of the hierarchy with functions that accord with the city centre definition given by PPS6. There is considerable scope for the future growth and diversification of Central MK and it is right that future development and investment is concentrated here.
- 7.4 Below Central MK four district centres are identified at Bletchley, Wolverton, Westcroft and Kingston. Bletchley and Wolverton are old town centres located to the north and south of the main urban area, whilst Westcroft and Kingston are purpose-built, retail parks anchored by major supermarkets. The retail rankings suggest that these are the most important centres after Central MK, though Wolverton is ranked significantly lower due to its general weaknesses beyond its complement of supermarkets and convenience stores. The PPS6 definition of district centres is given as;
- District Centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.*
- 7.5 There is a discrepancy between the characteristics of some of these centres and the description provided by PPS6, particularly in respect of Westcroft and Kingston which struggle to provide a range of non-retail service uses. The adopted Local Plan policies seek to diversify the range of uses within these centres. We would recommend that these policies are continued through into the Local Development Framework. They should also be reviewed as to how effective they have been in securing a range of services in these

centres as whilst we recognise that these two centres play an important role in meeting the weekly shopping needs of the residents in these areas, they are not at present functioning within the PPS6 definition of District Centres.

- 7.6 The Milton Keynes Local Plan identifies a fourth category of centre a 'town centre' which sits between the District and Local Centres. This category includes Stony Stratford, Olney, Newport Pagnell and Woburn Sands. They function as local shopping destinations and largely fit the description of district centres as given above (though none contains a major supermarket or superstore).
- 7.7 Woburn Sands is considerably smaller than the other three centres and shares similar characteristics to many of the larger local centres within Milton Keynes. It may therefore be appropriate to remove Woburn Sands from this category and place it in the final tier of the hierarchy we would recommend that this issue is considered by Milton Keynes Council in the LDF process.
- 7.8 The final tier of centres within the shopping hierarchy is the local and village centres. Though these vary quite considerably in terms of their size and functions, we did not identify any centres during the course of our health-checks that it would be necessary to, or which would considerably benefit from, promotion to a higher tier of the shopping hierarchy.
- 7.9 Policy LC1 refers to new Local Shopping Centres and states that they should be located so that the majority of all new dwellings are within 500m walking distance. Local Centres are defined within the policy as ranging from individual corner shops to larger centres containing 15-20 units. Although the policy also in part quantifies this by stating that there should be sufficient convenience goods expenditure within 500m of Local Centre to support a small store of about 350 sq m net, the policy is poorly worded and is open to interpretation and ambiguity.
- 7.10 We would support the reasoning behind this policy but recommend that the policy is worded to provide clearer guidance to potential developers. In terms of facilities within developments of this scale, we note guidance in publications including '*Sustainable Settlements: A Guide for Planners, Designers and Developers*' (UWE, 1995) and '*Sustainable Communities - the Potential for Eco-Neighbourhoods*' (Barton, 2000) which set out estimates of the required population catchments for community facilities. The population threshold for a Local Centre is between 5,000-10,000 i.e. approximately 2000-4000 new households.
- 7.11 This would equate to a much larger area than the 500m walking distance that the current local plan policy refers to. We would recommend that in the majority of cases outside of the strategic development areas, new development will be in close proximity to existing local centres and funding should be directed towards these. Each case should be taken on its own merit with regard to existing provision in the area. Funding could be used for environmental improvements in existing local centres or towards some of the initiatives we outline later in this section.
- 7.12 In terms of the strategic development areas we recommend that their retail needs are met by the development of a foodstore led retail scheme with some smaller provision of local

shops to create new local or district centres in these areas. We would not envisage the need to provide 'corner shop' type provision in addition to these centres but we would also not discourage a developer from doing so. Again for these small stores each application should be treated on its own merits.

- 7.13 If the Council is seeking to carry forward the current policy we would recommend a tightening up of the definition of a 'Local Centre' and of the term 'the majority of all new dwellings' We would suggest that a Local Centre should consist of least 5 shops and it should be related to the scale of development proposed with a minimum threshold for housing numbers.

## **Town Centre Boundaries**

- 7.14 The adopted Milton Keynes Local Plan (2005) proposals map defines boundaries for the town and district centres. Within these boundaries primary shopping areas are identified, in addition in Bletchley and Newport Pagnell town centre, mixed use areas are identified. Policy TC18 of the adopted Local Plan refers to primary shopping areas. This policy seeks to control non-retail uses at ground floor level within town centres and details for each centre are set out in Table TC1.
- 7.15 In relation to the town centre mixed use areas, Policy TC10 defines an area to the west of Newport Pagnell town centre where small scale office, leisure and other commercial development (including housing) are encouraged, but where small scale shopping development will only be approved if it does not undermine the vitality and viability of the primary shopping area. Policy TC17 identifies two areas on the edges of Bletchley town centre where the same considerations are applied - on Queensway, to the east of its junction with Princes Way/Lennox Road and on land to the east of Saxon Street, including Dukes Drive. Below, we provide a review of these boundaries and allocations and make recommendations as to their revision where we consider it to be necessary. We understand that the Council intends to consult on changes to town centre boundaries through subsequent LDF documents following the Core Strategy.

