

## APPENDIX 6

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### Summary Note - Commission on Retail Conservation and Case Studies



## Summary Note - Commission on Retail Conservation, and Case Studies (Retail Distinctiveness and Promotion of Independent Retail in Town Centre)



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# 1 SUMMARY NOTE - COMMISSION ON RETAIL CONSERVATION (2007): *'A BALANCE OF TRADE - EVERYONE CAN HELP'*<sup>26</sup>

## Background

- 1.1 The Royal Borough of Kensington and Chelsea Council (RBKC) has set up a Retail Commission<sup>27</sup> to look into the issue of the erosion of independent retailers from shopping streets in the Borough, amid concerns that *'small shops could be wiped out in less than a decade'*. The Commission investigated whether *'councils could do more to preserve their shopping areas and reduce the cloning effect all too apparent on major high streets'*.
- 1.2 The Council recognises the main problem as being one of a lack power to address the issue: *'The Council knows that residents face the loss of the sort of local traditional shop that serves their everyday needs but it is forced to look on as shopping areas change due to a lack of powers...the result of all this is that shoppers from home and abroad looking for something different are faced with the same chains and their facades dominating the high street'*.
- 1.3 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.
- 1.4 The Commission aims to *'provide advice on how to save the character of the Royal Borough's town centres - centres which support a diversity of shops and cafes. The hope is that the work of the Commission could lead to the protection of this Borough's...local retailers but also those in villages, towns and cities throughout the Country'*.
- 1.5 The findings of the Commission were published in May 2007, and are considered below.

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<sup>26</sup> Undertaken for Royal Borough of Kensington and Chelsea Council;  
<http://www.rbkc.gov.uk/BusinessZone/general/balanceoftrade-fullreport.pdf>

<sup>27</sup> April 2007 RBKC Newsletter,  
[http://www.rbkc.gov.uk/rbkcdirect/rdstreetscene/ss0704\\_story01.asp#sectionfour](http://www.rbkc.gov.uk/rbkcdirect/rdstreetscene/ss0704_story01.asp#sectionfour)

## RTP Sample Survey

- 1.6 RTP undertook a survey of six shopping centres in RBKC in December 2006<sup>28</sup>, and drew a number of interesting conclusions regarding the relationship between multiple stores and independent retailers:
- Whilst centres have not been losing retail units, the proportion of multiples in larger centres in the Borough had risen, with demand existing from further retailers - this applied particularly to Portobello Road, Earl's Court Road and Holland Park Avenue.
  - Multiples were often small-scale, London-based chains.
  - Possible trend towards food-and-drink retail, including coffee shops.
  - Opening of small-format convenience stores by national multiples has impacted upon smaller grocery chains and independent grocery stores, rather than specialist retailers such as butchers and bakers.
  - Amalgamation of units was taking place, but mostly by existing retailers, and only one amalgamation in each centre became occupied by a multiple retailer. Over the same period three 'disaggregations' took place.
  - Property prices were rising faster than sales growth, with rents often increasing to a level which small independent retailers were unable to afford. One-year rises of 20 per cent took place in Earl's Court and 15 per cent in Portobello Road.

## Key Findings of the Retail Commission Report

- 1.7 The report conveyed different perspectives on establishing a balance of trade from a variety of interest groups, including residents, supermarkets, small retailers, landlords, investors and retail analysts. The Commission also received a number of comments regarding current involvement by local authorities in local retail policy and development, with suggestions pointing towards local authorities taking a more assertive role in the future. In summary, the contributors considered that local authorities:
- have retail in a '*silo*', and tended to neglect to involve other agencies, other local authority departments, or the community/voluntary sectors; and retail strategy was not linked with other initiatives;
  - tended only to meet retailers and landlords to negotiate over specific projects - it is noted that '*more dialogue was needed around the mix local authorities would like*

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<sup>28</sup> <http://www.rbkc.gov.uk/BusinessZone/general/localshops-crc.pdf>



*to see and what landlords wanted. There should be a forum where different sectors could discuss the balance of incentives and regulation that was required to achieve shared objectives for a town or shopping centre';*

- struggled with *'how, or whether, brand retail could bring lasting benefits and not destroy the existing fabric'*; and
- lacked plans for economic development of deprived areas which were not defined town centres.

1.8 The report makes a number of recommendations that public and private bodies would take to improve the balance of national and independent retailer representation, as well as enhancing the character and vitality of neighbourhood shopping areas. At national level, recommendations include:

- Use Classes Order - allowing small shops<sup>29</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. An additional Use Class should be provided for coffee shops and internet cafes, with changes from these to general A1 permitted 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.

1.9 Worthy of note are the recommendations made to RBKC, which also apply 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 metres in local shopping areas, in order to encourage the use of local shops by more people;

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<sup>29</sup> Small shops are classed as those with a net ground floor area of under 80 sq.m.

- encourage the retention of existing, and entry of new, small shops under 80 sq.m net in their shopping centres;
- negation 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.

1.10 Thirdly, a further set of recommendations is made solely to RBKC; nevertheless the suggestions made are salient and therefore worthy of note as they could potentially be applied elsewhere:

- preparation of vision statements for centres in the Borough, with a priority towards shopping areas which are in transition from a *'distinctly local to a more uniform character'* (namely in RBKC Portobello Road, Notting Hill Gate, Earl's Court Road and Brompton Road);
- funding the appointment of a 'champion' for shopping centres, to *'network and inform groups concerned about the sustainability of their local centre(s)'*;
- *'Recognise and respect in its Local Development Framework, the amenity, diversity and character of its 46 retail areas'*; and resist (again, through the LDF) the loss of local amenity and retail use in defined local shopping centres;
- review and 'tighten up' the number of non-retail uses permitted in retail centres, including estate agents, internet / phone shops and coffee shops;
- ensure closer joint-working between Council departments (planning, regeneration, valuation etc) in approach to retail and economic development matters;
- affordable retail - *'Require, through a Section 106 agreement, that developers gift a proportion of small units in a new retail development to the Council to manage as affordable retail units, in the same way that developers construct housing units for registered social landlords to house low-income residents'*;
- encouragement of street and farmers' markets;
- develop retail directories (online and published) listing shops in the Borough, *'including specialist shops, markets and adjacent visitor attractions'*;
- conferencing - *'Host a Borough retail conference, perhaps under the auspices of the Community Strategy, to contribute to visions for Borough centres and share good practice from elsewhere'*;
- funding of expertise to establish/manage a Borough-wide service for provision of advice on starting and sustaining a small retail business; and

- require high quality design in new shopfronts; and provide grants to restore or enhance shopfronts within and outside conservation areas.

1.11 The report continues to detail advice for landlords, supermarkets and other chain stores; and the small and independent retailers themselves. It is acknowledged that whilst many of the recommendations are RBKC-specific, *'many of the issues we have grappled with will resonate elsewhere in the country'*



## 2 RETAIL DISTINCTIVENESS AND PROMOTION OF INDEPENDENT RETAIL IN TOWN CENTRES - SUMMARY OF DESK-BASED RESEARCH

- 2.1 The case studies below present a review of attempts made by regional, county and local planning authorities and/or independent retailers and organisations to promote retail 'distinctiveness' in their town centres, and in particular the fostering of independent, local shops. The information was gathered from desk-based research in June 2007; Internet links to the sources are provided where appropriate.

### Case Study 1: Birmingham - Independent Business Promotion and Proposed S106 Use

- 2.2 Some 59 retailers in Birmingham city centre have signed up to be part of a free promotional campaign under the 'Unique Shopping' banner. The campaign is designed to ensure that the city's independent retailers do not get 'swamped' by the recent major retail developments which have taken place in the city centre. The promotion has been carried out by Birmingham City Centre Partnership, in conjunction with Marketing Birmingham. The 59 retailers feature in a free leaflet dedicated to promoting independent retailers, with each retailer listed by address, type of goods sold, and shown on a map. The promotion is also featured on the Be In Birmingham Internet site.
- 2.3 Birmingham City Council is also considering the use of planning gain deals with developers to subsidise space for independent retailers in the city centre. The Council is aiming to improve entrepreneurialism as well as increase the diversity of the city's retail offer, in order to increase its vibrancy and attractiveness to visitors, and is considering using Section 106 agreements to subsidise rents for independent retailers. Proportions of retail space and levels of subsidy would be agreed for each individual scheme.
- 2.4 Birmingham City Council is looking to pilot the scheme in the City Centre, and will consider rolling the scheme out to the remainder of the city if successful.

#### Further information:

- 'Unique shopping' promotional leaflet: [http://www.birmingham.gov.uk/Media/BrumShopTrail10547AW.pdf?MEDIA\\_ID=71228&FILENAME=BrumShopTrail10547AW.pdf](http://www.birmingham.gov.uk/Media/BrumShopTrail10547AW.pdf?MEDIA_ID=71228&FILENAME=BrumShopTrail10547AW.pdf)
- Be In Birmingham Internet site: [www.beinbirmingham.com](http://www.beinbirmingham.com)
- Regeneration and Renewal (18 May 2007), 'Birmingham eyes up retail subsidy'

## Case Study 2: Haslemere - Loyalty Card Scheme Amongst Independent Retailers

- 2.5 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 to produce the 'Haslemere Rewards' Loyalty Card. The 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.
- 2.6 Haslemere's promotional Internet site states that the Rewards scheme is '*one of many innovative projects introduced by The Haslemere Initiative for the benefit of the local community. The Haslemere Initiative brings together the business community, local government and community organisations to enhance the vitality of the area. This latest project results from consultation with the Haslemere community and aims to benefit local shoppers using participating outlets whilst stimulating the local economy in and around Haslemere*'.
- 2.7 The Action for Market Towns Internet site comments that '*The town loyalty card scheme appears to have worked well and shoppers are reporting that there is a 'certain sparkle' in Haslemere that was not there previously...Many shops have been renovated and new businesses have begun to trade. Some of these new businesses have seen the value of working with other more established retailers and have joined forces on the scheme*', and the card is cited as being a driver behind increased footfall in businesses in the town.

### Further information:

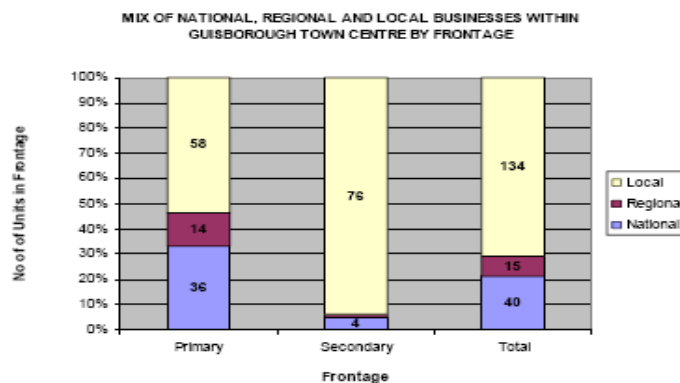
- Haslemere Rewards: <http://www.haslemere.com/rewards/index.php>
- Haslemere Internet site: <http://www.haslemere.com/>
- Action for Market Towns: [http://www.towns.org.uk/newsmaster/t\\_news\\_info.php?refnum=1027](http://www.towns.org.uk/newsmaster/t_news_info.php?refnum=1027)