## **Central Milton Keynes**

- 7.16 Central Milton Keynes covers an extensive area from the railway station to Campbell Park. It is contained by the surrounding road network and railway infrastructure. Identified areas of commercial development appear consistent with the uses observed during our site visits. With development of remaining vacant plots ongoing within Central Milton Keynes we do not believe there is any need to amend the town centre boundary, but note the close proximity of the Rooksley retail park to the west and its complementary relationship with the adjacent Place retail park, within the central area.
- 7.17 The City Core Quarter which is the main focus for attracting visitors and providing a destination seems appropriate. Although we would recommend that future retail floorspace is closely related to the existing retail provision to ensure a cohesive development that is attractive to shoppers and which seeks to maintain CMK's role as a Regional Shopping Centre.

### *Bletchley*

- 7.18 The town centre boundary at Bletchley is largely in linear form running from the Brunel Centre and Sainsburys supermarket in the west, along Queensway to its junction with Victoria Road in the east. At its western edge the town centre extends northwards to include land between Saxon Street and Albert Street and to the north of Princes Way. The main commercial area stretches from Sainsburys to Elizabeth Square with the primary shopping area identified as including the Brunel Centre and frontages to the north and south of Queensway up to its junction with Westfield Road/Cambridge Street. A site to the north of the Brunel Centre is proposed for new, mixed use development and areas to the north and east of the town centre are designated as other mixed use areas, as described above.
- 7.19 The overall boundary of the town centre remains relevant and fully contains the spread of commercial facilities that comprise the centre. The primary shopping area also accurately reflects the principle retail frontages and the areas of main pedestrian activity along Queensway and through the shopping mall. The area of town centre mixed use to the east of Queensway is primarily in service and office use and forms a distinct concentration of these other town centre activities. Any significant new retail activity in this area would cause harm to the primary shopping area and its designation under Policy TC17 appears to be justified.
- 7.20 The second area of mixed use development, including Dukes Drive, already has important retail functions, including Lidl and Iceland supermarkets. Policy TC17 restrictions on shopping development in this area may be difficult to enforce in these circumstances. However existing development in this location is poorly related to the rest of the town centre and further such development in this location could undermine efforts to support retail uses within the primary shopping area. Consideration could be given to the removal of this area from the town centre boundary to give full PPS6 controls over any future retail-related development. Given the regeneration objectives for Bletchley town Centre we recommend that future retail development is concentrated within the primary frontages and retail development outside of this area is limited.

### *Wolverton*

- 7.21 Wolverton's town centre boundary is tightly drawn to include the Tesco superstore, retail warehousing to Creed Street and other commercial activities between Stratford Road and The Square. The primary shopping area is identified as the southern edge of Stratford Road (opposite Tesco) and to Church Street, including the northern side of the road and the frontage of the Agora Centre.
- 7.22 The overall boundary is representative of the existing town centre and does not exclude any important commercial uses. Designation of the primary shopping areas appears to have been well conceived as this concentrates retail activity around the market place, bus stops and car park to Church Street and opposite Tesco, helping to encourage shoppers from the supermarket into the primary area of the town centre.



### *Kingston & Westcroft*

- 7.23 The district centres at Kingston and Westcroft are purpose-built, self-contained commercial facilities. The centre boundaries are drawn tightly and accurately reflect the extent of existing development. We see no apparent need to consider the amendment of these boundaries as part of the forthcoming LDF.

### *Olney*

- 7.24 The proposals map inset for Olney town centre shows the boundary extending from the Co-op supermarket off Weston Road to East Street, including High Street and centred on the Market Place. A primary shopping area is identified to frontages facing onto the Market Place. The town centre boundary appears to be accurately plotted and whilst there is little to distinguish the primary shopping frontage from the rest of the town centre, ensuring that non-retail uses do not dominate here supports the functions of the Market Place.

### *Newport Pagnell*

- 7.25 As with Bletchley, Newport Pagnell's town centre is split between the main retail area and a zone allocated for mixed town centre uses. The main area covers the frontages to High Street and St John Street and their associated areas of car parking and servicing. The primary shopping area runs along High Street from the Church of St Peter and St Paul in the east to the health centre in the west (or from the Woolworths store to Boots pharmacy). These boundaries appear to be appropriate and we see no reason to amend these allocations.
- 7.26 The area designated for town centre mixed use runs east from the health centre, along High Street and Station Road to include land to the east of Marsh End Road. The Local Plan (at Policy TC10) justifies this allocation in terms of an earlier appeal decision in relation to a proposals for major retail development within the area which was judged to be too far from the heart of the town to be considered as an "edge of centre" location. If the principle purpose of the designation is to prevent any significant retail development between Marsh End Road and Cedars Avenue it may be more appropriate to remove the area from the town centre boundary completely. In any case, the presence of other town centre uses, such as offices, is limited.

### *Stony Stratford*

- 7.27 The Local Plan affords Stony Stratford a town centre boundary which stretches from the junction of Wolverton Road and London Road, along High Street and to the west, to include Church Street and the Cofferridge Close development. The primary shopping area runs from London Road, along High Street to the Church of St Mary and St Giles in the north. It also includes the pedestrian walkway to Budgens at Cofferridge Close. The extent of the town centre boundary appears to be broadly accurate, though the western edge of the designation covering Church Street and Silver Street contains much fewer town centre uses and amendments may be appropriate here. The primary shopping area reflects the important retail frontages and the area of greatest pedestrian activity.

### *Woburn Sands*

- 7.28 The centre at Woburn Sands is accurately defined on the Local Plan proposals map and includes frontages to the east and west of Station Road, together with the hotel complex off Russell Street. The primary shopping area is shown to the eastern side of Station Road. In our opinion no amendments to these designations are required.

### *Fenny Stratford*

- 7.29 The boundary shown to the commercial centre at Fenny Stratford extends from development surrounding the junction of High Street and Simpson Road along Aylesbury Street. No primary shopping frontage is defined for this centre and this would seem to be appropriate given the existing number of non-retail uses. The Proposals Map boundary appears to be accurate and we would not recommend any changes.

### *Potential Measures for Protecting Centres' Vitality and Viability*

- 7.30 There is a range of measures that the Council could consider which might have the potential to protect or enhance the vitality and viability of the Borough's various centres. We have researched initiatives being considered or undertaken across a range of local authorities around the country, which aim to promote the retail 'distinctiveness' of town centres, particularly through the fostering of independent, local shops. Whilst the findings of our research are detailed in full in Volume 3, the key issues and potential initiatives are summarised below.
- 7.31 Firstly, we provide a review of the findings of the 'Commission on Retail Conservation', which was set up to examine the issue of the erosion of independent retailers from the 'high street', before moving on to consider individual case studies of a number of initiatives.

### *Commission on Retail Conservation (2007) - 'A Balance of Trade - Everyone Can Help', prepared for Royal Borough of Kensington and Chelsea*

- 7.32 The Royal Borough of Kensington and Chelsea Council (RBKC) set up a Retail Commission to investigate whether *'councils could do more to preserve their shopping areas and reduce the cloning effect all too apparent on major high streets'*. The findings of the Commission, which were published in May 2007, were based on a survey of six shopping centres in RBKC, undertaken in December 2006.
- 7.33 The Commission, in preparing its report, considered three key questions:
- how to get the right balance between popular/chain stores, smaller/specialist shops, boutiques and restaurants;
  - what new ideas and (possibly) legislation can help to *'balance market powers with the needs of local communities'*; and
  - whether local retail areas can be protected in a similar way to buildings.
- 7.34 The report makes a number of recommendations that public and private bodies could take to improve the balance of national and independent retailer representation. Recommendations which would need to be implemented at a national level include:

- amend the Use Classes Order - allowing small shops<sup>35</sup> to have a separate Use Class, with the GPDO amended to allow change of use from large shop units to smaller units, but not vice versa;
- abolition of upward-only rent reviews for new leases; and
- planning permission to be required for the merging of a small shop unit with another unit.

7.35 Also important are the recommendations which the Commission made to RBKC, which could equally be applied to other local authorities; these include:

- Community Strategy - giving *'increased attention to retail needs and supply when reviewing their Community Strategy and in preparing a Local Development Framework'*;
- Local Partnerships - monitoring, and where possible influencing, the retail mix in areas where there are many property owners;
- promoting consultation between developers, retailers and residents during all stages of a major retail development, in order to *'establish the optimum mix of uses and unit sizes, and designs appropriate for the neighbourhood'*;
- retail 'neighbourhood watch' - encouraging the maintenance of high standards of repair, cleaning, etc, through local partnerships;
- introduction of free 30 minute parking meters in local shopping areas, in order to encourage the use of local shops by more people;
- encourage the retention of existing, and entry of new, small shops under 80 sq.m net in their shopping centres;
- negotiation through a S106 agreement, *'whereby the presence of a major store or stores is offset by a levy to support independent retailers located nearby'*; and
- establishing 'maximum quotas' for particular uses by area, or by centre, where the retail mix is under threat.