## Case Study 3: Guisborough - Assessment of 'Distinctiveness' of Town Centre Commissioned by RDA

- 2.8 Miller Research led a consortium of consultants in producing a series of 'Market Town Retail Distinctiveness Reports' for Regional Development Agency One North East in 2006, including a report for the market town of Guisborough (Redcar and Cleveland District), which is classed as a District Centre.
- 2.9 The report comments on the methodology and its view of the role which national retailers can play in retail distinctiveness; '*In order to achieve retail distinctiveness in market towns, it was important to achieve the right balance in relation to range and choice for both local people and visitors. The existence of national retailers in market*

*towns was therefore not identified as a threat but an opportunity if the right scale and level of complementarity is achieved' (our emphasis).*

- 2.10 Guisborough town centre is anchored by a Morrisons supermarket, as well as a number of 'traditional' small-town anchor chains such as Boots, Boyes Department Store, Mackays and Dorothy Perkins, as well as banks and newer additions such as Cafe Nero. The range of shops and services overall is seen to be limited, and independent retailers trade on the edge of the main shopping area, and in secondary shopping streets. However, as with many market towns, *'constraints for attracting suitable national retailers in the future are the size of the frontages and footprints of the buildings, with the exception of those premises around Morrisons, are very scarce'*.
- 2.11 The study finds that in addition to national retailers, regional occupiers are also positioned within primary shopping frontages, with local retailers filling the remaining small, vacant units in primary areas *'that are not desirable for larger operators and do not have adequate servicing or storage space'*; local retailers also have a 'very strong presence' in Chaloner Street, Fountain Street and Bakehouse Square in the town centre. Overall local retailers account for the majority of units in both primary and secondary area, with, as would be expected, a particularly strong presence in secondary areas.



- 2.12 Vacancy rates in the town centre were identified as being low (5 per cent), with vacant premises located solely in primary retail areas. Rental rates were up to £50 per sq.ft in primary levels, and £35 per sq.ft in secondary areas.
- 2.13 The 'distinctiveness' of the town centre was measured through a number of indicators grouped under five headings, as detailed below.
- **Physical/aesthetical** - criteria including assessments of townscape and streetscape; shop front facades and shop window displays;
  - **Visual retail survey** - assessment of provision of key market town visitor attractions (gifts, arts/crafts, books/antiques, speciality foods, home items, and outdoor activity

goods), as well as assessment of the distinctiveness and accessibility of the independent sector, through factors such as opening hours (i.e. late/Sunday openings), shop floor goods, and amount of local/specialist goods on display;

- **Independent food and drink** - assessment of provision of key visitor attractions (tea/coffee shops, public houses, restaurants/wine bars and sandwich bars), as well as visual survey including opening hours, sourcing of local food and mixture of food/drink premises;
- **Markets** - assessed factors include traders, customer base and relationship with the town; and
- **Customer care** - assessed through 'mystery shopper' visits, including shopper greeting, knowledge of products and 'added value'

2.14 Guisborough scored relatively highly on its provision of independent retailers, customer service and markets, but fell short on the physical make-up of the town. The overall distinctiveness score was lower than that of the pilot towns of Alnwick and Barnard Castle. A number of conclusions were made on local independent retail:

- The clustering of local independent shops served to build a good reputation for specialist independent shopping.
- Almost 50 per cent of local shops tended to display local or specialist products, but these were found to be often 'hidden' amongst the wider retail stock rather than promoted;
- The Church Street area of the town has potential to be a 'strong niche retail quarter', but suffers from a lack of physical connection and poor visibility from the primary retail area; and
- The town centre has a number of 'iconic' shops which remain unknown to visitors due to their isolated locations.

Further information:

• Miller Consulting report:

<http://distinctiveness.onene2dev.raki.enigmainteractive.net/lib/liDownload/10229/guisborough%20survey%20report.pdf?CFID=5623127&CFTOKEN=87541132>

## Case Study 4: London Borough of Islington - review of local shops' concerns and improved working with Council

2.15 The London Borough of Islington has introduced, as part of its sustainability committee, a review into supporting local shops in the Borough, following feedback from traders about a lack of involvement in the Council's decision making process. The



SC review into local shops in the Borough, it is hoped, will lead to improved working between the Council and small shops. Improvements proposed include a dedicated business support team, and an increase in town centre managers.

- 2.16 Six principal areas of concern for local shopkeepers in the Borough were identified, although resisting competition from national retailers was not amongst the listed concerns. The areas of concern were given as parking, street cleanliness, crime and safety, financial matters (e.g. rental values), general support, and promotion of local areas. The latter point is of interest: surveys conducted by the Committee indicated that people valued the high levels of service in local shops, and enjoyed taking advantage of the specialist shops the Borough had to offer. However the committee concluded that more work needed to be undertaken to *'promote and brand shopping centres across Islington, encouraging people to travel from area to area to take advantage of the unique shops in different areas'*. The two larger centres in the Borough, Angel and Nag's Head Town Centres, were seen to benefit in this respect from town centre management schemes, which smaller centres did not have.
- 2.17 Local retailers surveyed demonstrated a keenness to work in partnership with the Council to promote local shops in Islington. Best practice observed by the Committee included leaflets produced by local shops in the Amwell Street area promoting the local retail offer.
- 2.18 The committee concluded with a total of 17 recommendations for improving support for local retailers, including:
- Establishing a business support unit to act as a first point of contact, promote good practice and offer advice. The unit should also foster good communications with local retailers, and work towards better understanding and engagement between parties.
  - Continued support from the Council for local shops, and ensuring this is built into the LDF. Furthermore, *'the planning service should look at ways of protecting retailers and formulate a local retail strategy addressing the needs of small businesses'*.
  - Local shops should be made more aware of services provided by the Council, and other organisations, from which they may benefit.
  - The Council should *'do more to publicise, brand and promote local shopping centres, including making people aware of what services are available in an area - information to be made available in appropriate languages, large print format, etc.'*

- Establishment of a 'responsible traders' scheme, to promote/share best practice amongst local shops.
- Town centre management should be extended, *'employing peripatetic town centre managers to service areas where there are clusters of shops'*.