#### *Case Studies of Specific Town Centre Initiatives*

7.36 Below, we review various attempts made by regional, county and local planning authorities and/or independent retailers and organisations around the country to promote retail 'distinctiveness' in their town centres. As with the recommendations made by the Commission on Retail Conservation, some of the potential initiatives are likely to require primary legislation, whilst others are more readily applicable at the local level:

- **'Unique shopping'** - Birmingham City Centre Partnership, in conjunction with promotional organisation Marketing Birmingham, has signed up 59 independent retailers to be part of a free promotional campaign under the 'Unique Shopping' banner. The campaign is designed to ensure that Birmingham's independent retailers do not get 'swamped' by the major retail developments which have taken place in the city centre, such as the Bullring. The 59 retailers feature in a free leaflet dedicated to

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<sup>35</sup> Small shops are classed as those with a net ground floor area of under 80 sq.m.

promoting independent retailers, with each retailer listed by address, type of goods sold, and identified on a map. The promotion is also featured on the 'Be In Birmingham' Internet site. The development of a directory (online and printed) of retailers present in a town or district was also cited as good practice in the report commissioned for the RBKC, detailed above.

- **Loyalty cards** - The market town of Haslemere has created a successful 'loyalty card' scheme which enables small independent retailers to work together. The scheme has been developed by the Haslemere Initiative Group, the town's Chamber of Trade and Waverley Borough Council. The 'Haslemere Rewards' Loyalty Card scheme presently has support from over 30 businesses, and roughly 4,500 cards are in circulation, with businesses in the town centre giving collectable points or discounts on production of the card. The card has been cited as a driver behind increased footfall in many businesses in the town centre.
- **Retailer forum** - a network of independent retailers and restaurateurs in Shrewsbury town centre have developed Retailers United, a forum for networking and marketing their businesses, the development of training schemes, and liaison with local councils. The organisation has recently launched an online portal for the town's independent retailers called 'All the Little Shops'. The e-commerce website will contain a range of goods on sale solely from the town's independent retailers. Individual businesses submit 20 products a month, which are displayed in a 'virtual supermarket' on the website. The scheme has been sponsored by Shropshire County Council, which proposes to roll out the scheme to other market towns in the county if it proves to be successful
- **Business training** - East Cambridgeshire and Huntingdonshire District Councils have funded, in conjunction with the East of England Development Agency, an annual programme of free business training to retailers in Cambridgeshire, covering sales, marketing, visual merchandising, customer care, and retail security, in order to help independent businesses flourish in an increasingly competitive local market.
- **Town centre 'champions'** - The RBKC study highlighted the need for the appointment of a 'champion' for shopping centres, to network with local businesses and keep them informed about key developments taking place within the town centre. A town centre manager (or equivalent) would be most effective at performing such a role.
- **Assessment of distinctiveness** - Regional Development Agency One North East commissioned a series of 'Market Town Retail Distinctiveness' reports, for centres including the market town of Guisborough near Middlesbrough. The study found that the clustering of local independent shops served to build a good reputation for specialist independent shopping, but many local shops did not promote the local or specialist products they sold to a great extent. Furthermore, the Church Street area of the town centre was found to have potential to develop as a strong niche retail quarter, but suffered from poor connectivity to the primary retail area.
- **'Affordable retail'** - Both Birmingham City Council and the Royal Borough of Kensington and Chelsea are considering the use of planning gain deals with developers to subsidise space for independent retailers. The 'affordable retail'

scheme would be operated through the Section 106 mechanism. In Birmingham, it is proposed that independent retailers will receive subsidised rents, with proportions of retail space and levels of subsidy agreed for each individual scheme. In RBKC the proposal is for developers to 'gift' a proportion of small units to the Council, to manage as affordable retail units.

- 7.37 In summary, it is clear that whilst some initiatives, such as planning gain deals, would be of potential interest to CMK and the Town and District Centres, these schemes are still at the early stages of policy consideration and hence should only be considered as tentative initiatives at present. Furthermore, many of the measures that are referred to above are qualitative in nature and are therefore difficult for us to assess in terms of hard, measurable outputs.
- 7.38 As such, we consider that protection of the vitality and viability of the centres in Milton Keynes in the short-term will be best served through marketing and business liaison-based measures.