Further information:

- Report of Sustainability Committee:

[http://www.islington.gov.uk/DownloadableDocuments/Business/Pdf/helping\\_local\\_shops\\_final\\_report.pdf](http://www.islington.gov.uk/DownloadableDocuments/Business/Pdf/helping_local_shops_final_report.pdf)

## Case Study 5: Shrewsbury - Retailers United Forum and Transactional Website

- 2.19 Shrewsbury town centre has seen the development of Retailers United, *'a trade forum for retailers to network, develop marketing and training schemes, and, of critical importance - to connect with the local councils to participate in plans that affect the trading environment'*. Retailers United is therefore a dedicated network solely for retailers and restaurateurs in Shrewsbury town centre.
- 2.20 Retail-led regeneration is cited as being the most significant contributor to economic growth in Shrewsbury in recent years, and the town is presently making efforts to *'become a more attractive retail destination for discerning shoppers'*. The group comments that *'Shrewsbury town centre is famous for the hundreds of independent shops located alongside its 'big names'. The homogenous High Street look has yet to scar this ancient town centre and Shrewsbury has, so far...retained its uniqueness'*. Retailers United states that there are upwards of 600 independent retailers in the town centre which add to its attraction.
- 2.21 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. Retailers United comments that the site *'combines e-commerce for independents alongside strong promotion of Shrewsbury itself. Visitors to the site would be tempted to visit the town and offers and incentives would be created to draw more shoppers to Shrewsbury'*.
- 2.22 The scheme has been sponsored by Shropshire County Council, which proposes to roll out the scheme to other market towns in the county if proven to be successful. The site has been developed by Retailers United in partnership with local web design company BeVivid, and Shropshire Enterprise Partnership.

Further information:

- Retailers United: <http://www.retailersunited.co.uk/documents/Traders%20Meeting%2029%20March%20-%20News%20Release.doc>
- All the Little Shops: [www.allthelittleshops.co.uk](http://www.allthelittleshops.co.uk)

## Case Study 6: East Cambridgeshire/Huntingdonshire - Business Training for Independent Local Retailers

- 2.23 Action for Market Towns and the East of England Development Agency produce an annual 'best practice' guide for Market Towns in the region, with support from upwards of 70 towns, some of which were initially supported through the Market Towns Initiative scheme introduced in 2000. The group, Market Towns East, campaigns to keep market towns high on the regional and national agenda. A particular scheme which has taken place during 2005 which is of note is the PRIDE scheme, funded by East Cambridgeshire and Huntingdonshire District Councils. The scheme cost £51,000, and was funded by the Councils in conjunction with EEDA. The scheme delivers a programme of free business training to retailers in Cambridgeshire, comprising sales, marketing, visual merchandising, customer care and retail security, which served to provide *'necessary skills to help businesses flourish in an increasingly competitive local market. The project also provided the opportunity for business people to develop local contacts and share experiences with others'*.
- 2.24 The courses were promoted with the aid of Town Centre Management Initiatives in the towns of Huntingdon, St Ives, St Neots, Ramsey and Ely. A further six 'Ambassador Days' were held for employees of local independent businesses with customer facing roles, with the intention of promoting a 'network of ambassadors' who were able to actively promote each market town, and provide information about facilities and services available there.

Further information:

- Market Towns East 2006 Best Practice Guide:  
<http://www.markettownseast.co.uk/docs/Best%20Practice%20Guide.pdf>

## Case Study 7: Colchester - Consultation with Independent Retailers on Regeneration Proposals

- 2.25 Colchester Borough Council undertook targeted consultation with independent retailers in Colchester town centre on plans for the regeneration of the St Botolph's Quarter in the town centre in 2005. Consultation was organised through the Colchester Independent Retailers group, and was intended to obtain targeted opinion from independent businesses as to what the expected effects of the redevelopment would be. Almost 200 independent retailers were consulted, with 70 providing a response. Key issues which were identified including a largely positive reaction to the development of new retail units and a new Visual Arts facility; and concern over the

impact of construction work on business levels. The Group identified a number of mitigating measures which would assist in this respect.

Further information:

- Colchester Borough Council: [http://www.colchester.gov.uk/news\\_det.asp?art\\_id=2477&sec\\_id=27](http://www.colchester.gov.uk/news_det.asp?art_id=2477&sec_id=27)

## Case Study 8: London Borough of Merton - Retail Mentoring

- 2.26 Promotion of independent retailers is being developed through Town Centre Management schemes in centres in the London Borough of Merton. The centres of Mitcham and Morden are particularly dominated by independent businesses, many of which were found to be experiencing difficult trading conditions and increasingly vulnerable to changing retail patterns, as well as a general lack of investment. The Borough has submitted a successful external funding bid to the European Social Fund in order to fund a retail 'mentoring' scheme for independent businesses in the centres of Mitcham, Morden, Colliers Wood and Raynes Park, which the Borough is hoping to subsequently extend to the remaining local shopping centres and parades, many of which are in decline.

Further information:

- Merton Town Centre Management: <http://www.merton.gov.uk/towncentman.pdf>

## Additional information Sources

### *Retail Enterprise Network*

- 2.27 The Retail Enterprise Network (REN) acts as umbrella organisation for four different initiatives which together aim to *'protect the small retail sector in unique but complementary ways'*. The overall aim of the REN is to *'protect and promote diversity in the small retail sector...to give strategic direction and a voice to the fragmented but key part of our economy'*. The REN operates through the promotion of activities which will increase economic or personal effectiveness of small shops, as well as improving job satisfaction, reducing inequality and discrimination, and *'helping to encourage more people to have their own retail outlet'*.
- 2.28 The REN is 'growing in stature' amongst *'retailers, those who support retailers and those that influence related policy'*. The REN was involved in the production of the influential 'High Street UK 2015' report, published in 2006.

Further information:

- Retail Enterprise Network: <http://www.retail-network.org>
- High Street UK 2015: <http://www.retail-network.org/upload/download.asp?file=HighStreetBritain20150.pdf>

*Council for Protection of Rural England - 'Market Towns: Losing their Character?' (2004)*

- 2.29 The Council for Protection of Rural England (CPRE) published the *'Market Towns - Losing their character?' report in 2004, although the full report appears to be no longer in the public domain. The report voiced concerns that small market towns in England were 'in danger of losing their most vital asset - their character and distinctiveness'. The CPRE conducted a health check of 100 market towns during 2003, finding that many were 'threatened by bland and uniform new development with nothing local about it', with traffic congestion and stretched services often a related effect, or were struggling to compete with out-of-town developments, or new retail facilities in larger nearby centres.*
- 2.30 Of note are the 20 towns which the report identified as demonstrating good practice in retaining character, although none of the 20 were without their problems. The towns identified were:
- Alnwick;
  - Barnard Castle;
  - Cirencester;
  - Easingwold;
  - Faversham;
  - Frome;
  - Guisborough;
  - Holmfirth;
  - Longridge;
  - Ludlow;
  - Maldon;
  - Market Bosworth;
  - Oakham;
  - Saffron Walden;
  - Sandwich;
  - Sheringham;
  - Skipton;

- Sleaford;
- Tavistock; and
- Wimbourne

Further information:

- RICS Summary of CPRE report - 'Blandness affects Market Towns':

<http://www.rics.org/Environmental/landconsultancy/Planninganddevelopment/Blandness%20affects%20market%20towns.html>

## APPENDIX 7

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### TECHNICAL APPENDIX - CHANGES TO POPULATION ASSUMPTIONS AND DATA INPUTS





# 1 TECHNICAL APPENDIX

- 1.1 This technical appendix confirms (i) the methodology used to calculate the population of each of the survey zones which make up the Overall Catchment Area (OCA) for the study and (ii) summarises the key changes in data inputs which have taken place in the July 2009 update to the study, which supersede those in the December 2008 draft report. The changes reflect more up-to-date publications of data in respect of population projections, expenditure per head on convenience and comparison goods, rates of forecast growth in spending on these goods, turnover efficiency of existing retailers, and applied discounts for 'special forms of trading' such as online shopping. These are considered in turn below.

## Population forecasts

### *Methodology*

- 1.2 Population of the 25 survey zones has been obtained from MapInfo for 2006 based on 2001 census small area data and the 2006 mid-year estimates. This population has been projected to 2008 (the study base year), 2011, 2016, 2021 and 2026. Our projections for zones 1-7 are different than for zones 8-25, as we explain below.

### *Zones 1 to 7*

- 1.3 Zones 1-7 fall entirely in Milton Keynes administrative area and therefore we rely on the Milton Keynes city forecasts as provided by the Milton Keynes intelligence Observatory (MKi) within its Population Bulletin 2008/2009 (published in February 2009). It should be noted that the projections assume that 100% of the population growth for Milton Keynes occurs in zones 1-7; this is important since some of the planned expansion areas fall outside the existing boundaries of the city, but this population growth needs to be captured for the purposes of the capacity assessment.
- 1.4 MKi inform us that their projections for Milton Keynes are based on near identical dwellings forecasts are used within the South East Plan (SEP), published in May 2009. The dwellings forecasts used by MKi are 40,978 between mid 2006 and mid 2026, whilst the SEP uses 41,360 in the SEP. Importantly, the MKi projections exclude both the 5,600 dwellings to be found in Bedfordshire to the south east of Milton Keynes AND the 5,390 dwellings in Aylesbury Vale district as an urban extension to the south west of Milton Keynes (both in Policy MKAV1 of the SEP). We have been instructed to include the south west projections in our population projections for the quantitative assessment, but exclude the south east projections that will fall within Bedfordshire.

### *2006-2016*

- 1.5 For this period, we have used MKi ward forecasts for the period 2006 to 2016, which were published by MKi as part of the 2008/2009 Population Bulletin. These ward forecasts have been disaggregated by zone using existing distribution of population

which were obtained through our MapInfo database. Where some population growth falls outside zones 1-7 but within a Milton Keynes ward, we apportion this to the nearest zone 1-7. The output is an annual population growth rate for each zone between 2006-2008, 2008-2011 and 2011-2016, which can be applied to the base population data. The forecasts to 2016 do not include the expansion to the south west of Milton Keynes.

### 2016-2026

- 1.6 Ward based projections are unavailable between 2016 and 2026. Thus during this period we rely on the total city wide forecasts provided by MKi as part of the 2008/2009 forecasts. However, in order to account for the urban extensions to the south east (excluding the Bedfordshire growth) and the south west (including the Aylesbury Vale growth) of Milton Keynes, we weight the forecasts to ensure the relevant zones capture this population growth. This means that the population growth for the south west expansion is modelled for zone 1, whilst the population growth for the south east expansion falls in zone 4. The remaining population growth is distributed throughout the remaining five zones based on existing patterns of growth.
- 1.7 It is assumed that the strategic growth pre-2016 is accounted for by the ward level forecasts. There is no longer any indicative phasing, unlike the draft SEP. Therefore, we assumed a broadly equal split in growth between 2016-2021 and 2021-2026. The weighting process for zones 1 and 4 took account of the following growth:

Area	2016-2021	2021-2026
SE Growth Area (assumed to be Zone 4)	2,400	2,400
SW Growth Area (assumed to be Zone 1)	2,450	2,940

- 1.8 The weighting process involved calculating the population generated from this additional housing (using a household size of 2.4) and then the MKi city wide forecasts were redistributed on the a weighted basis, where population generated from these growth areas were directed to zones 1 and 4, with the remainder of the MKi growth distributed between the other 5 zones using the patterns of existing patterns of existing population growth. It is appreciated that this is a crude exercise, but for the purposes of this study it ensures that the broad quantum of population growth is apportioned to the correct zone to reflect actual housing growth. It is appreciated that if the housing developments do not achieve 2.4 persons per dwelling, then the population growth in the remainder of MK (i.e. the other five zones) would be higher.
- 1.9 The growth in population was capped by the MKi city wide forecasts, thus the growth in aggregate does not exceed the MKi city wide forecasts. 100% of the population growth for the MK area has been captured by this exercise, but it appreciated that the existing population in the MK area (but outside the zones 1-7) is not included in the base data. In addition, some of the population growth will fall outside zones 1-7.

Therefore, the percentage increase for the zones is higher than in reality will occur, but the numerical value is correct.

### *Zones 8-25*

- 1.10 In these zones we adopt local authority population projections for the dominant local authority in the relevant zone. In order to reflect the position of the south west expansion in Aylesbury Vale district, we have adjusted the forecasts for the relevant zone to reflect the inclusion of this housing growth in zones 1-7. The relevant forecasts for each of the zones 8-25 are used as follows:

Zone	Local Authority	Source
8	Daventry	A
9	Wellingborough	A
10	Kettering	A
11	Northampton	A
12	Northampton	A
13	Cherwell	B
14	Cherwell	B
15	South Northamptonshire	A
16	Bedford	A
17	Mid Bedfordshire	A
18	ire	A
19	Aylesbury Vale	C
20	South Bedfordshire	A
21	Luton	A
22	Bedford	A
23	Mid Bedfordshire	A
24	Aylesbury Vale	C
25	re	D

Source:

A	MKSM Business Plan (2008)
B	Oxfordshire Data Observatory - District summaries (Cherwell)
C	Buckinghamshire County Council - Aylesbury Vale Population Projections 2001-26
D	Hertfordshire County Council - EERA Dwellings-based forecasts - Group 2 and Group 3 forecasts for Hertfordshire and Districts. Table A2, Page 13.

### *Changes to population forecasts*

- 1.11 Overall population growth of the inner zones catchment has increased from 91,864 (December 2008 draft) to 92,674 (July 2009 update), an increase of 810 persons between the two sets of forecasts. Proportionately this level of growth is largely unchanged, equivalent to growth of 48 per cent between 2008 and 2026. Overall therefore there has been little material change in population growth, although it can be seen the growth is substantially redistributed between the interval periods.

- 1.12 To this end, population growth is greater in the short-term under the new forecasts, with the 'base year' population (2008) increasing from 190,931 to 194,201, an increase of 3,270. However for much of the remainder of the study period the rate of population growth has declined, particularly at the 2011 interval period (where the population of the inner zones is 6,632 persons lower than previously forecast) and 2016 interval period (where the population of the inner zones is 11,060 persons lower than previously forecast). In the 2026 period however the population of the inner zones is approximately 4,000 persons higher than previously forecast. Therefore there is an increase in the rate of population growth at the very start and very end of the survey period under the new forecasts, and a reduced rate of growth in the period inbetween.
- 1.13 Within zones, it can be seen that Zone 1 can now be expected to witness a much higher level of population growth (72 per cent increase 2008-2026 under revised forecasts compared to 47 per cent in the draft study), with Zones 2 and 7 also forecast to experience higher population growth than was previously forecast. Zone 4's population growth is now expected to be much lower than was previously forecast, from circa 35,000 persons (draft report) to 20,000 (July 2009 update).

**Figure T1 - Summary of population changes**

Cross refers to Spreadsheet 1 in Appendix 2

	Report draft	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Total 1-7
2008	Dec-08	37,105	26,152	23,639	24,769	36,031	19,602	23,633	190,931
	Jul-09	37,320	28,285	23,927	27,936	33,691	18,834	24,209	194,201
	<i>Difference</i>	<i>215</i>	<i>2,133</i>	<i>288</i>	<i>3,167</i>	<i>-2,340</i>	<i>-768</i>	<i>576</i>	<i>3,270</i>
2011	Dec-08	39,345	28,046	25,546	29,240	37,585	21,809	25,309	206,880
	Jul-09	38,715	28,735	24,403	30,529	33,775	19,174	24,918	200,248
	<i>Difference</i>	<i>-631</i>	<i>689</i>	<i>-1,143</i>	<i>1,289</i>	<i>-3,810</i>	<i>-2,635</i>	<i>-391</i>	<i>-6,632</i>
2016	Dec-08	41,457	30,616	28,335	36,518	42,393	24,244	27,902	231,465
	Jul-09	41,407	30,912	26,449	36,722	35,735	21,450	27,730	220,405
	<i>Difference</i>	<i>-50</i>	<i>296</i>	<i>-1,887</i>	<i>204</i>	<i>-6,657</i>	<i>-2,794</i>	<i>-172</i>	<i>-11,060</i>
2021	Dec-08	47,337	32,191	29,794	48,038	44,575	25,491	29,339	256,765
	Jul-09	52,213	34,590	29,595	42,482	39,987	24,002	31,029	253,898
	<i>Difference</i>	<i>4,876</i>	<i>2,398</i>	<i>-198</i>	<i>-5,556</i>	<i>-4,588</i>	<i>-1,490</i>	<i>1,691</i>	<i>-2,867</i>
2026	Dec-08	54,393	33,582	31,081	60,038	46,501	26,593	30,606	282,795
	Jul-09	64,248	37,888	32,418	48,242	43,800	26,290	33,989	286,875
	<i>Difference</i>	<i>9,855</i>	<i>4,306</i>	<i>1,336</i>	<i>11,796</i>	<i>-2,701</i>	<i>-302</i>	<i>3,382</i>	<i>4,080</i>
Total change 2008-2026	<b>Dec-08</b>	<b>17,288</b>	<b>7,430</b>	<b>7,442</b>	<b>35,269</b>	<b>10,470</b>	<b>6,991</b>	<b>6,973</b>	<b>91,864</b>
	<b>%</b>	<b>47</b>	<b>28</b>	<b>31</b>	<b>142</b>	<b>29</b>	<b>36</b>	<b>30</b>	<b>48</b>
	<b>Jul-09</b>	<b>26,928</b>	<b>9,603</b>	<b>8,491</b>	<b>20,306</b>	<b>10,109</b>	<b>7,457</b>	<b>9,780</b>	<b>92,674</b>
	<b>%</b>	<b>72</b>	<b>34</b>	<b>35</b>	<b>73</b>	<b>30</b>	<b>40</b>	<b>40</b>	<b>48</b>

## Per capita expenditure

- 1.14 Expenditure per capita forecasts for convenience and comparison goods are revised to take into account more recently published, 2006-based data by MapInfo/Oxford Economics. Figure 2 shows that all of the Milton Keynes survey zones have seen per capita expenditure for both comparison and convenience goods increase, albeit at varying rates. The greatest per capita expenditure growth has been in Zones 1, 4 and 5, with Zones 3 and 7 experiencing more limited growth.

**Figure T2 - Summary of changes in per capita expenditure**

Cross refers to Spreadsheet 2 in Appendix 2

	Report draft	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
<b>Comparison</b>	Dec 08* GBP	3,012	3,446	2,909	3,490	3,165	3,304	3,220
	Jul 09* GBP	3,095	3,510	2,967	3,564	3,247	3,349	3,260
	<i>Difference GBP</i>	<i>83</i>	<i>64</i>	<i>58</i>	<i>74</i>	<i>82</i>	<i>45</i>	<i>40</i>
<b>Convenience</b>	Dec 08* GBP	1,688	1,755	1,614	1,782	1,712	1,757	1,748
	Jul 09* GBP	1,724	1,797	1,642	1,830	1,757	1,792	1,771
	<i>Difference GBP</i>	<i>36</i>	<i>42</i>	<i>28</i>	<i>48</i>	<i>45</i>	<i>35</i>	<i>23</i>

\*December 2008 draft used 2005-based per capita expenditure figures; the July 2009 revision utilises 2006-based figures.

- 1.15 Significant amendments have been made between the December 2008 draft and July 2009 update in terms of the calculation of how the above rates of per capita expenditure are 'grown' over the period to 2026. These are set out in Figure T3 below. The impetus for the changes have been revised forecasts on retail spending published by MapInfo/Oxford Economics and Experian, both of which forecast a contraction in consumer spending as a result of the current economic downturn. These forecasts are being regularly updated, and the rates shown below represent the agreed RTP position as at May 2009, and equates, for 2008 onwards, to the 'midpoint' figure between the forecasts supplied by the aforementioned sources. Given the significance of these figures in influencing overall floorspace requirements, and the fact that they remain in a state of flux, they should be kept under regular review over the course of the LDF period.
- 1.16 Of particular note is the decrease in comparison goods expenditure growth in the period 2008-2016 from 5.3 per cent, per annum to 1.805 per cent, per annum, which clearly serves to dramatically curb the growth in the overall amount of comparison goods expenditure to the catchment (see 'Total available expenditure', below). In the period 2016-2021, the post-recession 'bounce-back' effect results in a higher per capita growth rate than was previously forecast, whilst the 2021-2026 rate is below that previously forecast but, in any case, should be treated as tentative given the long timescales.
- 1.17 For convenience goods, MapInfo/Oxford Economics' March 2009 update actually indicates a higher rate of growth in convenience goods expenditure for the period 2006 (the base year for MapInfo per capita expenditure data) to 2008 than was previously adopted, and therefore the amount of convenience goods expenditure available to the catchment at the study base year of 2008 is higher than previously. For the period 2008-2026 convenience growth expenditure is below that which as previously forecast, again most significantly in the near-term, with a 'bounce-back' built in at the 2016-21 interval period.

**Figure T3 - Summary of changes in per capita expenditure growth rates**

Cross refers to Spreadsheet 2 in Appendix 2

	Comparison goods growth rate – per annum		Convenience goods growth rate – per annum	
	December 2008 draft	July 2009 final report	December 2008 draft	July 2009 final report
200 5/06 to 200 8	One year growth at <b>7.2%</b> and two years' at <b>5.3%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>4.9%</b> [source: MapInfo/Oxford Economics Retail Briefings Update, Revised March 2009]	One year growth at <b>1.01%</b> and two years' at <b>1.2%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>2.2%</b> [source: MapInfo/Oxford Economics Retail Briefings Update, Revised March 2009]
200 8 to 201 1	<b>5.3%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>1.805%</b> [source: Midpoint figure from forecasts by Experian (Retail Planner Briefing Note 6.1 February 2009 changes, Table 3) and MapInfo (Retail Spending Outlook, Revised Version March 2009)]	<b>1.2%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>0.23%</b> [source: Midpoint figure from forecasts by Experian (Retail Planner Briefing Note 6.1 February 2009 changes, Table 3) and MapInfo (Retail Spending Outlook, Revised Version March 2009)]
201 1 to 201 6	<b>5.3%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>1.805%</b> [source: Midpoint figure from forecasts by Experian (Retail Planner Briefing Note 6.1 February 2009 changes, Table 3) and MapInfo (Retail Spending Outlook, Revised Version March 2009)]	<b>1.2%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>0.23%</b> [source: Midpoint figure from forecasts by Experian (Retail Planner Briefing Note 6.1 February 2009 changes, Table 3) and MapInfo (Retail Spending Outlook, Revised Version March 2009)]
201 6 to 202 1	<b>5.3%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>5.805%</b> [source: Midpoint figure from forecasts by MapInfo (Information Brief 08/02, Medium Term Past Trend, Table 3) and Experian (Retail Planner Briefing Note 6.1, Medium Term Past Trend, Table 3.2)]	<b>1.2%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>0.85%</b> [source: Midpoint figure from forecasts by MapInfo (Information Brief 08/02, Medium Term Past Trend, Table 3) and Experian (Retail Planner Briefing Note 6.1, Medium Term Past Trend, Table 3.2)]
202 1 to 202 6	<b>5.3%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>4.250%</b> [source: Midpoint figure from forecasts by MapInfo (Information Brief 08/02, Ultra Long Term Past Trend, Table 3) and Experian (Retail Planner Briefing Note 6.1, Ultra Long Term Past Trend, Table 3.2)]	<b>1.2%</b> [source: MapInfo Information Brief 07/02 and subsequent correction]	<b>0.45%</b> [source: Midpoint figure from forecasts by MapInfo (Information Brief 08/02, Ultra Long Term Past Trend, Table 3) and Experian (Retail Planner Briefing Note 6.1, Ultra Long Term Past Trend, Table 3.2)]

## Special Forms of Trading

- 1.18 Special forms of trading forecasts have been revised to take into account updated projections by Experian; the December 2008 draft used forecasts in the company's Retail Planner Briefing Note 5.1, which has been subsequently updated with Note 6.1, which is incorporated into the July 2009 update. The changes to SFT see a reduction in the proportion of comparison goods expenditure being spent on SFT (a drop of 0.8 per cent at the 2008 base year), but an increase in the amount of convenience expenditure being spent on SFT throughout the period to 2026. In both reports we have halved Experian's convenience SFT forecast to take into account the fact that many leading retailers operate store-based sourcing of goods placed by online customers (including Asda, Sainsbury's, Tesco and Waitrose).
- 1.19 Experian do not project SFT beyond 2016 and therefore 2016 figures are held constant to 2026.

**Figure T4 - Changes in Special Forms of Trading**

Cross refers to Spreadsheet 3 and 4 in Appendix 2

	Comparison goods SFT (%)		Convenience goods SFT (%)	
	December 2008 draft report	July 2009 draft report	December 2008 draft report	July 2009 draft report
2008	12.1	11.3	2.8	2.95
2011	14.1	13.4	3.5	3.65
2016-26	14.4	13.9	3.65	4.05
Source	Experian Retail Planner Briefing Note 5.1, Spreadsheet 5.1	Experian Retail Planner Briefing Note 6.1, Spreadsheet 5.1	Experian Retail Planner Briefing Note 5.1, Spreadsheet 5.1	Experian Retail Planner Briefing Note 6.1, Spreadsheet 5.1

## Total available expenditure

- 1.20 The result of the various changes described above is that the total 'pot' of convenience and comparison expenditure available to support additional retail floorspace is substantially diminished.
- 1.21 In the case of comparison goods, the amount of expenditure growth has decreased by almost a third from the December 2008 draft as a result of the changes above, with total expenditure growth now forecast at £1,058.4m over the period 2008-26, reduced from £1,550.4m.
- 1.22 The reduction in convenience goods expenditure growth is less pronounced, with the level of growth now circa 25 per cent lower than was previously forecast at £203.5m over the period 2008-26. As discussed above there is a slight increase in the amount of available convenience expenditure available at the base year due to the higher MapInfo forecasts incorporated for the period 2006-2008.

**Figure T5 - Changes in total available expenditure**

Cross refers to Spreadsheet 3 and 4 in Appendix 2

	Comparison goods expenditure £m			Convenience goods expenditure £m		
	December 2008 draft	July 2009 draft	Difference	December 2008 draft	July 2009 draft	Difference
2008	578.3	621.6	+43.3	322.3	346.1	+23.8
2011	715.9	660.7	-55.2	359.5	356.8	-2.7
2016	1,035.4	791.9	-243.5	426.6	396.0	-30.6
2021	1,490.3	1,208.6	-281.7	502.9	475.7	-27.2
2026	2,128.7	1,680.0	-448.7	588.4	549.6	-38.8
Total expenditure growth 2008-26	1,550.4	1,058.4	-492.0	266.1	203.5	-62.6

## Retailer turnover and floorspace efficiency

- 1.23 Alterations have been made to the growth in turnover of existing convenience and comparison retailers so as to ensure turnover growth is aligned with expenditure growth, as described above; otherwise, using existing rates would have ensured that existing retailers' productivity growth would be greater than the revised expenditure growth rates which have been used, which can be considered an unlikely scenario.

- 1.24 The revised rates used are shown below. These have also been applied to the benchmark sales densities of £7,000 per sq.m for comparison goods and £11,700 per sq.m for convenience goods (at the 2008 base year) used for calculating the total floorspace requirement for Milton Keynes (Figure T6b).

**Figure T6A - Changes in turnover efficiency of existing retailers**

Cross refers to Spreadsheet 10A and 17A in Appendix 2

	Growth in turnover efficiency of existing comparison goods retailers (per annum)		Growth in turnover efficiency of existing convenience goods retailers (per annum)	
	Dec 2008 draft	July 2009 draft	Dec 2008 draft	July 2009 draft
2008-2011	2.30%	0.68%	0.60%	0.16%
2011-2016	2.30%	0.68%	0.60%	0.16%
2016-2021	2.30%	2.20%	0.60%	0.60%
2021-2026	2.30%	1.60%	0.60%	0.32%

**Figure T6B - Changes in floorspace efficiency assumptions**

Cross refers to Spreadsheet 10A and 17A in Appendix 2

	Assumed comparison goods floorspace turnover per sq.m		Assumed convenience goods floorspace turnover per sq.m	
	Dec 2008 draft	July 2009 draft	Dec 2008 draft	July 2009 draft
2008	11,700	11,700	7,000	7,080
2011	12,000	11,756	7,500	7,144
2016	12,300	11,851	8,250	7,390
2021	12,700	12,210	9,000	8,239
2026	13,000	12,407	10,000	8,729